

Raving **NEXT**

Raving NEXT Think Tank Report ***Survey Data & Challenge Results***

January 28 - 30, 2020

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About Raving NEXT Think Tank

The idea for the Raving NEXT Think Tank started in 2017 as Deana Scott, Raving CEO, noted the diverse knowledge of the individuals in attendance at our Indian Gaming Analytics & Marketing Conference. As she looked around, she realized that there were three experts on stage, but the audience was filled with experienced gaming executives who had worked through some very tough challenges in their gaming careers. And these “boots on the ground” folks had some really valuable insight into future trends. Since then, Raving has tapped into the expertise in the room to help solve many common industry issues by connecting gaming executives through this round table exercise. On Tuesday, January 28, 2020, you were a part of the second Raving NEXT Think Tank.

Why is this important ...

Deana began working in Indian Gaming and Tribal economic development nearly 25 years ago. When she started in this industry, she worked for the Coquille Tribe, her husband and kids’ tribe, and she realized, “If I do a good job, my kids will benefit. But as I began to work in the industry, I realized that if I did a good job my kids’ kids would benefit, and the community would benefit. And because I was encouraged to be innovative and think of future generations in my decision-making, I know we changed lives.”

The attendees sitting in the audience were told, “You are a voice for change and innovation in our industry. It doesn’t matter what your title is, whether you are at a large or small property. What matters is that you are here. What matters is that you got out of bed and showed up very early on a Monday morning to guide our industry into the future. We are in the casino and hospitality industry and although we must be strategic and analytic, we can’t forget people visit us to get away from the worries of the day and have some fun.”

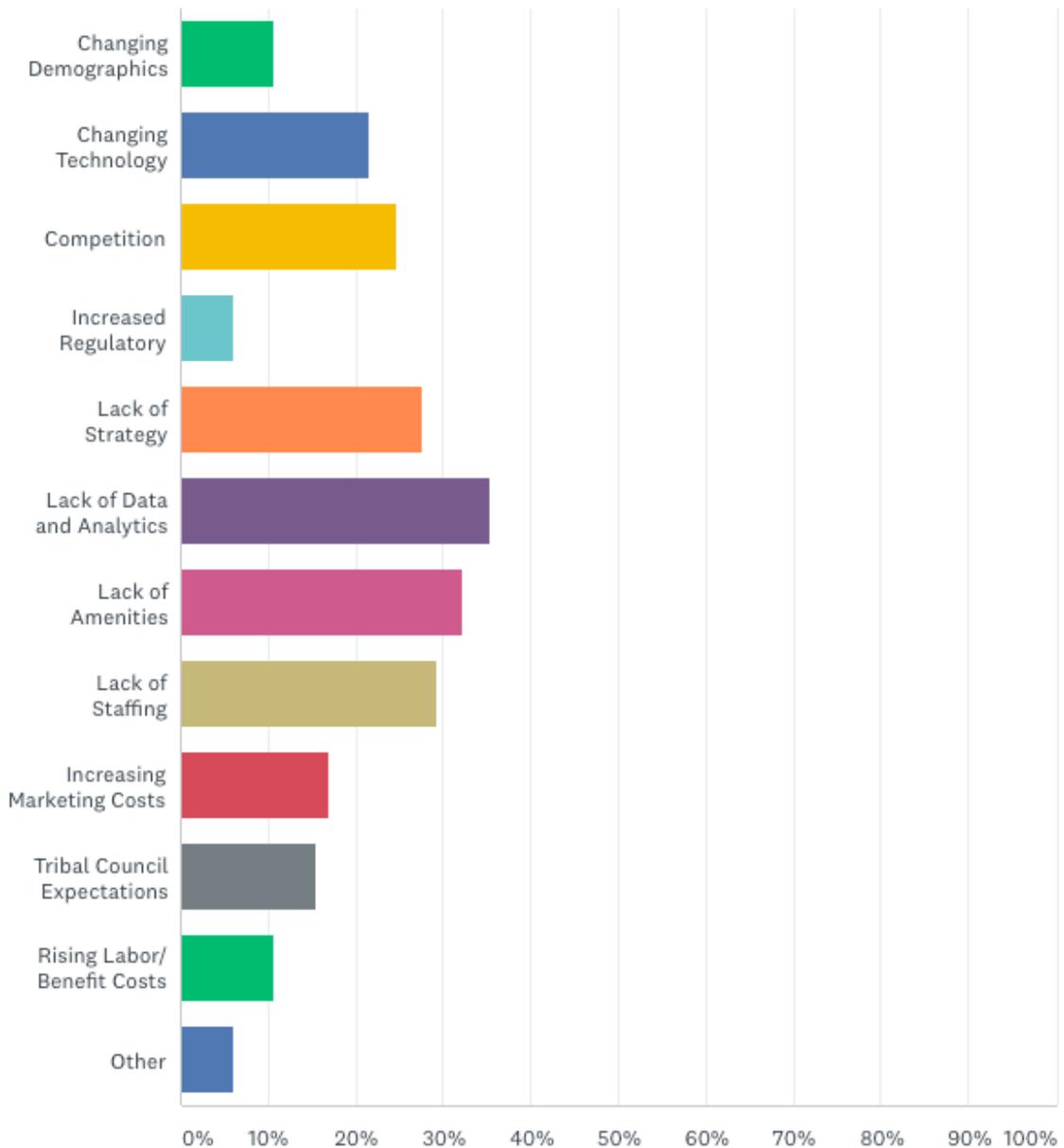
How it worked ...

Every Raving NEXT attendee was asked to participate in a State of the Industry Survey prior to the conference. We used the results of this survey to guide the discussion and set up six challenges based on the feedback from the survey. We took the top six issues that these attendees told us they were facing currently at their properties. Attendees were asked to discuss and develop the solutions within small groups; their ideas and feedback were shared that morning and the results have been compiled in this report so that each attendee can utilize this information to continue to work on solutions and build opportunities for their tribes. The survey had a 57% response rate.

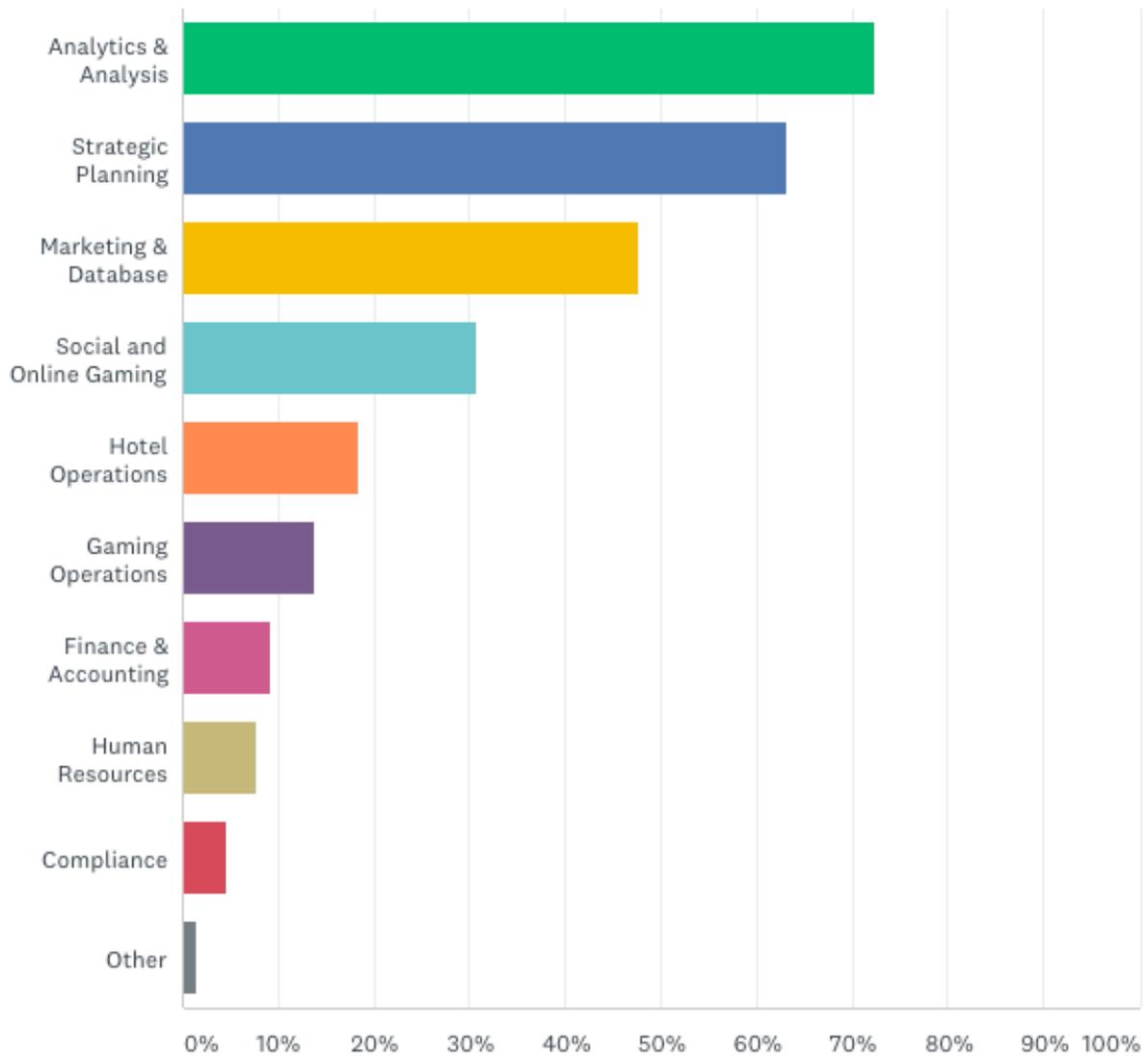
Pre-Conference Survey Results

Prior to Raving NEXT, January 28-30, 2020, at Isleta Resort & Casino, we asked all attendees to complete a 13-question survey. Of the 115 attendees, 65 completed the survey (57% response rate). Here are the results:

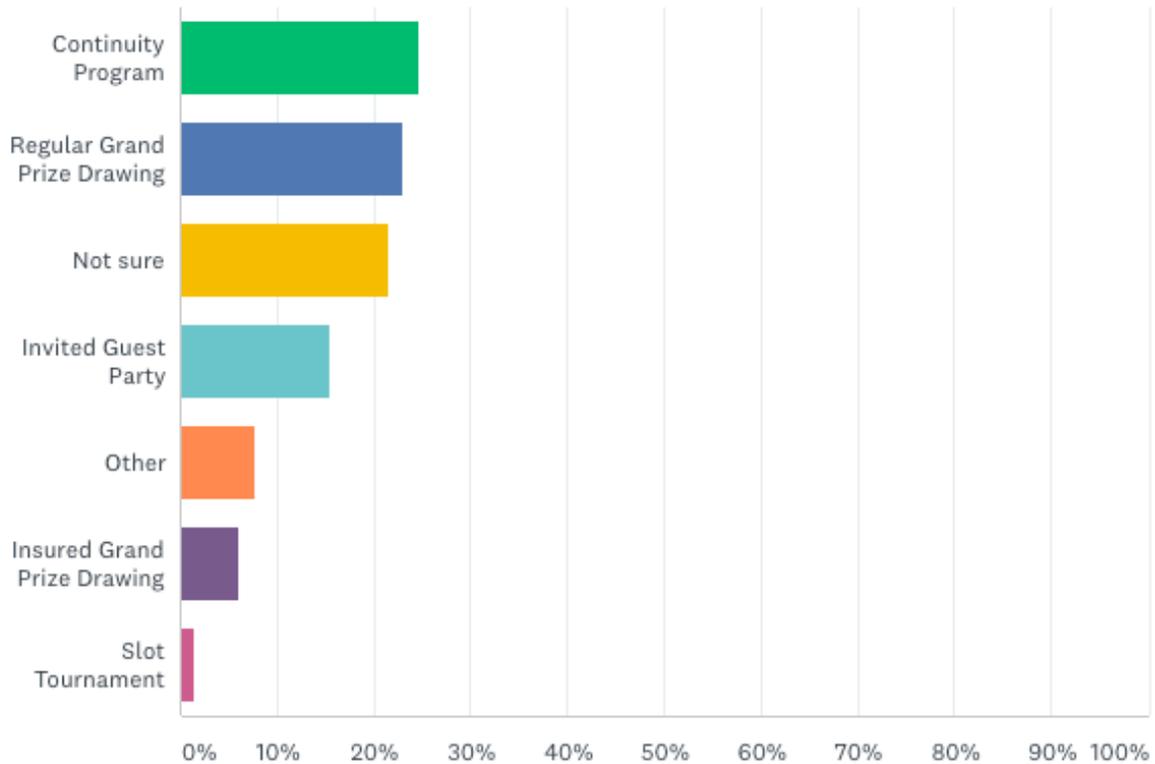
Q1: What do you see as the biggest issue facing your property?



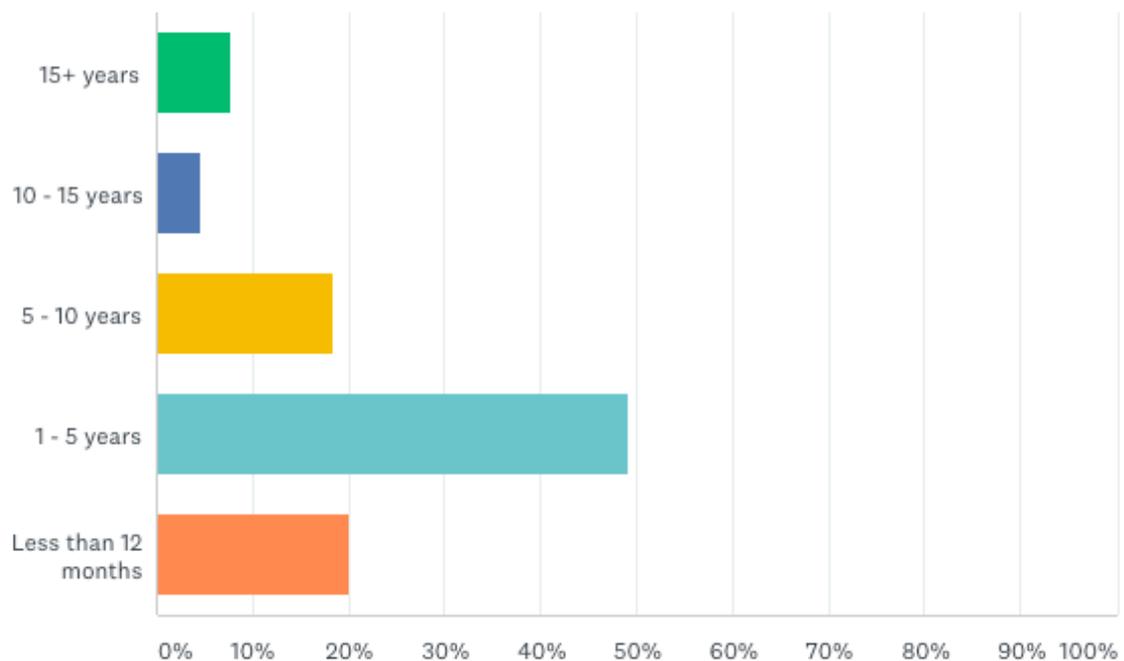
Q2: Select three areas of expertise you wish you had more of at your property:



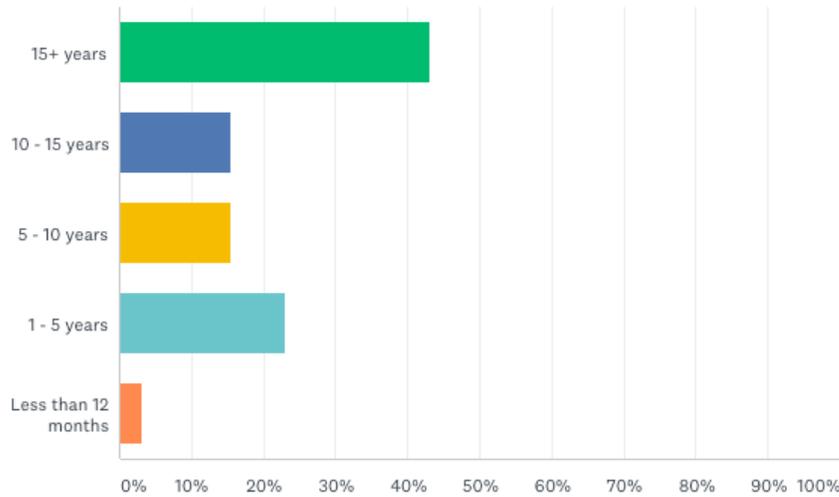
Q3: What was the marketing promotion that drove the most ROI within the last 12 months?



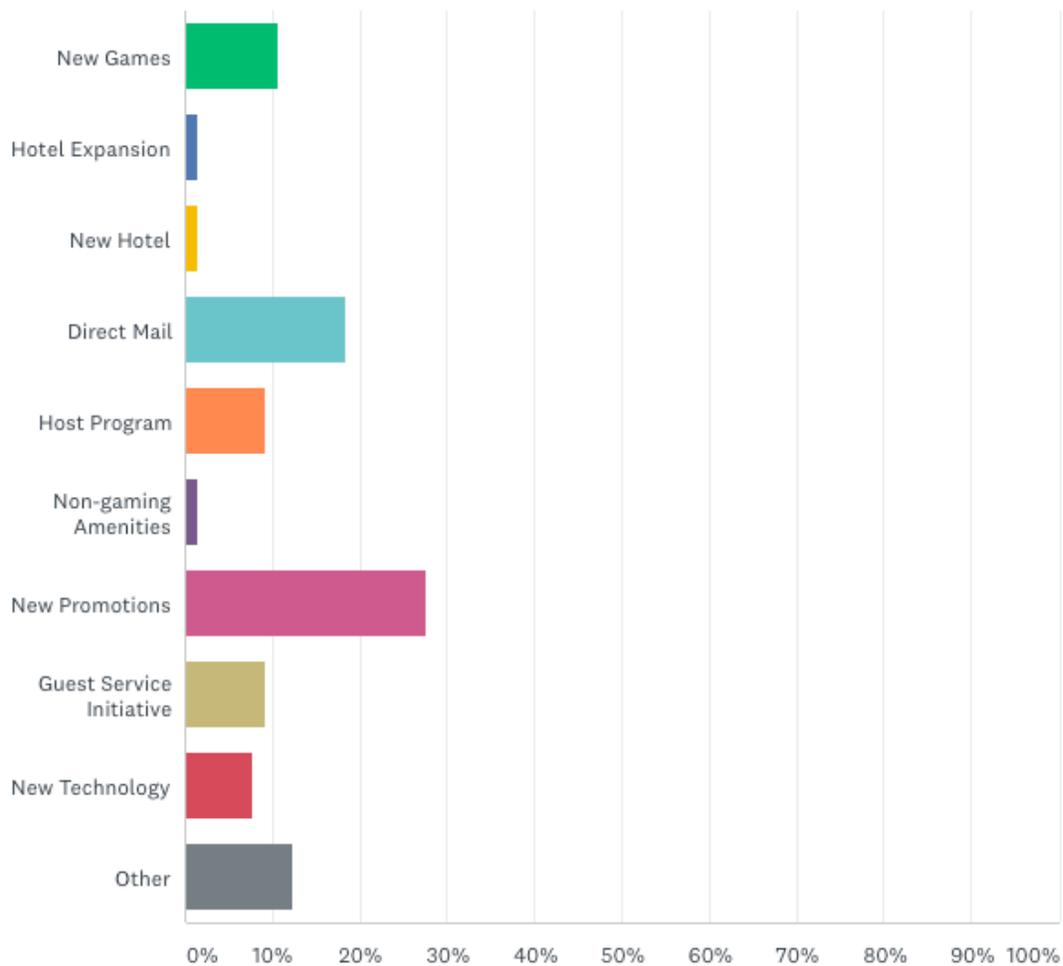
Q4: How many years have you been in your current position?



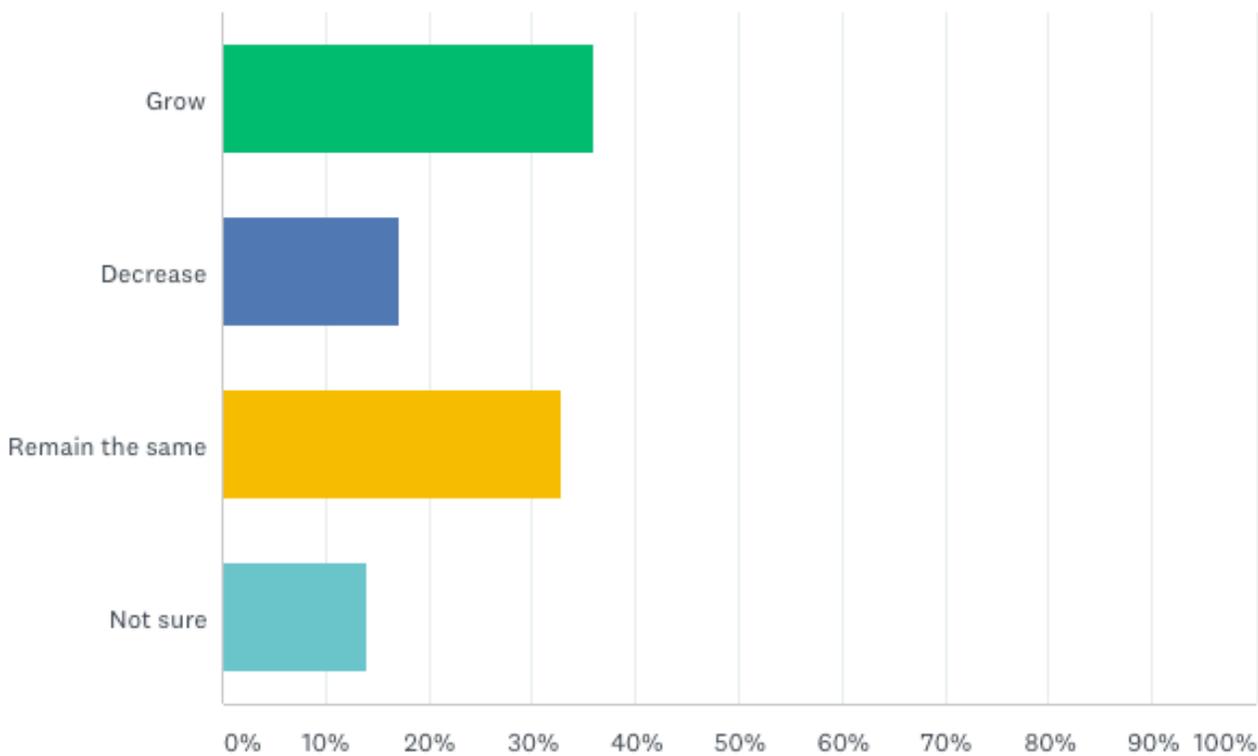
Q5: How many years have you been in the gaming industry?



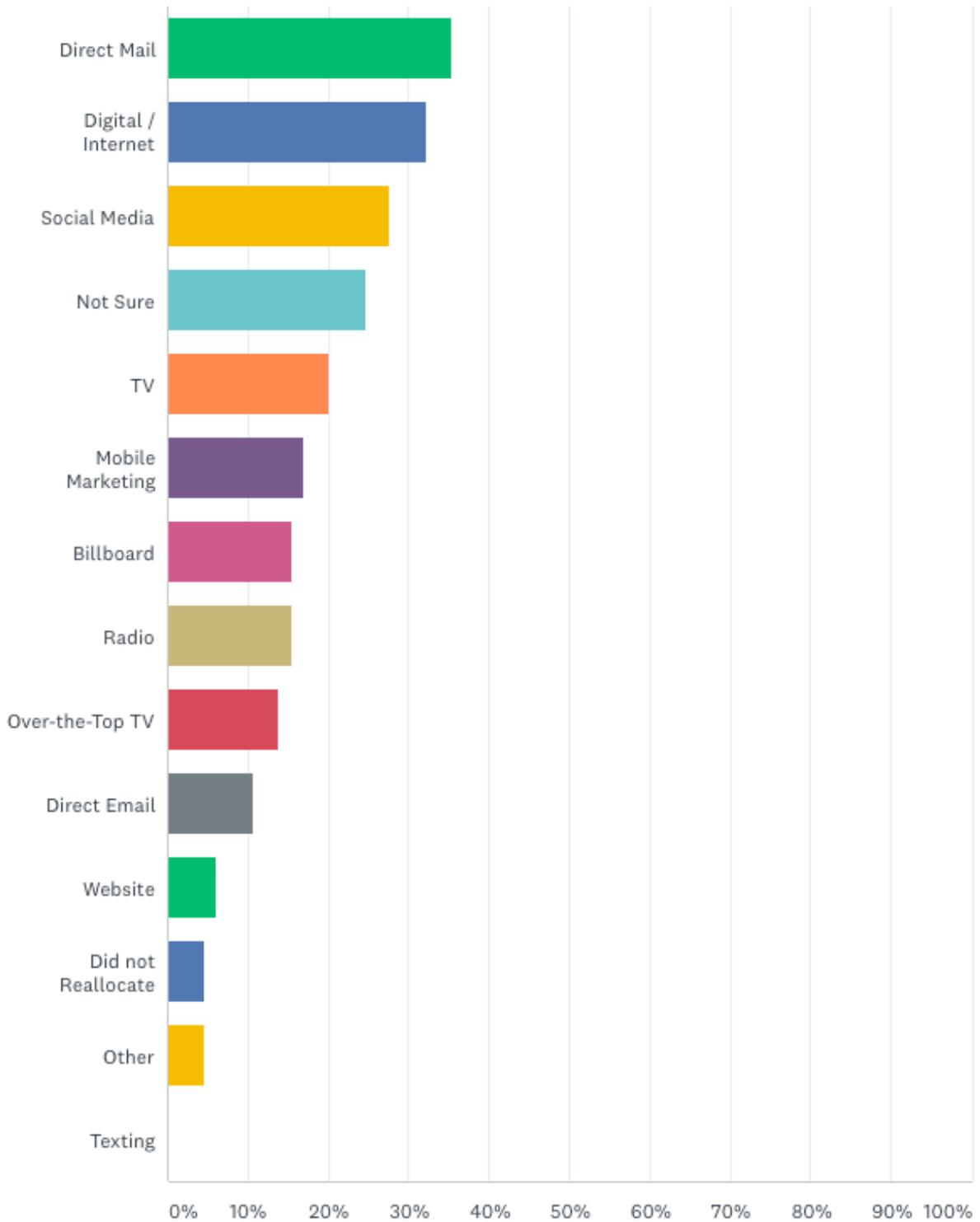
Q6: Choose one initiative that you believe moved the needle for your organization in 2019?



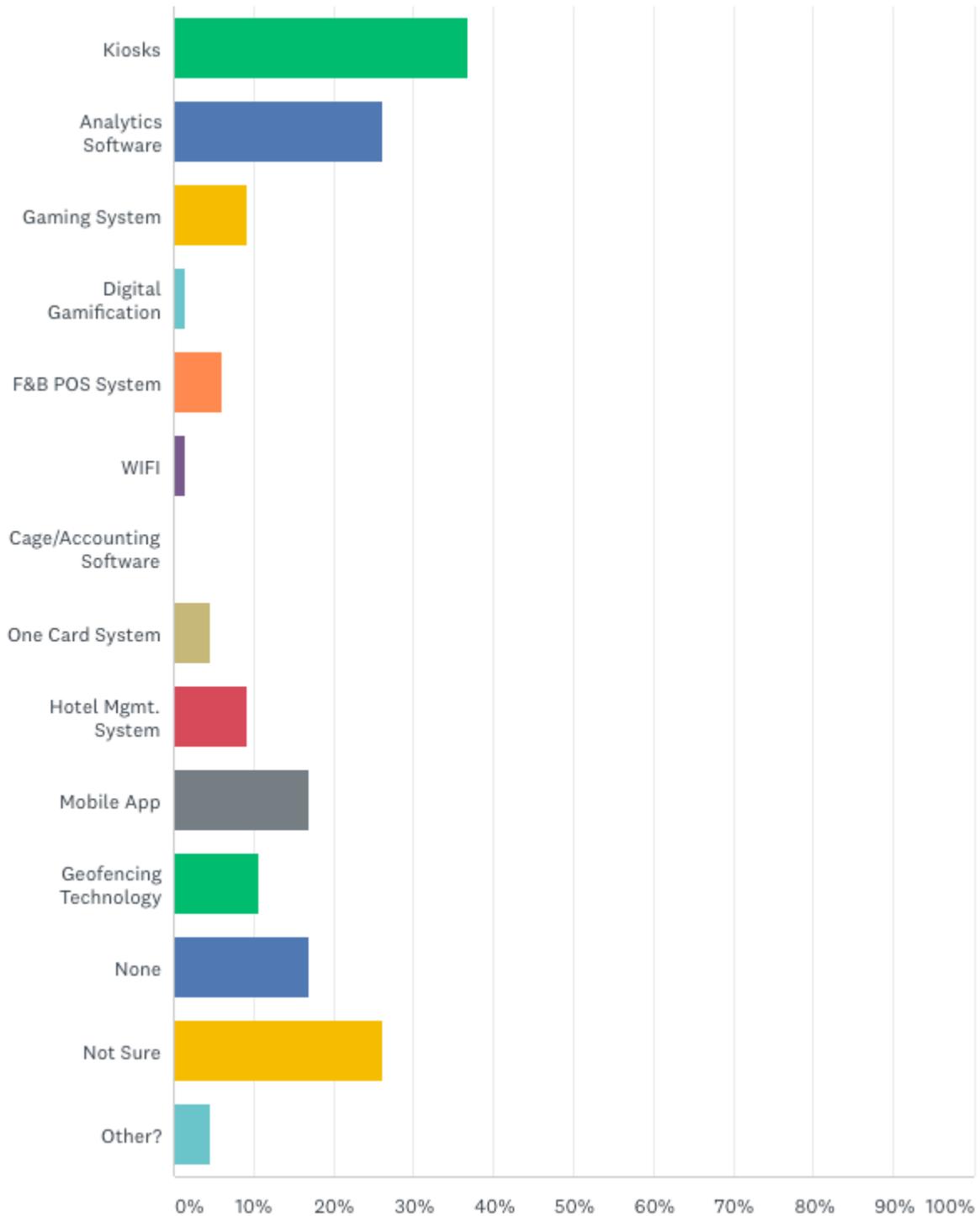
Q7: Did your marketing budget grow, remain the same or decrease?



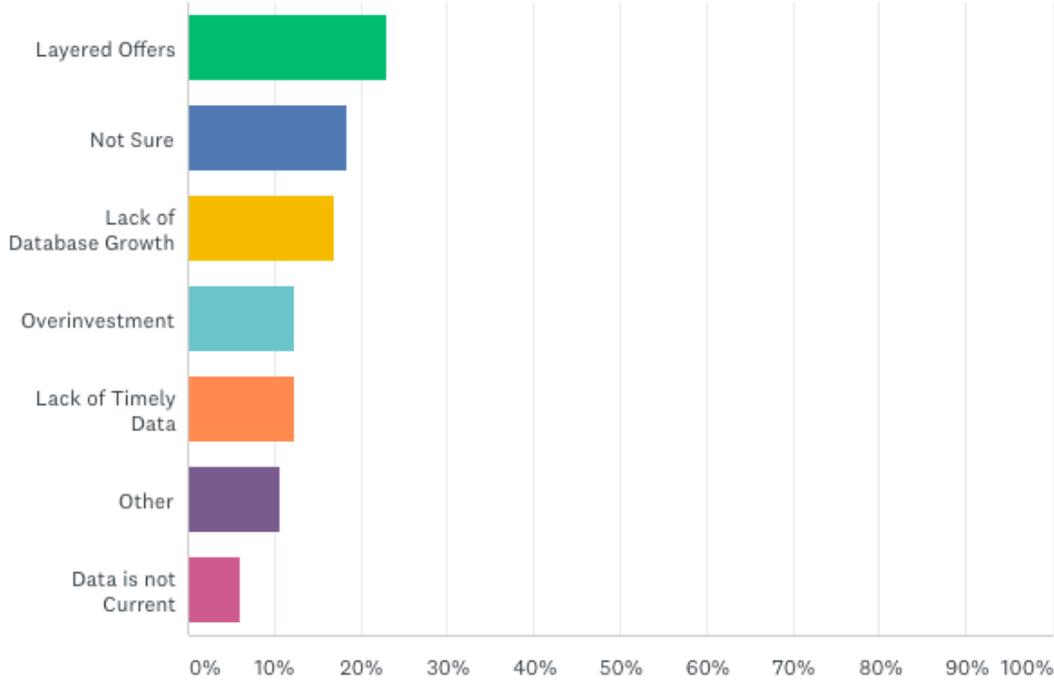
Q8: Did you allocate more of your budget to any of the following marketing channels in 2019?



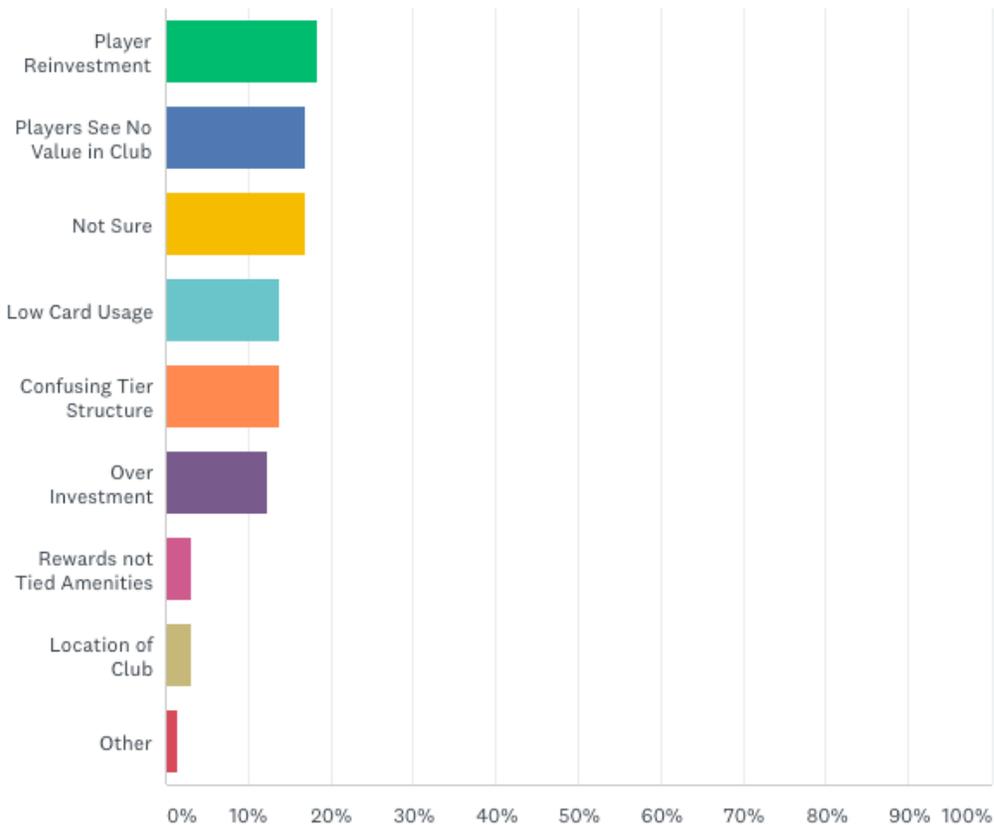
Q9: What types of technology contributed to your marketing success and drove additional revenue? Select your top three below.



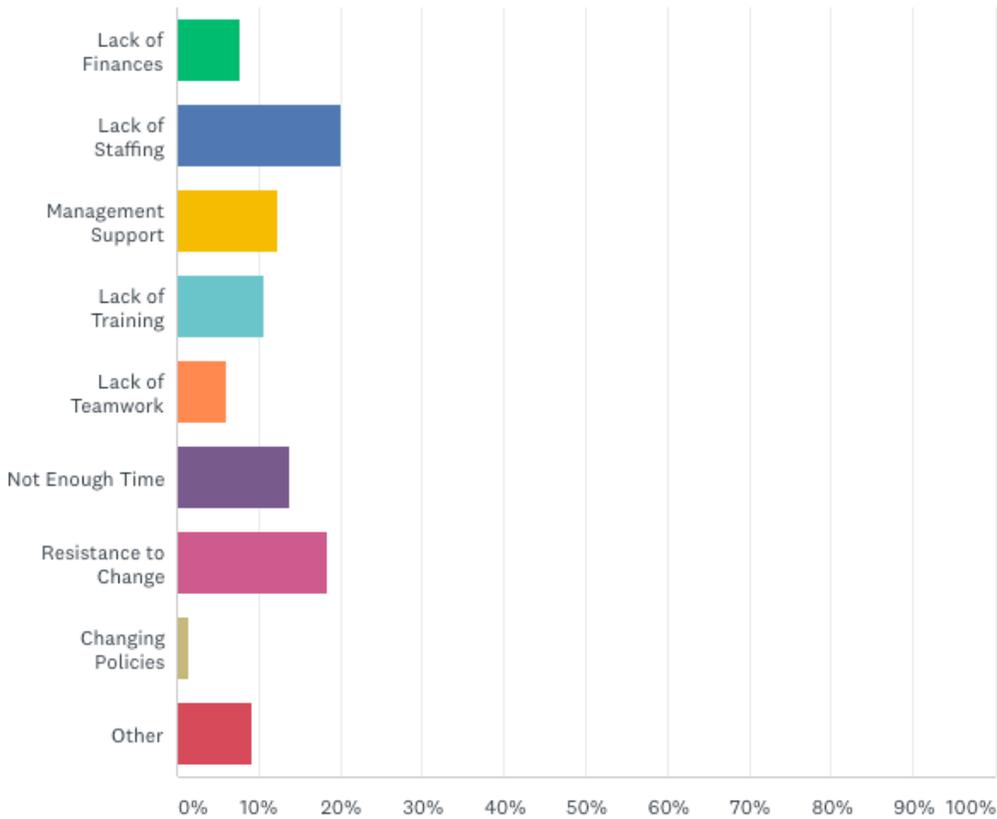
Q10: What is your biggest struggle you face in your direct mail program?



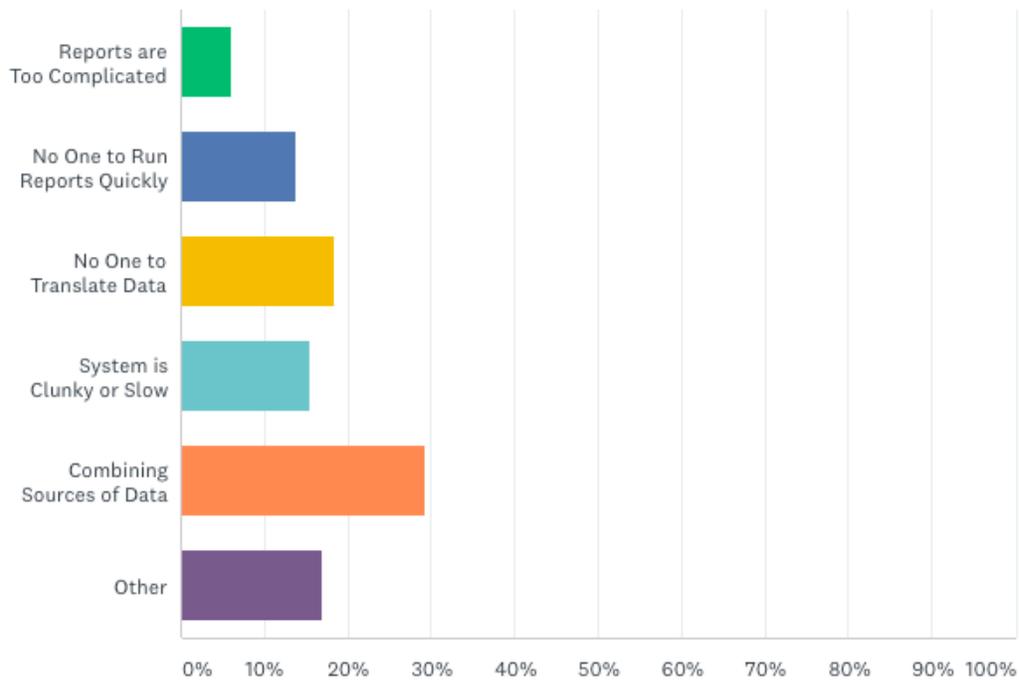
Q11: What is your biggest challenge you face with your loyalty club?



Q12: What is your biggest struggle you face in your position?



Q13: What is your biggest analytics challenge?



Think Tank Challenge Premise

According to the pre-conference survey, the biggest issues facing your properties are:

- Lack of Data and Analytics (35%)
- Lack of Amenities (32%)
- Lack of Staffing (29%)

We also asked attendees to identify the three areas they wished they had more of at their property:

- Analytics & Analysis topped the list at 72% with
- Strategic Planning was second at 63%
- Concerns around Marketing and Database Management (47%) was third

Additional data from the survey that was used to develop the Think Tank exercise, were the responses to which marketing promotion drove the most ROI in the last 12 months. Continuity Programs (25%) and Grand Prize Drawings (23%) topped the list. We also took into account that the biggest struggle facing direct mail programs was Layered Offers (23%).

For the sake of the exercise, we combined the top categories and secondary data to focus on six critical issues. These issues were:

1. *Identifying and managing layered offers*
2. *The how and why of creating an effective direct mail campaign*
3. *Outline best practices when faced with these loyalty club struggles*
4. *Identify best practices for a successful continuity program*
5. *Outline the framework for a successful big prize giveaway*
6. *Lack of staffing*

During Raving NEXT, attendees broke out into small groups to address the six issues listed above. Two to three groups were assigned the same challenge and their responses were combined and collected in the following report.

Challenge One: Identifying and managing layered offers

Tables 1, 2, 3

Layered offers was identified as one of the biggest struggles you face in your direct mail program. For example, a player may receive three offers in the course of one week: perhaps a mailer, a promotion and a birthday promotion. Is this intentional or accidental?

Answer the following questions:

How do you determine which offers should be considered layering?

- Any offer that sits on top of your core offers (monthly mailer and host program) i.e.: bus programs, birthday, food offers, hotel offers, senior days
- Newsletter
- Special Events card and demographic days
- Peak the Peak
- Any concurrent promotions may be layering
- May deliberately layer based on customer response
- Host activities may also be a layer

When would it be okay to have a layered promotion or is it always a no?

- It's okay to layer or structure multiple offers as long as you know why and what the results are. These are the only ways to know whether you continue with an offer or you discard and look for another way to drive a trip/play
- Case by case
- If it drives a trip, it's okay

How do you identify which promotion drove a particular trip?

- Strategy, set metrics and which layer may have moved the needle
- Yes – analytics
- May analyze as a single data point. Sometimes it's the layer that drives the point
- Layering can create additional perceived value
- If you layer – do you have a target? Is the trip driver market specific?

How do you factor in free play when evaluating layering?

- Deduct free play from total re-investment rate when possible.
- Debit from "next" offer
- Case by Case
- Free play and food / reacquisition low trip
- Free play and lodging
- Direct Mail / Floor Promo / Concerts
- Cost of the free play equals free play less hold for one iteration

What are your three to five best tips to avoid layering?

- We feel that you can't avoid layering but our best tips would be set metrics. Analyze and be intentional with why you made the offer
- Strategic planning
- Time-based scheduling
- Open communications with analyst
- Align promotions, PD and Database Calendars
- Design offers back to back: might drive an overnight two-day trip
- Set expiration on free play offers
- Avoid additional promotions on day one of a direct mail offer
- If not avoiding – be conscious of what you are offering

Challenge Two: The how and why of creating an effective direct mail campaign

Tables: 4, 5

The survey tells us that you are investing more money in direct mail; how are you making the most use of these marketing dollars?

Answer the following questions:

What are the key elements you have found in your most successful direct mail campaigns?

- Call to action
- Multiple offers to be redeemed at one time
- Tiered offers (segmentation), remove layers as much as possible
- Email follow up reminder of offers
- Reactivation/lapsed member targeting
- Try to get repeat visits with increased trips, robust offers to non-gamers, tier offers
- Consistent analysis of database.

How do you determine if your mail program is over-invested?

- Redemption rate, ROI, reinvestment rate is positive – too many offers decreases player's value
- Watch play levels. Redemption rate is increased

How do you determine the correct investment rate?

- Know your close competition
- Trial and error
- Target reinvestment rate
- Depends on life cycle of guests
- Goals and strategy

List the top five campaigns that have the highest returns.

- Bacon giveaway (food)
- Pull tabs/scratchers
- Continuity (gift of the week)
- Birthday
- Jackpot Party
- Core mailer

Your direct mail campaigns are only as good as the quality of your database; give us three to five of your best tips on how you are growing your database and keeping it clean.

- Email capture box.
- Member-only offers
- Reps make sure info is up to date
- Can choose mail as "preferred" communication method
- Direct mail audit monthly

Challenge Three: Outline best practices when faced with these loyalty club struggles

Tables: 6, 7, 8

According to the survey, the two largest problems are either over-investment in the club OR guest find no value in the club.

Answer the following questions:

What tactics should you consider when guests find no value in the club (example: don't sign up, don't use their card, complain about rewards)?

- Conduct surveys and/or focus groups on potential improvements
- Community outreach and tie it into your rewards
- Communication of the program and transparency on rewards
- Reinforcement through team member investment in the program
- Restructure value of the cards and using them
- Doing programs and surveying the guests
- Make it easy to access their account
- Have someone who can train and knows the systems to train the team
- Sell them on the rewards, what the interest is
- Improve the rewards and change the metrics
- New member reward
- Communicate to guests immediately
- All team members into program—ambassadors—ownership
- Include off-site amenities
- Keep it simple
- Does it pass the housekeeping test?

What ongoing analysis should you be conducting to avoid under or over-investment?

- Utilize segmentation analysis to keep accurate segmented and total reinvestment numbers
- Know who is getting what, where, and why
- Do a lot of testing
- Reevaluate overlaying offer
- Analyze all investments
- Do proformas and postformas
- Analyze the peak
- Test and control at start of promotion
- Know/understand each property and market
- Don't spend money that doesn't move the needle
- Make sure investment is going to the correct tier

If you are over-invested what steps do you take to solve that problem?

- Analyze to locate the cause
- Evaluate the overages and time saves for a fix

- Apply the changes and monitor results
- \$ vs %
- Must pay attention to what the data tells you
- Pay attention to trends
- Must give front line employees the correct message to relay if you change offers once overinvesting
- Be transparent

What type of player research can assist in solving investment and no value?

- Database with focus groups
- ASK THEM
- Focus groups
- Relationship building in general
- Listen to front line employees
- Bottom line: be intentional

Challenge Four: Identify best practices for a successful continuity program

Tables: 9, 10

Based on the survey, continuity programs topped the list for successful programs in 2019.

Answer the following questions:

How do you determine the prize type and cost?

- Prize type (cost) is determined by ADT group:
\$25 actual cost would go to \$125+ ADT guests
\$10 actual cost would go to lower ADT guests
- Properties give better ADT better gift and different pick up day for better experience
- Seasonality
- Knowledge of market and audience
- Focus groups

How will you evaluate layered costs for the promotion?

- Don't layer – very hard to evaluate cost and what promotion drove actual
- Strategic planning

What are the most important elements that must be included to be successful?

- Good ATD list
- Know your guest
- Know what they value (brands, items)
- Look at the days of the week (slow days for lower ADT, peak with hotel stay for high ADT)
- Identifying strengths and weaknesses

What should you avoid?

- Layering Promotions
- Over investment
- Managing ADT days
- Effectively laying logos on items

How do you determine player eligibility?

- ADT
- Host Requests
- Tiers

Challenge Five: Outline the framework for a successful big prize giveaway

Tables: 11, 12

Big prize giveaways are still moving the bar based on the survey, but do you have all the measurement tools and strategies in place to truly evaluate their success?

Answer the following questions:

How do you determine the most successful big prize for your market and what types of prizes could those be?

- Depends on budget, past successful promotions – day of and entire promo period
- Car, truck, cruises, trips
- Demographic either cash or cars with cash option

How do you select the qualifying period for the drawing?

- Shortest possible window 4-7 week max based on budget and market
- Local holidays, check 6-week timeframes
- Opportunities to drive trips
- Federal Holidays

How will you avoid layering promotions when you are offering a multi-week big prize drawing?

- New promotion daily, hot seat, no other offers that day
- You can't completely avoid; monitor and measure
- Use free entries for tiered rewards, hot seats and daily drawings
- Free play and promos
- Determine if free play brings in more during promo days
- When layering, be targeted.
- Use free play to drive trip
- Use promo to keep players earning entries and increase time on device

How will you measure success?

- How player value changes by promotion
- Night of drawing: Cash In-Theo-Actual
- Quantitative Value
- Recognize demographic
- Rise in ADT
- Up trend in numbers
- Kiosk or post conclusion values

How will players qualify?

- Earned daily entries-various criteria

- Free daily entry
- Tiered free entries
- Kiosk
- Bonus entries at restaurant and gift shop
- Earn points for entries
- Redeem points for entries

What should you avoid?

- Rules need to be clear
- Do not over complicate rules
- Repetitive promo
- Confusing criteria

What are the most important elements to be included to be successful?

- Cash option
- Simple communication
- Late as possible drawing
- Check in at kiosk night of drawing
- Simple and clear with a fair chance to win
- Goals of promotion post forma

What role will your team play?

- All hands on deck:
- Smooth operation
- Tickets in drum or virtual
- Creating, implementing, and analyzing

Challenge Six: Lack of staffing

Tables: 13, 14, 15

According to the survey, finding staff is an ongoing challenge we all face. Determine creative ways to potentially cross-utilize staff from other departments to solve this need.

Answer the following questions:

How could you use the following positions to solve your needs?

- Loyalty club: Merged PBX using another department, saving expenses and cross training maximum staffing for peak periods
- Host department: Empowerment of other staff for players
- PBX: Cross training for multitasking, breaking up shifts with challenging duties
- Special events/promotions: Voluntary shared services program. Special events person making things fun for employees "engagement"
- Database maintenance: VIP services database cleanliness working with vendors to streamline efficiencies. Moving analytical positions to database maintenance
- Other: Cross-utilize departments with similar functions (labor pool for cage, club, front desk, etc.)

What career path could you consider/develop in each area above to encourage people to stick around?

- Bonus structure

About Raving: Tribal Gaming Experience & Native American Preference

Raving is a Native-owned company. For over two decades, Raving has partnered with over 137 Tribal Nations and Tribal enterprises and 65 Commercial properties along with First Nations throughout Canada. Our commitment to Indian Country creates the foundation of our Raving philosophy to enrich the lives of those we serve.

As an active Associate member of the National Indian Gaming Association since 2002, we've conducted workshops annually on their behalf. Raving and its partners are also active supporters and requested speakers for many of the regional Indian Gaming tradeshows including National Native American Human Resources Association (NNHARA), Oklahoma Indian Gaming Association (OIGA), Washington Indian Gaming Association (WIGA), CNIGA – Western Indian Gaming Conference and Northeastern Oklahoma Indigo Sky Expo (NOISE).

We believe in the spirit of giving and the importance of creating a positive impact on future generations. Through our partnership with the Notah Begay III Foundation, we are committed to using our relationships in gaming to raise funds and awareness for their critically important work addressing obesity and type 2 diabetes among Native American youth.

For more information about Raving and the gaming and hospitality services and products we offer to the casino industry, please contact us at 775-329-7864 or email amy@ravingconsulting.com. Visit us at today at www.betravingknows.com.

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