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**PAST DECADE OF MARKETING ADVANCEMENTS TRANSFORMED  
CASINO AND CUSTOMER INTERACTIONS**

*New Survey Examines Current and Forthcoming Trends in Key Industry Sector*

LAS VEGAS – More than three-quarters of experts agree that innovations in casino marketing during the past 10 to 15 years have forever changed how gaming companies communicate with their customers, and 95 percent expect the sector to undergo even more dramatic changes in the coming decade, according to results of the annual G2E Future Watch survey released today at the 10<sup>th</sup> annual Global Gaming Expo in Las Vegas.

In addition, nearly half (49 percent) of the casino marketing executives interviewed say their companies currently rely at least somewhat on social networking or social media tools to stay connected with customers. They unanimously (100 percent) agree that the use of social media will increase tremendously during the next five to 10 years.

These are among the notable findings included in the ninth edition of the G2E Future Watch Series, an original research product that investigates the most significant developments within the global gaming industry. In this year's installment, 44 casino marketing executives share their perspectives on this vital segment of the industry.

“Current casino marketing activities bear very little resemblance to what was commonplace 20 or 30 years ago,” says Frank J. Fahrenkopf Jr., president and CEO of the American Gaming Association. “This year's edition of the Future Watch Series demonstrates that, just as gaming machines have evolved rapidly in recent years to keep pace with consumer demand, casino marketing programs also have significantly changed in order to attract new customers and keep existing gaming patrons coming back.”

Nearly half (47 percent) of survey takers indicate that spending on traditional forms of advertising is likely to decrease going forward. Also, more than four-in-10 (41 percent) think direct mail will “doubtfully” (43 percent) or “definitely not” (7 percent) be a key component of future casino marketing programs. In fact, 55 percent anticipate that, within the next decade, the U.S. gaming industry will transition almost exclusively to paperless marketing.

However, more than three-quarters (77 percent) of respondents worry that stringent regulation will hinder the industry's ability to fully integrate new technology into its marketing efforts. When asked about the current and future importance of various marketing techniques, respondents suggest that new technologies will be critical to driving business.

More specifically, while 46 percent of experts consider social networking platforms valuable marketing tools at present, 78 percent say they will be extremely or very important within the next five to 10 years (+32 percent). Likewise, mobile phone-based applications (+22 percent) and separate host “windows” on slot machines to communicate with customers (+21 percent) will significantly increase in importance.

(more)

According to survey respondents, players' clubs have evolved into one of the most important elements of casino marketing programs. In fact, 55 percent of experts agree that players' clubs and the databases associated with them "absolutely" are the fundamental tool driving casinos' marketing programs, while another 43 percent think that is "pretty much" the case.

However, while a solid majority (75 percent) of experts thinks the industry has been effective in using player databases to generate revenues, only a fraction (16 percent) says the industry has been "very effective" in this regard. Indeed, one-quarter (25 percent) of interviewees actually thinks the industry has been ineffective in its use of customer databases, primarily, they say, because the data is inadequately analyzed.

The survey also found that the economic recession forced many gaming companies to scale back their marketing programs. When asked what activities were trimmed most substantially in recent years, more than one-third (34 percent) agree that spending on traditional advertising was most significantly impacted, while another 27 percent say that "comping" practices (e.g. providing free rooms, food, entertainment, etc.) took the biggest hit.

Despite the growth of nongaming amenities during the past decade, a solid majority (82 percent) of surveyed experts agree that marketing spend continues to favor the gaming side of the business; still, 57 percent say this gap is narrowing. In addition, as casinos learn more about customers' preferences, once-ubiquitous cash-back reward systems have been superseded by promotional credit programs. An overwhelming majority (95 percent) of survey takers say promotional credits have now either "totally replaced" (43 percent) or "somewhat replaced" (52 percent) cash-back rewards.

When asked about the most important goal in developing a new casino marketing program, survey respondents' opinions varied. A plurality (35 percent) would make increasing customer visits their top priority, while nearly one-quarter (23 percent) would focus on earning a larger percentage of customers' trip budgets. Another 19 percent say they would concentrate on increasing customer spending on the gaming floor.

Complete results from the 2010 G2E Future Watch Series are available at [www.globalgamingexpo.com](http://www.globalgamingexpo.com). Interviews with casino marketing experts – the majority of which have worked in or around the gaming industry for more than a decade – took place in early November.

G2E is the leading trade show and conference event for the international gaming community, attended by more than 26,000 industry professional from around the world. For more information about G2E 2010, visit [www.globalgamingexpo.com](http://www.globalgamingexpo.com).

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Global Gaming Expo (G2E) is the international gaming trade show and conference "by the industry and for the industry." Organized by the American Gaming Association (AGA) and Reed Exhibitions, G2E made its debut in fall 2001, defining itself as the pre-eminent show for the gaming-entertainment industry.

The AGA represents the commercial casino-entertainment industry by addressing federal legislative and regulatory issues. The association also serves as a clearinghouse for information, develops educational and advocacy programs, and provides leadership on industry-related issues of public concern.

Reed Exhibitions is the world's leader in organizing a wide range of events, including exhibitions, conferences, congresses and meetings. In 2006, Reed brought together more than 6 million industry professions from around the world, generating billions of dollars in business. Today, Reed events are held in 34 countries throughout the Americas, Europe, the Middle East and Asia Pacific, and organized by 37 fully staffed offices. Reed's portfolio of more than 460 events services 52 key industry sectors.

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