



7 AREAS OF GAMING ANALYTICS AND BI WHICH SHOULD BE PART OF YOUR 2014 BUDGET AND RESOLUTIONS



Contrary to common perception, Holiday Seasons are not always the best times for the gaming industry even for local gaming operations let alone for many destination resorts. Disposable income seems to go to other sources of entertainment and to the retail industry for family gifts, dinners, parties, fun. It is January. Time to come back to normal and take some time to consider some actions which could help you prepare for 2014.

Every year, an obvious resolution is to get better at providing, organizing and accessing valuable information by relying on useful tools. This includes making sure management team has the right data to assist you in making the right decisions. Your team can also be more efficient when the right information is available at the right time and can be easily visualized leading to more accurate assumptions and taking advantage of opportunities.

Basic numerology for 2014 would make us think that is going to be a good year for gaming. After all, its numbers add up to 7. Yes, your lucky number seven. With a more competitive gaming industry, maximization of volume and profits are a most-attend priority for management. Whichever strategies are used, they will be evaluated based upon the level of maximization and profitability achieved.

But you cannot control or manage what you cannot measure let alone optimize it. While the playing field in the gaming industry has become more intricate and many obstacles in different jurisdictions are being confronted, there is a wide range of opportunities out there. It can be forecasted that **analytics and business intelligence will get a much stronger use in the gaming industry in 2014** and will become a significant and most valuable tools. Furthermore, operations could really **use information as their competitive advantage**.

Let us review 7 significant areas from Gaming Analytics and Business Intelligence and see if there is something missing in your current system or if there is some area which you would like to improve and, like number 7, bring some magic into your operation to reinvent, re-launch or revitalize your brand.

AREA # 1: ROI from my CMS which meets my goals?

It is very important to understand the resources you currently have and maximize its usage. Your CMS is one of them. How much valuable data does it produce to help you manage and make the right decisions? And, at what cost?.

The CMS market has been growing every year but so have its acquisition and operating costs. While there many excellent systems out



in the market – mainly from same games manufactures – it is necessary to determine their Return on Investment (ROI) to properly evaluate the one you use. In terms of analytics, here are some important factors which you should look at:

- i) How much is the total cost of your CMS? How much operating cost? Maintenance fees?
- ii) How much data/information does your company get from it? Will such data/information be actionable? Will it really assist me in taking timely decisions? Or is it just basic and mandatory reporting?;
- iii) Have hidden costs been considered? How much additional hardware and IT Human Resources are needed? Is additional training required? At what cost?
- iv) How customizable is it? Are changes and upgrades easy to obtain or are they too bureaucratic, time consuming and expensive?
- v) What percentage of your system capability do you use? How much do you really need?
- vi) How is data presented to management? Tabular reports? Graphics? Customizable?
- vii) What level of analytics does it provide? Or is it just a compendium of past results?

Whatever system you have, make sure your data is properly interpreted and leads into decisions to take actions **Use technology to increase efficiency and facilitate the decision making process** not just to print nice reports and the pride of being able to say : we use XYZ Casino Management System.

AREA # 2 : Useful and Actionable Metrics and KPIs



Every day your system provides you with regular metrics like Drop, Hold %, Coin In, Par, Win/Loss, F&B Sales,...Usually for the day, M-T-D and Y-TD. Some even comparisons vs. L-Y-T-D, But how productive are they to you? Are these numbers comparable? Do they show any trends? Do they show actions points or do you have to sort through different reports and combine them to get the information you need? Are these metric obsolete? What about hotel relationship and non-gaming revenues if and when applicable?

It is a good time to look into additional insights, metrics and KPIs. Areas like admissions or visitors, pricing of table games (limits) and slot machines (denominations, min and max, etc.), yield management, line item, usage percentages.... They will assist you in expanding your operations as well as obtaining a better audit of your operations.

Preparing a list of metric and KPIs by area of operation could be a valuable project to undertake with your management team. Once you determine what is needed to make the right decisions at the right time, you can go back to your CMS/BI Software and evaluate how many of your requirements are produced and which others are missing.

AREA # 3: Total Reinvestment on Customers, Loyalty Programs and Player's Club

Make sure you know how much are your total expenses on customers and what part of it can be considered a re-investment of your gross gaming product to keep your good players in-house, create loyalty, keep a good retention % and increase repeated business. You would be surprised to see that your best players might not be getting the best comps.

If you do not have proper market segmentation and clustering analytics you will not be able to deliver personalized customer service and experience and at the right price.

While the above might sound directly from a casino marketing book you would also be surprised how many managers, marketers and casino directors are not creative enough and just copy promotions from neighbors and do things afraid that, if they do not, players are going to fly out the door to the competition. When reviewing your financials, look deep into this line item.



But that is not enough. Get this information by market segments, by game and, if possible, by players. **Recency, Frequency and Monetization are only the necessary bare bones of a good segmentation system.** There are many significant areas for your specific market which can assist you in improving your customer service and deriving the maximum return from your strategy.

AREA # 4: Visualization and 'drill down' Capabilities

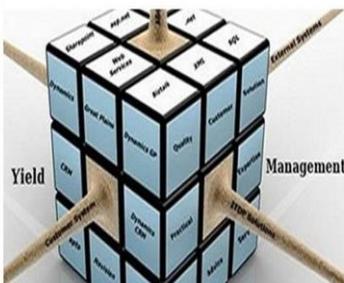
It has been said that a picture is worth thousand words. Visualizations of data can be worth millions of words and numbers. Imagine what a dynamic dashboard with drill down capabilities could do for you and your management.

The more visual your data is presented the easier for you and the rest of management to better understand relationships and identify patterns and trends. Being capable of drilling down your summarized data up to the point you actually need it will greatly reduce the time you use to read and understand reports which, otherwise, could look empty and nonsensical.



Can your CMS give you drill-down capabilities or do you have to print 3 or 4 different reports to get your answers? How is the data presented: in a simple tabular form with hardly no comparison metrics? Nice graphics only or both? **The way data is presented to you and how much detail is available will determine how much valuable information can be derived from it.**

AREA # 5: Maximizing available resources with Yield Management.



In general, casinos face a basic size restriction. Unless some remodeling creates additional space the gaming floor is generally a well defined one. Therefore, why not maximize it using analytics and yield management? How many slot machines and table games do I really need to make the best use of available space while making sure customers feel good about the environment and service people can do their jobs? Not because your competition has more machines and/or table games you actually need them.

Maximizing resources and observing the law of diminishing return is significantly important.

Some questions to get you thinking:

- i) What about table games limits? Are they properly manage and adapted to your regular and special days of the week clientele?
- ii) Do you open the correct amount of games available at a given time of the day or day of the week?
- iii) How many hosts/hostesses? How many Supervisors and Floormen?
- iv) Do your dealers spend too much time shuffling in card games? Or, are too crowded roulette tables costing you valuable spins and decisions?
- v) Do your slot machines and banks take too much space but produce less?
- vi) How long does it take a waitress to serve a drink to a valuable customer sitting at the rear end?

Maybe you have been underestimating the value of additional opened tables or downtime is affecting your revenue by not having popular games on the floor at the right time. Or maybe is just the opposite and you are not properly adapting visits and volumes to correctly arrange your working schedule. **Yield management can also help you maximize your human resources not only by reducing costs but providing you with a balanced gaming floor and smoother operations benefiting you and your customers.**

AREA # 6: Understanding the market and being competitive

You might think you have sufficient data on your customers and operations coming from your current CMS system. But so does the competition. **In 2014, you should move from gaming analytics to market analytics or competitive intelligence.** Armed with powerful sources of information for intelligence on competitors, industry trends, and markets you should be able to obtain a much better SWOT analysis on yourself and your actual and current market.



After all, **gaming markets are not growing as fast as competition for the customers' wallet.** Even in good economic times it has become harder with competitors coming from both direct and indirect areas. In addition, traditional gaming is being affected by generational change and we have not prepared for it.

By reducing uncertainty, maximizing awareness and keeping you alert, business and Competitive Intelligence should be able to keep you up to date in areas like: competitive prices, promotions, comps and

reinvestment techniques, branding, new products...

How about some conjunct and sentiment analysis to find out which attributes your customers really like and how important they are for them?. After all most casinos have the same table games, the same slot machines and provide cash raffles, comps and similar amenities. It is time you know what makes you different? What is your edge?

AREA # 7: Pay More Attention to Social Media, multi-channels and your customers.

Social media has existed much before Facebook and Twitter. We used to call it 'word of mouth' and, while it did not travel so fast and it did not reach so much exposure, it has always been your best marketing tool. Do you know what your customers think of your operation when you are not there? What do they say to their friends? Is your referral program working at all? How many of them are really loyal to you or move from one casino to another based on what they get at specific time?.



Lots of data alone does not mean anything. You need context sentiment analysis tied with good segmentation and clustering based on as many variables as possible to help understand better your customers. Data coming from different channels and scenarios should also help you understand better your operations and value proposition as understood by your customers.

Some final words of advice: Do not fall for the trap of buzzwords like Real Time Data or Big Data. Do not fall into the Internet-Speed-Syndrome which has made us believe and think everything should occur as fast as in the internet: We do wire transfers, hear music, shop and read almost instantly online, but the real world is something else and, unlike in the production industry, the brick and mortar gaming industry still needs to process information and pass it thru some decision making levels. **You need Insightful Right Time Data easy to correlate and visualize and only analytics and BI can give you that. Take 'gut feeling and voodoo' out of your gaming equation!! Taking this path could represent thousands of dollars in savings and much less stress**

How can we help you evaluate, implement and develop some of these areas?



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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