

BREAKOUT SESSION

Using Research to Develop Casino Promotions: A Gold Mine to Drive Engaged Guests and Incremental Revenue

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Structure the survey questions to quantifiably predict how a promotion will impact visitation and incremental revenue. This is the type of information that you would include in a pro forma; however, by surveying your players BEFORE you launch the promotion, you can base your projections on data rather than guesswork.

You have to know what data you need to collect so that you can include the questions that will give you the answers you need.

1. Define the promotion:

- a. What is the prize?
- b. How will players enter/qualify?
- c. How long will it run?
- d. How will you promote internally and externally?
- e. What is the total budget/line item budget?
- f. What were the results for similar or previous promotions?
- g. What is your minimum ROI for a promotion?

2. Determine the survey objectives:

- a. Increase visitation frequency
- b. Increase time on device
- c. Drive mid-week play
- d. Attract non-active players
- e. Attract players who normally don't participate in promotions
- f. Other

3. Choose your target audience:

- a. Seniors
- b. Millennials
- c. Women
- d. Men
- e. VIPs
- f. Slot players
- g. Table players
- h. Low visitation frequency players
- i. All players
- j. Locals
- k. Non-locals
- l. Other

SAMPLE SURVEY TEMPLATE: This is a real promotion that was recently held at a casino and is similar to many casino promotions. What are the objectives of this promotion? Who is it targeting? How would your players rate this promotion? What impact would it have on visitation and revenue? How would you create a pro forma for this promotion? Modify this sample promotion survey template for promotions at your property – from cash giveaways, to gift-of-the-month programs, to VIP events.

SURVEY INTRODUCTION:

ABC Casino Resort is planning a casino promotion for guests like you, and we need your input to help us do the necessary fine-tuning to make it as fun as possible.

Please read the following description of the promotion then answer the questions that follow.

Thank you in advance for your participation. To show our appreciation, once you complete the survey, you will be automatically entered into a drawing with three \$100 CASH PRIZES!

We will notify the winners via email on DAY/DATE.

PROMOTION DESCRIPTION:



ABC Casino Resort is considering this promotion: Gone Jeep'n Giveaway. Win a Jeep Wrangler, plus 50 more winners will share \$15,000 in Free Play!

1. Entries for the promotion start on March 1 and the drawings will be held on March 28 from 8 p.m. to 11 p.m.
2. One free entry available daily at the kiosk, plus earn one entry for every 100 points earned (or the equivalent in table play).
3. Up to 25x entries on Fridays at the kiosk on March 6, 13, 20 and 27.
4. On Saturday, March 28, starting at 8 p.m., five winners will be chosen every 20 minutes for \$250 Free Play prizes.
5. On March 28 at 11 p.m., six winners will be chosen. Five will get from \$500 to \$1,000 in Free Play and one player will win a Jeep.

Q1. How likely are you to participate in this promotion?

- Definitely would not participate
- Probably would not participate
- Not sure if I would participate
- Probably would participate
- Definitely would participate

Q1a. If the respondent answers that they “probably” or “definitely” would NOT participate, then they would be asked why. All other respondents would be directed to Q4.

Q1a. Why do you think you would not participate in this promotion?

- a. I never win in promotions, so I don't participate.
- b. It's too crowded on promotion drawing nights.
- c. I don't like having to get entry tickets at a kiosk.
- d. I don't go out that late at night.
- e. The rules are too confusing.
- f. I don't want to win a car.
- g. The free play prizes are not appealing to me.
- h. Other _____

Q2. If you are interested in participating in this promotion, please choose the statement below that best describes how it might affect your visits to ABC Casino Resort.

- I would visit the same amount of times per month as I do now.
- I'm not sure if I would visit more often.
- I probably would visit more often.
- I definitely would visit more often.

Q2a. If the respondent answers that they “probably” or “definitely” would visit more often, then they would be asked how many more visits they would make during the four-week promotion. All other respondents would be directed to Q3.

Q2a. How many MORE visits than normal per month would you be likely to make so that you could participate in this four-week promotion?

- One more visit during that month
- Two to three more visits during that month
- Four or more visits during that month

Q2b. Assume that your gambling budget is \$50 per visit just for playing slots and/or tables (but not for eating, retail or other expenditures). If you visited more often, what statement best describes how your play on slots and/or tables at ABC Casino Resort might change:

- _____ If I visited more often for this promotion, I would play less each visit so that I stay within the gambling budget I set for myself.
- _____ If I visited more often for this promotion, I'm not sure if I would spend more money gambling or if I would stick with my set budget for the month.
- _____ If I visited more often for this promotion, I would still spend \$50 per visit and just spend more over the course of the month.

Q3. Please choose the statement that best describes your level of participation in promotions held at ACB Casino Resort during the past six months:

- _____ I always participate in promotions here.
- _____ I usually participate in promotions here.
- _____ I participate in about half of the promotions here.
- _____ I usually do not participate in promotions here.
- _____ I never participate in promotions here.

Q4. Overall, how would you rate the appeal of the Gone Jeep 'N promotion that ABC Casino Resort is considering?

(with 1 being "terrible" and 10 being "great")
Drop down menu: 1,2,3,4,5,6,7,8,9,10

Q5. Is there anything that you would like to tell ABC Casino Resort about the Gone Jeep 'N promotion or any other promotions that they hold?

(open end test question)

HOW TO ANALYZE PROMOTION SURVEY RESULTS AND PREDICT REVENUES

A good predictor of a current promotion is a similar past promotion. What was the level of participation and what was your incremental revenue? You also have to consider any layered promotions that may have been going on. Also, what changes, if any, have you made for this promotion? If you're not sure how accurate your past data is in measuring the success of a promotion, then a promotion survey is a good way to set a baseline.

Margin of error = 10% (whatever number you have, assume that it could be plus or minus 10%)

Q1. LIKELIHOOD TO PARTICIPATE

Assume that you sent the survey to a large sample that is representative of your entire database of 50,000 members. 10% of your guests say that they will "definitely participate" in the promotion. $50,000 \times 10\% = 5,000$ guests who will participate. Low case with margin of error is 4,500 guests.

Q2. LIKELIHOOD TO VISIT MORE OFTEN

Assume that of the 4,500 guests who will participate, 25% said they definitely will visit more often. $4,500 \times 25\% = 1,125$ guests who will come at least one extra time during the promotion. Low case with margin of error is 1,012.

BASE ANALYSIS:

1,102 incremental visits @ \$50 per visit = \$50,600 in projected minimum incremental win.

The base analysis is a thumbnail projection of the minimum amount this promotion could be expected to generate in incremental win. Marketing, advertising and execution of the promotion also, of course, impact results and this is the function of the marketing department.

ROI: The average base cost of a new Jeep Wrangler is \$28,000, plus the \$15,000 in free play for this promotion, so the total prize cost is \$43,000.

ROI would be 18%. ($\$50,600 - \$43,000 = \$7,600$ profit. Divide the \$7,600 by the \$43,000 cost for the ROI percentage).

OTHER VALUABLE DATA:

This survey can also show you the overall appeal of this promotion, why it's not appealing to some guests so you know in advance how to tweak and improve it before you launch, and the open-end text question at the end is an opportunity for your guests to tell you what they think about your promotions program.

