

New Strategy Ignites Hot Streak for El Cortez

Longest-running Las Vegas casino racks up four consecutive years of cash revenue gains

Annual Cash Revenue Increases

2013: **+30%** | 2014: **+36%** | 2015: **+19%** | 2016: **+12%**

The Challenge

Like other Las Vegas casinos, the El Cortez saw that consumer demand for gambling had not fully recovered since the Great Recession. More third-party distributors meant higher customer acquisition costs throughout the market, and the spread of the gaming industry to other states meant Las Vegas was no longer the only destination for gambling.

In 2012, the owners of the oldest operating casino in Las Vegas looked at the gentrification of the downtown market as an opportunity to evolve its offerings, from F&B to many of its suites. The property traditionally had catered to locals, but its managers started seeing more out-of-towners and a younger, tech-savvy clientele more comfortable with comparison shopping and booking online.

“Duetto has completely transformed our Revenue Strategy. It gives us the tools and confidence to be much more proactive in various channels and segments. Before implementing the system, we didn’t have the visibility to understand where we were giving up margin and profit, and in a competitive market like ours, we could no longer afford that.”

The Solution

Repositioning the property for a new generation of consumers involved more than cosmetic upgrades; the El Cortez also made a more concerted, data-driven effort to acquire the right guests at the right prices. Management invested in digital marketing, a cloud-based property management system, and GameChanger, Duetto’s Revenue Strategy application.

El Cortez began seizing opportunities to yield room rates higher in 2013, and it began seeing stellar increases in its cash revenues that year. The property also partnered with Duetto’s Strategic Consulting team, outsourcing the day-to-day Revenue Strategy duties to an experienced team made up of people who had run revenue management at some of the world’s top hotels and casinos.

— Kenny Epstein

Owner and CEO, El Cortez Hotel & Casino



The Results

El Cortez began yielding room rates by customer segment, identifying higher-value casino players and implementing variable casino cash and comp pricing. The property quickly began outperforming the downtown Las Vegas market and significantly growing the top line.

The casino increased cash revenue year-over-year by 30% in 2013 and by 36% in 2014. Even off such unprecedented comparisons, El Cortez still increased revenue by double digits again in 2015 and 2016. Much of that performance has been rate-driven, as ADR has increased year-over-year by double digits for four consecutive years as well.



How it Happened

- El Cortez began pricing more dynamically based on real-time demand
- Casino customer data helped identify opportunities to lower discounts
- Duetto Strategic Consulting handled all yield and revenue management
- New segmentation strategies led to optimized channel mix and distribution

“With Duetto’s experience and versatility, we felt they could do a better job if we just hired them as the company to oversee our yielding through Strategic Consulting.”

— Mike Nolan
General Manager and COO, El Cortez Hotel & Casino