



The Argument for Investing in a Mobile App

by Andrew Klebanow

For nearly a generation, casino marketing professionals have relied on targeted and mass market mail to communicate with their customers. Customers in turn have consistently responded to those offers and messages. In surveys with casino customers in jurisdictions across North America over the past two decades, respondents most often cite the mail as the best way to communicate with them. As such, the cost of mail design, production and postage continue to make up a sizable portion of every casino's marketing budget. In an effort to reduce these costs as well as improve the timeliness of getting marketing offers to patrons, casino operators have attempted to migrate towards digital communications.

Digital communications, primarily e-mail, have fallen short in replacing traditional mail. Operators have cited the difficulty in properly recording customer e-mail addresses, customers' reluctance with sharing their e-mail addresses, as well as more dubious reasons such as the pace with which customers change their email addresses. Other theories include the general belief that since the majority of casino customers are comprised of an older demographic, they prefer traditional mail over e-mail. Anecdotal stories continue to abound: customers like to hang casino promotional calendars on their refrigerators so they can better plan their trips; they like to have free play coupons in hand when they go to the casino; and they rely on casino mail to arrive just prior to the start of the month and contact the casino when their offers arrive late. These long-held beliefs are now being challenged.

Any casual observer of Americans' habits may have noticed a not too subtle change in how people gather and send information. Pull up to any stoplight, look to your left, then look to your right, and you will probably see someone staring at their mobile device. Walk into any restaurant and again one will observe the majority of patrons interacting with their mobile devices. This behavior is not confined to automobiles or dining establishments; walk through any casino and one will see people playing slot machines with one hand and interacting with a mobile device in the other. In fact, it is occurring everywhere, and it is a global phenomenon. People have embraced their mobile devices (literally and figuratively) as their primary source of information, gossip, entertainment and social interaction. It is time for casino operators to fully embrace this form of digital communication.

Communicating to players through their mobile devices represents a fundamental shift in marketing communications and it is advised that every casino have a plan to migrate a substantial portion of their marketing communications onto

this digital platform. The fundamental communications platform for mobile devices is an app. A casino app can serve a wide variety of roles, from basic messaging to targeted offers, announcements of upcoming promotions, reminders that marketing offers are about to expire, essential player account information, host communications and customer feedback.

While most casino operators see a benefit in having a mobile app, they also recognize that there is a cost associated with deploying it. Just like a casino website, a mobile app can be a simple vehicle that provides basic property information to a fully interactive program that supplies a suite of marketing tools. The more functionality, the greater the cost.

Development Options

Casino operators have a number of options as they explore the design and deployment of a mobile app. Most casino management systems offer an add-on white label mobile app solution that integrates player account information found in the player rewards module. Player point balances, current free play offers, tier status and other information found in the player rewards program can be displayed on the mobile app. Similarly, kiosk providers offer their own versions of a mobile app that essentially replicates the information found on in-house kiosks. While these white label apps are functional, they limit what the casino operator can offer beyond players club information. They may not be able to integrate with the hotel's room reservation or show ticket system. They may not provide geo-fencing or allow for rapid two-way communication between hosts and players.

Another option is to develop a mobile app in-house. This can be a costly endeavor and one best suited for those properties that have the engineering resources and information technology capabilities to do so. Working with casino marketing, the hotel, food & beverage, and casino operations, the in-house development team can integrate all user requirements, build it, test it, deploy it, and update it to continuously meet the needs of the property.

A third option is to engage the services of independent third-party mobile app developers. There are a growing number of casino-centric mobile app developers that can build apps that work in harmony with a casino website's personal URL, allow for two-way communication between hosts and players, and seamlessly connect with other IT functions such as hotel room reservations, restaurant reservations, and show ticket purchases. A third-party app can offer geo-fencing and allow casino operators to send marketing offers to customers

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in specific geographic zones. More important, a customized mobile app can be built as a marketing tool that allows the casino to add additional features as they become available in the marketplace.

While most third-party mobile app developers charge both an initial set up fee and monthly maintenance fee, they also provide advice so that the casino operator does not over-market on their mobile devices. A mobile app is only effective if a customer 1) downloads the app, 2) reads their push notifications, and 3) enables location services. Over-marketing can easily anger customers to the point that they turn off those critical marketing functions.

Develop a Shopping List of Features

Before selecting a mobile app development path, the casino operator will be best served by coming up with a list of desired functions. Just as it is ill-advised to go to the supermarket

without a shopping list, one should not approach mobile app development without a list of basic user requirements.

At the very least, a mobile app should provide the following capabilities:

- 1) Offer a web-enabled player portal that mirrors the information that resides on a customer’s personal URL account on the casino website (points, current offers, tier status, ability to obtain a win/loss statement).
- 2) It must be flexible enough to integrate with 3rd party API’s (application programming interface) from other applications such as restaurant reservations, room reservations, or the next must-have, technical advancement.
- 3) Offer geo-fencing, location services, and notifications.
- 4) Provide a channel for customers to communicate with hosts and customer service personnel in real time.
- 5) Allow hosts to invite players to events and provide players with a seamless method to RSVP and secure their place at those events.
- 6) Have robust security features that prevent hacking.
- 7) Most important, the mobile app should work as designed on the day that it goes live.

While it would be premature to suggest that mobile communications will replace direct mail in the foreseeable future, mobile apps provide the most effective tool for real-time, two-way communication between the casino and their customers. A well-designed and well-executed mobile app can also reach people who no longer have an interest in reading mail offers, and that group is growing rapidly. To illustrate this point, walk into any coffee shop in the world and count the number of people reading a newspaper. Then count the number of people reading something on their mobile devices. Then ask yourself, what is the most effective way to reach my customers?

Ultimately, whatever development option a casino may choose, one requirement is paramount: the mobile app better be good. Otherwise, your customers will not use it; or worse, use the one your competitor offers. ♣

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