



Buffets: Not Always a Great Deal for Casino Operators

by Craig Pendleton

All casinos must have a buffet – this was the old philosophy from the past. Just as slot machines were expected to be at all casinos, so were buffets.

In 1946 the El Rancho Vegas opened a \$1.00 all-you-can eat buffet called the Buckaroo Buffet to attract and retain gamblers to the casino. This was unique and a great traffic driver. At that time other casinos were not offering buffets. Times have changed. Not all properties offer buffets these days; often for very good reasons. Some are considering modifying buffet offerings to better tailor the financial benefits for their casino.

Here are some ideas to consider when making the decision if a buffet still makes sense:

Pros of Offering a Casino Buffet

Abundance Perception: The “all-you-can-eat” format provides a perception of abundance and value that can attract potential casino visitors. A creatively run buffet can “fill up” guests using low cost items including fresh salads, soups, breads, pastas, side dishes and desserts.

Comp Redemption: Buffets are one of the most effective ways to allow players to use their earned comp points (however free-play and match-play still seem to be the most attractive at many properties).

Faster Table Turn Time: Buffets can sometimes result in faster table turns, allowing players to return to gaming more rapidly.

Lower Dining Room Staffing: The dining room staffing demands may be lower due to the lower level of service required. This allows servers to cover a larger amount of tables and serve more guests in larger stations.

Add-on Sales: Additional revenues can be achieved by charging separately for beverages. Incremental sales can be achieved through suggestively selling of upgrades such as a higher quality steak, add on protein items not included with the buffet such as lobster tails and selling alcoholic beverages.

Cons of Offering a Casino Buffet

Costly: Buffets are costly to operate due to the requirement of having all food items available at all hours. Customers often take a large amount of products to sample and do not actually eat them all after tasting them. With all-you-can-eat there is no vested interest by the guest in saving food or reducing food waste.

Low Food Quality: Food quality can be poor during slow periods of business when it is required to have all menu items available during every hour that the buffet is open. When products become too old or of low quality and must be thrown out, the buffet loses money.

Attract Non-Gaming Customers: Buffets may attract low value customers that have no interest in gaming or other profitable casino elements, thereby costing the casino money without any return.

Pricing Competition: Casino buffets are compared to and forced to compete with other casino properties for customers. Buffets typically lose \$3-5 per guest. This is a losing battle for buffets. Attempting to match another casino’s buffet pricing when the costs clearly exceed the buffet selling price guarantees a loss from the outlet. The “crab wars” buffet pricing battle is a current example of pricing competition between buffets that is not a winning financial proposition for the casino, and generates greater losses.

High Kitchen Labor: Buffets are very labor intensive from a kitchen perspective. Given the extensive amount of menu items most buffets offer, it requires a significant amount of staff to prepare, cook, reheat, stock, display and cook or carve menu items to order for guests in action stations.

Mobility Challenges for Seniors: As the senior generation lives longer, the mobility for many continues to decline. This leads to more seniors attempting to walk repeatedly back and forth from their table to the buffet stations, standing/waiting for extended periods of time, and then carrying plates or trays, (often with only one hand), when using a walker, cane or wheelchair, back to their seat.

Inflexibility of Pricing and Portions: Buffets with a single price do not provide flexibility in providing smaller portions for senior guests at lower prices.

Lower Service Level: Buffet service does not provide for extended personalized service with guests due to expanded server station sizes and increased speed of service requirements.

Slower Table Turn Time: Sometimes table turns in buffets are even slower than that of full service restaurant outlets as guests slowly attempt to maximize the amount of what they eat to gain the greatest value by heavy consumption to get their “money’s worth.” Quick service food outlets and even some full service outlets often can generate faster table

turns than some buffets. Guests waiting in line for a buffet are not on the gaming floor.

Alternatives

Here are some alternatives for casinos that do not want to offer a buffet or would like to reduce the costs of their existing buffet:

Non-Buffer Outlet Options: Offer a full service sit down restaurant or quick serve outlet open 24 hours with expanded menu offerings and the option to adjust portion sizes and the amount spent by a guest to meet the needs of all players.

Adjusted Hours of Operation: Reduce buffet hours and possibly close the buffet early in the week. Operate the buffet only at dinner time, except on weekends.

Adjusted Meal Periods Offered: Question whether breakfast or brunch should be offered if there are other options available within other casino restaurant outlets. Holiday only brunches may be a good alternative. Consider all day menus and all day dinner pricing on weekends to increase revenues during busy periods.

Hybrid restaurants: Some properties have hybrid restaurants that are full menu service dining with a buffet line on one side of the dining room that is only open certain days or hours. Some hybrid dining room operations have salad bars available all of the time as a menu add-on (up sell) and possibly a dessert bar. They then only open the buffet hot line at dinner time with short hours offered.

Generating Additional Buffet Sales: If a buffet is still used, consider a base price for the buffet with add-on upgrades available. Examples: add on seafood (crab legs, lobster tail, shrimp) brought to the table by the server or redeemed from a buffet attendant – one time only using vouchers, tickets or some form of collateral, and do not include these items as all-you-can-eat. Upgrade redeemable one time offers for a better quality on steak night. Always consider promoting enhanced beer, wine and cocktail service.

Next Steps

Very few casino buffets are profitable. The necessity of having a buffet depends on the purpose of the buffet from a marketing perspective and the level of local competition. No one is a winner in a buffet price war. Player rewards may be better served by directing comp redemption to full service outlets that can offer specific customer-friendly portion sizes and a higher level of

individual service. Full service restaurants can be more “mobility friendly” for senior customers. Future planning of adjustments or elimination of a casino buffet should be driven by marketing and profitability considerations as well as accommodation of proven valued casino customers, not the desire to feed the masses. ♣

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