

Marketing at the Speed of Gaming: Real-Time Decisions for Casinos

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ABSTRACT

There are few business environments more dynamic than that of a casino. Serving a multitude of entertainment options to thousands of patrons every day results in a lot of customer interaction points. All of these interactions occur in a highly competitive environment where, if a patron does not feel that he is getting the recognition that he deserves, he can easily walk across the street to a competitor. Add to this the expected amount of reinvestment per patron in the forms of free meals and free play. Making high-quality real-time decisions during each customer interaction is critical to the success of a casino. Such decisions need to be relevant to customers' needs and values, reflect the strategy of the business, and help maximize the organization's profitability. Being able to make those decisions repeatedly is what separates highly successful businesses from those that flounder or fail. Casinos have a great deal of information about a patron's history, behaviors, and preferences. Being able to react in real time to newly gathered information captured in ongoing dialogs opens up new opportunities about what offers should be extended and how patrons are treated. In this session, we provide an overview of real-time decisioning and its capabilities, review the various opportunities for real-time interaction in a casino environment, and explain how to incorporate the outputs of analytics processes into a real-time decision engine.

INTRODUCTION

The gaming business moves fast. Casinos serve a multitude of entertainment options to thousands of patrons 24 hours a day, a pace that results in a myriad of interaction points with their patrons. Competition in this service industry is fierce. If patrons at a casino do not feel that they are being offered something that they want, it is all too easy for them to find another entertainment option for their hard-earned dollars. Patron expectations are high. Casino companies have a lot at stake when they entice patrons through reinvestment in the form of free play, free meals, and even free accommodations. Making high-quality real-time decisions during each patron interaction is critical to the success of a casino.

However, managing interactions among patrons in real time comes with its challenges. Patrons today do not act in typical ways; therefore, it is difficult for a rules-only approach to be successful. Some patrons are there for gaming, some for shows and entertainment, some for dining or nightlife, some for spas, and maybe even some for golf. If a casino lacks a comprehensive understanding of their patrons' needs and preferences, actions taken with patrons can fall flat.

When identifying the actions to take with a patron while he or she is in the casino experience, casinos need to manage the delicate balance between ensuring that the offer is attractive to the patron and maintaining profitability for the casino. Showering patrons with free food and drink, hotel rooms, show tickets, or even cash in a bid to maintain their loyalty can easily backfire. They can result in a direct impact on the bottom line, or patrons can start to feel that these treatments are meaningless to them. Predictive analytics can supply the much needed context to the patron experience. When coupled with real-time decision capabilities, a casino can truly enhance and personalize the interactions that they have with their patrons.

WHAT ARE REAL-TIME DECISIONS?

Real-time decisions are decisions that are made at a customer's point of experience, using data captured from customer interactions as they occur, along with historical information and analytics output. Real-time marketing involves adding context to the channel through which the casino is interfacing with a patron. Context can be defined as the circumstances that form the setting for an event, statement, or idea, and in terms of which it can be fully understood and assessed. Therefore, for a channel to have context, it must provide facts that describe the patron's current situation. Here is an example.

John Smith is a very high-value, high-frequency patron at the Zodiac casino; however, he has not visited the casino in the last six months. John inserts his casino's rewards card into a slot machine on the

Zodiac's gaming floor. The Zodiac casino can then gather John's preferences, his previous gaming history, his theoretical worth, his predicted lifetime value, and the identity of John's casino host. Using the information, an alert can be sent to the host to suggest that he or she go and greet John, welcome him back to the property, and provide him with an invitation to an exclusive poker tournament.

This is an illustration of real-time decisions in action, or real-time marketing. Real-time marketing, or the ability to provide context to a patron's interactions, enables you to provide relevant, insightful offers, recommendations, advice, and even service operation actions when they are needed the most. In the case of John Smith, the offer of a seat at a poker tournament is extremely relevant to him, based on his previous behavior and preferences.

High-value casino customers like John Smith are very accustomed to receiving preferential treatment based on their casino activity. Casinos operate in a highly competitive environment where, if a patron does not feel that he is getting the recognition that he deserves, he can easily walk across the street to a competitor. In the larger gaming jurisdictions such as Las Vegas and Macau, it is not uncommon for a customer to have rewards accounts established at multiple casinos. Casino patrons value the high-touch service they receive once they reach preferential reward status with their preferred casino company. However, an unhappy patron only has to present his or her current player's card at a different casino and he or she is very likely to be granted the same status with the competitor. Therefore, making high-quality, real-time decisions during each patron interaction while the patron is still in the casinos is critical to the success of a casino.

Real-time marketing is enabled through the SAS® Real-Time Decision Manager, which is an inbound marketing decision solution that automates and optimizes each interaction through decision-based diagrams. This engine enables casino operators to combine SAS® Analytics with their business logic to deliver customized and personalized offers that are meaningful to their patrons. SAS Real-Time Decision Manager also enables increased personalized contact strategies with key casino associates and their most loyal customers through trigger-based notifications.

SAS Real-Time Decision Manager enables casino operators to automate and enhance the decision-making process at the slot machines, gaming tables, reservations (online and call center), hotel registration and departure, or essentially anywhere a trigger-based event that uses either historical or real-time data is included within the decision diagrams. The SAS Real-Time Decision Manager engine is capable of processing decisions and customer treatments with subsecond reliability to engage the customer at the right time and through the right channel. Real-time data is also captured from customer interactions as they occur. When a notification or offer is sent out to the customer through email, SMS, or the casino source system, the total processing time can vary between seconds to a couple minutes.

HOW DO I USE REAL-TIME DECISIONS?

To execute real-time decisions, you need real-time data on patron interactions, historical data on your patrons and their preferences, historical information and predictive analytics scores, and a real-time decision engine such as SAS Real-Time Decision Manager.

Real-time data is the flow of data captured from patron interactions as they occur. By using various technologies such as websites, kiosks, slot machines, iBeacons, and smart phones to track and interact with its patrons, a casino can collect data from consumers both explicitly (via forms and purchases) and implicitly (via web sessions and geo-location). When these systems are connected to networks, the data can be shared in real time with other systems within the casino. As a result, casino organizations now have access to a new level of detail about patrons as they interact. Any insights gained about the patron can be used in real time to create a response while the patron is still interacting. These offers can be more relevant because they can be targeted based on the current interest and status of the patron.

Real-time analytics and business rules are applied to both the historical and real-time data that drives the SAS Real-Time Decision Manager capabilities. Historical data in the casino industry is typically housed in an enterprise data warehouse where data is typically one day behind and is loaded from the source system to the enterprise data warehouse through an extract, transform, and load process. Real-time data is captured at the source system and can be used immediately with the SAS Real-Time Decision Manager engine. The data includes the slot machine card-ins and transactions, the food and beverage

outlet point of sale systems, and any other source system that is used to build the 360-degree customer view.

Capturing real-time data increases the ability to gain instant insight into customer behavior, increase customer loyalty, and reward customers for current play. Real-time offers might increase redemption potential because they can be more relevant, targeted, and personalized. As a result, response rates might be greater than for traditional marketing campaigns. Once the patron is at the casino, he or she is effectively ready to enter into a real-time decision processing diagram and receive the targeted offers and customer service interactions that drive loyalty and increased profitability.

There are a few ways that real-time, data-based offers can be targeted. The first way is to simply use the information provided by the patron, such as the patron's birthdate or rewards card level, and target offers, service interventions, and other content based on that information. In a sense, this is traditional marketing that uses the most up-to-date information about the customer. In the casino environment, this type of marketing can include the following scenarios:

- A casino patron inserts the rewards card into a kiosk on his or her birthday and receives a small amount of bonus credits to play.
- A high-value patron inserts the casino rewards card into a slot machine. This triggers a lookup to see who the casino host for that patron is and alerts the host that his or her guest is in the casino. The host then locates and welcomes the customer back to the property while acknowledging any special reason the customer might be playing.
- Upon check-in to the hotel, a real-time process notifies the beverages and room services department of the patron's preferred beverage and notifies the host of the patron's arrival.

The second way to execute on real-time decisions is to incorporate trends in behavior. As patrons interact with a casino, their behavior signals their preferences and concerns. For example, a casino patron interested in purchasing a weekend at a casino might come to a website frequently and view various date combinations. They might also search on different casino locations. If these behaviors can be tracked and associated with the individual patron via clickstream data, an opportunity arises to deliver content and promotions the next time the patron visits the website, in order to entice them to make a purchase.

Based on the offers and content, that same patron makes a reservation. In the time leading up to the weekend at the casino, the patron uses a smartphone to download and play blackjack using the casino app. When that patron finally arrives at the front desk to check in for the weekend in the casino, information about his or her preference for blackjack is matched with the casino's tournament availability and enables the front desk agent to offer a seat in an available blackjack tournament.

The third way to use real-time data is to incorporate analytic results with historical data and the real-time data feed. As mentioned previously, real-time data gives you access to what the patron is doing now, and lets you target offers when patrons are most likely to respond positively. One of the biggest challenges for casinos, particularly in large gaming destinations such as Las Vegas and Macau, is the highly competitive environment. If a patron starts to lose, he or she might decide that that particular casino is "unlucky" or just plain unenjoyable. At that point, the patron might leave the casino and not come back.

The actions that the casino takes when a patron starts to lose can determine whether that patron stays or leaves. By collecting data on the loss experiences of all patrons who left, the casino can build a model that identifies what level of loss triggers a patron to leave. If the casino can create a trigger around that event, they can offer an intervention that can avert the loss of the patron.

Casinos know if they make an offer that enables the patron to step away from the experience of losing, such as a free meal in one of the restaurants, tickets to a show, or even a different gaming experience, the patron starts to enjoy the experience again and is less likely to leave. A real-time decision process can trigger an alert to the host to make an offer to the patron. What's more, by using analytic scores such as customer lifetime value, or average daily theoretical win (for the casino), that offer can also be kept profitable for the casino.

CONCLUSION

Making high-quality, real-time decisions during each patron interaction is critical to the success of a casino. Such decisions need to be relevant to patrons' needs and values, and to reflect the business strategy of the casino while maximizing the organization's profitability.

Real-time data lets casino operators know what the customer is doing now and lets them target their customers with offers when they are most likely to respond positively. Historical data gives the business users the ability to develop predictive models to help determine the likelihood that a customer will act a certain way, such a booking a hotel room or redeeming a direct mail offer. Combining real-time data, historical information, and analytic results into real-time decisions enables a casino operator to know which patrons will take particular actions based on the most up-to-date information and deliver decisions and recommendations that optimize every patron interaction to improve revenue, growth and retention.

RECOMMENDED READING

- *The Power of Personalizing the Customer Experience*
- *Improving Customer Experience Through Real-Time Marketing*

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