

# HOW TO LOSE A CUSTOMER IN FOUR EASY STEPS

By Stephanie Maddocks



## Extra Simple Business Rule #1

*If you have a product or service to offer, having customers is important.*

It does not get much simpler than this. In any marketplace, this extra simple rule holds true and sounds pretty straightforward. Regardless of the status of the economy, having customers continues to be of primary importance; however, creating and retaining loyal customers has become even more important. There have been extensive studies done on the cost of retaining a customer versus obtaining a new loyal customer, concluding that it is simply easier and less expensive to maintain your current customers than to try to lure new customers or convince old, disgruntled customers to return to use your property or services.

Research from the *California Management Review* has indicated that “satisfied” customers will return to a business 28 percent of the time, but “delighted” customers will return 85 percent of the time. In another survey, conducted by Amdocs, 85 percent of U.S. consumers reported that negative customer service experiences would drive them to switch providers, and 75 percent said they would tell friends and family about their negative experiences.

Customer loyalty seems like a fairly simple concept: Provide a great product and service, and your customers will keep coming back. Yet why are so many casinos—and businesses in general, for that matter—unable to understand this basic concept? They are willing and able to lose customers at every turn, and seem to have found the key to ensure success at this unenviable endeavor: Forget the mission to delight the guest.

That’s it. Forget that the gaming industry is an entertainment industry. Forget that guest service is a prime differentiator between competitors. Forget that providing a clean and safe environment matters to your guests. Forget that employees who create a fun and friendly atmosphere make a difference. Simply forget to delight your guests, and sooner than later you won’t have any left to disappoint.

**Extra Simple Business Rule #2**

*You have competition.*

It doesn't matter where your casino is located; you have competition. It may be as obvious as the neon-encased building next door or down the road, but it's also anything else that your customers can spend their disposable dollars on—entertainment, dining out, shopping, lottery tickets and even church bingo and bunko nights. And if you don't provide service to delight your guest better than your competition does, you will lose those guests.

A friend of mine was in a prestigious Las Vegas casino recently and wanted to sit down in the high-limit area and play his favorite slot machine. Seems like exactly what the casino was built for, right? Yet, between each slot machine there were overflowing ashtrays, half-full cocktail glasses and various bits of trash. It was obvious that no one had been by recently to clean up the high-limit room. Selecting an end cap machine that seemed "pretty clean," my friend started playing and looked around for a beverage server. Thirty minutes into his play session, he still had not located one. When a slot attendant finally strolled past, my friend inquired about a drink and was told that there weren't many beverage servers on this shift, so he may have to wait a bit. Do you know what my friend did? Cashed out from his game took his money to a different casino—one that actually wanted to provide him service in exchange for his gambling bankroll.

**Extra Simple Business Rule #3**

*It's not always about the money.*

Casinos are looking everywhere for expense reductions, and for most businesses, the end result is reduced staff. While the quality of the remaining staff may be high, the increased workload that follows layoffs—and the impact on morale—easily affects the level and quality of the service that is delivered. In one example, a casino experiencing business challenges in its marketplace had not been meeting budget forecasts. The decision was made to reduce staff, and some team members were let go. Morale went down because the remaining team members were afraid for their own futures at the casino. Management assured them that the cuts were done, but the next month when, once again, the casino did not make its revenue projections, more staff cuts followed. Morale plummeted. Now not only were people afraid for their futures, but they didn't trust their managers anymore.

It's easy to look at payroll dollars and decide to cut a few employees. After all, what supervisor in her right mind would voluntarily take a pay cut to preserve a subordinate's job? It's a dog-eat-dog world out there, right? Well, there are some casinos out there where management has not only passed up raises and bonuses but have offered to take pay cuts in order to keep their line staff on board. These organizations recognize that service quality is directly related to team member spirit. Imagine the impact on morale when the line staff learns that the entire company, including management, is sacrificing for them.

One key to continuing to delight your guests through job reductions in our challenging economy is through communication. Treating your employees with respect, communicating changes and operating with integrity will pay itself forward in terms of team member morale. No one likes change, but change they understand and believe in translates to a positive and productive workplace.

**Extra Simple Business Rule #4**

*Quality is Job 1*

Ford Motor Co. popularized the slogan "Quality is Job 1" with its advertisements in the 1980s. It was true then and true today. Simply, quality products and services delight the guest. In spite of that, what is one of the easiest areas to cut? You guessed it—product and service quality. If an operator can lower costs by lowering quality, and no one complains, then the operator looks like a hero to the budget masters and number crunchers. This seems to be the prevailing theory of quality cuts. Degenerating quality comes in many forms—cheaper food, disgruntled employees, fewer game conversions, less training and deteriorating infrastructure, just to name a few.

Changing or reducing the quality of the gaming floor product can be an issue, but increasing the price of the product by changing the game's hold percentage can also be counterproductive. Repeat guests have an expectation of what their experience is going to be at your casino in terms of how long their gaming dollars will last based on their past experiences. Changing the gaming product to a higher hold percentage floor will rapidly become evident to your guests; the short-term gains realized in revenue will not directly translate into sustainable long-term gains as your guests are enticed away by your competition.

Quality is sustainable through continued support of the organization in training and guest service best practices. Sometimes it's as easy as a friendly smile and greeting to each guest entering and exiting your casino. Every team member is a service ambassador, and each message sets the tone for the guest's experience at your property.

It is easy to lose sight of the organization's long-term goals by focusing on short-term gains. The current marketplace challenges all businesses to make short-term decisions in support of—not in opposition to—long term objectives. And one of the long-term goals of any business should be to delight the guest and satisfy the customer. Remember that your guests are coming to your establishment to escape from reality for a few hours, and their delight is in direct relationship to the quality products and services that your team members offer.

It is true that there are fewer players out there spending money in our challenging economy, so seize the opportunity to take care of the guests you have. Delighting guests is a state of mind, a guest service mantra that applies to all forms of business. "Build it and they will come" no longer works as a business strategy, but delighting your guests most certainly will be successful every time.

Oh, and the other two easy ways to lose your customers: dirty restrooms and long lines. Anywhere.



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