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Outside the box

by *Matt Connor*
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When overworked and understaffed, casino execs often outsource their PR and marketing functions



Let's say you're the PR director for a Las Vegas-based casino resort hotel, when, in a single week, your president is indicted for tax fraud and there's a Legionnaire's Disease outbreak on the third floor of one of your hotel towers. Meanwhile, a TV crew is filming a poker tournament in your card room for a cable TV show and a new \$28 million production is about to debut in your theater space.

On top of all that, everyone from Barbara Walters to the gaming columnist for the local 10,000-circulation newspaper wants to schedule an interview with your scandal-plagued president.

You are dangerously close to completely losing control of your property's public image and causing a meltdown in its stock price. It's time to call in an outside PR firm to help you get things back on track.

"One of the things that we propose when we are engaging with a new hotel resort or a casino, and one of the programs that Preferred PR puts together immediately, is a crisis communications plan for an unforeseen tragedy or nightmare," said Michele Tell, one of the principals of Preferred Public Relations in Las Vegas. "You hope, just like with insurance, that the crisis communications plan sits on a shelf and collects dust and you never have to use it, but that's one of the programs we put together.

"It's a very stellar 'what if' crisis communication plan," she continued. "That is one of the tools we specialize in, so we're often hired for that. But you hope you never have to use it or look at it again. It's something we lay on the line with new clients that they need to have as a part of our world."

A scenario like the one portrayed above almost never occurs in real life, of course. Tell said she's more often confronted by overworked in-house PR and marketing professionals who may simply be short on the resources necessary to launch a large-scale campaign to promote a new casino opening, renovation or entertainment offering.

"The majority of the casino hotel departments we work with are on the smaller side," said Tell, who in an earlier stage of her career was PR director for the MGM Grand. "When they outsource to a professional strategic public relations agency like Preferred Public Relations, they're getting an entire team added to their internal team and that's definitely a cost-effective measure. Rather than hiring 25 people in-house, they have the use of a strategic marketing team.

"When I was on the inside. I hired out because I needed agencies that had a very specific expertise or a very specific niche in the market that I needed. From the internal standpoint, you're really reactive. You're getting dozens and dozens of phone calls and requests from around the world and now with emails, journalists are asking for different things from around the world.

"You're pulled in so many directions that it's really more of a reactive state of mind when you're on the inside. When you're on the outside, you're able to be more proactive, more strategic and more forward-thinking."

And you're able to get, perhaps, a clearer view of the property, its image and performance than some internal employees are able to achieve, said Jack Taylor, director of the gaming and entertainment division for Mass Media Corporate Communications.

"All of the properties have staffs, but the number one reason to outsource is fresh ideas, creativity and, certainly, an overall big picture look at their business, the opportunity to break down your business and rebuild it a little bit from a communications and marketing standpoint," he said.

"You don't want to get stuck in ruts," he added. "There are some standard things that you do in the gaming industry in terms of communicating with your customer base and your database and the general audience that's in your market, but you need to kind of step out a little bit.

"The term 'outside the box' is well-worn. It's probably outworn," he said. "But it still needs to be done in terms of finding those golden nuggets of product and doing the right research to find out what your customer database really wants and what the best ideas and products are to create repeat business and loyal customers."

Taylor said he's seen cases in the past where casino marketing and PR employees get so caught up in the day-to-day treadmill of their jobs that they become unable to see the forest for the trees.

"They can't take that time and a breath to take a step back and take a look," he said. "That's what an outside source can do and at the same time outside sources have experiences from a lot of different areas and marketing disciplines. They can bring not only a fresh outlook but a different outlook and a different creative approach."

Another advantage to outsourcing PR and marketing functions, say longtime industry professionals, is that these companies are usually very eager to get concrete, demonstrable results for their clients.

"As a matter of course, outside agencies tend to be highly motivated to get results because their contracts day in and day out depend on it," said Mark Fierro, president of Fierro Communications in Las Vegas. "It's very telling that the rank and file casinos back in the 1980s and '90s started taking everything in-house. The ones that were more cutting edge people – the ones that are known as driving this industry – all outsourced.

"When you have an outside firm, that firm is always pushing to get you better coverage and come up with good ideas," he said. "Inside, they're fighting politics; they're more inclined to go with their boss, who is more inclined to go along with the president.

"And unless the president is an advertising and PR professional, you probably have a process that is driven by somebody that is not as focused on the disciplines of modern marketing."

But outside PR and marketing professionals who do a bang-up job tend to develop long-term relationships with their casino clients. A six-month contract may turn into a multiyear commitment, said Tell, Fierro and Taylor.

"The majority of our campaigns are thorough, developed strategic campaigns, special events, special trade shows, and yes, the majority of our clients do hire us for, say, a six-month contract, which tends to be one of our smallest," Tell said. "But then we end up staying on board for years.

"We have several clients that have been on board almost 10 years, so it can start with a smaller project and blossom into a long-term relationship."

Echoed Fierro, "Generally speaking, we go in because they have a specific concern. They may have a new show coming in, they may want to take a new direction in their player loyalty club program and they want to institute these things or they may have some new television commercials they want to put together.

"But once we have a chance to sit down, we generally work our way into their hearts," he added. "They see the value of it, and what they're buying, in a sense, is a fractional piece of a Gulfstream as opposed to a whole Cessna.

His company, he said, soon "becomes part of the casino's marketing team. We become part of their management team, we integrate on all levels, we write for them. When it's over, I think a good PR person eventually becomes part psychoanalyst and part attorney/go-to person/problem solver."

All, however, say that the current state of the economy has clearly had an impact on their business. As gas prices climb, Wall Street collapses and casino profits decline, industry executives are trying to do more with their internal PR and marketing departments and less with outside firms.

"Everybody is being very cautious right now. They have to be. Everyone is attuned to what is going on in Washington," Taylor said. "The whole economy needs to recover. We all pay attention to all the economic indicators all the time.

"[But] you talk to the Nevada Development Authority and they will tell you that Las Vegas – while a leader in housing foreclosures – has a number of things in place that are going to create economic recovery more quickly than others. Once the economy gets moving, I think we're really going to take off again."

A firm that provides value to a casino will remain in demand, said Fierro.

"Everybody moves to the value deal," he said. "I know one way to do business where you can close every deal that you pitch, and that is, if you cost less and are more effective for dollars spent than what they're doing right ... "You're not talking about adding to their budget. You're talking about winding down their budget and making it more effective. That's how we pitch."

And, said Taylor, the current economic doldrums will lift, sooner or later.

"It will come back, but you've just gotta really work harder than ever right now to maintain what you have and try and grow as best you can and do a good job every day and be there when the timing is right," he said.

Matt Connor

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