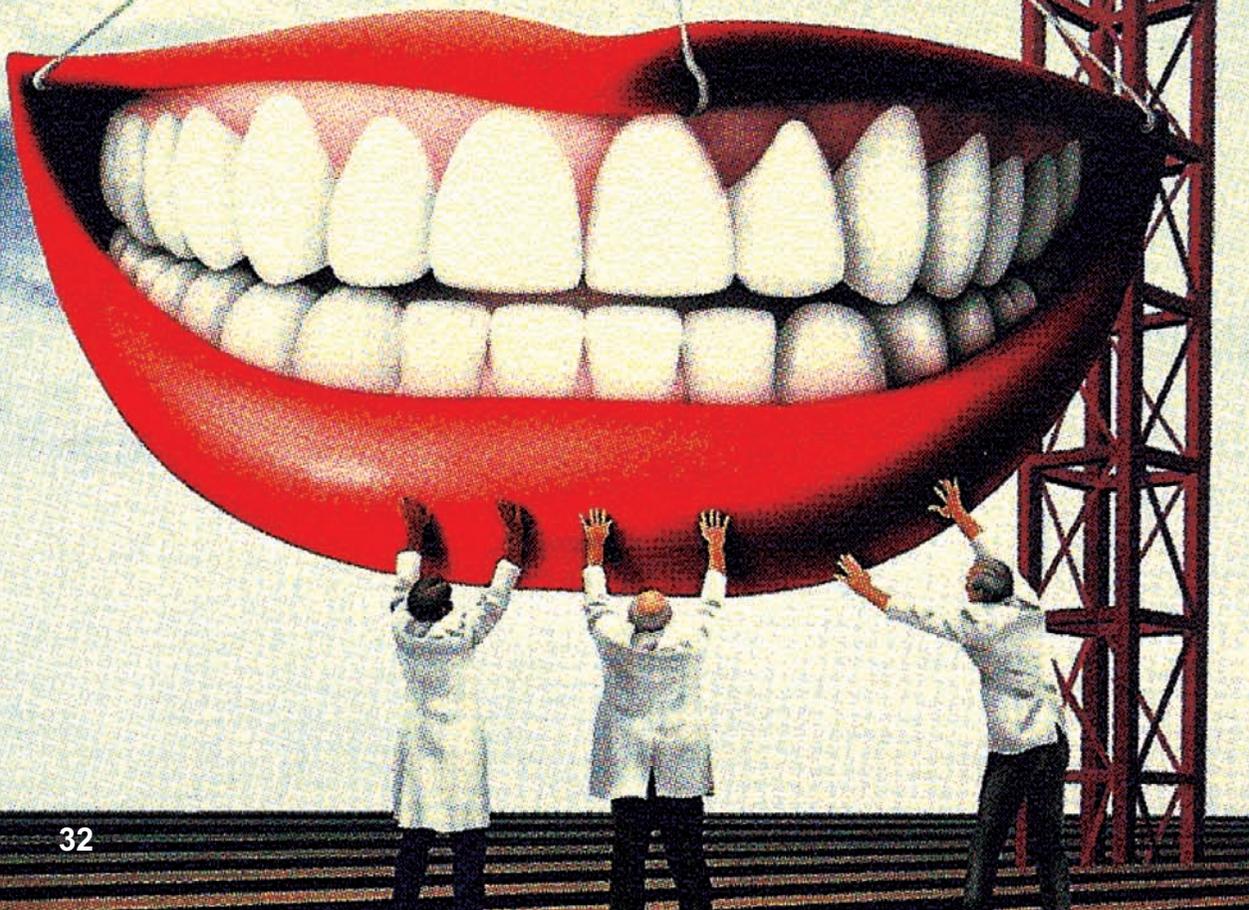


Making Things Look Pretty

Colin Stewart looks at the changing
landscape of UK casino marketing



So what do you think? Do casinos in the UK need marketing? Is a marketing department a 'luxury' or a 'necessity'? Most, if not all major businesses have dedicated marketing departments. However, when it comes to the casino industry, the role of marketing has nearly always been taken on by the General Manager. The 3 major operators have centralized marketing departments for the overall brand identity, mission statement and online activity. Yet, local activity is normally run through the GM. Casino marketing during the 1980s, 1990s and early 2000s was perceived as putting a logo on a box of matches or disposable pens, taking some buddies to the boxing, races or a football match and little else. With the growth of the market across the board including the national lottery, bingo, and racing and of course online gaming, the casino industry needs to make changes and not only because of the impending implementation of the 2005 Gambling Bill.

Gone are the days when it was only the well heeled and hardened punters, who visited the casino. Now casinos are attracting a much wider range of customers. In order to meet this demand, operators must change their views on how they market their business.

Across Europe operators take a much more serious consideration of marketing. The legislation in most countries is as strict as the UK; however, operators are more willing to invest in marketing activity to increase their business. For example, Casinos Austria invests a great deal when it comes to marketing concentrating on brand identity, customer service and promotions, while their main competitors spend little in comparison. With this, they achieve a much larger than average market share. In Russia, for the best part of the last decade, many of the casinos provide daily entertainment shows, competitions and monthly prize draws. The staff structures include positions such as VIP hosts and casino host/hostesses. They also offer a wider range of facilities, which are not directly connected to gaming, such as restaurants, bars, nightclubs and cinemas.

It is obvious that the operations in Russia have taken direction from the United States, where marketing is king. There is no argument that the Americans can show us a thing or two about marketing and customer service. This may not sit well with many people here in the UK, however, when the majority of operators have a VP of Marketing on the Board there must be some reason for this. The US Institute of Marketing published a 200 page report in 1998 entitled 'Casino Marketing for the 21st Century', in which it goes to great lengths to describe how marketing in this industry will develop. Though it is heavily concentrated on the US market, their influence naturally reaches out to other shores and finally are reaching here, in the UK.

As more and more casinos open and demands on the

business increase, operators need to target a much wider range of potential customers. Top line players or high rollers are becoming more demanding. The disappearance of the 48 hour and then 24 hour rule helped to build casino membership lists, however, the main target now is to ensure that these members return. Gambling is becoming more socially acceptable with the introduction of the national lottery, easy access to online gambling and the popularity of Fixed Odds Betting Terminals (FOTB) to name but a few. According to statistics published by the Gambling Commission in 2004, the number of persons who visited casinos was estimated to vary from 2% (DCMS) to 5% (Mintel) of the adult population, with an estimated average attendance of 5 times a year. A net spend per visit was given as £58. Following deregulation and the introduction of the 17 new licences under the 2005 Gambling Bill, these figures are expected to increase

anywhere from 6% to 35% market penetration and increased visitation from between 5 and 12 times a year. Spend per visit is estimated to be between £45 and £65. In order to achieve these figures, operators are now increasing the offer by including more non gaming facilities such as restaurants, bars, live entertainment, corporate events and functions and in some cases

even beauty salons. Getting players through the doors is the name of the game for casinos. If no one comes in, there is no playing and without playing the businesses will not survive. It is all about marketing, using all the gaming and non-gaming facilities, promotions, cash and prize draws and giveaway items and most importantly of all: consistency and standards of service. In fact, casinos now become an entertainment destination rather than only a gambling establishment.

Some of these changes have already begun to appear in some of the more recent casino openings in the UK. New staff positions which did not exist previously, such as guest relations, host/hostess and VIP host/hostess together with 'new member sales managers' show us, that some operators are beginning to look seriously in becoming more approachable. The education of customers is very important and these positions help new members become more easily acquainted with the intricacies of the trade. Without making the visit to the casino an enjoyable experience, it is hardly expected that any new member would return soon. Ensuring that the operation is a more attractive offer for potential customers is imperative.

One of the most effective tools used in marketing to communicate with the customer is advertising. At the moment, advertising a casino is severely restricted, however, Aspers Casino in Newcastle has shown that boundaries can be pushed or rather the guidelines can be used to their advantage. In one case in particular,

Casino marketing ...was perceived as putting a logo on a box of matches

the demise of Bannatyne's Casino gave Aspers the opportunity to target new customers by offering a meal in exchange for their old Bannatyne's casino membership card. This, together with a 'close to the bone' press campaign, certainly created a stir in the town. Aggressive advertising may be frowned upon by some in the trade. However, the need to establish and maintain the brand, communicate with existing and potential customers demands a creative advertising approach. Come September 2007, casinos will be able to advertise more freely on both TV and Radio, though there will be rules governing the content of such. With the cost of producing such adverts and the cost of broadcasting on air, can the result substantiate the investment? For local and independent operators, the question is not will this be viable, but can operators afford not to. Perhaps an additional area of advertising will be the internet. With more and more people using the internet these days and the opportunity for casinos to be linked up with their own online casino, this could open up a large potential new market for business. How would it affect the online operators? You may in fact see some of them open land based operations – who knows there may be an 888.com or red32 land based casino just around the corner!

Not all operators may have the resources to establish their own marketing department. The alternative therefore is to use an agency or consultancy to organise marketing activity. The core of the problem though, is it is more difficult to train a marketing professional the intricacies of casinos, than it is to train a casino professional in marketing skills. To solve this problem, one recently formed consultancy, 'Casino

Marketing & Design' offers over 50 years experience in the casino, marketing, design and print industry. Able to offer a wide range of services from initial strategy to marketing plan, advertising campaign schedules and media purchase to a full design & print service, web design & development, promotional merchandise and much more. 'Casino Marketing & Design' is ready to provide the expertise and experience operators are looking for to increase profit in their business, without spending vast amounts of money and time. Marketing does not need to be expensive.

Marketing is a key part of the casino success. Operators need to decide who to target, also to work out how they will reach and win new customers and most importantly, how to keep existing customers happy. To achieve this, they must keep reviewing and improving everything they do to stay ahead of competitors. Marketing is not a 'luxury', nor is it 'making things look pretty'. Marketing encompasses a wide range of activity in the casino; from business strategy and branding to customer service and staff training. The perception of the operation by the customer is presented in the image put across in many formats including external advertising, both gaming and non-gaming facilities, standards and consistency of service. With the implementation of the new Gambling Bill 2005 in September this year, the introduction of the 17 new casinos, additional operations under the 1968 Act, forecasted increases in market penetration and casinos becoming more socially acceptable, the demands and opportunities for the industry are sure to increase.

UK Advertising Legislation to change...

Following on from the feature above, **casino life** looks at the proposed changes recently announced on UK advertising

The cat is not yet out of the bag but when it does there is a whole new set of rules to make sure that eagerly awaited advertising revenue is applied correctly and in the public interest.

The Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) have announced rigorous and robust new rules for gambling advertisements which will come into force in September of this year. The rules are designed to ensure that all gambling advertisements are socially responsible with a particular regard for the need to protect children and vulnerable members of society. In summary, the new rules ensure that advertisements for gambling do not:

- Portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm

- Exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons
- Suggest that gambling can be a solution to financial concerns
- Link gambling to seduction, sexual success or enhanced attractiveness
- Be likely to be of particular appeal to children or young persons, especially by reflecting or being associated with youth culture.

CAP and BCAP developed the new advertising rules in response to the introduction of the Gambling Act 2005, which introduced a new legislative framework for gambling, and after a joint CAP and BCAP public consultation which closed in September last year.