

## THE PROFITABLE LOYALTY GAME

*Transparent metrics and a marketing datamart dramatically improve a casino's direct marketing ROI.*

### OUR CLIENT...

... is a large casino with aggressive goals for growth in market share and profitability. They battle nearby competitors on a daily basis to retain the loyalty of their most profitable customers, increase the share of gaming wallet for their entire customer base and attract new patrons with an overall casino experience superior to that of their competitors.

Pinpoint worked with the casino's Marketing Director, Chief Information Officer and a cross functional Marketing & IT team.

### THEIR CHALLENGE...

...was a lack of ability to respond to the tough competition in the gaming industry, coupled with increased pressure to maximize direct marketing response rates for greater marketing ROI. Insufficient marketing campaign metrics, sub-optimal campaign management automation and limited segmentation of their customers made it difficult to make informed decisions. The casino had no ability to view individual player responses to marketing offers, separate from the overall campaign.

Players received the exact same free play offer based on the marketing organization's "gut feel" match and were over-spending on free play offers, resulting in higher campaign costs and lower ROI. In other words, free play offers were not being correctly matched to each individual player's potential profitability. Their "gut feel" methodology for formulating free play offer amounts resulted in lower response rates, decreased share of player wallet and increased player attrition with an overall lower market share.

### OUR COURSE OF ACTION...

... was to ask the question, "How much are you willing to invest in your direct marketing to elicit a response from a given player?"

The next thing we did was to create metrics for the key indicators to increase response rates of free play offer amounts relative to a player's potential profitability. We provided a simple but effective metric for calculating free play offer amounts—Player Reinvestment Level.

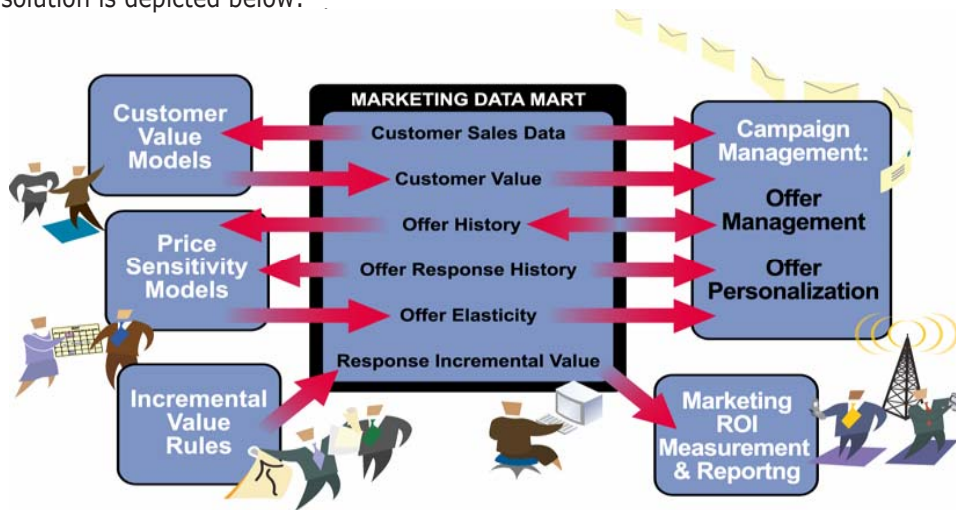
When you pair the offer reinvestment percentage with the incremental casino trips generated by direct marketing responses, you achieve a whole new level of control over marketing ROI. By implementing this approach, the casino gained insight into both behavior and profitability at the individual player level within each of their campaigns.

**"All players received the exact same free play offer based on a 'gut feel' rather than on specific metrics."**

**"Segment, Reward and Review"**

**Player Reinvestment Level is defined as the cost of a free play offer divided by the average theoretical win of a specific player's campaign response.**

With the implementation of detailed measurement capabilities at multiple campaign levels, a customized database was needed to compute and store marketing-specific segmentation, contact, responses and profitability metrics over time. A tailored marketing data mart (MDM) handles all of the transformations of data from the casino operational system so that the campaign management automation software has standardized data to work with. The MDM performs and stores computations that are frequently used by campaigns and reports so that they can be run much faster, with little burden placed on the campaign management application server. The full solution is depicted below:



**THE BENEFITS...**

.... The casino improved the response rates and ROI on their hallmark monthly loyalty club campaigns as a result of the customized gaming industry marketing solution. Within six months of the implementation, the casino achieved the number one market share position in their region. The marketing team now has in place a test-and-learn cycle for better short and long-term decision making. The lower overall cost of winning back lost players while simultaneously increasing the number of players won back by the campaign had profound impact on market share and revenue. Continuous reviews of each campaign’s metrics against its business requirements are now easily performed and players are won back at the lowest possible reinvestment percentage.

Overall, the casino has increased share of the gaming wallet among their critical loyalty customer base. By ensuring that players are rewarded for increasing levels of loyalty, the campaigns are much more effective than competitive offers.

**About Pinpoint Systems Corporation**

Pinpoint Systems Corporation is a leading provider of marketing solutions and marketing software implementation services that help increase the overall profitability of a company’s marketing programs. Our consultants are expert marketers and technologists, with a truly creative approach for linking marketing processes and technology systems. Our clientele is Fortune 500 and mid-market companies across multiple vertical markets that benefit from our proven, scalable solutions that are customized to each client’s unique business needs.

For more information, contact us at 800-809-0612 or by email: [info@pinpoint-corp.com](mailto:info@pinpoint-corp.com)

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**“Pinpoint has enabled us to gain insight into both behavior and profitability at the individual player level.”**  
– Casino Direct Marketing Manager

**“Based on the work Pinpoint did, we are now able to make better marketing decisions.”**  
– Casino Chief Operating Officer

**“Pinpoint helped us to grow loyalty while simultaneously increasing the share of the gaming wallet.”**  
– Casino Marketing Director