

Food As A Marketing Tool

By Dennis Conrad

While I am not an expert on Food and Beverage Operations in casinos, I have watched gaming operators successfully use food and drink as a marketing tool for some time now. The route to a gambler's wallet can indeed be through his stomach.

That marketing formula has been changing fairly dramatically in the casino F&B world over the last several years. It used to be standard to see F&B regularly and routinely operate as a loss leader (in some casinos it still does) because "we make it up in the casino." Now however, nearly every casino hotel department is expected to turn its own profit (OK, many Bingo Departments are still given a "profit pass").

The new model for Casino Food and Beverage Departments has taken on several forms. Some casinos have added to, and diversified their restaurant offerings (plus increased prices), trying to satisfy their existing gamblers and attract others. The belief here is that variety will produce the maximum number of covers and mostly satisfy gamblers' broad food tastes.

The casino buffet is still very much alive and the trend here is towards higher quality and higher prices. "Action cooking" stations are now fairly common at casino buffets, as are special themed buffets and the ubiquitous seafood buffets. (If you are ever in Reno on a weekend, be sure to catch Boomtown's All You Can Eat Lobster Buffet – now there's a marketing tool!)

More and more casino operators have been getting into franchising some or all of their food and beverage outlets. I guess the upside is that this arrangement eliminates risk and allows for a wide array of restaurant choices that have well known names and built-in marketing budgets. The downside would appear to be loss of potential restaurant profit for the efficient operator and losing control of the customer service function and service can get pretty spotty at casino fast food franchises with (mostly) minimum wage employees.

While I have enjoyed the generally improved food quality and variety that have accompanied these new casino F&B trends, I worry that we may be eroding some of the casino's value proposition and marketing effectiveness. Then too, I may be wrong here, and the F&B value proposition may just be changing.

Given my 30+ years experience at hundreds of worldwide casinos, as both a diner and a player, I guess you would expect me to offer some observations and suggestions on food as a marketing tool at casinos. Well here they are, and I hope they can help grow your business:

1. "Great food" is a great marketing tool. Whether it's the Horseshoe Casinos, the Eldorado in Reno, or any number of the Las Vegas Strip casinos with multiple,

REALLY fine dining options, casinos with GREAT FOOD (not merely GOOD FOOD) all seem to have great gaming success. I don't think this is a coincidence.

2. The right food events have great marketing power with VIP's. Whether they are "Crabfeasts" or Signature Chef's dinners or outdoor "steak frys" or just intimate gourmet dinners pairing VIP's and casino executives, from my experience (when done right) these events ALWAYS seem to work. And I don't think we do enough of them.
3. The "knock your eyeballs out" casino buffet is a killer marketing application. But not any buffet – a carving station is just not special anymore. You need action cooking stations, sushi, foods from all over the world, "All You Can Eat Lobster" and other hooks, desserts that would impress your grandmother. Hey, don't ask me how to price it to fit the F&B budget, I just know it works!
4. You need to feed your best casino players best – and quickest. The 20/80 rule is very much in effect in casinos, and if your food service and product is not tailored to the top 20% of your players, well, you're probably losing revenue. So start surveying your VIP's about their food experience with you, start offering them express, hassle free service, start including core food benefits in your player reward program, and start using food as a VIP event.
5. Understand what your F&B does for your casino and measure diligently. Sometimes it's hard to know if the new Mexican restaurant is just filling space (and maybe making a small profit) or is also driving gaming revenue. Well you can find out, with some reasonable assurance, if you care to know and then measure the right things.
6. BRING THE FOOD TO WHERE THE PLAYERS ARE (and this is my strongest and best advice of all). Most casinos are "locals casinos" in one way or another, and locals are often avid players with limited playing time. For God sakes, why not let them eat while they play, and increase their playing time??? Don't think it would work? Well, Barona Valley Ranch in San Diego serves over 70% of its coffee shop meals (on tables with white linen) to players on the casino floor. Three Rivers Casino in Florence, OR, promotes its "slotside dining" with signage throughout the casino and Reno, NV, Gold Dust West's "VSP's" (Very Special Players) get free finger food while they play slots or video poker, delivered from staff in the Wildwood Restaurant. Are there issue with players eating while they play? Sure, but would you prefer having your best players STOP PLAYING to go eat???

Yes, the food and beverage business may be changing in casinos, but the marketing formula remains the same. Listen to your best players, feed them best and quickly and try thinking out of the crock pot.

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