



Casinos Use Dining to Build Loyalty, Brand

Dining and drinking are increasingly important ingredients of the casino experience, industry experts say, and all indications are that Arkansas' new gaming destinations won't neglect either.

Arlene Spiegel, founder and president of Arlene Spiegel & Associates of New York, is a restaurant, retail and food service consultant who has advised casinos on their dining options, including Harrah's Casino, Cherokee Nation Casinos and Isle of Capri Casinos.

She said it's essential for casino operators to understand the demographics of their customers, and then to go "above and beyond their expectations. So if you have a buffet, you want to have familiar items, but you'd also want to have items that may be signature or presented in a unique, higher-level way," adding, "You want them to be surprised and delighted."

Casino restaurants, particularly the legendary buffets, might once have been considered loss leaders meant to draw diners who then might transform into gamblers, but that is changing.

Spiegel said the industry has changed a lot, and she agrees about the increasing importance of dining and drinks to the casino business model. "Gaming is sometimes even less than 50% of the revenue stream in some environments," she said, "so there is an eye on profitability in the other revenue streams."

Spiegel said casino restaurants can be both loss leaders and profit centers. The higher end steakhouse or seafood house tend to be comp outlets for high rollers and VIPs. "And they're often not profitable, but if you look at the typical guest spend on property in the gaming sector, then it justifies itself," she said.

"But I also feel that these high-end restaurants on property, it's really a way to build loyalty," Spiegel said. "Very often the frequent guest has a separate, climate-controlled cage where they can have their special wine stored or a cigar room. It's a way to create loyalty and differentiate the casino's brand by learning how to be intimate with each and every one of their customers that are big spenders, so that they don't even think of going anywhere else. ●