

TABLE GAMES MANAGEMENT FOR THE SMALL CASINO, PART 4

By Bill Zender

Basic business management education teaches the student that there are two strategic avenues for achieving a competitive advantage in your industry or market segment. Strategy No. 1 relates to providing a “cheaper” but relatively equal product or service than your competition. In the food service industry, McDonald’s is a perfect example. It provides the consumer with a rather inexpensive meal selection as compared to dinners and coffee shops. Strategy No. 2 involves providing a quality of product or service that no other competitor, or a limited number of your competitors can provide. In the hospitality business, a fitting example is the service-oriented hotel corporations such as Mandarin Oriental or the Four Seasons. They provide “five-star” service to the more demanding and higher paying clientele a service that standard chain hotels are unable to provide.

In the gaming industry, these two advantages are difficult to obtain. First, the pricing in table games is based on the table minimum and the mathematical house advantage of the wager. If you decide to offer \$1 single deck blackjack in order to gain a “cheaper” competitive advantage, you will quickly discover two problems. First, the very next day after offering the cheaper game, your competitor will do the same thing (aside from regulatory approval). Second, offering this game would be a disaster since the cost of operation would overcome revenue. So how does one gain a competitive advantage in gaming?

One way to gain a competitive edge is to build a beautiful gambling palace with volcanoes, waterfalls, city skylines and amusement rides interlacing the property. The cost will be quite high, but once the property is open, it will take your competition years to build a comparable property. The second method is to opt to provide top-down optimal customer service throughout your property. Even the smaller casino can slice off a nice piece of the local gaming market share if it has the ability and commitment to provide an excellent level of customer service to patrons.

Smaller casinos have a greater opportunity for gaining a competitive edge by building optimal levels of customer service and developing strong relationships with their better table games players than larger casinos. Employees of smaller casinos have a better ability to interact with their mostly regular customers, many of whom frequent the casino on practically a daily basis. Being friendly and building relationships with your players should be “the name of the game.” Unfortunately, many small operators look at the players as being the enemy, especially if one of the players happens to get lucky enough to beat the casino for some serious, but only temporary, money. When players are winning, the wise casino executive congratulates them, instead of standing there with arms

folded, staring the customer down. The smart executive knows that without the occasional winner, he would end up with no business at all.

Building a Competitive Advantage

The difference between success and failure lies in your casino’s percentage of obtainable market share. You don’t need to find new gaming customers; you just need to steal them from the competition. If I can steal 10 percent of the next guy’s market share, I will increase business at my property with known gamblers. If operators try to create new gamblers, they are faced with the huge gambling “learning curve” of customer development. In order to develop these players, it will cost both time and money. Many operations don’t have the time luxury or the capital to invest in a monetary return that will only be realized in years to come. If I can attract the known players from other casinos because I provided them with an excellent gambling experience, my operation will see immediate gains. Unfortunately, in a number of cases, management attempts to achieve this goal by “buying” market share. This situation results from management’s lack of ability to attract casino customers through other means. Their marketing solution is to pay marketers to bring more players to the property or build a new hotel tower in order to house more players. Neither option will be successful if the costs outweigh the possible returns.

For the smaller casino operation, sometimes the competition isn’t another casino. A number of smaller casinos are located in areas where the closest competitive gaming operation is 100 or more miles away. So they are actually in a monopolistic situation, right? Wrong. Casino gambling is a form of entertainment. People don’t necessarily go to the casino to win or lose money; they go for the social interaction and the chance to win money. Since gambling is a form of entertainment, other forms of entertainment are in competition with your property for your customer’s entertainment dollar. You need to provide your customers with a reason to not decide on going to a movie, going bowling or hanging out at the local Moose Lodge. If your level of customer service offers the customer a fun time as well as a chance to win money, you will capture a nice share of the local entertainment dollar.

Building Player Loyalty

In order to build customer loyalty, you must make your customers feel recognized and acknowledged. Recognition is the cement used to bond customer loyalty. There is no “magic” phrase or salutation that instantly cauterizes a superior customer-employee relationship. Developing custom loyalty is actually a steady process that is repeated over and over

again, consciously or subconsciously motivating the customer to realize that his or her experience inside your establishment is pleasant and accommodating.

The first person who interacts with the player is the dealer. How the dealer greets the casino customers and interacts with the players at the table is the most important facet for providing a great entertainment experience and building lasting customer loyalty. Following are some suggestions that management strongly needs to consider applying across the board with all table game dealers.

- Dealers must greet all players who approach the table to play. Make eye contact, smile and use a verbal greeting such as a simple "hello."
- When a dealer leaves a game, he or she needs to thank all the players and introduce the incoming dealer by name to all the players at the table.
- If a customer appears to look interested in playing on your table, invite him or her to sit down.
- If he/she hesitates, ask if he or she needs any information or directions.
- Do not halt play to do so. Wait until there is a lull in the dealing activity.
- When a customer leaves the table, the dealer must say goodbye in a proper manner. Be aware of a player's mental state at the time. If they are aggravated because of a recent loss, be respectfully sincere when saying "goodbye."
- While on a "dead game," the dealer needs to remain inviting. Make eye contact and greet any guest who walks near the table.

The dealer needs to actively attempt to bring players onto their tables. Always stand at the dead game with an inviting appearance; never stand with your arms folded across your chest (defensive posture). Also, the table isn't the only place where dealers interact with the customers. While walking through the casino, all dealers, as well as other casino employees, must smile and greet the customers. If a customer is within 10 feet of the employee, the employee will make eye contact and nod. If a customer is within 5 feet of the employee, the employee must make eye contact and say "hello."

The floor supervisor is one of the best candidates for building customer loyalty with your more valuable, higher wagering players. Each floor supervisor and shift manager needs to identify the better table game players and build relationships with them. Remember, the customer looks upon the floor supervisor as the "pit boss." If a customer walks up to the gaming tables and is recognized by the "pit boss" on duty, other players at the tables take notice. This moment of recognition is also noted by any friend the customer brings with him or her. When customers know they will be recognized by a member of management, they are more likely to convince their friends that your casino is the place to have fun and spend their entertainment dollars. The table game floor supervisors and shift managers also need to consider the following steps to build excellent player loyalty:

- Find a good casino table games customer and learn that player's first name.
- Be sure to purposely greet him or her by name every time he or she comes into the casino to gamble.
- Have every floor supervisor and shift manager build at least one relationship per week. Instruct them to identify with one of the regular and better wagering players.
- At the end of the month each floor supervisor will have established associations with four or more of the casino's better players.
- Building personal relationships creates a strong bond between the casino and the customer.

Remember, player privacy is a must outside of the casino. When seeing a customer outside of the casino, let them approach you first. Many customers do not want their friends, employers and family to know that they frequent your casino enough that they are recognized by the staff.

Reducing Customer Desertion

There are a number of reasons why customers desert a casino and go elsewhere. Following is a list of reasons for customer desertion:

- Death or illness
- Change in financial position
- Temporary visits to the competition
- Customer's run of bad luck

In the case of the first two bullet points, death or illness or change in financial position, there is nothing that management or exercising excellent customer service can change. However, if desertion is due to a temporary visit to the competitor's casino, the chance a customer will return to the casino that provides the better customer service is really good. Many times friends of customers will lure your players to visit the completion. If the level of customer service is not as good as at your casino, the chances are good that their visit will be temporary and not permanent. In addition, they might bring their friends with them to your casino, too, and then you have an opportunity to capture another piece of the market share.

A situation that occurs quite often is that your customers will experience an extended losing streak and will consider changing their luck by visiting the competition. If your level of customer service is good, and you have built a high degree of loyalty with that player, they will "hang in there" longer, waiting to see if their luck changes. The casino that has the best customer service and focuses on developing relationships and loyalty with its players faces a much lower rate of customer desertion than the average casino.

Conclusion

In conclusion, here are some tips for developing great customer service and achieving superior customer loyalty:

- Commit to providing the best training for your employees regarding the skills and techniques necessary for them to accomplish their tasks.
- Be sure that you employees understand the target of their training, the customer, and that each employee is an important cog in the superior customer service machine.
- Inspire your people to place the need for not just good, but great customer service high on their list of daily achievements.
- Express the importance for your floor supervisors and shift managers to establish relationships with the better table game players.
- Management must strongly support its superior customer service doctrine; it cannot allow the pit to "sweat" winning players or employ game procedure antics when a customer is winning.
- Superior customer service will always be a work in progress. Superior customer service will not happen overnight, and it will always need to move forward.

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