

# Internal Marketing: An Antidote for Macau's Labor Shortage

*Sudhir H. Kale*

## **Abstract:**

Gaming scholars the world over are in consensus about Macau's bright future as a gaming Mecca. The phenomenal growth in gaming facilities over the last three years has created an acute labor shortage in this Special Administrative Region of China. Moreover, around twenty additional gaming and hotel projects have been committed so far, all slated for completion in the next five years. Expansion on such massive scale will further intensify competition among employers to recruit and retain employees, particularly if the provincial government maintains its current restrictions on importing labor into the region. One, and arguably the only way to hire and retain manpower in the dynamic gaming market of Macau, is practicing internal marketing. This paper reviews the gaming business environment in Macau and proceeds to suggest ten internal marketing tools and techniques that casino establishments can use to recruit and retain service employees in a tight labor market.

**Keywords:** Macau casinos, internal marketing, labor shortage, training, employee retention.

## **Introduction**

Almost fifteen years ago, services marketing gurus Berry and Parasuraman (1992, p.26) wrote, "If ever there was a time for service firms to compete more effectively for talent, that time is now." Such "time to compete" has reached its crescendo within the gaming industry in Macau in 2006, and, by all indications, shows no signs of subsiding within the foreseeable future.

The casino industry in Macau has exhibited phenomenal growth on a scale never before witnessed in any gambling jurisdiction. Industry observers concede that what we are seeing in present-day Macau is a confluence of events that will never again be seen in our lifetime. With exponential growth comes challenges associated with expansion and consolidation. Macau is a jurisdiction of just under half a million inhabitants, and the growth in casinos and casino-related facilities has already made land, gaming licenses, and labor scarce (MacDonald & Eadington, 2006). Labor is a particularly severe constraint as the provincial government continues to observe stringent restrictions on the importation of workers into Macau.

Understandably, casino management in Macau fret over the labor issue and their challenge has just begun. At the end of December 2005, there were 6,167 vacant posts in the gaming industry, of which 3,586 were related to hard and soft count clerks, cage cashiers, pit bosses, casino floor persons, dealers, betting service operators, etc., while services and sales workers accounted for 1,777 vacancies. With another twenty gaming or gaming-related projects opening within the next five years, the race for labor on

Sudhir H. Kale  
Associate Professor of  
Marketing  
Faculty of Business  
Bond University, Gold Coast  
QLD 4229 Australia  
Phone: + (61) 7-55951160  
Email: skale@staff.bond.edu.au

the part of casinos will heat up even more. This will happen at a time when the casino industry will also face unprecedented competition. Gaming customers will have a choice of suppliers and venues and they will gravitate to those venues where they receive acceptable—if not exceptional—customer service. In other words, the shortage of casino workers will be compounded by the shortage of *quality* workers. To succeed in such a business environment, casinos in Macau will have to embark on a planned internal marketing campaign.

This paper has three objectives: (1) To highlight the current and future labor shortage within the casino industry in Macau; (2) To bring to the fore the importance of internal marketing in the Macau gaming industry; and (3) To suggest specific ways in which internal marketing could assist Macau casinos in retaining their employees and in providing superior guest service.

### **Macau Gaming Environment**

Macau reverted to Chinese sovereignty in December 1999 and is currently the only jurisdiction in China where gambling is legal. In the second half of 2003, the Chinese government began the process of gradual easing of travel restrictions for mainland Chinese wanting to visit Hong Kong and Macau. This resulted in a surge in gaming revenues. Visitor numbers to Macau jumped 40 percent in 2004 and another 12.2 percent in 2005, reaching almost 19 million.

This rise in visitor numbers has been accompanied by a corresponding increase in gaming facilities in Macau. The number of casinos has increased from 11 toward the end of 2002 to 19 in the first quarter of 2006. For the same time period, the number of gaming tables has increased from 339 to 1648 and the number of slot machines has increased fivefold from 808 to 4223 (DICJ, 2006). Most analysts predict that the number of gaming tables will increase to over 10,000 and the number of machines will exceed 40,000 by the end of the decade. This massive expansion will have a crippling effect on the supply situation of labor in Macau.

Official statistics suggest that Macau has around 480,000 inhabitants with unemployment running around four percent from an estimated workforce base of just over 270,000 (Statistics and Census Service, 2006). Labor practices in the SAR are strictly controlled, with the Macau authorities wanting to ensure “full employment” for its citizens. The employment market in Macau is not open to other Chinese nationals, whether from Hong Kong, or from elsewhere in the mainland.

MacDonald and Eadington (2006) have observed that with the rapid expansion of gaming in Macau since 2004, severe strain has been placed on the local work force. Once the Cotai strip opens, 50,000 new employees will be required. This equates to almost one-fifth of the current work force! Even at the current level of expansion, one sees the ripple effects through the local economy with difficulties attracting employees resulting in wage increases and inflationary trends. The Macau government will be under pressure to solve this situation, but it would be hard pressed to do so without creating an influx of lowly paid Chinese workers from across the border.

If finding front-line employees is a severe constraint, identifying and attracting experienced and well trained mid-level and senior-level management is even tougher. MacDonald and Eadington (2006) write, “Given that the Cotai Strip and other projects will result in the number of gaming tables in Macau doubling from around 1,650 currently to over 4,000 by 2008 then the demands for experienced management will be exceptional in the short term (the Las Vegas Strip has around 2,300 tables by comparison). It is often said that our employees are our most valuable resource but in the case of Macau over the next few years nothing will be truer.” The authors report that even currently, casino tables in Macau at many of the major properties have to be shut

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down not because of lack of demand, but because of the lack of staff to open or manage them. Attracting quality management is also a problem. Because Macau had a casino monopoly till 2003, it never developed an experienced and forward-thinking management cadre. Consequently, operators today are finding it difficult to attract and employ quality management. Getting expatriate managers to move to Macau has also been a challenge. To quote Eadington and MacDonald (2006) again, "The pioneers and trailblazers are there but largely Macau is not seen as a family friendly environment to relocate to for experienced foreign gaming managers. That position is slowly changing with a number of seasoned American, Australian and European managers now taking up residence in Macau, however, it is still a real challenge. The sophistication of management will clearly be a competitive advantage in such an intense market place and the human resource asset is going to be crucial to long-term success." Nurturing and developing the human resource asset requires a carefully orchestrated program of internal marketing.

### **What is Internal Marketing?**

Internal marketing (hereafter, abbreviated to IM) is defined as "attracting, developing, motivating, and retaining qualified employees through job products that satisfy their needs" (Berry & Parasuraman, 1992, p.25). In marketing literature, IM refers to two somewhat different yet interrelated kinds of activity, which may be termed as 'customer-focused' and 'employee-focused' (Hales and Megrate-Butcher, 1994). Customer-focused IM is based on the premise that all employees of the organization are de facto marketers. Contacts between service employees and customers represent "moments of truth" (Carlzon, 1987), where consumer perceptions about quality and service are created. Customer-focused IM seeks to capitalize on customer encounters to generate new business.

Employee-focused IM is concerned about marketing or promoting the organization to the workforce. It is based on the philosophy of treating employees as internal customers, and the attendant strategy of shaping job products to employee needs (Berry & Parasuraman, 1992). Hales and Megrate-Butcher (1994) divide employee-focused IM into two domains – substantive and symbolic IM. The substantive approach involves the "application of externally proven know-how to the internal market, i.e. a firm's personnel" (Gummeson 1991, p.60). The externally proven techniques that could be used in the substantive context are market research, marketing communication, positioning, and segmentation.

The symbolic approach acknowledges that all management practices have an implicit dimension to them in that they convey certain messages to employees. Consequently, a marketing dimension is given to such activities as recruitment, induction and training, and employee reward systems. At its broadest level, symbolic IM is a way to manage employees with the implicit message that they are trusted and valued. The goal of employee-focused IM is to create a stable workforce with low turnover, reduced absenteeism, high morale, and committed to high service quality (Berry & Parasuraman, 1992; Hales & Megrate-Butcher, 1994). Substantive and symbolic employee-focused IM practices need to work hand-in-hand if IM is to prove effective. We shall now identify and briefly discuss key techniques in employee-focused IM that are most likely to succeed in the Macau gaming industry.

### **Key Tools and Techniques for Employee-Focused**

#### **IM in Macau Casinos**

Employee-focused IM is both a philosophy and a strategy. As such, it encompasses almost every aspect of casino management. However, a review of marketing and HR

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literature suggests that there are ten main techniques or action points that could be effectively used to recruit, retain and motivate employees in a tight labor market. These are: (1) Competing for the best people; (2) Becoming the preferred employer; (3) Include employees in the company vision; (4) Know the internal customer; (5) Hiring for competencies and service inclination; (5) Training for technical and interactive skills; (7) Providing supportive infrastructure; (8) Fully appreciating employees for work done; (9) Measuring and rewarding strong performance; and (10) Communicating.

### *Competing for Best People*

Hiring the best people to perform services is a key factor in the success of services marketing (cf. Berry & Parasuraman, 1992). Yet, during times of labor shortage, there is a natural tendency on the part of service firms to settle for something other than the best. Furthermore, many companies tend to have ill-defined standards for the personnel they hire. To get the best people, casino management first needs to identify them and then compete with other organizations to hire them. Thus, in pursuit of the right employees, firms should act as marketers in a manner similar to the way they act when competing for customers. Zeithaml, Bitner and Gremler (2006) observe that firms that think of recruiting as a marketing activity will address issues of employee segmentation, product (job) design, and promotion of job availability in ways that would attract long-term employees. Several services companies in the U.S. have changed the title of the head of recruiting to “vice president of talent acquisition.” Such a gesture recognizes the importance of the recruiting function and helps elevate the role to the strategic importance it deserves (Dunham, 2001).

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Berry (1995) elaborates that competing for talent involves being a preferred employer, aiming high, and using multiple, creative recruitment and selection methods. Casino management, in order to attract the best people, should first develop “ideal candidate” profiles for each type of position based on customer service expectations, and then use these profiles in selecting candidates. Berry and Parasuraman (1992) advise that once the profiles are designed, companies should interview multiple candidates for each position, involve multiple employees in the interviewing process, and interview the more promising candidates on multiple occasions. Smart internal marketers recognize that top talent means paying more for each employee, but they also realize that the higher pay is earned back many times over through greater productivity, low employee turnover, and added revenue.

### *Becoming the Preferred Employer*

Despite the relative rise in competition, the Macau casino industry is still an oligopoly. Consequently, it is quite easy for casino management to identify the competitors for the labor market. Having done so, the next step is to differentiate the product (job offering) from the competition. Competing in the labor market involves having an attractive value proposition for prospective employees. To offer such a proposition, the employer should first have a solid understanding of its prospective internal customers. One does not necessarily have to be a top paymaster if other important aspects of the value proposition are attractive (Lovelock & Wirtz, 2004). Marriott International, the hotel chain, has a stated company goal of being the “preferred employer” in its industry. To achieve this goal, the company has instituted employee stock options, a social services referral network, daycare, welfare-to-work training classes, and English and reading classes. Casinos in Macau could adopt many of these initiatives in their journey toward being the preferred employer (*Business Week*, 1996).

Cultivating the right reputation as a corporate citizen goes a long way in being acknowledged as the preferred employer. Having a good image as an employer in the community and delivering high quality services that make employees feel proud to

be part of the team contribute significantly toward building positive reputation. Other strategies contributing toward the goal of being the preferred employer include offering extensive training, providing ample opportunities for career advancement, and providing good internal support to employees. These activities help in creating positive word-of-mouth communication between current employees and future employees, thus also facilitating employee referral programs.

*Including Employees in Company Vision*

Southwest Airlines is the only air carrier that has consistently shown a profit since its inception thirty-five years ago. Over the years, the company has been honored with scores of awards for the way it treats its employees as well as for its quality of customer service. For instance, *Fortune* magazine ranked Southwest Airlines in the top five of the "Best Companies to Work For" in America for 1997, 1998, 1999, and 2000 (the company withdrew its participation in the contest in 2001). The mission statement of the company reads, "We are committed to provide our Employees a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines. Above all, Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer."

Employees, if they are to be effective brand ambassadors, need to be a part of a company's mission and need to buy into the corporate vision. Service personnel, in particular, also need to appreciate how their work fits into the big picture of the organization and its goals. This requires an understanding of the company's service culture. Schneider and Bowen (1995) define service culture as shared perceptions of what is important in an organization, and shared values and beliefs about why those things are important. Service standards tend to be adhered to more often if their rationale is inculcated by those who provide the service. A shared service culture ensures that front-line employees understand the logic driving service standards. Henry (2003) writes that improving employee retention is not so much about dollars as it is about being a part of something big. He reports results from several surveys to suggest that feeling an integral part of the organization is one of the key criteria in determining employee job satisfaction.

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*Knowing the Internal Customer*

Recruiting and retaining quality employees in a service establishment requires designing job products that attract, develop, and motivate the right kind of employees. This requires an understanding of the internal customer's aspirations, attitudes, and concerns. Such understanding develops with market research, experience, and constant communication across all levels within an organization.

Berry and Parasuraman (1992) contend that market research is as important in internal marketing as in external marketing. Market research could be used to determine whether the organization satisfactorily caters to the job and work-life needs of its employees. Employee satisfaction and employee needs should be assessed on an on-going basis if retention is to be achieved.

As a generalization, casino employees are rarely asked for inputs concerning working hours, uniforms, employment policies, benefits, and rewards. All too often, management assumes that it knows what the employees want, when fifty years of research suggests that this is not the case (Henry, 2003). Employee expectations of their job would vary depending on age, family life cycle, and culture. For example, while overtime pay may be valued by some casino employees, others may welcome a shorter shift. Some employees may seek immediate gratification for a job well-done (such as bonuses) while others may prefer more long-term rewards (such as career advancement

and training). In any service business, internal customer orientation is as important—if not more—as external customer orientation. As with external marketing, it is hard to practice customer orientation in IM without knowing the internal customer. Research and on-going communication across the organizational hierarchy enable an organization to collect valuable information on its current and prospective internal customers.

#### *Hiring for Competencies and Service Inclination*

Service employees need two complementary capacities—service competencies and service inclination (Schneider & Schecter, 1991). Competencies are defined as “sets of behaviors that are instrumental in the delivery of desired results” (Bartram, 2004). Instruments such as the Customer Contact Competency Inventory (CCCI) could be effectively used for assessing service competencies (Bartram, 2004). The CCCI measures competencies required for success in a customer-facing role across four dimensions: people focus (oral and written communication, team-work and relating to customers), information handling (fact-finding, problem-solving and specialist skills), dependability (quality orientation, organization and reliability), and energy (customer focus, resilience, and initiative).

Depending on the job, an inventory of competencies needed to effectively perform the job needs to be developed. This involves careful job analysis. Job analysis is a systematic process for collecting and analyzing information about jobs. It provides information about the work to be performed and the work environment. It also identifies the knowledge, skills, abilities and personal competencies people need to perform their work well. In short, it is a method that provides a description of the job and profiles the competencies people need to be successful.

Besides competencies, potential employees also need to be screened for service inclination. Leaders at successful service businesses such as Southwest Airlines believe that while specific job skills can be taught to employees, the service attitude is something a person is born with (Freiberg & Freiberg, 1997). Service inclination assesses a person’s interest in performing service-related work. Such screening is vital in a business environment such as Macau. Because service jobs in casinos pay more relative to other industries, many individuals lacking in service inclination would apply for casino jobs. If not weeded out at the recruiting stage, such individuals would contribute to high labor turnover, poor productivity and low customer satisfaction. Research suggests that service effectiveness is correlated with service-oriented personality characteristics such as helpfulness, thoughtfulness, and sociability (Schneider & Schecter, 1991). Fortunately, several means of assessment exist to ascertain these qualities in potential recruits.

#### *Training*

It goes without saying that training increases employees’ skills and ensures that service providers have the knowledge necessary to do their jobs well. However, very few managers realize the power of training as a marketing tool. Berry and Parasuraman (1992) claim that training enhances every sub-goal of internal marketing: attracting, developing, motivating, and retaining superior employees. Training can take many forms such as classroom training, e-learning, videos, and field exercises. Middle-managers can contribute substantially to the training of new recruits by acting like on-the-job teachers. Unfortunately, many service firms ignore the role of middle managers as teachers for frontline employees. Berry and Parasuraman (1992) go so far as to say that the capacity for teaching is one of the principal criteria that should be used when selecting middle managers. In order to act as effective teachers, managers themselves should undergo on-going training. Berry, Bennett, and Brown (1989, p.160) advise that, “Training and education for managers is truly pivotal—for the example it sets, for the understanding it builds, and for the leadership and coaching skills it nurtures.”

Training heightens employee morale and commitment. It can also be used as a means of creating shared perceptions about the company’s vision and goals. Training investment

signals to the employees that the company cares for them and is willing to invest in their growth. Particularly in turbulent times, training can act as a catalyst in reducing employee anxiety and promote acceptance of new roles and expectations. Training also demonstrates to potential employees and other companies that the organization is a great place to work and do business. Evidence from an American Management Association survey of more than 1,000 large - and medium-sized U.S. companies revealed that in times of downsizing, firms that increased their training budgets were 75 percent more likely to show increased profits than firms that had cut training investment (AMA, 1996). A similar survey from 100 German companies over seven years concluded that investment in workers is a powerful tool and competitive advantage in a competitive world (Gollan, 1997).

The labor crunch in Macau means that there may not exist opportunities to hire enough qualified people for a particular job. This would necessitate retooling of the existing workforce for handling new jobs or additional responsibilities. For example, a server in F&B may need to be retrained as a Baccarat dealer. This would not only require training in dealing cards at a Baccarat table but may also require language and communication-skills training. Any large casino establishment would have some employees who are not well-suited for their current position but would flourish in other roles. In such instances, an internship program might help. Employees could shadow their co-workers in other jobs to learn more about the nature and content of internal job opportunities. Such test-drive allows the organization to see where a role-shift may make sense for the company. Southwest Airlines runs a very successful *Walk a Mile* program, in which any employee can do somebody else's job for a day. At last count, 75 percent of Southwest's 20,000 employees had participated in the job-swapping program (Drake 2005).

#### *Supportive Infrastructure*

Environmental psychologists suggest that individuals react to places with two general and opposite kinds of behavior: approach and avoidance. Approach behaviors include positive behaviors such as desire to stay, to explore, to work, and to affiliate. Avoidance behaviors include a desire not to stay, not to explore, and not to affiliate (Mehrabian & Russell, 1974). Adequate space, proper equipment, comfortable temperature and good air quality all contribute positively to employees' desire to stay on the job and to perform. Workplace and workstation design also impact a service employee's level of comfort and satisfaction.

When an employee does not have the right equipment needed to do the job or if the equipment is prone to failure, there is inevitable frustration. In using infrastructure as a means of retention, workers' rest areas and cafeterias need to be designed with morale and motivation in mind. An excellent example of this practice in action is Wynn Las Vegas. Roger Gros, editor of *Global Gaming Business* explains: "I was amazed to see that the back of the house at Wynn Las Vegas was barely different from front of the house. The employee cafeteria was as well-appointed as many of the resort's fine restaurants. The walls were lined with colorful artwork and recognized the efforts of individuals throughout the property. The environment demonstrated a respect for employees not found in many other casinos" (Gros, 2006; p.4). When designed with not just the customer but also the employee in mind, the servicescape — ambient conditions, space functionality, signs symbols and artifacts — contributes to positive outcomes from interactive as well as internal marketing.

#### *Appreciating the Work Done*

Henry (2003) has compiled research spanning half a century to highlight the differing viewpoints between managers and workers with regard to what workers value most in a job. "Full appreciation for work done," was rated as the most valued aspect of a job by workers, but ranked number eight by managers on the ten choices provided. Managers ranked "good wages" as the criterion most valued by workers whereas the

workers themselves ranked it fifth. Clearly, improving retention is not so much about dollars as it is about personal effort.

Appreciation enhances an employee's pride in the job which has a direct impact on positive employee behavior (Arnett, Laverie & McLane, 2002). Pride stems from the belief that one's actions influence the success of the organization. To manifest appreciation toward an employee's work takes continuous effort, real compassion, and involvement by management at all levels. Supervisors need to cheerlead and encourage employees on an on-going basis for their effort. Many casino companies have instituted programs such as "employee of the month" to convey their appreciation toward top performers. However, over a period of time, such programs may be perceived as routine and lose their luster for many employees. Appreciation conveyed on a one-to-one basis tends to be more effective and seldom wears out. Formal programs for employee recognition can be creatively designed. Southwest Airlines has built employee appreciation into a corporate culture that emphasizes personal and business success. Employees fly free and can benefit from a profit-sharing program. Employee feedback is encouraged and makes workers feel they are a part of company decisions when they are made. In many organizations, supervisors forget that small gestures of appreciation such as a simple "thank you" or a note acknowledging special effort go a long way in cementing employee loyalty.

#### *Measuring and Rewarding Performance*

If a company wants its best performers to stay with the organization, it must reward and promote them. People need to know that their performance will be measured on the basis of how well they do, and that it is worth their while to do well. The extent to which employees believe that the reward system is appropriate and fair will have a positive on employees' job satisfaction and retention (Arnett, Laverie & McLane, 2002).

Rewards should be clearly linked to the firm's vision and strategic thrust, and employees should understand the reasoning behind the reward system. In rewarding employees, multiple means of acknowledging performance need to be utilized. These include financial rewards, non-financial recognition, and career advancement. Berry and Parasuraman (1992) caution that rewards should be geared to sustained commitment of employees. Thus, short-term programs such as sales contests for casino hosts should be used sparingly, or not at all. In designing a reward system, a balance needs to be struck between team rewards and individual recognition. Rewarding team performance tends to strengthen bonding between employees, thus increasing their emotional involvement with the organization. If employees feel that the measurement system under which they are evaluated is fair, and if they value the rewards—both individual and team—that go with superior performance, their loyalty to the organization is reinforced.

#### *Communication*

Inherent in many of the techniques discussed above is communication. Communication needs to take place between both potential as well as existing employees. Potential employees in the Macau environment could be reached through corporate websites, educational institutes (such as the University of Macau, Casino Career Centre and Macau Polytechnic) and mass media such as newspapers and radio. A realistic picture of the jobs available needs to be provided to all potential employees. Recruiters need to bear in mind that the content of such communication involves making certain promises to potential employees. Once on board, the organization is obligated to deliver on these promises.

Henry (2003) rates "feeling 'in' on things" as the second most important aspect valued by employees in a job (next to being appreciated). Unfortunately, the quality of employee communication in casino establishments often tends to be very dismal. Many times, front-line employees are unaware of the promotions the casino is running. This results in feelings of "losing face" and embarrassment on part of customer-interfacing

employees. Regular communication across all levels and in all directions enhances feelings of ownership and belonging on the part of employees in a service organization. Supervisors should promptly communicate changes in organizational policies, procedures, and structure to those below them. Not only does such communication smoothen operations, it also contributes to employees' motivation levels. By the same token, managers and supervisors should actively listen to their subordinates. Active listening involves not only paying attention to the content of a conversation, but also to the other person's intent and the underlying emotions expressed. Active listening enables supervisors to gain better understanding of people's aspirations, desires, and concerns. Open and active communication can be effectively used to convey sympathy and encouragement, thus contributing to team camaraderie and bonding.

### **Managerial Implications**

The ten IM techniques discussed in this article are of relevance to managers in service establishments every where, but particularly so to those in the Macau casino industry. Since many gaming establishments in Macau are starting from scratch, they have the opportunity to put in place the right service culture with a premium on customer-centricity and internal marketing. The massive growth in casino gaming in Macau implies that casinos which try to create loyal customers and employees early on are the ones who will gain early competitive advantage.

Buoyed by the early success of the Sands Macau casino, many subsequent entrants to the market could be operating under the "build it and they will come" premise. Such companies may not pay the necessary attention to vital issues such as recruitment, training, and reward systems for employees. Their efforts, devoid of internal marketing, would be focused on opening their facilities as fast as they can. This article cautions that the tremendous increase in supply of gaming products will transform the Macau casino industry into a buyers' market. In such a market, only the truly service-oriented casino establishments will survive and prosper. What makes casinos service-oriented is the server, the internal customer.

Macau casinos will be well-served by paying serious attention to developing and nurturing their service competencies. This is an expensive and time consuming proposition, but the only one that bestows long-term competitive advantage. With the casino industry having expanded just in the last five years, casinos in Macau do not have local access to full-fledged training companies or HR consulting companies to assist them in internal marketing. They will have to import services from Western countries such as Australia, North America, and Western Europe. When doing so, the clients will have to ensure that the internal marketing strategies and practices that they import are culturally relevant to the Macau context. Just because certain techniques work at Wynn Las Vegas does not guarantee that they will be equally effective at Wynn Macau (cf. Hofstede, 1991).

### **Research Directions**

The techniques for internal marketing suggested in this paper derive from literature on marketing and HR originating from the Western context. Their applicability in Macau needs to be empirically ascertained. Scholars are urged to test empirically the motivations of casino workers in Macau and compare the results to extant literature from the West. Doing so is an issue of external validity; empirical research in Macau on topics such as employee rewards and employee empowerment is needed before Western management techniques can be applied with confidence in the Macau context.

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Since most new casino entrants in the Macau market are yet to commence their operations, there exist opportunities for longitudinal studies on internal marketing. Researchers could study the internal marketing

practices of Macau casinos over a period of time and relate these practices to the long-term success of the casinos. Lead-lag effects between internal marketing initiatives and external marketing outcomes can thus be observed.

As of now, systematic studies on casino consumer behavior in Macau are non-existent. Academic institutions in Macau such as the University of Macau have excellent opportunities to fill this void by conducting on-going regular research on the topic. Western researchers could collaborate with their Chinese counterparts to generate knowledge and rich insights on what will, shortly and undoubtedly, be the largest single casino market in the world.

### Summary

This article identified the labor situation in Macau and its impact on the rapidly expanding casino industry. It was argued that internal marketing is the antidote to deal with the chronic employee shortages in Macau. Ten techniques were suggested to deal with the labor crunch in the Macau casino industry. Application of these techniques should be undertaken taking into consideration the cultural environment of Macau. Casinos that effectively practice the suggested internal marketing techniques will reap generous rewards by way of employee commitment and customer loyalty.

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