



THE HALO GROUP

Shine.

Subject: Atlantic City: Lessons for Regional Casinos

Working with the casino industry throughout his 25 year career, Mark Sutter, Chief Strategy Officer at The Halo Group, a branding and marketing communications agency, reveals why regional casinos need to differentiate their brands as the new frontier of gaming ultimately becomes digital.

According to Mark, we all know convenience is killing Atlantic City. The proliferation of casinos in surrounding states is slowly eating away at the boardwalk empire. But AC casino brands aren't helping either. Very few casinos in AC have effectively marketed their unique casino experiences. They aren't giving people reasons to leave the comfort of their neighborhood. There are quite a few lessons here for the regional casino brand—and maybe a few for Atlantic City itself.

A "Box with Slots"

Initially, casinos outside of Las Vegas and AC didn't have to do a lot of branding. They opened their doors and convenience drove them in. No real differentiation was necessary. They use tired iconography, overpromised a unique experience, and provided lackluster service. And their marketing has no guts. As regional competition heats up in every state, differentiation is perhaps the single most important variable in the mix. Every casino's market is being squeezed. They are fighting for revenue. So every casino has to consider itself a destination brand.

Revel: Differentiation Also Means Knowing Your Market

Many might point to Revel as an example of a brand that offered a unique brand experience. But it failed? Revel may have worked if it was in Las Vegas, like the Cosmopolitan has with a similar lifestyle brand appeal. They didn't understand AC customer expectations and targeted the wrong audience for this market. Also, Revel was an operational failure as much as a brand failure. It was difficult to get to, isolated, and besides, it was hard to figure out if they even had gaming in their marketing communications.

Promotional War vs. Brand War

Rather than looking at the long-term, many casinos rely on promotional strategies that focus on the offer rather than the value of the brand experience. Of course, you have to have both. Slots and table games, a spa, pool, hotel, and a celebrity chef can all play a role in separating you from those who don't, but what's the brand strategy? Many gamers think of casinos as entertainment. It's not "will I win," it's "will I have fun?"

Online Changing the Game

Online gaming approval in New Jersey and other states is redefining the gaming universe as well. Now, serious gamers and novices alike can enjoy the ultimate convenience—gaming in their pajamas. Digital marketing is becoming a primary tool to drive new, more casual or social players. Building brands digitally will be the cornerstone of casino brand growth.

With online gaming on the horizon for all casinos, digital marketing expertise will be critical to attracting new, younger, more tech savvy players to online gaming. VIP now means Very Internet Proficient. Driving customers in through digital expertise will be as important as Player's Club retention analytics.

Casinos Can't Live by Analytics Alone

Jeffrey Boorjian, VP of Marketing for Caesar's, recently stated in an article on marketingmag.com, that "We're a analytics company that just so happens to be in gaming." And in fact, Boorjian says "the marketing department at Caesars more closely resembles an analytics team than a marketing one as known traditionally." This not a sustainable strategy for many casinos in highly contested gaming markets. This kind of thinking leaves casinos, which are increasingly becoming commoditized, with little differentiation. It takes more than analytics to build a unique casino brand experience; it takes expert hospitality marketing as well.

MARK IS AVAILABLE TO DISCUSS MAJOR CASINO INDUSTRY TRENDS EVERY ADVERTISER NEEDS TO BE AWARE OF.