



Building a Successful Marketing Organization

The passage of Proposition 1A in 2000 allowed many Indian gaming casinos in California to rapidly grow from small local oriented properties to regional gaming and entertainment destinations. Casinos that were once little more than bingo halls with class II gaming devices quickly became full-service casinos offering guests a multitude of dining and entertainment options. Most significant to marketers was the addition of sophisticated player tracking systems that allowed Indian casinos to employ database marketing programs and analytical tools that were once only available to non-Native American casinos.

Unfortunately the staffing needs of marketing departments for many of these rapidly growing casinos often did not keep up with these hurried expansions. As such many casinos now find themselves marketing larger properties, promoting multiple dining options, expensive headliner entertainment, hotel, meeting space and greatly expanded gaming operations with virtually the same sized staff that they had prior to this period of growth.

The Indian casino of 2002 is dramatically different from its predecessor of only a few years past. Multi-million dollar advertising campaigns, player reward programs, database marketing campaigns that are comprised of thousands of mail offers to players each month, e-mail campaigns, large monthly promotions, special events, tournaments, player parties, public relations, community outreach

keting plan needs in order to market itself effectively. The second is suggested for gaming operations that have 2,000 gaming devices, an entertainment center, hotel, meeting space and multiple dining venues, and markets itself as a true regional gaming destination.

Phase I Marketing Organization

Exhibit 1 illustrates the minimum marketing staffing needs for a gaming enterprise with 1,000 gaming devices and 30 table games, operating in a competitive environment. The six marketing functions report to the Director of Marketing and Advertising whose primary accountability is to lead, plan and control the property's marketing efforts.

While Advertising/Publicity, Promotions/Special Events, Group Sales and Database Marketing are traditional marketing functions, this organization chart proposes several additions that deviate from traditional casino marketing organizations.

Player Development

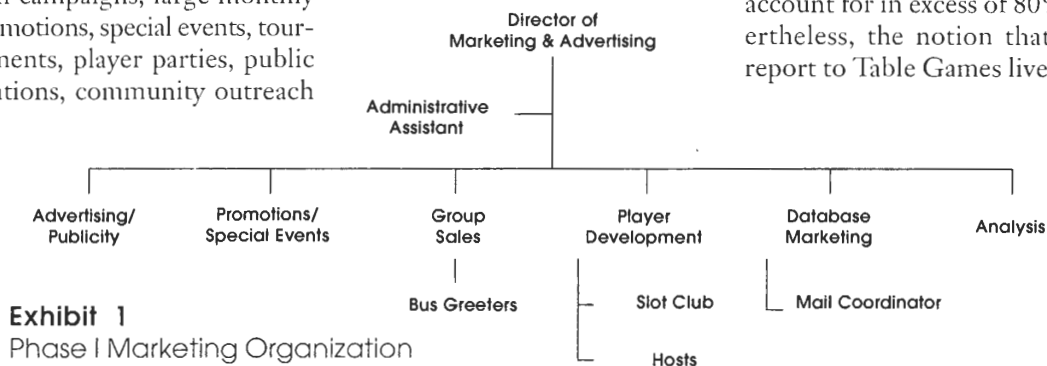
In another era Player Development reported to the Director of Table Game Operations. Of course, in those days table games were the financial epicenter of the gaming enterprise and slots were an amenity to keep table game players' spouses occupied. That is not the case today where slots often account for in excess of 80% of the casino's revenue. Nevertheless, the notion that Player Development should report to Table Games lives on in many gaming organizations.

Today the customers' entry point into player development is the property's player rewards program. From that point new customers' gaming activity is monitored and segmented by gaming

worth. A well-run rewards program would not only have club representatives enrolling people at the club but would also incorporate roving club ambassadors who would identify non-carded players and recruit them into the club. These ambassadors would work closely with casino hosts in identifying those customers worthy of special attention. The goal is to have an integrated player rewards program that recognizes all segments of the player database.

Analysis

A fundamental law of human behavior states that human beings will not destroy what they themselves have created. Yet knowing this, casinos still expect Promotion Managers to eval-



programs and charitable giving are becoming the norm for most properties. More important, the analytical tools incorporated in new player tracking systems require trained analysts to comb through the reams of data, summarize the results of the casino's marketing efforts, determine their profitability, and spot trends within the database. In order to effectively market a regional gaming property the casino must have sufficient marketing staff with the experience and capabilities to do the job right.

This article proposes two types of marketing organizations. The first is the minimum sized marketing department that a casino with over 1,000 machines and a fairly aggressive mar-

Vice President
Marketing & Advertising

Administrative Assistant | Budget Manager

Advertising | Casino Marketing | Entertainment | Analysis

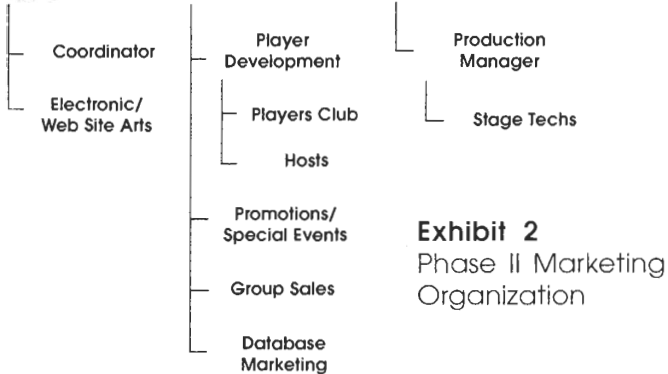


Exhibit 2
Phase II Marketing
Organization

uate the success of their promotions and Group Sales Managers to evaluate the profitability of their bus programs. Just as important is the fact that these managers are often too busy planning the next promotion or event to conduct a thorough analysis of the previous marketing effort.

In order to get accurate and timely analysis of all marketing efforts it is necessary to have an independent analyst examine each marketing effort and determine their profit or loss. The analyst would be familiar with each promotion's or marketing campaign's components, participate in the design of its measurement tools, and gather the data needed in order to complete timely and accurate analysis.

Administrative Assistant

The Marketing office is the de facto vortex for most customers' inquires complaints, property information and vendor cold calls. Without a competent administrative assistant who can field the steady stream of calls, staff members are constantly diverted from their tasks. Customers receive inconsistent information and complaints are handled in an unpredictable manner. The administrative assistant makes everyone in the department more productive.

Phase II Marketing Organization

As the gaming enterprise adds a hotel, meeting space, golf course, spa and fine dining venues the level of marketing activity increases substantially. Often gaming enterprises realize only after the completion of their expansions that the casino will not be able to fill these facilities seven days a week. Not only must these amenities be kept full during mid-week periods with aggressive marketing efforts to various segments of the database, they must also be yield managed on weekends in order to service the casino's most profitable gaming segments. That takes a coordinated effort from various marketing departments. Exhibit II details this expanded organization.

Casino Marketing

In Phase II development of the marketing organization, Casino Marketing becomes its own functional department with Player Development, Promotions/Special Events, Group Sales

and Database Marketing reporting to it. The Casino Marketing Director directs his staff to keep the casino and its related amenities filled with the most profitable gaming segments.

Budget Manager

In a modern gaming organization marketing expense is often the second largest variable expense after labor. Club rewards, direct mail offers, advertising, promotions, bus expenses, coupon redemptions, charitable giving and entertainment can easily exceed 20% of gaming revenue. Tracking those expenses, forecasting their effects on the P&L statement and assuring that all expenses charged to the Marketing department are legitimate, is a full-time job and requires an astute individual to monitor the flow of expenses. In addition, the budget manager acts as a watch dog to prevent other departments from "fading" their variable expenses to Marketing.

While these organization charts may appear labor rich, they are in fact a necessary expense that will allow the casino to market itself more effectively. Consider that the typical casino snack bar has more employees than the Marketing department and one quickly realizes the value of a well-staffed and well-structured marketing organization that can make the best use of the casino's precious marketing dollars. ♣

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