

From Data to Information to Advantage: *Applying Casino Marketing during Economic Uncertainty*



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Proprietary and Confidential



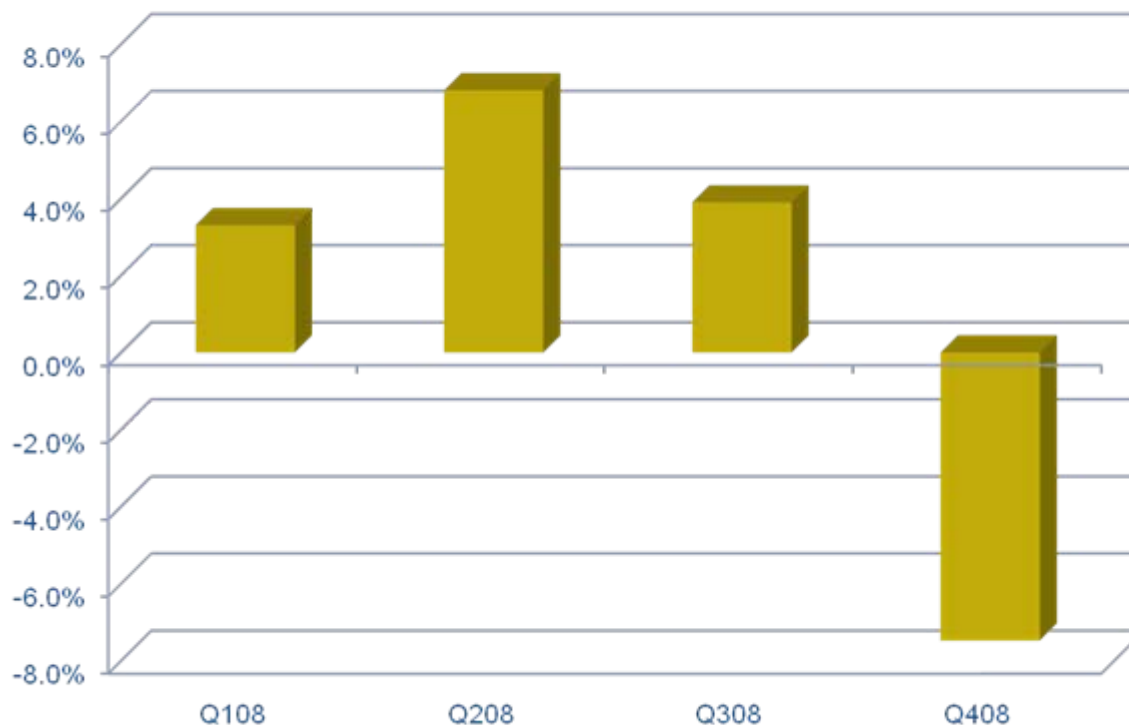
Introduction: Randy Fine

- Managing Director and founder of The Fine Point Group
- Chief Executive Officer of Greektown Casino in Detroit, Michigan
- Former Corporate VP of Slot Operations for Harrah's Entertainment, the world's largest gaming company
- Sole inventor of intellectual property behind the 2003 launch of Harrah's loyalty program
- Former CMO for Carl Icahn's gaming companies; part of team that transformed \$300M into a \$1.3 billion sale
- Former McKinsey & Company consultant
- Harvard MBA (Baker Scholar); Harvard undergrad



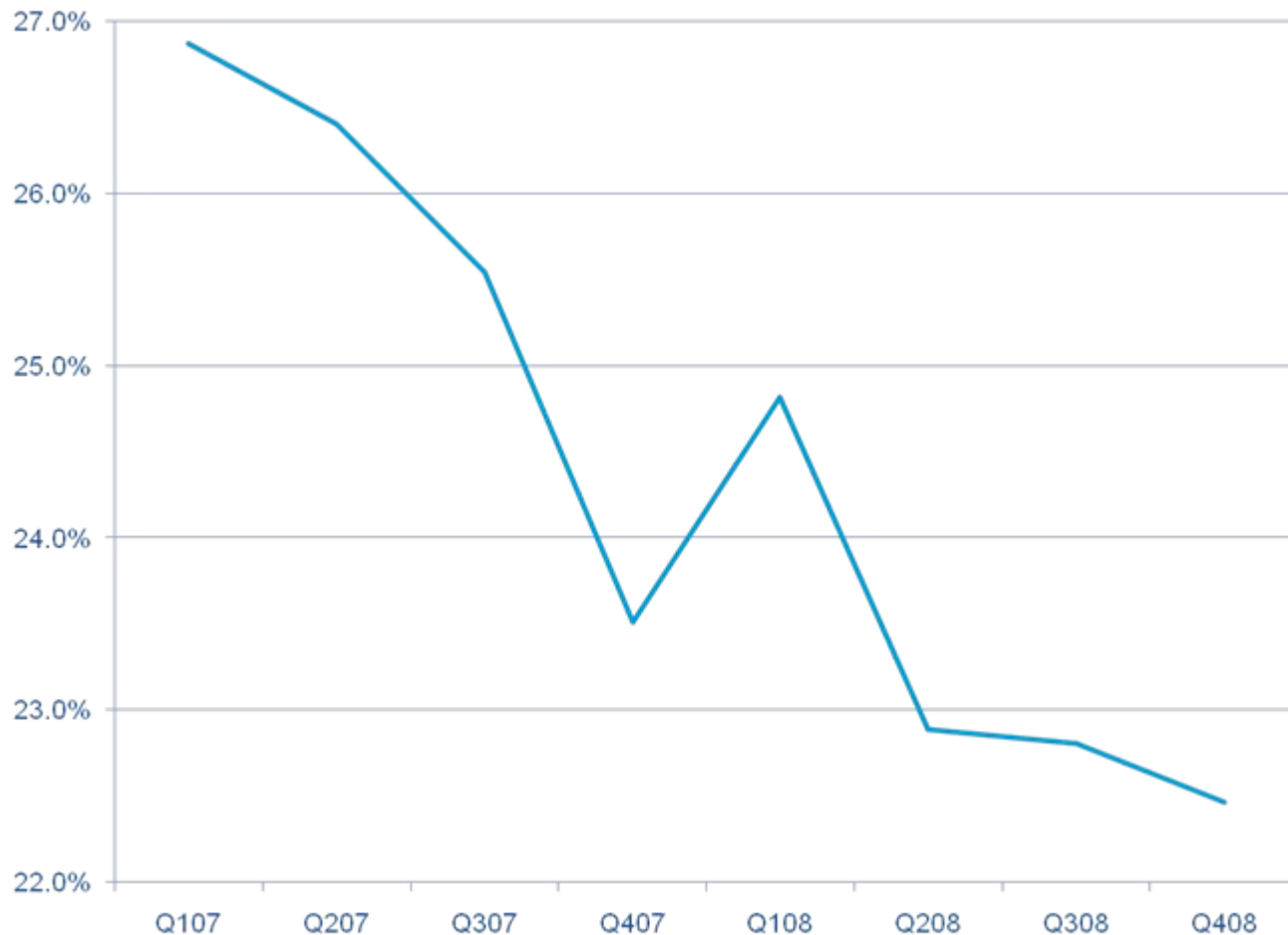
Look Familiar? A Shrinking Market

YOY Market Revenue Growth



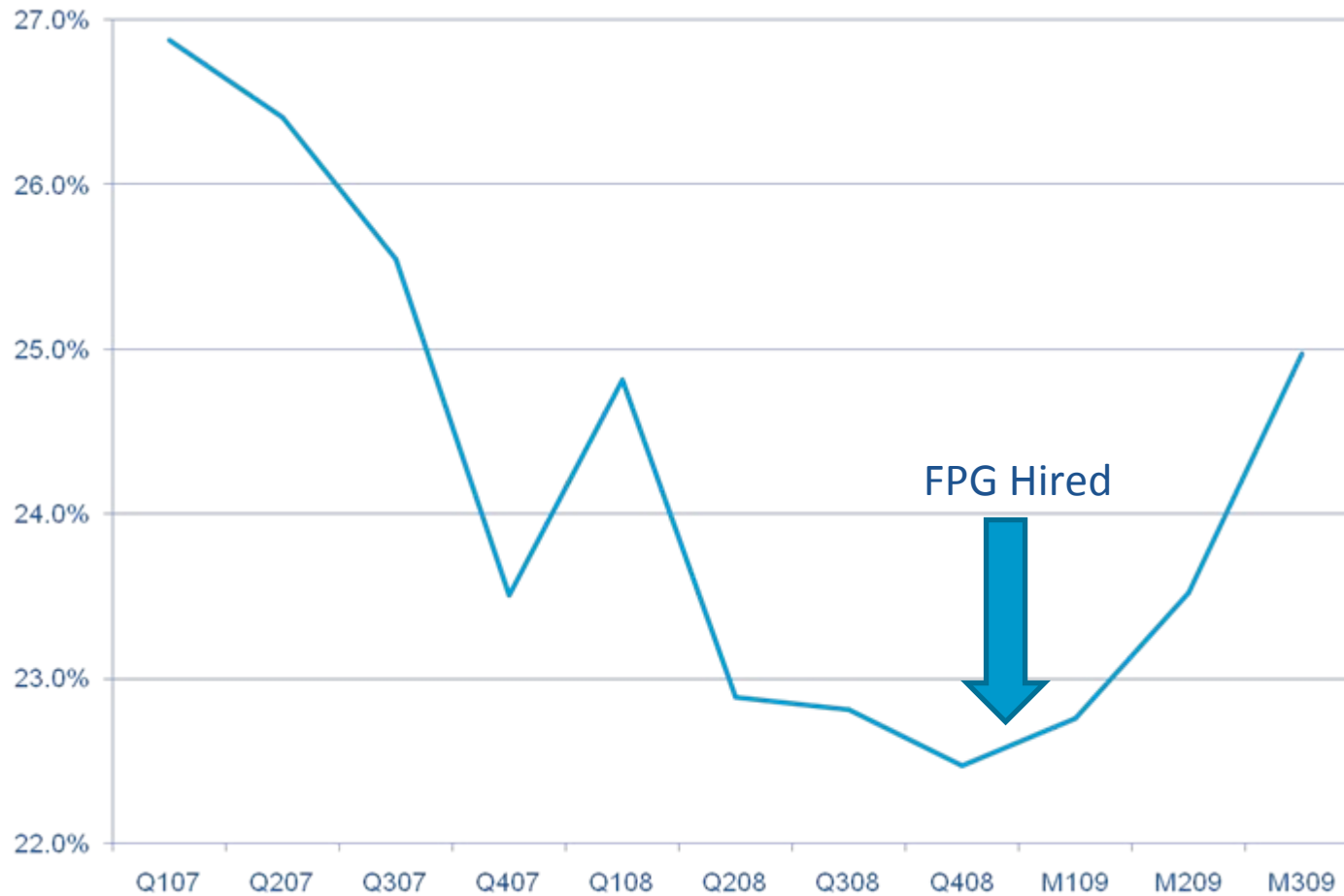


A Losing Casino In a Shrinking Market





It Doesn't Have To Be This Way



Doesn't Have To Be This Way: Revenue Drivers in the Casino Industry





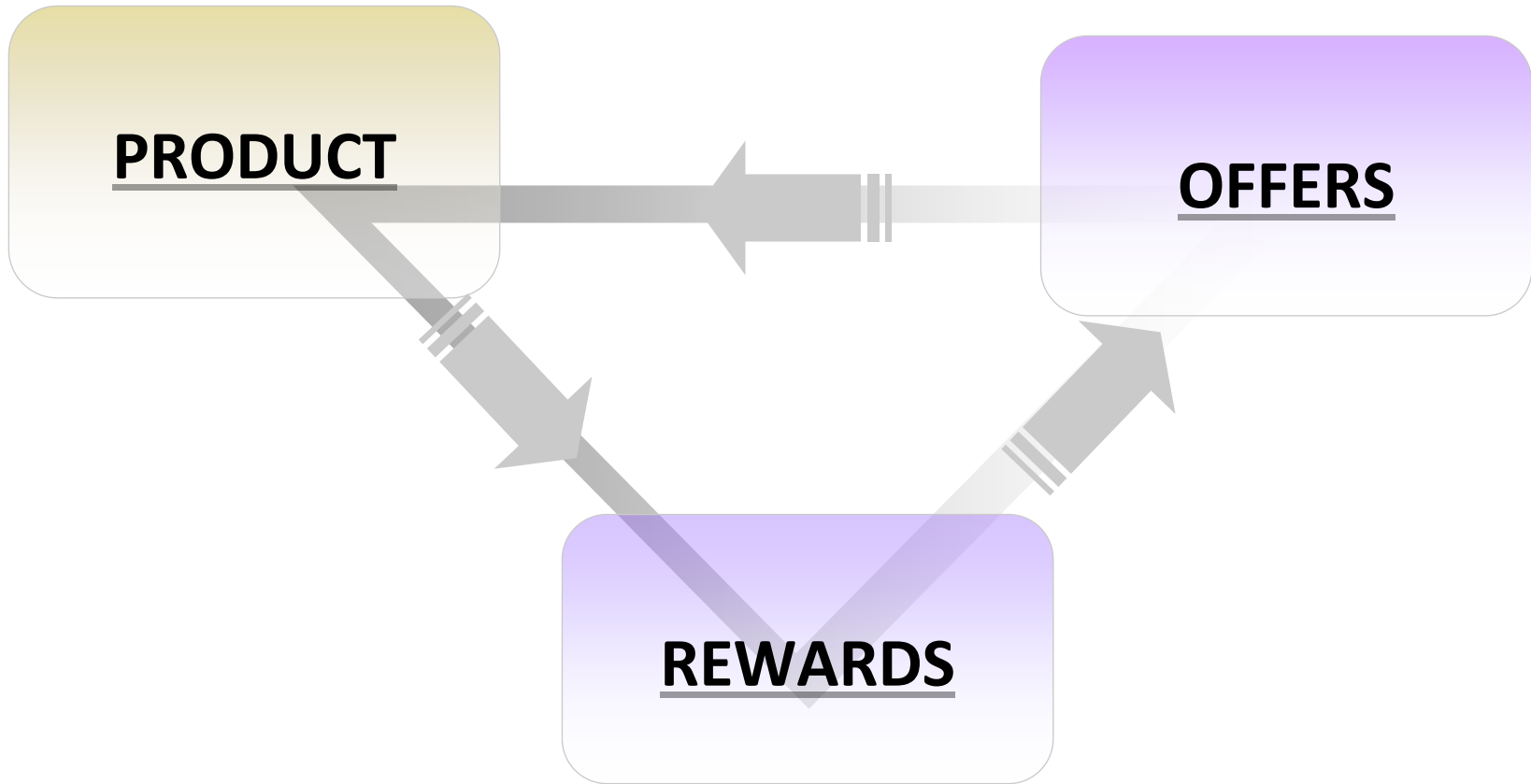
What is True Marketing?

Marketing is like a towel full of water,
and most companies haven't started
squeezing



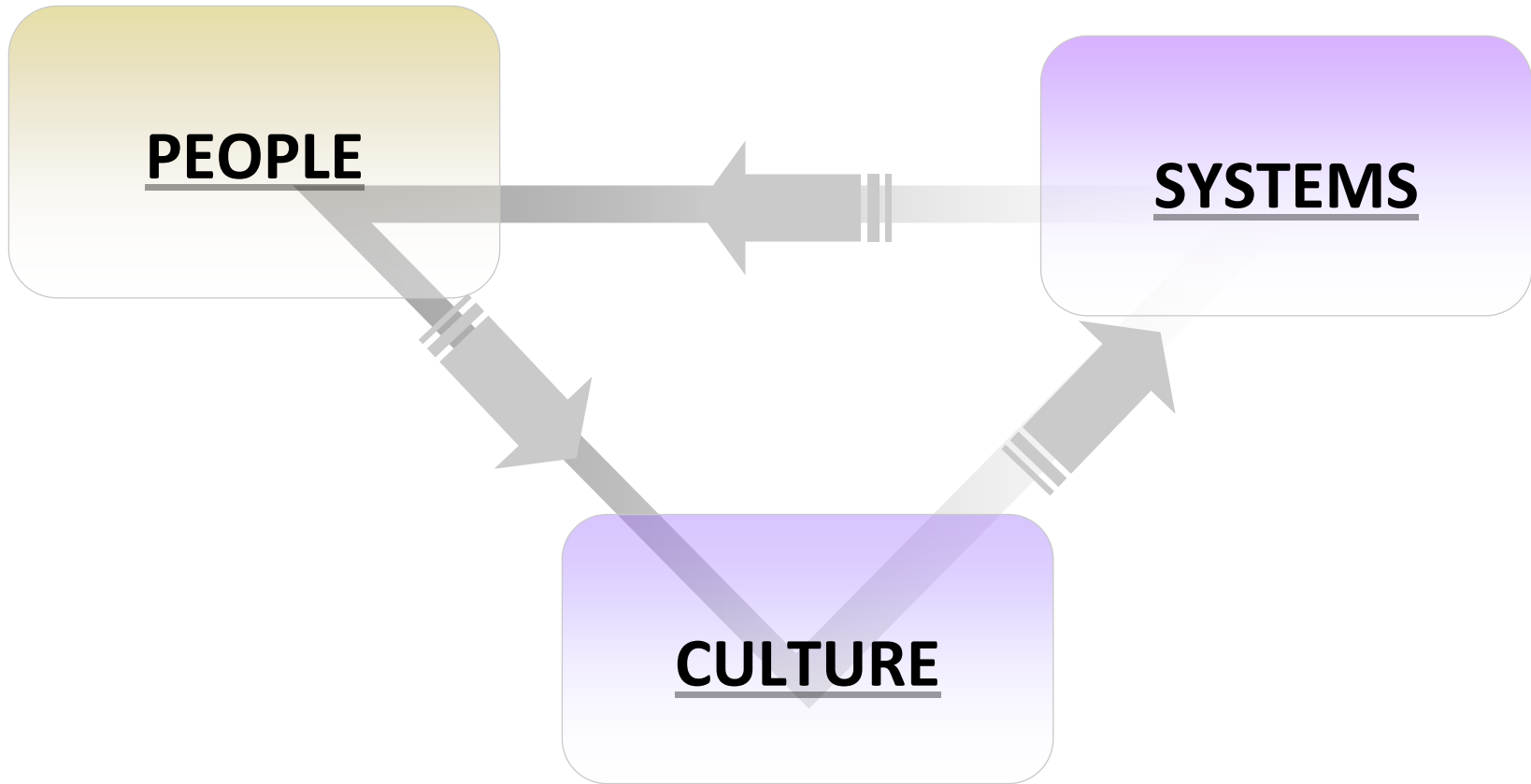


The FPG Framework for FAST Revenue Growth





The Complication: Internal Obstacles to Turnaround



This is How We Do It





Slot Optimization Framework

Product

Price

Place

Promotion



Box

Chip Set

Configuration

Marketing



Revenue



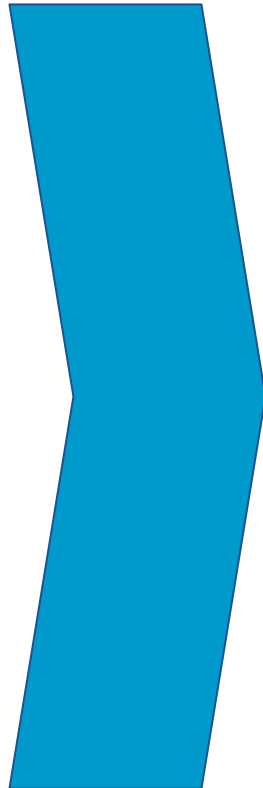
Slot Optimization Framework

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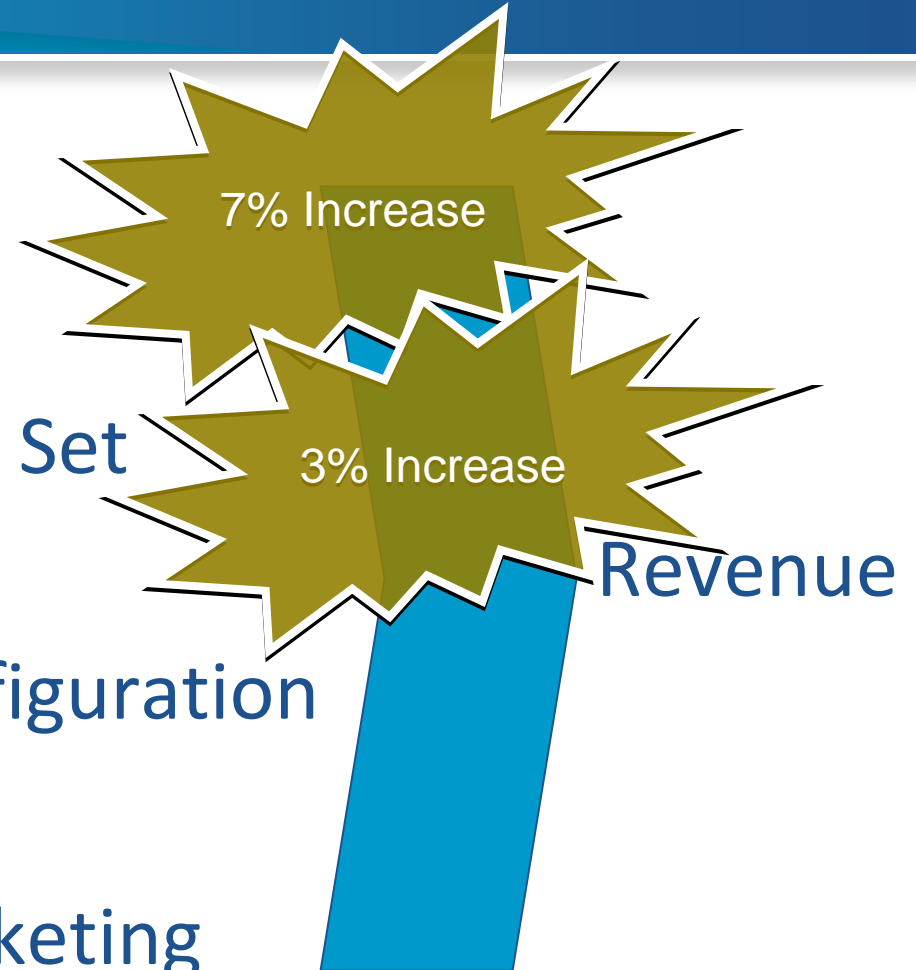


Box

Chip Set

Configuration

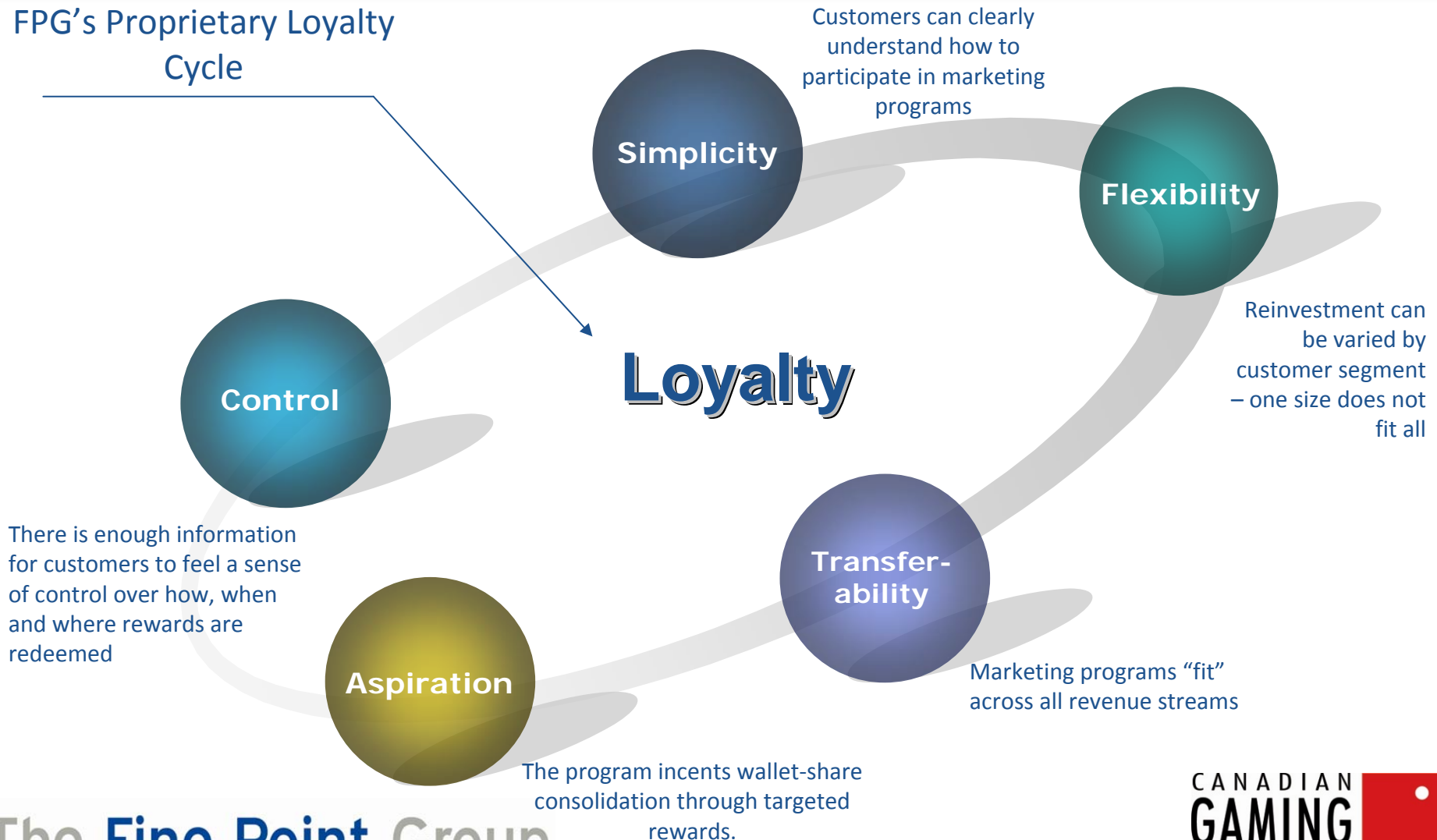
Marketing





FPG Relationship Marketing Model

FPG's Proprietary Loyalty Cycle





A Four-Dimensional Strategy

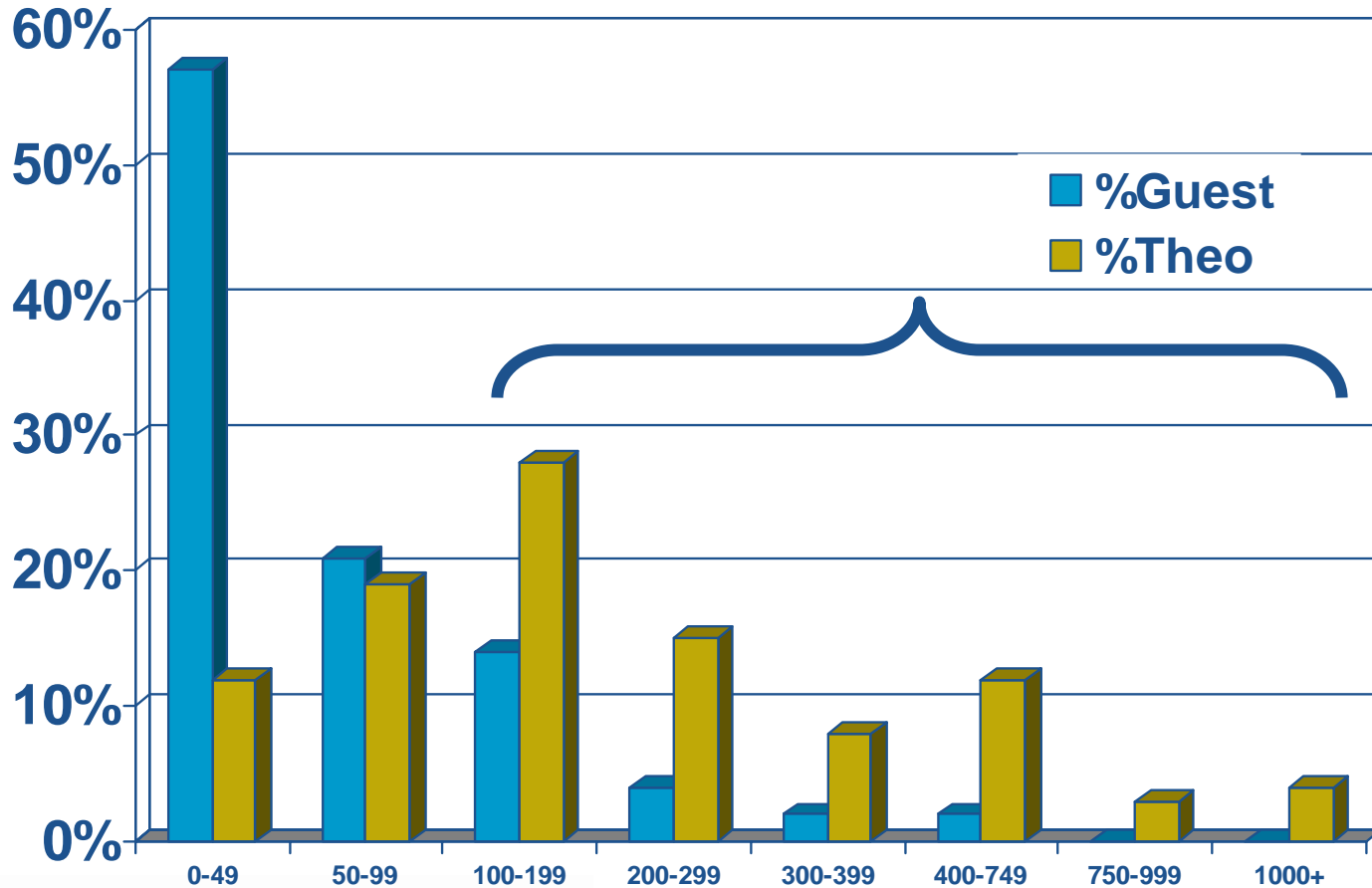
- We start with the foundation of **WORTH** – expected revenue on a given visit
 - Address customers differently based on how much value they provide us on each trip.
 - A \$1000 customer, \$100 customer, and \$10 customer should get different communication
 - A \$10 customer might get no communication!





Sample Worth Analysis

Top 22% of customers drive 69% of revenue.

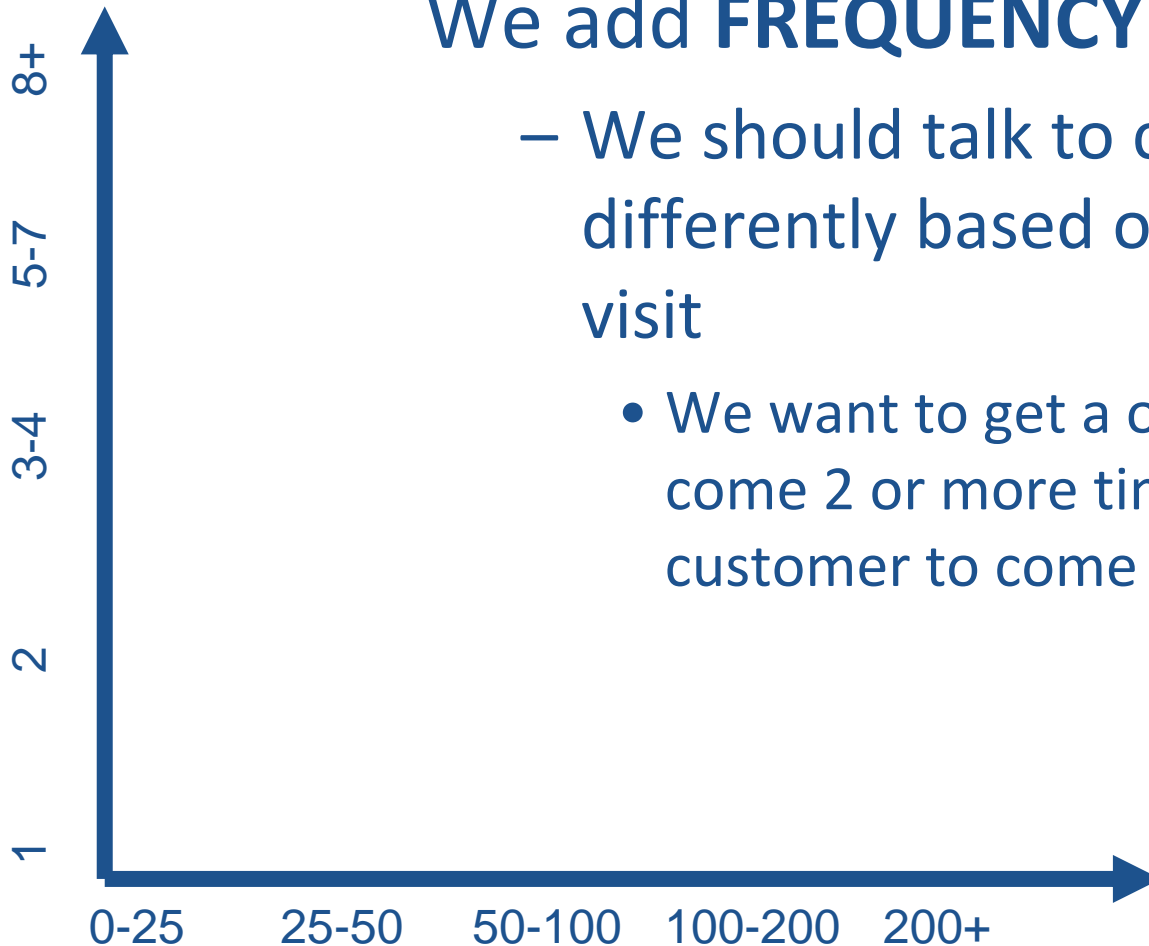




A Four-Dimensional Strategy

We add **FREQUENCY**

- We should talk to customers differently based on how often they visit
 - We want to get a one trip customer to come 2 or more times, and a 3 trip customer to come 4-5 more times, etc.

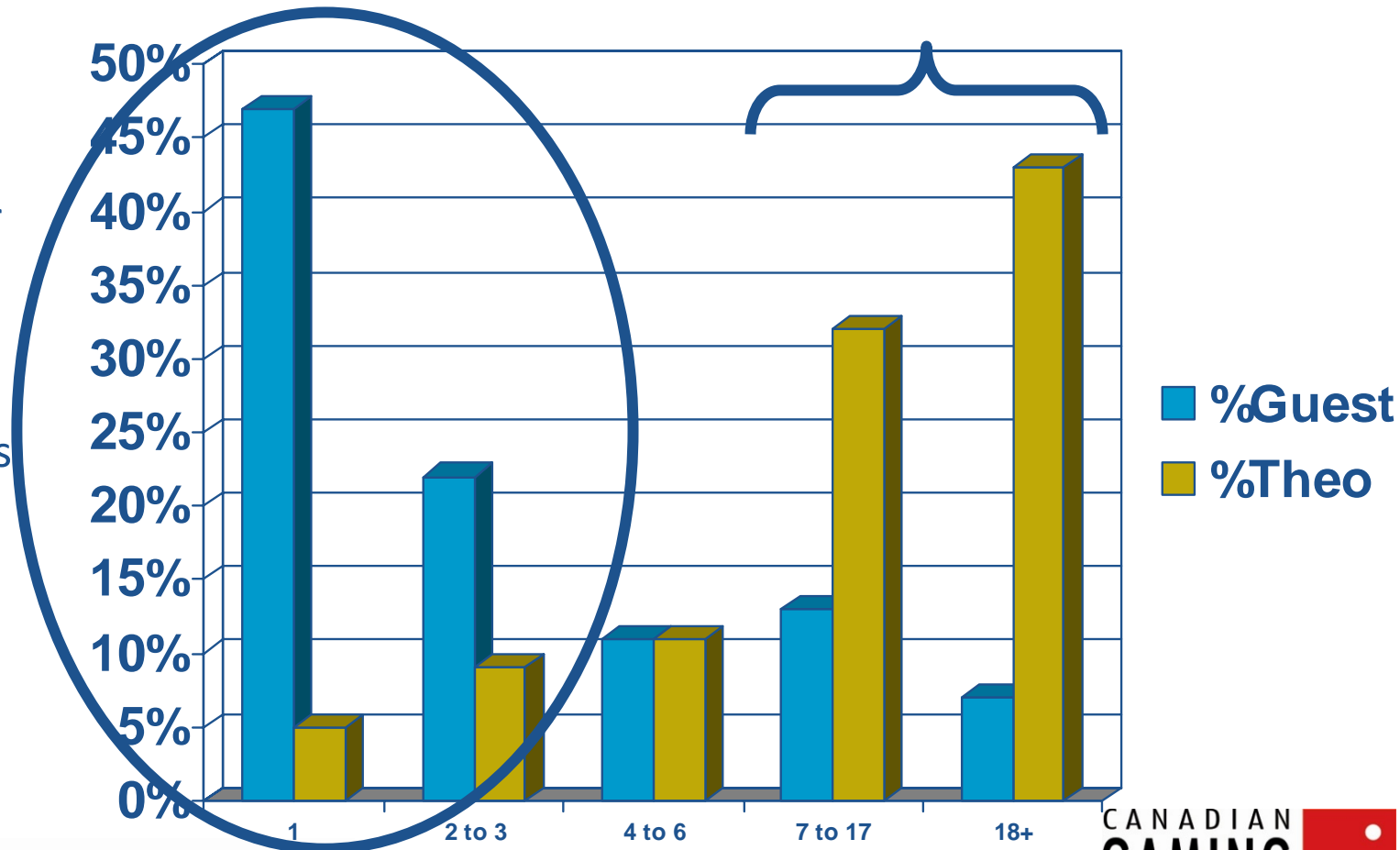




Sample Frequency Analysis

The most frequent 20% of customers drive 75% of revenue.

Getting one more visit per quarter from these two groups is worth millions

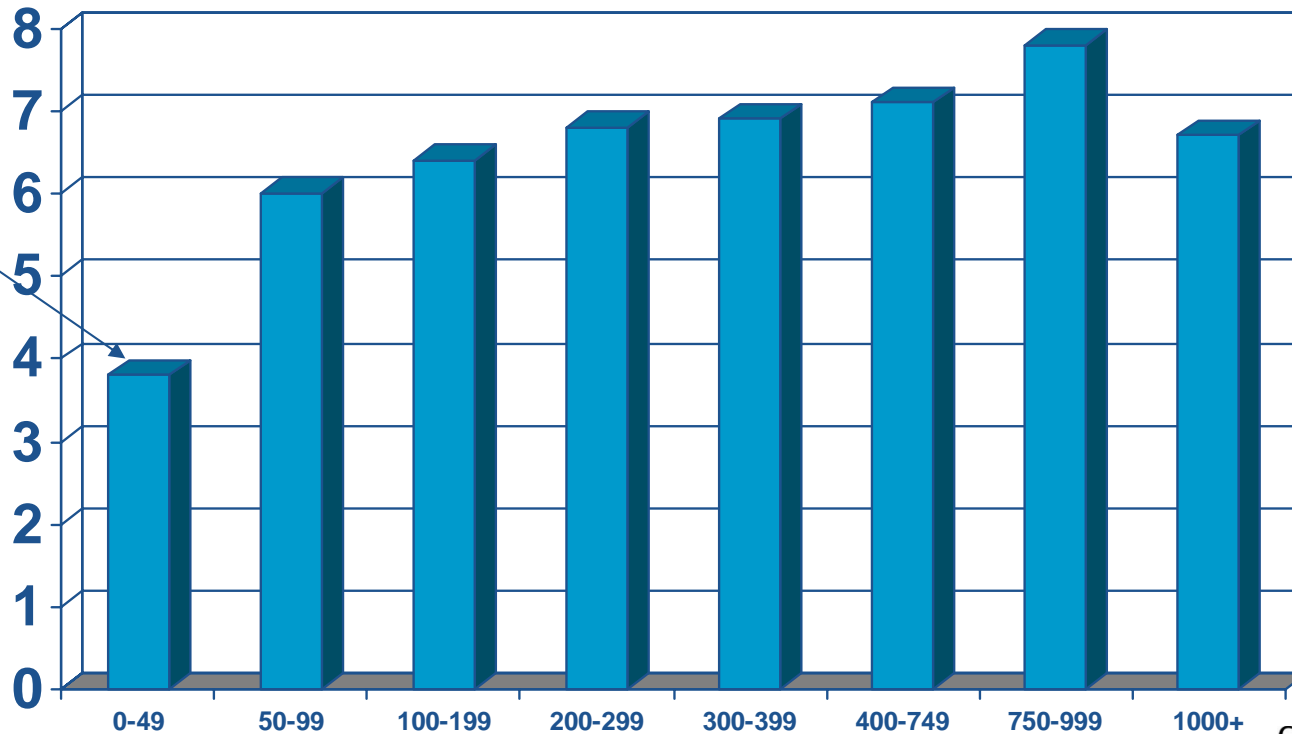




Sample Frequency by Worth

The bigger the player, the more frequently they come.

Trips/Quarter



Opportunity?



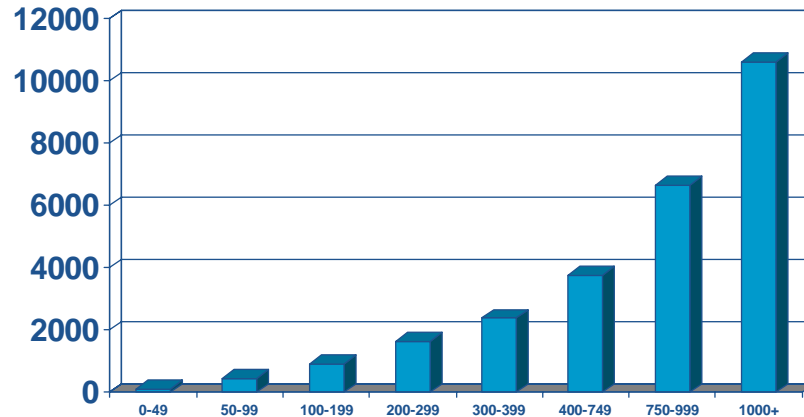


Sample Value Analysis

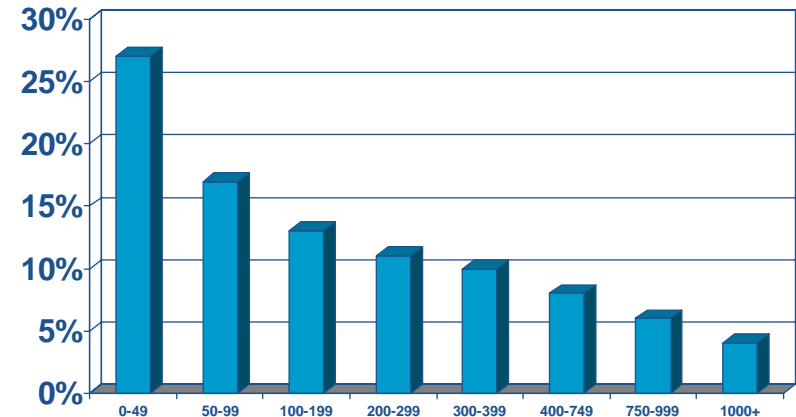
While a \$1000+ customer is worth 112 times a \$0-49.....

A \$0-49 gets six times as much reinvestment as a \$1000+

Cumulative Worth/Quarter



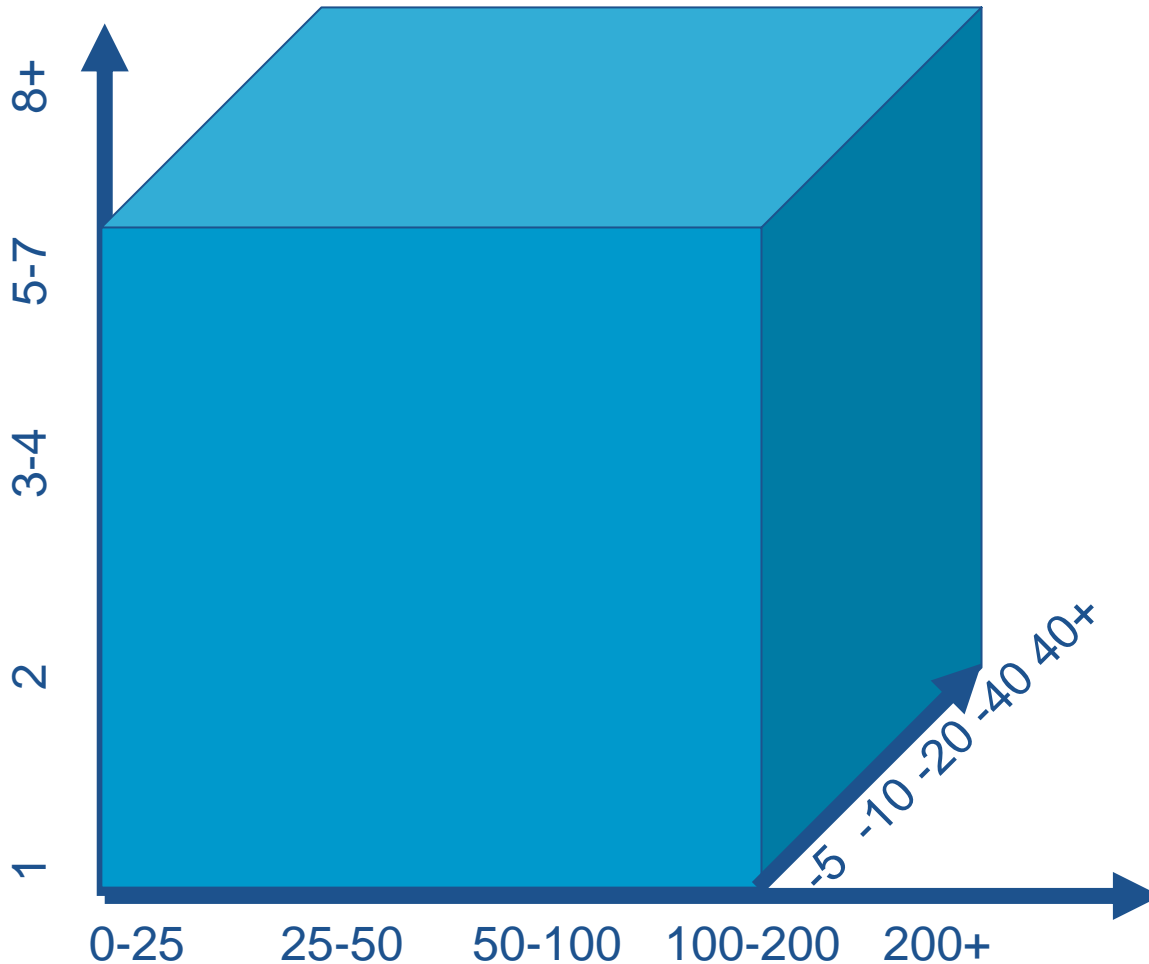
Reinvestment Per Segment



Ensure this makes sense....



A Four-Dimensional Strategy



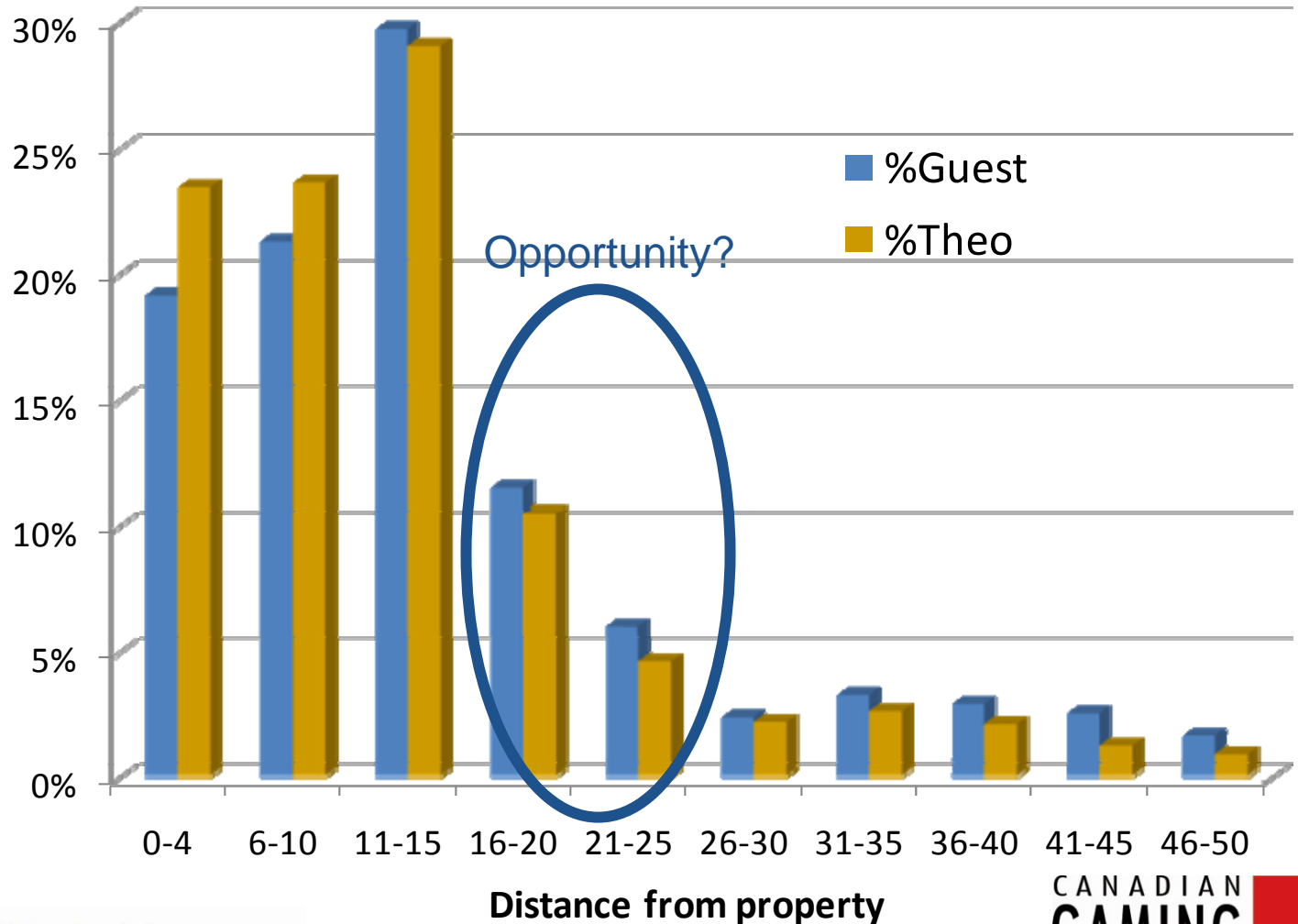
Add **DISTANCE**

- Gaming is a real estate business – location, location, location
 - It takes more to get a \$100 customer who lives 20 miles away to visit versus one who lives two.
- Zip codes work even better as not all distance is equal



Distance

Guests and Theoretical Revenue within 50 miles



71% of revenue within 15 miles

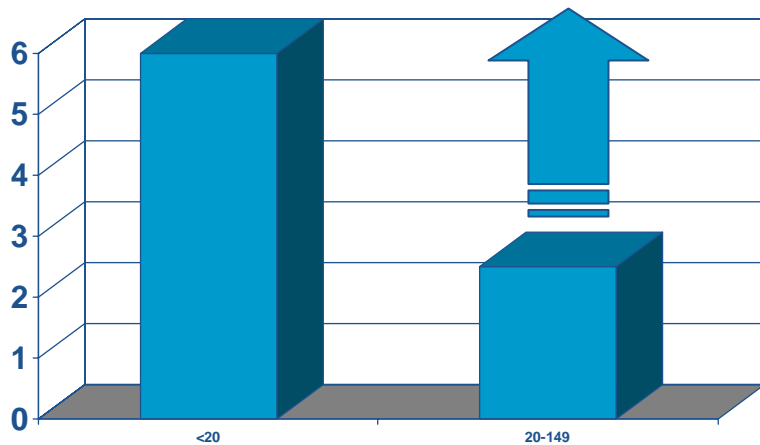


Sample Distance Analysis

20+ guests come less frequently...

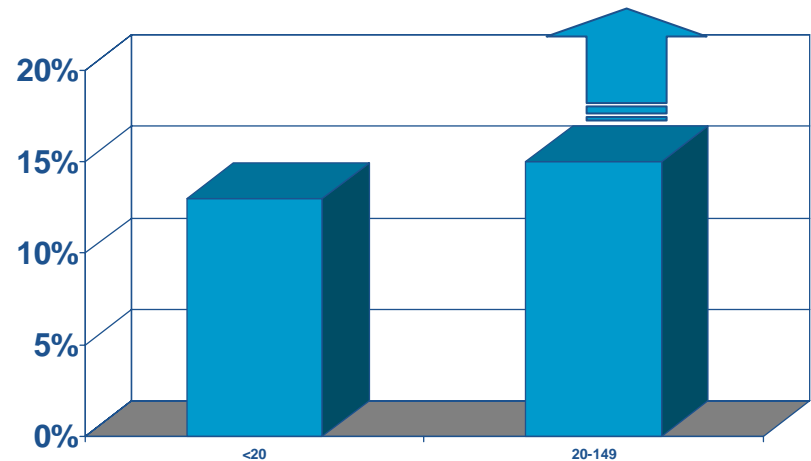
But we don't materially over-reinvest to incent them to come more often..

Trips/Quarter



We should raise this!

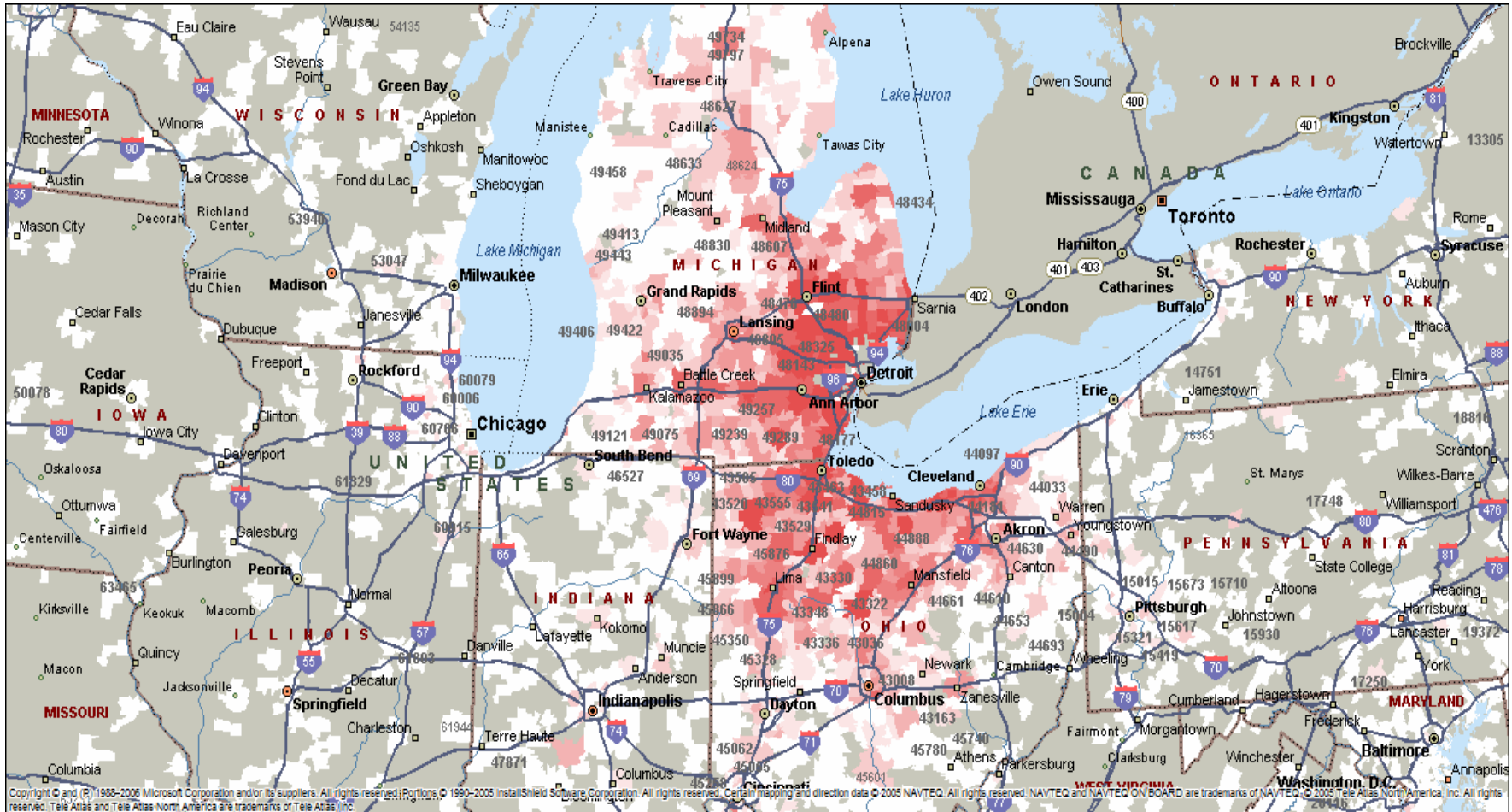
Reinvestment Per Segment



If we raise this..

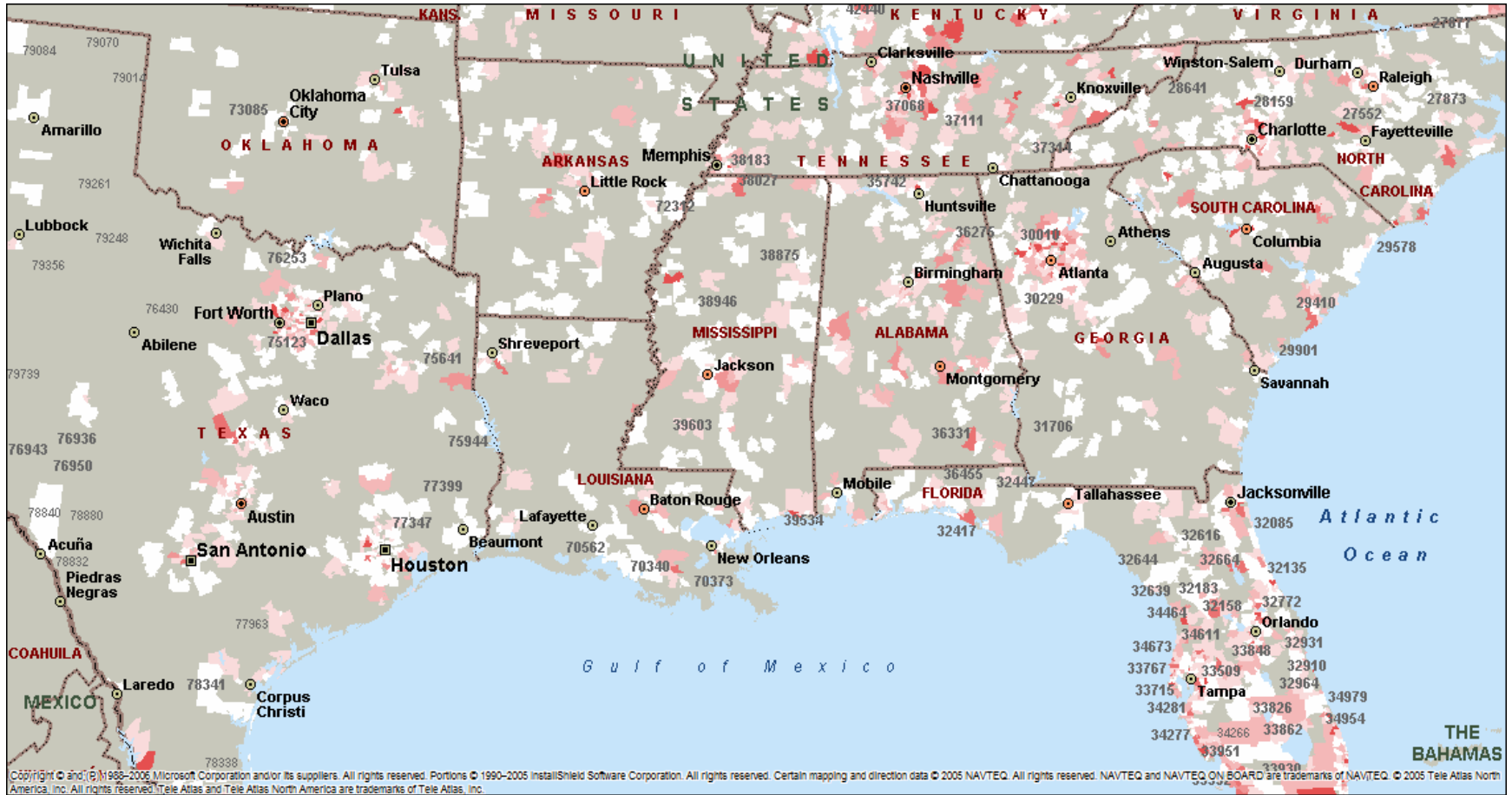


Distance Based Rated Play - Midwest



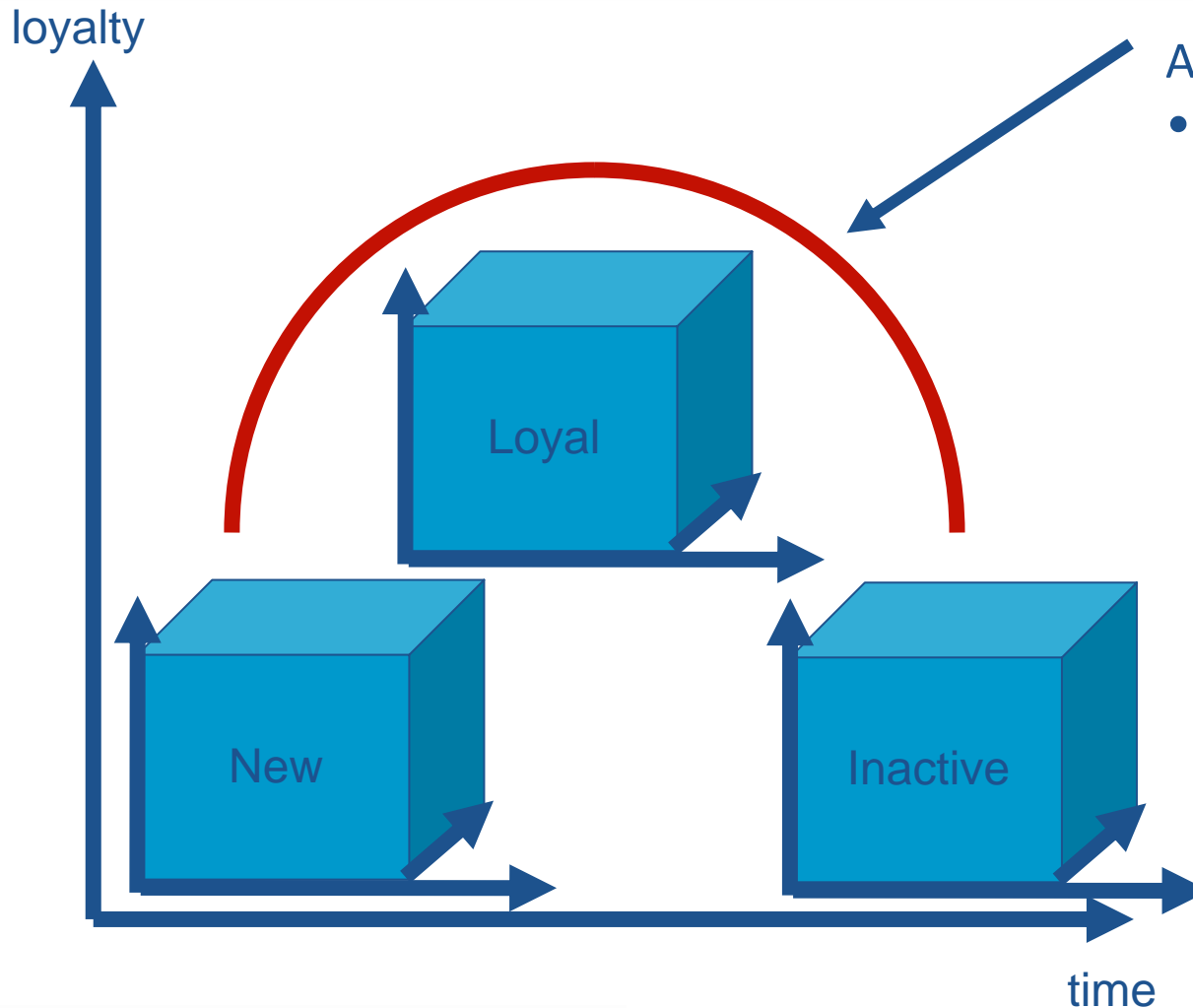


Distance Based Rated Play





A Four-Dimensional Strategy



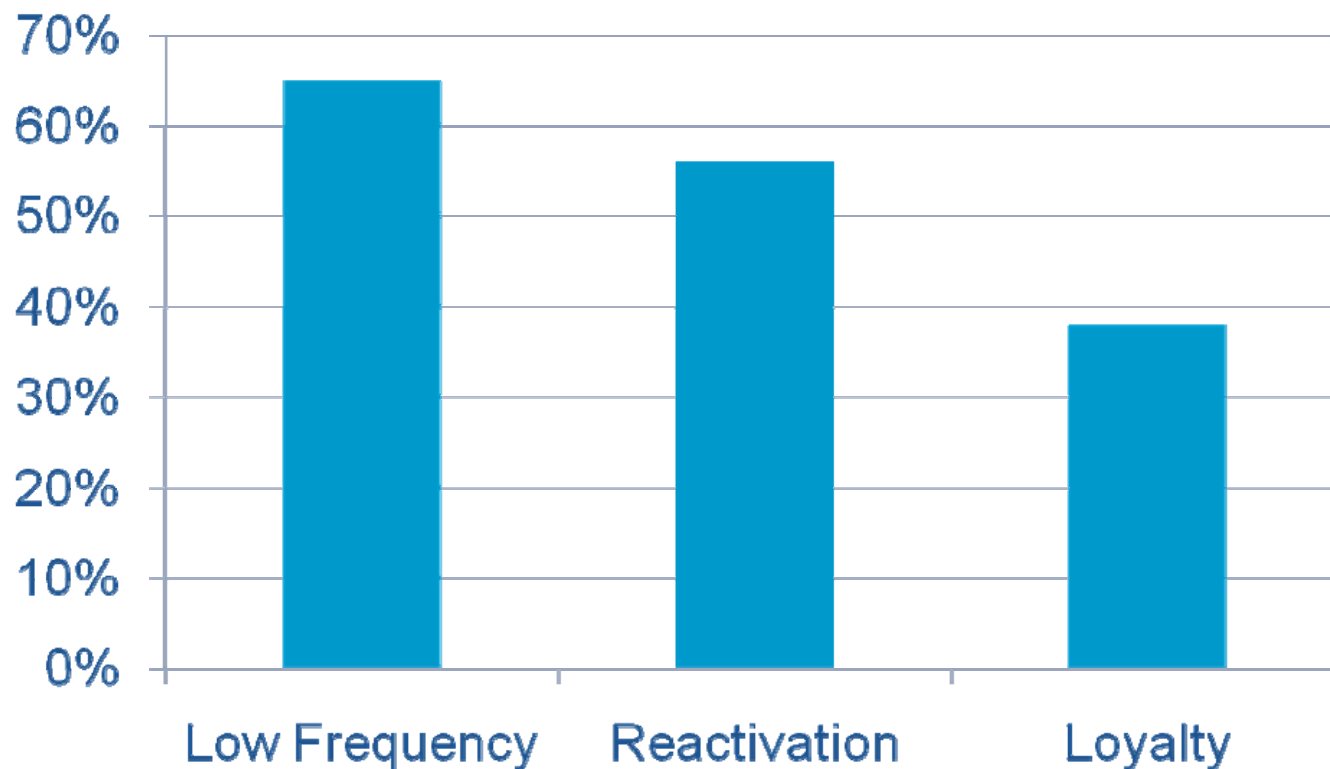
Add **RELATIONSHIP**

- Customers go through a lifecycle
 - We might offer a new \$200 customer a better deal to come back than we offer a \$200 customer that we know comes every month
 - Similarly, we might offer someone who hasn't been back in a few months a better offer than those who come consistently



More Real Results...

Year Over Year Performance





Questions?

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