

LOYALTY CLUBS FOR THE NEXT GENERATION OF GAMERS



We throw the terms “loyalty club” and “direct mail” around quite a bit in the gaming industry and we spend a lot of money on these programs all with the intent to create loyalty and increase revenue, just like

the programs at the airlines, car rental companies, and hotel chains. But do our current strategies in the casino industry really create loyalty and drive revenue or do they create a sense of entitlement? What might we learn from loyalty programs in other industries?

When the products and service are basically the same, savvy consumers make their choice based on where they get the most freebies, discounts or can earn the most benefits and rewards. The airlines, hotels, and car rental companies influence customer behavior by emphasizing the benefits of long-term loyalty to their brand. So with casinos offering the same products in the form of game choices, F&B, lodging and entertainment, how do we compete for the guest and encourage them to pick our location, our brand? Too often, we send out an offer that is based on a level of play during some unknown period of time and based on some unknown calculation. And our guest service representatives, who may or may not have access to direct mail strategies, are left to answer the inevitable question of “Why did I get less this month than last month? I came more often and spent more money!” Is your direct mail strategy simple enough for your guests to understand or is your guest service representative left to try and explain a strategy that neither the representative nor the guest will understand? How does a guest develop a sense of loyalty to an inconsistent and mysterious experience? By comparison, does your competition have a clear loyalty program that influences desired guest behavior?

At many websites I could find the name of the club, sometimes the redemption schedule, sometimes a vague reference as to how you earn points. But, for the most part the websites informed you that the more you play the more you earn. Rarely did it enlighten me on how points are earned (i.e. coin in or that mystical theoretical that we try to explain but always fail miserably), how to achieve higher levels within a club and nothing presented to make me want to earn my way to the highest club level.

Always thinking about how to get the next generation of gamers into the casino, I decided to do some research by taking a peek at websites of some of the larger tribal casino resorts to see just how easy it is to understand the membership club and benefits. Lest we forget that the next generation of our guests will certainly search the web to find out where to find their best entertainment value be it a promotion, concert or dining options. And while I have their attention, shouldn't I let them know about the best loyalty club in town?

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One of the more informative websites was the Agua Caliente Casino, www.hotwatercasino.com, and The Spa Resort Casino, www.sparesortcasino.com, owned and operated by the Agua Caliente Band of Cahuilla Indians in California. A member of the Paradise Rewards Club earns points based on coin in versus that mystical theoretical calculation that guests don't understand, club levels are reviewed bi-annually based on earned points, and they can clearly see how many points they need to earn to reach each club level. In addition, guests know what discounts and offers are available at their particular club level and what they would have available if they were to achieve a higher club level. This approach brings clarity to guests, service representatives, and casino hosts.

Another informative website was the Pechanga Resort Casino at www.pechanga.com which clear-



ly describes the benefits of The Club at Pechanga, and how to earn and redeem points. And like the Agua Caliente properties, points are earned based on coin in making it easy for guests to understand and service representatives to explain.

Although a little more difficult to find on the website, the Players Club at Lucky Eagle Casino in Washington State explains how to earn status points based on wagers and also informs you of the status earning period.

Numerous other tribally owned casino resorts have similar programs however, trying to identify how the program works from their website was difficult at best. On several sites, the club program was well hidden within the website. And once I located it, I didn't feel very enlightened.

As an example of loyalty versus entitlement, let's compare the airline membership model to the casino membership model. After all, the intent is exactly the same, which is to encourage you to spend your money, earn rewards, redeem rewards, attain the next level,

and repeat. In order to maintain a current membership level or to attain the next higher level, many of us have chosen to pay a little more for a flight, or fly at a less convenient time, even though another airline has something closer to our needs and maybe a bit cheaper. Some members even take an unnecessary flight at the end of the year in order to earn points to maintain their current membership level or possibly move to the next higher level. Imagine your guests adding one trip every year in order to maintain their club level! The question is do your guests even know that they need another trip to maintain their level or two more trips to attain a higher level membership?

As loyalty customers in the airline model, we earn benefits such as priority boarding with the right to walk across that special rug in the boarding area, preferred seats in the exit row, free checked luggage, priority luggage retrieval, and free drinks if you are lucky enough to get upgraded to first class. (I don't

mean to be a party pooper but you may have paid a little more for that trip so the drink, in theory, might not have been free.) My point is that a customer clearly knows what benefits they will earn, and they know how to change their behavior to retain or improve their status. And let's be frank, this is despite the fact that the redemption side of the airline model isn't always "member friendly" with blackout dates, limited seat availability, and many times the need to redeem double miles to get to your destination. And forget trying to book a last minute flight. If you are lucky enough to find seats available, the price of the ticket will usually make you question the need for the trip.

So, what are my key benefits for being loyal to the brand? Is it that special feeling I get when I'm called for priority boarding or that "priority" tag on my luggage that arrives before yours? Is it the chance of a surprise upgrade? Just what is it about the airline membership programs that keep us loyal? Keeping all this in mind, how often do the



loyalty club programs in the gaming industry really drive loyalty in the form of extra trips and play to maintain a membership level or attain a higher level? We promise excellent service, excitement, entertainment, good food, plus a chance to be a winner! And for the most part we deliver on that promise. What are the airlines delivering? Late departures, late arrivals, missed connections, cancellations, uncomfortable seats, and a free bag of peanuts and a soda! What am I missing here?

What do I suggest instead? I would love to see a model where the guest receives a statement, preferably in the form of an email, just as I receive from American Airlines or Marriott, that tells them how many points they have earned and clearly reminds them what they need to earn in order to achieve or retain a desirable status. My statement is clearly focused on giving me an incentive to fly more! This is completely different to the usual casino mailer which gives me a gift in return for what I have already spent. You know the complexity of generating and measuring all those different values of offer in your monthly mailer and the ensuing bombardment of questions to your customer service represen-

tative from your guests as to why their "gift" was less than last months. Just imagine the simplicity of sending out a statement with a points balance! And imagine pouring your money and creative energy into designing benefits that your customers will strive for! You can look all around you for real-life examples from the airlines, hotels, car rentals, retail, and restaurants. When I choose to maintain my spend at a certain level, American lets me go on a list for an upgrade to a better seat, National lets me pick my car, and Marriott puts a bottle of water into my room. How do these examples translate into your resort casino?

The call to action is for a creative tribal marketer to step out of the pack and deliver a loyalty club model that wows our guests and creates the loyalty mindset that we dream about.

(Or perhaps you already have? Get in touch!) Tribal gaming has in the past and hopefully will continue to deliver positive change to the gaming industry. Let's deliver again!

Susan Kesel has spent the past 20 years in the gaming industry working across mainstream and tribal gaming. An Alumnus of the Board of Advisors for TribalNet and for Gaming & Leisure Magazine, Susan is an innovative and open-minded business technologist. Susan was instrumental in the development and implementation of Turning Stone Resort and Casino's patented Account Based Wagering System. She is currently the interim CEO for Harvest Trends, Inc. offering hosted business intelligence.

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I WANT TO TRANSFER
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WORLD.

DONE.

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