



## Casino Entertainment in Today's Economy

by Kell Houston

We are living in a different world today when it comes to the competition for the entertainment dollar. Loss of jobs, downsized economy, the housing crisis, etc., it all has created a harder road for the casino market across the country. Many casinos have cut jobs, as well, and they are trimming costs internally. One of the first departments scrutinized is the marketing department. This is where a lot of money and expense comes into play.

First of all, we need to take a picture of the casino business and put things into perspective. Casinos have to have customers in order to open the doors. These customers come for numerous reasons. First and foremost is the pleasure or fun factor. The potential of winning is of course a part, but the overall "get away from it all" and have a good time is really at the top of the list. What would a casino be like if there was no entertainment? No restaurants, no golf, no lounges, no hotel, no spa, etc. would make for a very boring and unfriendly place.

Many casinos have determined that cutting their entertainment budget is a priority. But you have to be very careful when you start taking away the fun factor. Just like in the F&B side of this business, serve a poor product and watch your business disappear. The smart people out there that are cutting their budget are doing a lot more strategic planning. Now more than ever there is a need for experience. The challenge is that finding entertainment that is more financially feasible is a lot more difficult. Everyone watches the Grammys, the CMAs, the ACMs, as well as all the other popular music award specials on TV. Who doesn't want to bring in Garth Brooks, Black Eyed Peas, Larry the Cable Guy, Zac Brown, Taylor Swift, or any of the other highly visible artists we see on these shows. However, how many casinos out there can afford to spend \$200K - \$500K or more on a concert? In all honesty, very few can justify spending that kind of money on a show. Most properties really cap out at \$75K - \$100K, and that would be for their biggest "branding" shows.

Budget cuts open up the door for opportunities to be creative. This is where experience in the entertainment business becomes mandatory. Finding out about the thousands of other artists and entertainers available takes a lot of effort, time and research. There are countless resources on the Internet and in publications, but how do you really know? If your marketing and entertainment department is like most casinos, there are a myriad of other tasks that take priority. With budget cuts and layoffs, these departments are operating oftentimes with fewer people. So you are dealing with a rock and a hard place - too much to do and not enough time. To be creative with entertainment and with your budget can be risky

without the understanding, the network, and the knowledge base. Entertainment directors at most casinos wear several hats and are typically younger and less experienced in the casino business. Yet this person is the first contact out there with all of the professional agents and managers. They are oftentimes working with a healthy six figure budget. Because the budget is being watched and securitized, there is little margin for overpaying or wasteful spending. The wrong artist at the wrong price on the wrong date can kill an entertainment program. A couple of shows like this will put an end to your budget. The ironic part of this is none of this will be really apparent until it's too late. Remember, the agents out there work for their clients, not for you. So did you really get a good deal?

So how do you use this budget cut scenario to be creative? The entertainment industry is full of dynamic, hungry bands/artists. Many of these people have extensive recording careers, and at one time were the "stars of their day." Their fan base hasn't disappeared. In most cases they are older now, have a family, and are very selective about when they go out. The casino buyer needs to do their research and their homework to tap into these gems. The artists themselves like to do their dates together. It keeps their costs down and it allows the casino buyer a distinct savings. In today's entertainment buying environment, casinos need to be flexible and be willing to move dates around to fit an artist's routing and calendar. It makes no sense to be doing anything else. The saving is considerable.

This is a good time to be looking at all the great tribute acts. Many casinos are running these acts as either free shows or for a very low ticket price. Also, the package deals with two to three artists together gives you a lot more "bang for your buck." Many of the acoustic/unplugged shows can be brought in for much less money than the full band show. You are still getting the name value but at a reduced cost. Comedy always is a winner, but pay a decent price for the typical two to three act show. Cut too hard here and you will end up with some pretty lame talent.

2010 is a great opportunity to try some new ideas. Use your experience and the external as well as internal resources available to you. Look "outside the box," network with other non-competing casinos. Consider the experts you meet at conventions and the entertainment business people working your marketplace. It's not so much about saving money these days as it is about spending the money you have wisely. Experienced people in this business are your friends, not your liability. ♣

*Kell Houston is owner of Houston Productions. He can be reached by calling (702) 254-0268 or email [kell@houstonproductions.net](mailto:kell@houstonproductions.net).*