

Datastream

Addressing The Mega-Resort Casino Market

■ How To Determine Whether Or Not Audio/Visual Systems Can Contribute To Casino Profits

A recent conversation with the CFO at a five-year-old mega-resort casino brought up some very interesting issues. The fourth quarter earnings increased significantly over the same quarter a year ago.

The reason for this success could be credited to a number of various improvements and changes to the resort's operation:

- New marketing strategies were implemented to bring additional customers to the resort.
- New table games and slot machines were purchased which contributed directly to increased gaming wins.
- Changes were made in restaurant menus, casino uniforms and innovative promotional events, which contributed to retaining the casino's customers as long as possible.

All of the above strategies are common methods casino managers use to increase cash flow and ultimately profits.

There is an additional method, too often overlooked, that can also greatly influence gaming profits: the proper use and implementation of audio/visual systems. Consultants and contractors that take advantage of this method to contribute to a casino's marketing campaign, gaming wins, and retention of guests will have greater success than their counterparts when it comes to selling their services to gaming properties.

Simply telling a casino that a new or upgraded system will sound and look better is insignificant to a department manager whose job is on the line when it comes to corporate profits. When that same manager is convinced that he or she will make more money as a result of a new system, that new system becomes very attractive.

Guest retention is one of the most important factors when it comes to casino profits. Casinos spend incredible amounts of money developing programs that encourage a gambler to gamble a few hours, or even a few minutes, longer. Audio/visual systems can be an important part of this effort.

An example of this is the typical paging/background music system. When this type of system functions correctly (as most fail to do), casino players gamble for a longer period of time. Background music levels that are either too loud or too soft

can have a negative effect on the gambler.

Announcements and pages that are garbled or otherwise can't be understood are very irritating. Rock & roll music that is heard by a big band audience (or big band music heard by gambling rockers) is a great way to keep smiles at a minimum.

When a gambler stops smiling, they stop having fun and start looking for another place to go. But when the right type of music at the right volume is played for the right type of guest, smiles increase, feet tap, and very few players get up to leave (even if they are not winning). The result is that this new and improved paging system "sounds" incredible to the casino manager. And what he or she is hearing is the sound of money.

But what may appear at first glance to be simple to obtain, can be very difficult to

beyond that, be able to give you an accurate accounting of how many rolls of wire were used to install the system. In other words, gamblers are experts on "everything," so

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they need to be pleased.

So all we have to do is design a system that provides a perfect custom mix of music, at the perfect volume, with the perfect flexibility to be changed at any hour, subject to the direction and approval of every single casino guest. While this may appear to be excessive, feedback from guests similar to this occurs 24 hours a day at virtually all casinos.

Designing an audio/visual system for a

staff can make an assortment of programmed changes, thereby keeping that fussy gambler happy.

In the scenario discussed earlier, a high-roller might wish to hear only big band music. Because a high-roller gambler is likely to be from an older demographic group, an audio pre-set consisting of big band music is easily predictable. Picture the pit boss pushing a button that routes the high-roller's musical wishes immediately to this zone. Once the high-roller leaves, the pit boss pushed another button and the normal music mix automatically fades back in. The result is that the gambler is happy, the pit boss is happy, and the other guests are happy when that Mick Jagger song finally comes back on. And let's not forget the audio/visual company that gets to make all of this happen.

Obviously, we have only discussed one type of audio/visual system in this article, but the same principles apply to an assortment of system types. In addition to background music/paging systems, the typical casino has showroom audio and video systems, cabaret audio and video systems, nightclub audio and video systems, restaurant audio and video systems, hotel audio and video systems, sportsbook audio and video systems, convention center, meeting, and conference room audio and video systems, etc., etc., etc. And to make things more interesting, it is common to have many or all of these systems linked together.

The opportunities available for casino audio/visual systems are limitless if we remember one important thing. A casino's audio/visual system's

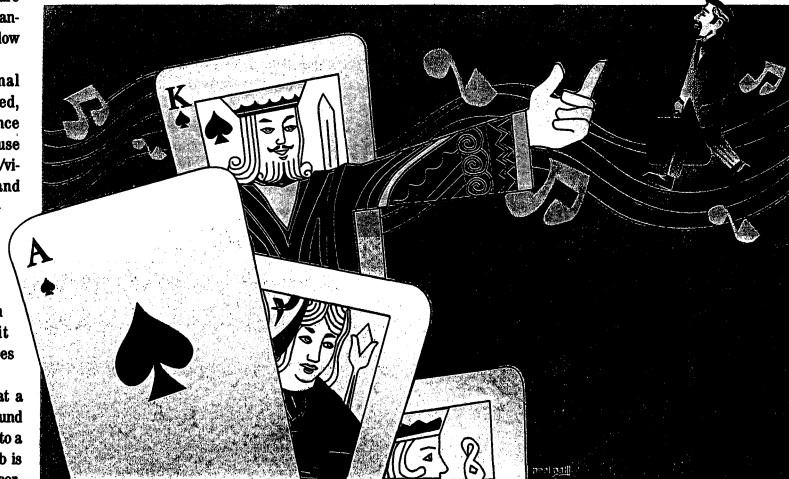
main purpose is to be an integral part of the casino's profit making system. And of course, the best way to make that happen is in the details—ease of use, flexibility, and reliability. Now where have we heard that before?

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accomplish. Unfortunately, casino guests do not react to audio/visual influences in the same manner as the rest of the population. Gamblers require many things to be "perfect." When things are not "perfect," there is a perceived notion that they will lose large amounts of cash.

This gambler might never have noticed that the background music at the airport was not the "right type," or that it was too loud or too soft or too "trebly" for his or her taste. However, when you put that same gambler at a table game or slot machine, they will notice the music type, the song order, the volume, the equalization, the color of the invisible loudspeakers, and

gaming property requires that the design team give the same amount of consideration to source material (audio content, video content, etc.) as well as the electronic equipment that reproduces it. If casino gamblers do not like what they hear or see, no amount of system technical greatness will make a difference. But once the content issues are addressed, the latest audio/visual technology can help make the "perfect" gambler audio/visual system very achievable.

One of the advantages with today's digital or computer based audio/visual systems is that they require very little on-hands labor to operate them. If programmed properly, non-technical management and