

Items of Importance to Patrons of Indian and Riverboat Casinos

Carl J. Pfaffenberg
C. Costello

Abstract

The objectives were to identify similar characteristics for casino patrons and determine what factors were important to these individuals. Patrons from Indian and riverboat casinos were surveyed on demographic variables, casino experience, and importance of 25 items. Casino patrons scored intangible items such as security and service highly. Casino managers must constantly assess how the casino is performing by using data extracted from their clientele.

Keywords: Indian, riverboat, casino, patrons, importance

Introduction

Virtually every casino collects data about its patrons. Data are collected and analyzed by casino operations throughout the world. More sophisticated operators can provide a patron profile that may list very personal information. Casino operators frequently contend that they know their customers better than customers know themselves.

Much work has been done by casino operators on what patrons are looking for once they arrive at a casino. Essentially it is no more mysterious than to provide a place to shop, eat, sleep, and be treated well, in an adult environment where they can see things that they couldn't see anywhere else (Wynn, 1995). A great deal is known about what will please patrons once they are participating in the gaming experience. What is virtually unknown is what motivates the patron to go to a specific property. Some studies have indicated that the deciding factor when choosing a particular casino was proximity (Harrah's, 1996). Therefore, those wishing to have a casino experience may go the closest location.

The growth in casino gaming has taken the business from revenues of \$8.9 billion in 1991 to \$22.8 billion in 1996 (Harrah's, 1997). The growth has been so rapid that research on choice differentials has been, to date, unneeded. The industry has benefited from the Field of Dreams demand curve: "If you build it, they will come."

Major stakes casinos may be segmented into three different ownership and/or operating categories; traditional, land-based casinos available in Nevada and Atlantic City; riverboat casinos that cruise navigable waters or are dockside over water; and Indian casinos, operated for the benefit of a federally recognized native American tribe. Before the end of this century there will be all three types of facilities within many market areas, vying for the consumer gaming dollar expenditure (Raphel, 1994). The degree of competition will be intense.

Though the market may appear to be infinite, we know that the business cycle affects all manner of businesses (Drucker, 1974). Therefore, as the attractiveness of this business to both operators and legislatures grows, so will the number of available areas to enjoy this form of entertainment. Eventually the market will reach its marginal propensity to consume casino entertainment. At that point there will be no more growth

C. Pfaffenberg
Assistant Professor,
Division of Hotel &
Restaurant Administration,
University of Tennessee.
Cpfaff@utk.edu.

C. Costello
Associate Professor,
Division of Hotel &
Restaurant Administration,
University of Tennessee.
Costello@utk.edu.

in the market. Individual operators wishing to expand will derive their success from the business decline of a competitor. A saturated market becomes a "zero sum game" where one competitor gains at the expense of another (Drucker, 1974). When the industry arrives at this point, those with the best information and action plan will be the survivors. Therefore, the primary objective of this research was to determine factors of importance for those patrons of riverboat and Indian casinos.

Methodology

Four sites were selected to interview patrons. All sites were selected because of their manager's willingness to participate. One Indian casino was in a resort community in Michigan, and the second Indian casino was just outside a major urban area in Arizona. The riverboat casinos were selected because they were required to cruise their respective waterways with one casino in Illinois and one in Indiana. The researchers felt that a cruising requirement may increase the diversity of the sample. A riverboat casino that does not cruise is, in reality, a land-based casino, over/near water. Specific characteristics of each casino, e.g., number of gaming positions, slot machines, denominations of play, food and beverage facilities, etc., have been previously published (Pfaffenberg, Costello, and McGrath, 1998).

Instrument

The researchers designed a three-section survey. The first section assessed the importance each patron placed on items experienced during a casino visit. Twenty-one items were adapted from a study of casino-hotel repositioning in Las Vegas, NV (Shoemaker, 1993). The items ranged from opinions on gaming and atmosphere to the comfort level of the patron and food and beverage suitability. Four items that could be important in a casino visit related to the advertising and image of the casino operation were added. Each item of importance was measured from 1 to 5 with 1 labeled "unimportant" and 5 labeled "very important". Scale numbers 2 through 4 had no label.

The second section of the survey consisted of standard demographic items such as sex, marital status, number of dependent children, age, race, family income, occupational status, and level of completed education. Demographic variables usually are the most popular basis for distinguishing customer groups (Kotler, 1984). The third section included casino experience questions devised by the researchers related to psychographic and behavioral segmentation. These included assessment of first time visitor, money budgeted for a casino visit, distance traveled to the casino, number of annual casino visits, and whether or not a loss limit had been established.

Instructions for participating patrons

Every 5th patron was approached and requested to participate. If the patron indicated "yes" they became part of the sample. If not, they were wished "good luck" and thanked for their time. In the case of the Indiana site, two buses of patrons were given surveys when boarding their respective bus. The surveys were collected on departure at the casino site.

The individuals who agreed to participate were handed a questionnaire and asked to read the instructions. Two researchers were available to answer questions regarding the completion of the instrument. If no questions were forthcoming, the patrons proceeded to fill out and return the instrument. The response rate from the Indian casinos was approximately 25%. Patrons were very anxious to get to the gaming area and many offered to complete the survey on the way out, which seldom materialized. The riverboat casino patrons had a response rate of approximately 40%. This "increase" was due primarily to the way patrons entered the riverboats. While the Illinois riverboat was actually cruising, patrons waiting for it to return were in a queuing area where the researchers were located. These patrons were more receptive to performing the survey as

it gave them something to do while waiting for entry to the riverboat. As for the Indiana riverboat, the patrons completed their surveys while traveling on a bus to the boat. They also seemed to welcome the survey as a way to pass some time.

Friday was selected as a collection day. If another day was needed to collect an appropriate number of surveys, Saturday was used. These days were chosen because in each circumstance the amount of traffic generated during those days usually exceeded the combined total for the other five days of the week. Data were collected from patrons in the morning and evening from a minimum of 80 patrons at each site.

Data analysis

Descriptive statistics were utilized to analyze the items of the survey (SAS, 1997). Means and standard deviations were calculated for each item in the survey for the total sample and separately for the Indian and riverboat patrons. Significant differences were determined for each item of importance between the riverboat and Indian casino sites via contrast statements in the general linear model. Separate T-tests were performed for each of the items of importance to determine whether or not the two Indian surveys could be combined and the two riverboat surveys could be combined. It was found that while there were significant differences in the demographics of the patrons, there were no significant differences among the answers offered by the Indian casino patrons. A similar finding was obtained for the riverboat data. Hence, the following discussion is based on a combination of four sites into two groups; Indian casino patrons, and riverboat casino patrons.

Demographics of casino patrons

It was found that patrons of Indian and riverboat casinos had many demographic differences. They were age, sex, race, number of dependent children, annual frequency of casino play, amount of money budgeted for a casino visit, distance traveled to a casino, and number of first time visitors (Pfaffenberg, et al. 1998). The similarities between the Indian and riverboat casino patrons were marital status, education, occupational status, annual family income, and loss limit established.

Almost 59% of the riverboat patrons were 50 years of age or older. Those patronizing Indian casinos had virtually the same percentage of their sample below the age of 50. Females were the majority of patrons in both Indian and riverboat casinos. Indian casino patrons were 53.5% female while riverboat casino patrons were over 64% female.

The number of dependent children was lower among riverboat patrons. Over 65% of riverboat patrons had no dependent children as opposed to 42.2% of Indian patrons. Slightly more than 10% of riverboat patrons had three children or more. Indian patrons had three children or more among 26.5% of the sample. The percentage of first time visitors was different between Indian and riverboat casinos. Over 26% of Indian casino patrons and 15% of riverboat patrons responded that they were first time visitors.

Distance traveled by patrons was different between Indian and riverboat casinos. The difference was reflected in the frequency of patrons that traveled over 200 miles for their gaming experience. Forty-six percent of Indian patrons traveled less than 50 miles for their visit while 34.7% of riverboat patrons traveled such a distance.

Riverboat patrons had a higher number of annual casino visits than did Indian patrons. Almost 41% of riverboat patron responses indicated that they visited a casino more than 26 days per year. Only 13% of Indian casino patrons visited so frequently.

Finally, the gaming budget per visit was different between Indian and riverboat casino patrons. The riverboat casino patrons risked a higher amount of money for each visit than did the Indian casino patrons. Forty-eight percent of riverboat casino patrons put \$181 or more at risk during each casino visit. Only 15.6% of Indian casino patrons were in the same category. The aforementioned differences and similarities among demographics represent a summary of the data. A thorough discussion of all demographics can be found in a previous article.

Importance for all casino patrons (see Table 1)

Virtually all of the items of importance were scored highly. Therefore the researchers have chosen to report specifically on the upper and lower 20% of scored items of importance. If an item did not score in the upper 20% it did not mean that the patron did not consider the item important.

The highest scored item of importance for all casino patrons was a *safe place to go* (4.78). Safety, in this case personal safety, was an issue of concern for all persons. Everyone seems to be susceptible to crimes against person and property. The large percentage of females at casinos probably heightened the importance of security related items. Finally, the higher budgeted amount of money per visit for riverboat patrons would likely increase the importance for *safe place to go* because the patrons were probably carrying more cash than normal.

Three additional highly scored items were *friendly employees* (4.74), *courteous service* (4.71), and *helpful employees* (4.57). The casino business is a service business, not dissimilar to any hospitality venture. Patrons scored service-related items highly because they believed that service was a major component of their experience. When casino management recognizes that their employees make the service difference in the casino experience, the entire industry will benefit (Fine, 1997).

Table 1
Level of importance^a for items by all casino patrons ranked by mean value^b

Items	Mean
Safe place to go	4.78
Friendly employees	4.74
Courteous service	4.71
Chance to win	4.63
Restaurant is clean	4.60
Better odds	4.58
Helpful employees	4.57
Well trained employees	4.56
Visible security	4.52
Good food	4.25
Guest rooms are secure	4.18
Restaurant atmosphere	4.14
Location	4.06
Food is good value	4.05
Free drinks offered	4.01
Guest room value	3.48
Covered parking	3.45
Guest rooms available	3.34
Advertising	3.33
Image	3.31
Friend recommendation	3.24
Good entertainment	3.18
Valet parking	3.10
Minor recreation	2.63
Major recreation	2.15

^a Importance was measured on a 1-5 scale with 1 = not important and 5 = very important.

^b n = 440.

The item of *restaurant is clean* (4.60) also was scored highly. The importance of this item could be related to the national issues of food safety and sanitation. The absence of illness would be more important to older people than the general population. The age of casino patrons for the current study was above the national mean (Pfaffenberg, et al., 1998). Therefore, items of importance for older people would more likely be items of importance for casino patrons. People tend to act in their self interests. A person that decides certain items are important will act to satisfy those items (Elliot and Hamilton, 1991).

The importance items that scored in the lowest 20% were *major recreation* (2.15) and *minor recreation* (2.63). These items were scored low primarily due to age of the patrons. Older people are less likely users of recreational facilities (Turco and Riley, 1996). The patrons were in the casino to enjoy the gaming experience and apparently had little interest in exploring other activities.

Other least important items were *friend recommendation* (3.24) and *valet parking* (3.10). Perhaps a *friend recommendation* would have been more important to first time visitors. Eighty percent of the patrons were return visitors (Pfaffenberg et al., 1998). After the first visit, the patron usually can decide about returning without external input.

Valet parking was provided at three of the four sites surveyed. However, *valet parking* was not widely utilized. Two of the three sites providing *valet parking* charged \$5.00 for the service. The third site charged \$3.00. It was perceived that patrons viewed this as unimportant because they did not use, nor did they plan to use the service. The researchers also believed that patrons viewed the fee for *valet parking* as better utilized elsewhere in the gaming experience.

Importance for Indian casino patrons (see Table 2)

The highest scored item of importance for Indian casino patrons was *safe place to go* (4.72). Indian casinos are located on reservation lands. Patrons to these casinos are concerned about personal safety anywhere and it may be heightened due to a visit to less familiar surroundings.

Two service items, *friendly employees* (4.69) and *courteous services* (4.68) also were highly scored. Interacting with friendly and courteous employees was very important to the patrons of Indian casinos.

The last two items in the highest scored 20% for importance were *chance to win* (4.56) and *better odds* (4.50). Indian casino patrons scored highly on the unique selling perspective of a casino. It would appear that *chance to win* and *better odds* were important to Indian casino patrons.

Two recreation items, *major recreation* (2.16) and *minor recreation* (2.52) were scored in the lowest 20% of importance by patrons of Indian casinos. The age of the patrons, the importance they placed on winning, and a lack of recreation facilities all influenced the low importance scores for recreation items. Two additional items of least importance were parking related: *covered parking* (2.82) and *valet parking* (2.85). Neither site offered *covered parking*, making that item less important. One site had *valet parking*, but it was used minimally by the patrons. If a person does not use something, it tends to be less important to that person (Anderson, 1973; Bearden and Teel, 1983; Keyt, Yavas, and Riecken, 1994). Although the researcher categorized parking items under a security feature, it was uncertain that the patrons viewed parking items similarly.

The last item in the lowest scored 20% of importance for Indian casino patrons was *friend recommendation* (2.86). Almost 74% of Indian casino patrons were making a return visit (Pfaffenberg, et al., 1998). Returning visitors have had the chance to sample and experience the facility for themselves. The *friend recommendation* was much less important to a patron already familiar with the facility. A *friend recommendation* would be potentially more influential with first time visitors.

Table 2
Level of importance^a for items between Indian casino patrons and riverboat casino patrons ranked by mean value for Indian casino patrons

Items	Indian ^b	Riverboat ^c
Safe place to go	4.72	4.83
Friendly employees	4.69	4.78
Courteous service	4.68	4.75
Chance to win	4.56	4.69
Better odds	4.50	4.64
Restaurant is clean	4.46 ^x	4.72 ^y
Helpful employees	4.42 ^x	4.69 ^y
Visible security	4.40 ^x	4.62 ^y
Well trained employees	4.38 ^x	4.71 ^y
Good food	4.13 ^x	4.35 ^y
Guest rooms are secure	4.07	4.27
Food is good value	3.99	4.09
Restaurant atmosphere	3.88 ^x	4.35 ^y
Location	3.67 ^x	4.37 ^y
Free drinks offered	3.67 ^x	4.28 ^y
Guest room value	3.53	3.44
Guest rooms available	3.33	3.36
Image	3.24	3.37
Good entertainment	3.22	3.15
Advertising	2.87 ^x	3.69 ^y
Friend recommendation	2.86 ^x	3.56 ^y
Valet parking	2.85	3.29
Covered parking	2.82 ^x	3.97 ^y
Minor recreation	2.52	2.72
Major recreation	2.16	2.15

^a Importance was measured on a 1-5 scale with 1 = not important and 5 = very important.

^b n=185.

^c n=255.

^{xy} Means with different superscripts differ at $p < 0.05$.

Importance for riverboat casino patrons

The highest scored item of importance for riverboat casino patrons was *safe place to go* (4.83). The rationale for the importance of this item was similar to that for Indian casino patrons, however riverboat patrons are probably more familiar with the location of riverboat casinos than Indian casinos. Indian casinos must be on reservation or tribal lands while a riverboat casino has much more leeway in their site selection.

The riverboat patrons scored *safe place to go* higher than any other attribute in the current study. The importance of *safe place to go* for riverboat patrons could be explained by several factors; patrons of riverboats were older; almost 65% patrons of riverboats were female; riverboat sites were in major urban areas; and, riverboat casino patrons had a higher budget per casino visit (Pfaffenberg, et al., 1998).

Safety may be an issue of concern for all persons, however it appeared to be more important to older people. Older people are more susceptible to crimes against person and property. Similar arguments also apply to the gender of the patrons. The larger percentage of females at riverboat casinos caused the importance of security related items to be

heightened. Security items seem to be more important to people in urban areas. Newspapers, television, and radio provide constant reminders of the need to be vigilant regarding your person and property.

Three service items, *friendly employees* (4.78), *courteous service* (4.75), and *well trained employees* (4.71) were in the highest 20% of importance scored by patrons of riverboat casinos. The issue of service was not age or gender related as it seemed to be universally important for all patrons. The United States is a service economy, and service would be more important to patrons utilizing a service business (Naisbitt, 1990). The management of casino operations would be well served by acting on items of feedback from their patrons, i.e., the importance they place on *friendly employees*, *courteous service*, and *well-trained employees*. Patron feedback is a rich source of continuous improvement (Blanchard and Johnson, 1982).

The last item of importance in the highest scored 20% for riverboat patrons was *restaurant is clean* (4.72). The emphasis on cleanliness was attributed to the large percentage of seniors in the riverboat sample. Seniors view meal functions as extremely important (Schaefer, Illum, and Margavio, 1995). A similar importance would likely be attached to the sanitation of the facility.

Two recreation items, *major recreation* (2.15) and *minor recreation* (2.72) were scored in the lowest 20% of importance by patrons of riverboat casinos. Riverboat casino patrons were perceived by the researcher to be more serious about their visit than Indian casino patrons. Riverboat casino patrons were there for the specific purpose of gaming, with more dollars budgeted, and more frequent visits than Indian casino patrons (Pfaffenberg et al., 1998).

It was not surprising that *good entertainment* (3.15) was among the lowest scored items of importance for patrons of riverboat casinos. The entertainment that was available at both sites would probably have been described as satisfactory by the respective patrons. It was not an attraction nor was it a detraction.

More than 57% of the riverboat casino patrons had traveled less than 100 miles for their casino visit. Most of the 24.5% of the riverboat casino patrons that had traveled over 200 miles were doing so on a day bus trip (Pfaffenberg, et al., 1998). It was understandable therefore, that *guest rooms available* (3.36) and *valet parking* (3.29) were items scored in the lowest 20% of importance for riverboat casino patrons.

Differences between Indian and riverboat casino patrons' importance

There were significant differences among 11 of the 25 items in the importance survey (Table 2). In all these differences, means were higher for riverboat patrons than the Indian casino patrons. Over 64% of the riverboat patrons were female and 53.5% patronizing Indian gaming sites were women. (Pfaffenberg, et al., 1998). The female influence alone could account for the higher scores for importance of items (Broverman, Vogel, Broverman, Clarkson, and Rosenkrantz, 1972). The riverboat patrons also were older. The greater representation of seniors would have been particularly influential in the differences between *good food*, *restaurant is clean*, and *restaurant atmosphere is good*. Seniors tend to place an unusually high level of importance on meal functions and the events surrounding them (Schaefer, et al., 1995).

The difference for *free drinks offered* was related to the site. Both riverboat operations had the ability to use free drinks as a promotional opportunity. Neither of the Indian sites did this type of promotion. As the riverboat patrons were familiar with this type of promotion it was more important to them.

The difference for *helpful employees* and *well-trained employees* might be explained by the gender and age of the riverboat patrons. Senior patrons may need assistance from an employee for something. If they need help, they want the employee to be well trained, perhaps in CPR or the Heimlich maneuver.

The difference for *covered parking* was site related. The Indian casinos did not offer covered parking. Both of the riverboat casinos offered covered parking. Both of the riverboat sites were in areas where the weather could be frequently inclement, while only one of the Indian sites would experience similar weather.

Visible security would be an item of importance to older people. Being able to see security personnel or measures would provide a level of internal comfort and well being. The riverboat patrons had a greater representation of older people with 58.5% over the age of 50. The Indian casino patrons were under 50 years of age 58.9% of the time (Pfaffenberg, et al., 1998).

While all patrons want a *safe place to go*, the attribute of *visible security* is a reinforcing positive that was deemed more important by the riverboat patrons. The age difference coupled with the gender difference could lead to this higher score.

The remaining items of difference were *friend recommendation*, *location*, and *advertising*. It would seem that the importance for *friend recommendation* should be more influential on first time visitors. The riverboat casino patrons had a first time visitor response of 15%. The Indian casino patrons had a first time visitor response of 26.1%. Perhaps the gender influence is affecting this score to be higher among riverboat patrons.

Location is perhaps the most important determinant towards the success of any business. Riverboat casino companies had the ability to select and pay for numerous potential landing areas. Indian casinos, on the other hand, were restricted to reservation lands, which in the past have not been considered desirable areas. The site probably influenced the riverboat casino patron to score *location* higher than did the Indian casino patron.

Advertising was scored higher by riverboat patrons because it was much more prevalent among riverboat casinos. The riverboat sites each had four casino competitors within a five-mile radius.

This competitive environment had frequent advertising with radio, television, billboard, and print media being used to influence choice among potential patrons. One of the Indian casinos did some advertising with directional billboards. The other Indian casino did virtually no advertising. As the riverboat patrons were exposed to more advertising, it was of greater importance to them.

Patrons have scored *chance to win* and *good odds* highly, however they also recognize that unless they “get lucky,” they will probably be looking forward to a service experience where they expect and insist on *friendly* and *helpful employees*, who are *well trained* in providing *courteous service*

Conclusions

If knowledge is power, then casino managers can not know enough about their patrons. The need to know and understand the demographic matrices of the patron and how the casino is performing related to items of importance for the patron is essential for success. Managers frequently perceive that they are performing well for their patrons. This perception occasionally matches reality.

It is interesting to note those tangible items like facility, food, and guest room did not score as highly as the intangible items across the entire sample. Patrons of both types of casinos have scored items of service and safety highly. A casino is part of the service business. Patrons have scored *chance to win* and *good odds* highly, however they also recognize that unless they “get lucky”, they will probably be looking forward to a service experience where they expect and insist on *friendly* and *helpful employees*, who are *well trained* in providing *courteous service*. In the same vein, if the casino is not perceived by its patrons as a *safe place to go*, which is reinforced by *visible security*, then the best service in the industry will not satisfy.

While both types of casino scored items of importance similarly, there were enough

differences to warrant a serious look as to why. The 11 differences were all scored higher by riverboat patrons. The significant number of older, female patrons with higher budgeted levels for their visit at riverboats would possibly necessitate specialized advertising, features, and promotions. Indian casinos need to pay particular attention to their physical facility because of the difference between the scores for *location*.

While casinos have had unusual success with the American public, the fascination may soon wear off. Unbiased, independent, and frequent evaluation of patron importance and satisfaction will allow managers to maintain valued patrons in the highly competitive market of casino gaming.

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