

Ethnic Marketing Yields Incremental Revenue

By Stephen J. Karoul

Niche marketing is often overlooked in many Native American casinos. However, ethnic or niche marketing may be worth the extra effort involved since their revenues have the potential to yield much needed incremental profits. Foxwoods Resort Casino located in Mashantucket, Connecticut is the largest Native American casino in the country today. However, Foxwoods, with its 380 table games, 6,800 slot machines, 1,500 hotel rooms and 11,000 employees did not become an instant success overnight. A lot of hard work and dedicated efforts from both the management staff and the Tribal Council have resulted in a realistic master plan as well as a realistic strategic business plan. Foxwoods is located in the middle of 2,000 acres of pristine natural forest in Southeastern Connecticut. We are approximately two and a half hours driving distance from New York City and two hours from Boston. We do have several other smaller cities closer to the property which also helps with our numerous marketing programs. The point that I would like to make is that Foxwoods is basically in the middle of the woods versus being in the center of a major metropolitan area. Customers that want to visit Foxwoods cannot just walk in off “the strip or the boardwalk” compared to Las Vegas or Atlantic City. Our customers have to make a conscious effort to visit us either by car or by bus. Consequently, Foxwoods runs over 300 special events per year covering the full gamut of special events, headliner entertainment, Bingo, gaming and slot tournaments, birthday parties, players club promotions, etc., etc. to help keep our casino full on a year round basis. Marketing is everything to us.

However, there is one segment of our marketing that often goes unnoticed by the masses but yet yields very handsome returns on investment for the property. That area is ethnic marketing which is a form of niche marketing for the casino. Obviously, location is an important factor. However, I feel that any casino located within a two to three hour driving distance of a medium to large size city has a great opportunity to tap into this lucrative market segment. What exactly is ethnic marketing? In my opinion, casino ethnic marketing is targeting ethnic groups of individuals who by past history or performance demonstrate a propensity for gaming. Therefore, not every ethnic market is an ideal target market for a casino.

Foxwoods aggressively markets to Chinese, Koreans, Vietnamese, other Asian groups, Latin's, Greeks, Russians, Israelis, Lebanese, Italians and several other ethnic groups through a variety of special events, ethnic entertainment, gaming promotions and bus marketing programs. However, the ultimate goal for all of this is to attract “casino players” to the property. We spend money on ethnic marketing to attract people with known cultural profiles for having a propensity to gamble. We are not merely interested in generic marketing events since their costs are normally too high to yield a decent return on investment. This form of niche marketing provides us with substantial incremental revenue every year.

Bus marketing programs are an interesting concept unto itself. Foxwoods buses in well over 1,000,000 patrons per year to the casino including a large number of Asian customers from the New York and Boston Chinatown areas. However, as a point of interest, I worked overseas in South Africa for two years at a casino resort called Sun City which was located about two and a half hours away from Johannesburg in the middle of the African jungle. Never-the-less, I started an ethnic bus program. I had one Chinese speaking employee at that time whom I sent around to visit every Chinese and Japanese restaurant in the city inviting all of the Asian managers, waiters / waitresses, cooks, dishwashers, etc. to come on a free bus every Monday night. It was an extremely profitable bus compared to our normal bus runs. Once again, you can start small and build up ethnic markets by being consistent and also by recognized their cultural differences. For example, I served “Congee” or rice soup to our Asian guests at a complimentary breakfast buffet at 4:00 AM before their bus departed back to the city. It was a very small and inexpensive way of saying thank you and that we appreciate your business. Word of mouth spread quickly throughout the Asian communities in South Africa and the business grew as well attracting other Asian businessmen who came to visit their friends, family, relatives and other Asian business associates. I firmly believe that there are many other Native American casinos around the country today that can also take advantage of ethnic marketing to help increase their incremental casino profits. Nothing ventured, nothing gained. Good luck.

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