



10 TIPS TO HELP YPU STOP GUESSING WHO IS COMING TO DINNER TONIGHT

Gaming views served with cookies and cream

In the 1967 hit movie “*Guess who is coming to dinner tonight?*”, Sidney Poitier plays the role of a fiancé who challenges the traditional attitudes of Matt and Christina because he is black. But casino management should not have to guess or receive surprises as to who eats their food servings.



Providing food to your players as a compliment, for a price or as a result of a calculated amount of play, should be the result of careful planning and attention to service and an important part of your strategic planning. It should be **part of the total experience your place has to offer. It should be pleasurable and entertaining.**

In the early seventies and for some years to follow, casinos would give complimentary food and beverage to their patrons based on discretionary valuation about their worth as players. As food and beverage costs increase, management slowly switched to stricter rating methods and would only give buffet tickets to those players who earned them. Your food comp was to be determined by a machine calculation in the case of slot machines or by human calculations of ratings in the case of table games. With the addition of popular Food Outlets adjacent to the casino floor or within the resorts they are located at, comp slips or points could also be redeemed at those locations.

For many observers and seasoned managers, that step took a wrong path and eliminated, or severely limited, the human contact between customer and management also the capacity of floor management to be proactive marketers. However, at small local casinos within competitive markets, things did not change so drastically. Furthermore, in recent years, **providing ‘free’ food has become a competitive edge for many or, at least, a differentiation tool.** Some casinos at a variety of markets provide at least dinner or lunch to playing customers while others go as far as giving all 3 daily meals and a couple of snacks to almost everyone on the gaming floor.

Some arrange ‘free buffets’ on selected days while others organize a popular daily menu which changes with the seasons. A small group prefers to keep an ‘open a-la-carte’ selection for qualified players and provide very attractive meals to patrons who earn them either by amount of play, frequency of visitation or other reasons. A full spectrum of alternatives is available but, one way or another, they all serve the same purpose: give something more in return for player’s discretionary income.

As the provision of food to customers expanded, even casinos which were not ready to do it jumped in the wagon and used the 'follow the leader' marketing strategy thinking that if they didn't, players would not come in or go to the competition. At the same time, **players assumed these servings as an entitlement of their own:** *"If you want my play, you have to give me food and beverage among other comps"* some would say. Casinos then felt forced to give more and more free food and spend significant amount of their revenue in cost of food and investing in adequate facilities and labor for its preparation.

It is assumed that those which do not give free comp meals usually suffer from lower traffic, But do they? Several operations continue to use small discretionary food comps – mainly sandwiches and hors d'oeuvres - and still maintain significant traffic while reducing their overhead costs. Another theory is to consider the cost of food as part of the marketing cost but not too many operators have really done their homework and determine how productive these expenses are? Do they add any true value? Or are they just another mean to have a good headcount and traffic flow but with similar volume as they would have with less or no food?

As could be expected, research shows that **headcount and traffic increases at standard serving hours and decrease rapidly after meal is served.** This is a problem difficult to control because you need some sort of schedule for meal preparation and serving hours. Players know this and will come in right before evaluation is done as to who deserves a plate. As a result, casinos usually do not get their expected incremental revenue from this type of comp/reward and its associated costs become part of the 'regular operational expenses' This approach proves to be totally wrong.

Decisions as to how much? Menu? And when to provide complimentary food should be based on facts and attainable goals which are specific to each market and jurisdiction. Not the results of *'everyone is doing it' gut feeling.* In any case, providing meals to patrons should be carefully and constantly evaluated correlating cost/benefit and incremental revenue from added traffic. Most of all, it should be properly managed by professional in the food and beverage with positive integration with casino management.

Here are 10 tips which should be always considered to help you make a better guess as to who is coming to dinner tonight:

1. **Clearly define the criteria as to who gets the meal.** Have a system in place. Enforce it and do not be afraid to change it if necessary. Do visitors have to play certain amount or have a buy in of 'x' before getting a plate? Or, do you prefer, out of simplicity, to give food to everyone who is playing at the time?
2. Not everyone has the same life-time-value(LTV). **Make sure to provide VIP differentiation even when you serve the same for everyone.** Others should notice what VIP Players get so they can question why? Have them understand how they can get more and better quality food servings.
3. **Leave margin for your floor management team to approve serving food** to customers who might not qualify for it when your standards are applied. The gaming floor is very dynamic and several circumstances could determine how appropriate this decision could become.
4. Keep **Constant evaluation of your cost of F & B in relation to revenue and the incremental revenue it brings.** Audit the system, review analytics and metrics from this

operation. Serving bad food will give you enough negative word-of-mouth to destroy all your efforts, but the same will happen if high cost of food, no additional benefits are present or the system is abused by the inside or outside client.

5. **Make sure your cost of food is part of your Total Reinvestment Strategy.** It should be part of the marketing and players development plan. Never something given out of routine.
6. **Do not become a follower** and do the same that your neighbor is doing because you are afraid that, if you don't, players will leave you- Always consider innovation, differentiation and caring for special occasions and events.
7. **Keep your food creative, healthy and savory within your budgetary guidelines.** Give high importance to how is served to patrons. Remember, you are on the service and entertainment industries, make sure presentation, timing and actual delivery of food items is appropriate.
8. Try to **personalize your food offers as much as possible.** Go the extra mile to offer your best customers their favorite dishes. Just like with drinks, make sure your hosts know them and offer it to your players at proper time. They will appreciate it more. Furthermore, **try to cater different segments of customers** with diversity and selections.
9. **If food has become an entitlement for your customers, maybe they are not so loyal.** Dare to make some A & B tests to see the effect of not providing food and evaluate results. Try using those hard earned revenue some other way.
10. Take **proper care of preparation and serving procedures as well as cleanliness** of your preparation and serving areas, If you deliver your food directly to your game tables and slot machines, make sure to carefully clean afterwards.

WHATEVER YOU DECIDE TO DO AND WHICH SYSTEM TO USE, CONSIDER THE FOOD YOU OFFER TO BE A VITAL PART OF YOUR BUSINESS AND MARKETING DIFFERENTIATION STRATEGY, MAKE SURE PEOPLE KNOW ABOUT IT. DON'T KEEP IT TO YOURSELF. PROMOTE IT AND MAKE SURE IT BECOMES AN EVENT NOT A ROUTINE. MARKET IT FOR THE VALUE IT ADDS. USE IT AS A TOOL TO EXPAND RECOGNITION OF YOUR BRAND.

Bon appetite!!

How can we help you evaluate, implement and develop some of these aspects of your casino food operation?



AGL360CG, SRL is a gaming consulting company addressing its services to the Caribbean and LatAm areas and with strong emphasis on gaming and marketing analytics studies, metric and KPIs development to be used by Management to support sound decisions.

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