



One Team, One Goal: How to Get Every Department Working Together

by Angie Dobney

Your revenue management (RM) team has created a solid casino-centric revenue strategy designed to market your casino-hotel to the right audience segments, at the right rates, at the right time to optimally boost your bottom line. There's only one problem. Your sales, marketing, and operations teams each have individual goals and agendas that don't necessarily line up with this great new strategy. They're each relying on their own data, tools, and metrics to execute their objectives and measure their performance.

This type of misalignment leads to management making decisions that may completely override a strong revenue optimization strategy, resulting in overall revenue decreases and operational inefficiencies. For effective deployment of your strategy and in order to enhance revenue opportunities, you must balance the potentially competing interests of your different departments and create cross-functional alignment. Ensure that your revenue management, sales, marketing, and operations teams are all working together towards the same goal: amplifying profits, and making customers happy which results in increased loyalty.

RM and Sales

The relationship between revenue management and sales is reflected in the book "Men are from Mars, Women are from Venus." They speak two different languages. On the one hand, you have analytical revenue managers working toward the goal of gaining market share and growing profits. And on the other, you have your sales team seeking to cultivate relationships with lucrative groups in order to fill rooms, make their numbers, and bring home more paid commissions.

The sales staff may see the casino comping rooms every week, and mistakenly believe that any revenue generated from group-booked rooms makes that group more valuable than individual guests with comped rooms. And revenue management may refuse to budge on a quoted rate because they don't understand the potential future business a group may provide. Ideally, you want sales to book the right piece of business at the right time, at the most strategic rate. And you want RM more effectively using group business as a base to drive higher transient rates. The key to getting them on the same team, is to provide them with the tools they need to implement your revenue strategy, while playing to each of their strengths.

Top-tier RM technology allows both teams to track pick-up and know how groups or like groups performed in the past, so they can update inventory sooner and sell through a more profitable segment. Revenue managers can evaluate the

profitability of displaced players against the profitability of a proposed group, including accounting for revenue coming from guestrooms, food and beverage, audiovisual support, equipment needs, and other ancillaries – while sales gains access to historical trends and the overall big picture.

Rather than engaging in frustrating back-and-forth over rate decisions – and losing business due to slow response times – advanced solutions instantly provide an optimal rate, along with floor and ceiling rates. Leaving sales free to do what they do best: sell! Sales understands the customer. By providing them with the right data and parameters, you give them the bandwidth to more effectively do their job, while still fitting in with your overall property strategy.

RM and Marketing

When RM and marketing fail to collaborate, they often end up developing separate and conflicting strategies. This leads to frustration, wasted time, and lost revenue. For instance, during a period of need, marketing may execute a campaign to drive occupancy by offering discounts to low-stakes players, unaware that revenue management has determined a certain number of rooms that must remain available for higher-value guests forecasted to book at the last minute.

RM tracks historic demand, pick-up behavior, and shopping trends, identifying which segments will generate more revenue on any given stay date. Marketing can provide detailed information concerning guest preferences, location, length of stay, and on-property purchases. When both departments work in sync, you grow your business with timely, targeted campaigns that drive the necessary demand from the right customers, at the right price, through the casino resort's most profitable channels.

Another area where the cross-pollination of marketing and RM benefits your business is with regard to reinvestment and player development decisions – key pieces of your profit puzzle. The challenge here is that if you offer too many comps, you shrink margins, but offer too few, and you give your competition the edge. Adding complexity to your decision-making is the fact that some of your guests don't even gamble. Today, Indian non-gaming revenue is growing at a higher percentage rate than gaming revenue.

State-of-the-art RM technology allows you to calculate a more robust customer value that goes beyond ADT to account for full customer contribution across all of your revenue centers, including the spa, golf course, retail, restaurants, and nightclub. When combined with marketing's granular customer segmentation data, you can choose a reinvestment level that accurately

reflects guest spend throughout your resort, while offering personalized incentives that hit each customer's promotional sweet spot. Whether that's comps, complimentary meals, or concert tickets.

Revenue Strategy and Operations

Your housekeeping, food-and-beverage, and front office staff are typically more focused on customer satisfaction scores than top-line revenue. However, getting every department, including operations, on board with your property's revenue strategy is crucial for your business success. Particularly with regard to managing resources.

To create buy-in for your revenue strategy, you must consider how it will impact each area of your hotel. For example, if you have a group coming in that always orders top-shelf liquor, this knowledge should be communicated to F&B so they can appropriately plan. Or if you decide to change your best available rate to boost occupancy, housekeeping needs to know they'll have to stock more sheets, bring in more hourly workers to handle the laundry, and allow more time for inspections.

To avoid potential revenue losses, it's beneficial to have the same tools available for your front desk staff and call center agents in order to have real-time pricing strategies at their fingertips. As an illustration, perhaps a high-value customer calls to book a stay on a low-demand night. She qualifies for a comp in a king room, but not a suite. When your team has the right data at their fingertips that not only forecasts rooms booked, but by room type, they can feel confident in offering her an upgrade for a discounted rate based on play. Having a tool that understands all the buying behaviors down to the individual customer level, how each room type should be priced and what will be consumed gives hotels a better picture of exactly what rooms are available at an optimized price.

Communication is Critical

With increasing levels of competition, more and more tribal casino properties are vying for the same share of travel spend. Every department within a casino resort possesses data that can help drive greater revenues. However, when each functions independently from one another, and keeps their valuable intelligence within their own realm, your property won't operate as efficiently as possible. And you won't optimize profits.

Recent technologies and advanced science eliminate departmental myopia, allowing you to tightly integrate and analyze data from disparate sources to create a holistic

picture of each customer segment. Hoteliers can then synergize the value of all departments, placing intelligence in user-friendly formats in one centralized location that can be instantly shared with stakeholders throughout your casino and across multiple properties.

Teamwork holds the key to your success. By maintaining open communication between marketing, sales, operations, and revenue management, each staff member will understand how their role complements and supports their associates. They will become powerful partners for increased profitability throughout your property – implementing your revenue strategy on a more complete level and driving enhanced revenue growth. ♣

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