



Are Casino Buffets and Steakhouses Eating Into Your Gaming Profits?

by Sami Abdelatif

Should I sit down or quick serve? This is what your patrons are asking themselves three times a day and odds are, its eating into your gaming profits – no pun intended. Each minute that your patron spends off the gaming floor is roughly 67¢ per minute of lost gaming revenue. That's right, 67¢ per minute! Now you're probably wondering how did they come up with that figure? First, you will need to make two assumptions:

Variable 1: The average player will budget approximately \$100 on each visit

Variable 2: The average time a player spends gaming in your casino is 2-1/2 hours

Now all you have to do is some simple math and solve for X:

$$\frac{\$100 \text{ dollars}}{2 \text{ -} 1/2 \text{ hours}} = 67\text{¢ per minute}$$

And there you have it, each minute your patron is off the casino floor you potentially lose 67¢. That may not seem like much at first, but imagine now if you could:

- 1) Retain the customer longer inside the casino, and
- 2) Provide equal or increased satisfaction of the customer's dining experience in 20 minutes less than with a full-service restaurant or buffet.

The answer is a branded food court, and the successful implementation of a branded food court could bring millions of dollars back to your bottom line in addition to providing your customers with products more in-line with their desires. It's that age old expression, "Time is Money," and each minute you get the player back to the gaming floor translates to increases in your gaming revenue.

Food courts aren't a new phenomenon by any stretch of the imagination. I'm sure most of you can remember a time you ate at a food court. You were in a regional mall, an outlet shopping center, or perhaps an airport, and under impulse you decided to grab a bite to eat. What did you enjoy about the experience? Was it the convenience, the speed of service, the good price points? All of these things are great, but the best thing about them is that they work exceedingly well in captive audience locations where people spend two plus hours per visit and the look, feel, and aroma of freshly prepared foods can be constantly displayed, creating an everlasting, appetizing, atmosphere.

In a food court, similarly to a buffet, the food is always on spotlight.

So let's say you already think a food court is the best thing since sliced bread. Well, then why a branded food court? The answer is simple and it strikes at the subconscious core of all people: comfort and excitement. Concepts that are uniquely branded, have diverse menus, attractive signage, creative marketing, and designs that separate each tenant in the food court from the next, make the whole dining venue seem more exciting, while giving the customer a sense of "they specialize in what they do." And what it comes down to are three hard facts about the restaurant industry:

- 1) Individual operators are motivated by profits thus constantly promoting and improving their concept.
- 2) This is their primary business and they are passionate about its continued success.
- 3) Branded concepts denote quality and value, while providing unique choices for your patron.

The key component here is keeping your customer happy and gaming. By increasing customer retention time with good food choices and decreasing the amount of time they spend eating in time-consuming, full-service restaurants, your casino could potentially experience millions of dollars in added gaming revenue just by returning the customer to gaming floor 10 to 20 minutes faster. Not to mention that customers might leave your casino because they want a quick bite to eat at a lower price, without the hassles of a longer wait, higher prices, and having to leave a tip, which are generally associated with sit-down dining venues.

So now you're sold on a branded food court. Who is going to design, build, and lease this food court? Well, there are a variety of approaches, each with pros and cons:

- 1) Build the food court yourself and put in your own 'blanket-branded' concepts.
- 2) Build the food court yourself and negotiate subleases with the various tenants individually.
- 3) Hire a full-service management company to design, build, lease, and manage your food court, or any combination of these services.

With the first option, you have complete control over all facets of the food court, but you lose the added benefits

individual operators bring to the table, as discussed previously. With the second option you have complete control again, however the downside is that it requires a great deal of time procuring the tenants, negotiating leases, and you will be plagued with ongoing food court management. Lastly, you could hire a management company, with direct and established relationships within the quick-serve industry to assist you in planning, implementation, and ongoing food court management. The last option tends to be the simplest and historically achieves the most profitable results. So how do you establish this relationship?

This is accomplished through a master lease of the food court premises between the casino and the management company. Under the master lease, the management company acts as a single point of contact and may be required to perform any combination of the following services:

- Procure approved subtenants
- Supply design, layout and architectural expertise
- Negotiate all sub-leases

- Audit and provide accounting services
- Construction services
- Daily common area maintenance

In many ways, this is the best of both worlds because the casino only needs to contract with one management body, but can reap the benefits of multiple concepts packed into a big 'bang-for-your-buck' food venue that is energetic, comfortable and fast.

In summary, your patrons love your casino because they love gaming! This is not because they really want an expensive steak or a fancy buffet with a high ticket average. They want something quick, fresh, and satisfying so they can quench their appetite and still have room for dessert... a generous slice of gaming a la mode! ♣

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