

Expanding the Possibilities at Chumash Casino Resort

Tribal gaming property adopts new technology and Revenue Strategy to boost total-resort profitability with dynamic pricing and marketing

Results: Cash Average Daily Rate: +106% | Total gaming value from overnight guests: +97% | Total non-gaming revenue: 87%

(All percentages measure a two-year basis. Results compare full-year 2017 performance – the first full year following casino expansion – and full-year 2015 performance, the last full year before the expansion.)

The Challenge

Chumash Casino Resort, situated in wine country just outside Santa Barbara, more than doubled its available hotel rooms after an expansion in 2016. Yet the tribal casino still sold out nearly every booking date and comped a majority of its rooms. While the slot-driven property has always had strong traffic with locals, it sought to grow its business with overnight guests from Los Angeles and Southern California, who tend to have a higher theoretical win.

The leadership team of the resort, which is owned by the Santa Ynez Band of Chumash Indians, needed to balance its Revenue Strategy to grow profitability over the long term, while still building repeat business and guest loyalty through appealing offers and promotions.

The Solution

The hotel expansion coincided with an overhaul in strategy and technology for Chumash, which installed the GameChanger application and began working with Duetto Strategic Consulting. It also implemented the Find My Rate app in the call center to move away from static room offers. The property was then able to yield room rates independently and make its direct-marketing offers more compelling.

Chumash enacted a campus optimization strategy that added more than 200 rooms from its off-site hotels to the inventory available for comp and reinvestment decisions. The property has increased both cash revenue and the hotels' theoretical-win contribution as a result.

“The way that we look at success and profitability and revenue is for the long term. It’s a customer-centric strategy that focuses on loyalty and repeat visitation, not on just getting a couple bucks from our guest.”

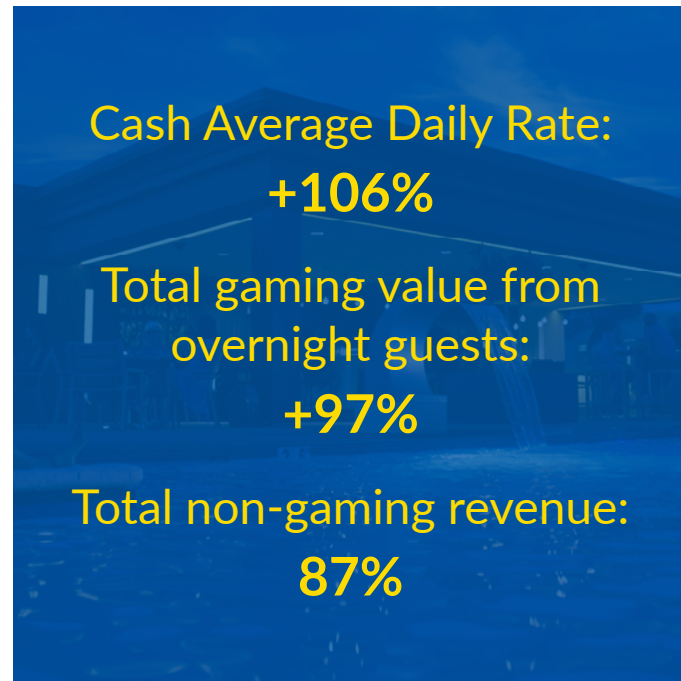
– **Alex Goodnature**
Director of Strategic Planning, Chumash Casino Resort



The Results

Revenue improved on both a cash and theoretical-win basis, Chumash executives said. Rooms that were once reflexively comped now are sold to lower-tier players for cash rates that incrementally benefited the top line. By making more data-driven decisions on which players to reward, Chumash was better able to fill its rooms with the right guests who had the highest theoretical-win value.

To account for all of 2016's major initiatives — the hotel expansion and the implementation of a Duetto-powered strategy — Chumash compared full-year 2017 performance to 2015's numbers on a two-year basis. Over that period, cash average daily rates doubled, and total gaming value from overnight guests, as well as total non-gaming revenue, nearly doubled.



How it Happened

- Concurrent with a major hotel expansion, implemented Duetto's GameChanger and Find My Rate applications, and contracted with Duetto Strategic Consulting.
- Began yielding dynamically according to demand and customer value, reserving rooms to be comped for high-value players and flexing rates for cash customers.
- Improved direct marketing by sunsetting mailers with static rates. New mailers advertised a "call any time" proposition, in which guests are quoted a dynamic room rate.
- Executed campus optimization plan in which rooms from off-site hotels were used in the casino's reinvestment decisions, boosting incremental cash revenue and gaming win.

"What was an all-day process is now an hour-long process. We know we're getting incremental cash revenue and that we're getting the right players in the rooms. We don't have to tell anybody 'no' anymore."

— **Christin Medina**

Research and Revenue Manager, Chumash Casino Resort