



by Craig Pendleton

## Maximizing the Results of Casino Food and Beverage Outlets

Casino food and beverage operations are much more than just serving meals. These outlets are a strategic tool in generating additional gaming revenue. Additionally, food and beverage operations are one of the top drivers of guest satisfaction and increased gaming revenue at casino properties.

### *Attract New and Existing Players*

Food and beverage is one more tool to bring in trial players to your casino. And these outlets can be very important in bringing players back based upon quality and promotions. Players typically have a budgeted amount that they plan on wagering each time they visit a casino. Food and beverage outlets can be the deciding factor leading to an additional visit by an existing player, thereby increasing casino gaming revenue volume.

Some casinos have effectively created food programs that are so strong that they are active marketing tools and an identity to draw in players and potential players to the casino. The farther the distance the casino is located from potential players, the greater the necessity and opportunity presented by using the food and beverage outlets as an attractor. Promotions are commonly used as targeted attractors.

### *Reward Players*

Food and beverage outlets are a valuable reward element of comps and promotions. In addition to points and promotions redemption your food and beverage outlets are often the single best element of a player's visit. The majority of the time players will leave some of their money behind with the casino. Reward means providing exceptional food and beverage product and service that serve as a viable reward for players at their level of play.

### *Retain Players*

When properly executed, your outlets can keep players on the property longer and provide them excellent product and service so that they don't leave the casino property to find this service somewhere else. When making the decision of what casino to visit, your F&B outlets can be the deciding factor between your casino and the competition.

### **Owning the Food**

Those operators that strategically use food and beverage in all areas and provide the best product and service essentially "own the food" among all local operators and competitors.

What are the factors that help a casino "own the food"?

- Specialty items that exceed the quality of the competition.
- Signature items in each menu category at each outlet.
- It's not just the menu items – service is key.

A big difference from order taking and food delivery is engagement with the guest. Only when players are provided with engaged service along with superior food and beverage products can casino food and beverage outlets create "an experience." A dining experience is the subjective feeling of the guest that they are valued above standard levels, provided product and service over and above any other competing casinos, recognized as a valued player and finally desired as a guest to return again.

Certain outlets and products should be targeted for each specific player demographic group. Penny players who exhibit frequent visits and bus tour players may have certain targeted outlets with value, attraction and promotions that are very different than the outlet of a high limit player. In the case of a high limit player the defined outlet may be a fine dining restaurant, possibly exclusive where you can't buy a table or pay with cash, with entrance only available for those that have a certain value of play and comp redemption. It is almost impossible for one food and beverage outlet in a casino to fulfill the needs of every player group.

### **Measurement and Results**

It's not enough to have exceptional product and service while providing an "experience." What has been achieved at this point is a restaurant above other competition. Casino foodservice is not just about providing food and beverage. It is about strategically generating additional gaming revenues. This requires planning and coordination with marketing and promotions to customize and capitalize on their efforts.

The gauge of a successful promotion is not how busy the casino was (door count or meals served) or how much overtime the staff worked, but the cost of the promotion and the returns in the form of gaming play over and above what would have occurred if the promotion had not occurred. An effective casino must have a database program in place that will allow the ability to measure play levels of each player. There must also be a way to track non-gaming use of casino outlets by the players.

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Specific promotions need to be tailored to each targeted demographic player group. Documenting results allows planning and decisions regarding which promotions were successful and should be run again, which ones will be adjusted and what the ideal frequency should be to achieve maximum return on investment of marketing dollars.

It is important to remember that efforts without results are misguided attempts at increasing gaming revenues. These may create energy and excitement within a casino, but ultimately do not achieve the desired goal.

What prevents some casinos from effectively using their food and beverage outlets to generate additional gaming revenues? Some casino operators may be too close to their daily business to see the food and beverage opportunities.

Doing what was done yesterday will not always lead to improved results.

### **The Critical Importance of Casino Food and Beverage**

Food and beverage may be the most positive experience about a player's visit (due to the mathematical averages of gaming that dictate that the majority will leave money at the casino). At a minimum, make sure the food and beverage operations at your casino are memorable. ♣

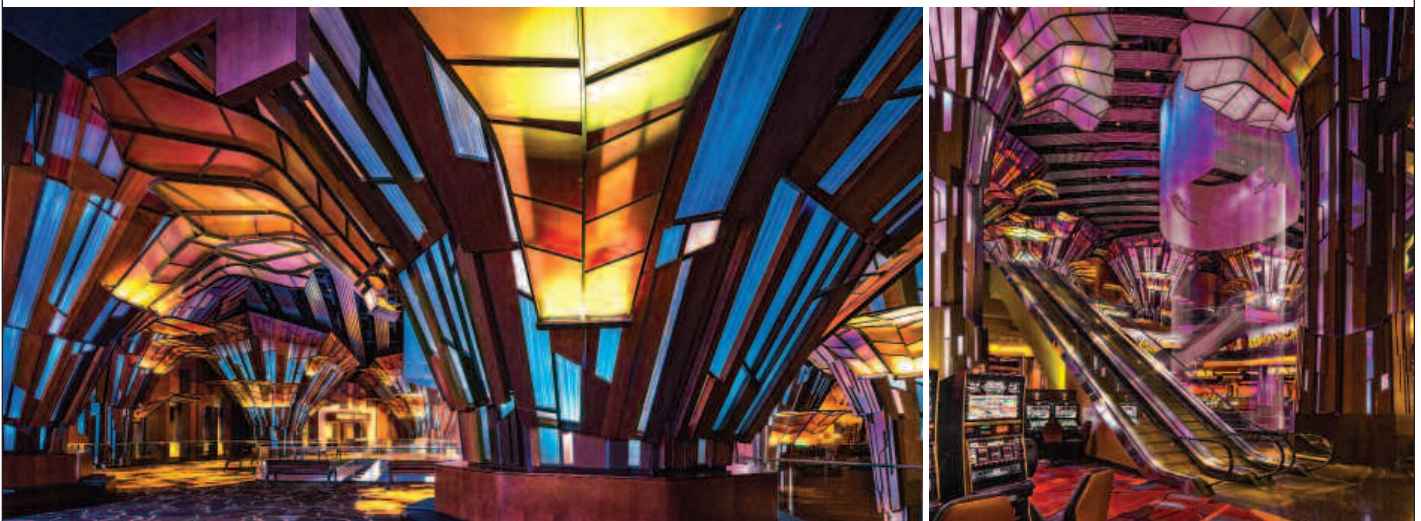
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