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Customers' Satisfaction and Enthusiasm through Transferring a Fun Experience of Excellent Quality. Case Study Gambling Industry

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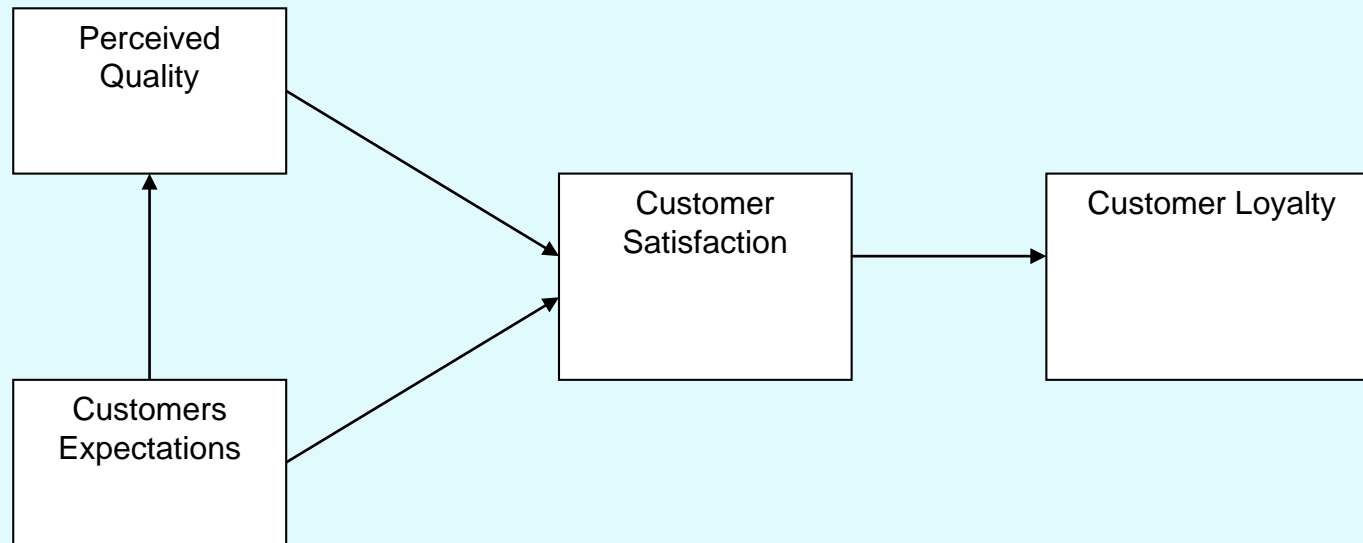
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1. Customer Satisfaction

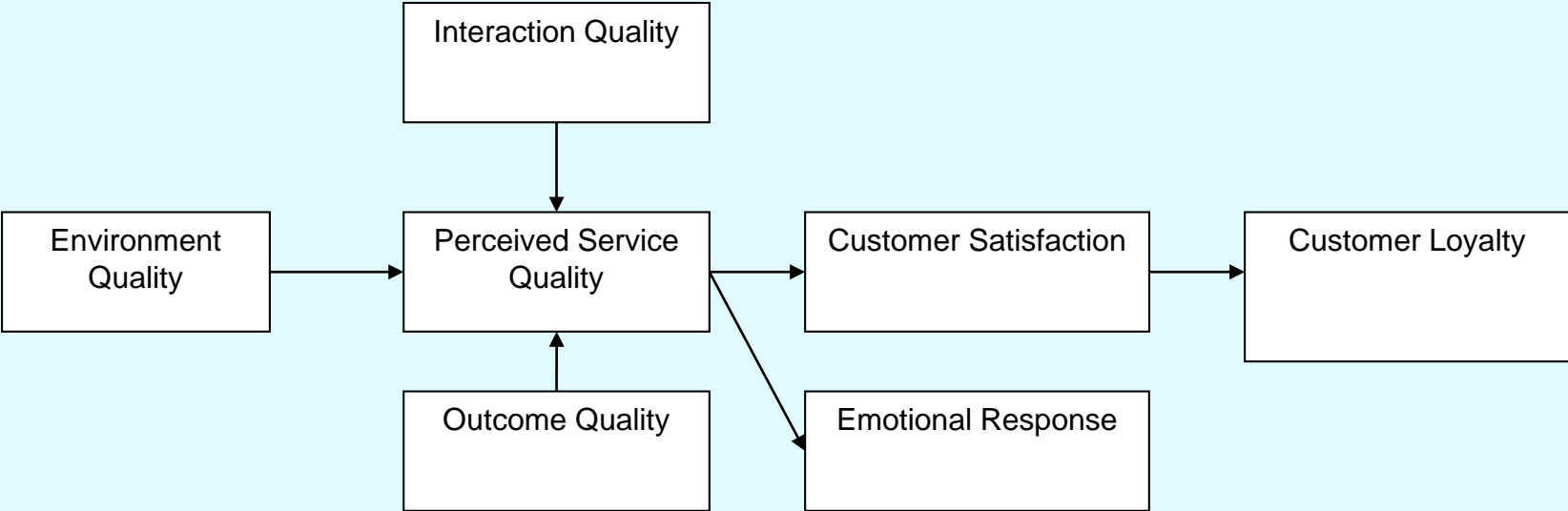
Satisfaction is the consumer's fulfillment response. It is a judgment that a product/service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under or over fulfillment.

Customer Satisfaction Model



Source: Johnson & Fornell, 1991

Integrated Customer Satisfaction Model



2. Customer Experience Management

Customer Experience Management is the process of strategically managing a customer's entire experience with a product or a company.

Customer Experience Management

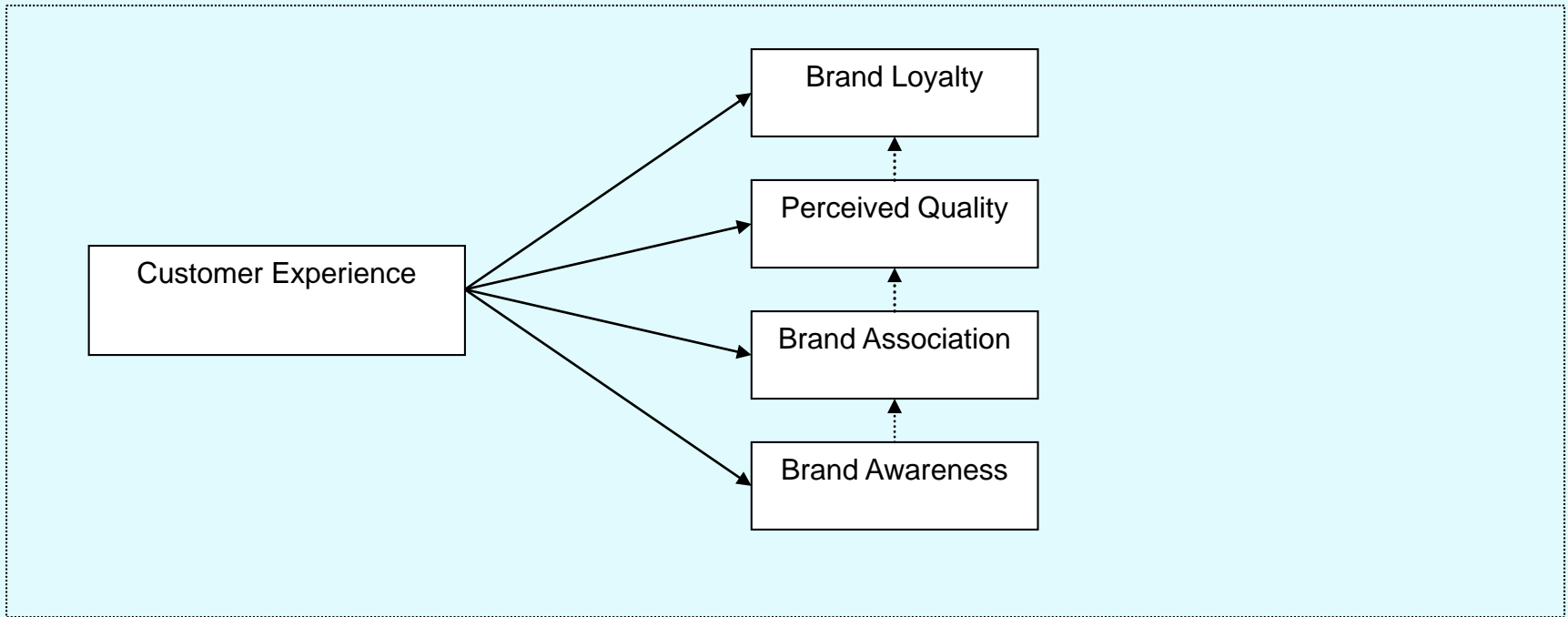
Customer Experience Management is a strategic approach which can be characterized as an ongoing process to create sustainable competitive advantage, by combining both rational and emotional experiences and managing a company's touchpoints wheel effectively.

An experience is above all a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed.

The Customer Experience originates from **a set of interactions between a customer and a product**, a company, or part of its organization, which provoke a reaction. This experience is **strictly personal** and implies the customer's **involvement at different levels**. Its evaluation depends on the comparison between a customer's **expectations** and the **stimuli** coming from the interaction with the company and its offering in correspondence of the different **moments of contact or touch-points**.

An experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by a service provider.

Hierarchical Customer Experience-Brand Equity Model



Source: Biedenbach & Marell, 2010

Brand equity can be referred as “... *a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers*” (Aaker, 1991, p.15).

Meaningful experience

An experience is participation in a meaningful event that involves and enriches the horizon of your own life, whereby the meaning transcends the original context.

Experience is a continuous, interactive process of doing and undergoing, of action and reflection – that is meaningful to the individual in (more than one) different contexts of his life. An experience causes and individual to change his perspective on the world and/or himself. (Snel, For the love of experience 2011).

Motives of people

People find themselves in situations where their senses are stimulated, where emotions are triggered and meaningful experiences are formed.

3. Actively involving customers in value creation

1. **Mass-individualisation** takes place when customers design products or services in line with their individual wishes.
2. **Users innovate.** This arises particularly in situations in which existing solutions do not work properly. The prototype for the first heart-lung machine came from a user who tried the appliance out on himself. Major innovations in extreme sports, such as snowboarding, windsurfing and skating, originated with users.
3. **Lead users** are consumers who have strong needs that will become commonplace in the market some months or years later.
4. **Open source software.** In the case of open source software, the ‘public’ is free to adapt, to use and distribute the software.
5. **User-generated content (UGC).** Since publication on the internet has become so straightforward, the possibilities for user-generated content have risen sharply.
6. **In** the case of **crowdsourcing** the general public (non-professionals) is involved in undertaking certain corporate tasks.
7. **Co-creation** is a kind of open innovation (Kahn, 1962; Weber, 2010). It refers to the creative input of more than one person: collectively more is achieved than individually. External players contribute in various areas, thus giving rise to an innovation network consisting of organizations and users, supported by a platform.

Co-creation with users

Co-creation has social benefits as it brings people from various backgrounds together. The biggest benefit, however, occurs if users obtain unrestricted access to the innovations. The inventors can obtain recognition for their work and so enhance their status and improve their identity. Especially in **business-to-business markets**, however, it is also a way of steering the innovation process, so that a company obtains precisely those new propositions it needs.

Co-creation with users

Involving consumers in the development process also has advantages for organizations. This may enable them to cut costs, shorten turnaround times and reduce the risk of rejection of a proposition by the market. In this way they can avoid the need at a later stage of making all sorts of expensive modifications to the design when it becomes evident that the latter does not dovetail with the wishes of the potential user.

Designing for a meaningful experience in the physical world

The customer journey

The process of a customer's experience, also referred to as the '**customer journey**', describes the **emotional process** a customer undergoes, which begins long before the purchase and continues right through the ensuing period. It is almost like a film of a customer's experience in various locations and times, and in contact with the organization and other people.

Emotions

Sensory perceptions lead to emotions. Smelling, seeing and hearing cause stimuli that lead to happiness, frustration, anger, anxiety, disgust, etc. emotions are a way of processing information. ‘Emotions are an involuntary, unintended, not well-thought-out way of dealing with the outside world (...)’ (Frijda, 1986). The logic of a feeling determines how an individual subsequently deals with the surroundings and the people around him, searching as he is for experiences that do or do not give meaning to his life.

Designing for a meaningful experience in the physical world

The journey is a process, with a start, a peak and a finish. People experience the journey in time, but once it has ended they are unable to recall every moment. What they do recall are the low points, the peaks and the end. They remember the pain and the joy, and how these altered. Experiences with an upward trend receive more positive evaluations. Moreover, the assessment will be influenced more by the end of the journey than by the start.

The concept of customer experience is applicable
to a **wide range of industries.**

4. Case Study

The Gaming Industry



The Gaming Industry

The casino at Monte Carlo in Monaco, built in 1858, was the first state-sanctioned gambling establishment, but the industry really developed after 1931 when the state of Nevada legalized the practice.

Since then, other states in the United States and countries around the world have come to the conclusion that gaming is a natural human impulse that must be regulated to cleanse it of criminal elements while taxing operators to generate tax revenues for governments.

Although perhaps approaching maturity in the United States, gaming is one of the more dynamic travel and tourism attractions from an international perspective and one definitely deserving of attention by students and industry professionals.

Although the gaming industry retains some taint of its unsavory past and unpleasant side effects on society, it increasingly has become mainstream. **Gaming, also known as gambling, betting or wagering, is about placing something of value at risk on an uncertain result.**

This activity is probably as old as planet and appears to satisfy a basic human urge. Excellent accounts of gambling throughout history can be found in Massick and Goldblatt, *The only game in Town* (Crowell, 1976), Findlay, *People of Change* (Oxford University Press, 1986) and Schwartz, *Roll the Bones* (Gotham Books, 2006).

All legal gambling worldwide was recently estimated at roughly \$500 billion with sports betting accounting for 37 percent, lotteries for 32 percent, and casino gaming for 31 percent.

The United States is thought to account for between one-quarter to one-third of the world dollar amount, with the biggest portion coming from state and local lotteries with commercial casinos next followed by Indian casinos and the remainder coming from horse racing, charitable games (church and club bingo, etc.), Internet gambling, and legal bookmaking on sports.

Direct employment in the United States at commercial and Indian casinos solely related to travel and tourism amounted to 189,000 in 2005.

While only legal in 11 states in 2005, that number may rise dramatically in coming years if, as anticipated, states become hungrier for tax revenue. The government **take** from legalized gambling averages 16 percent of **gross gambling revenues** with Nevada and New Jersey, well under that mean at about 9 percent, whereas all other jurisdictions average 25 percent and are poised to rise.

The two biggest, Foxwood's and Mohegan Sun in Connecticut, with an estimated combined annual revenues of over \$2.6 billion, both provide one-third of their total **slot machine** revenue to the state of Connecticut in exchange for exclusive casino rights in the area.

Foxwood's originally held monopoly rights in the state but agreed to allow entry to the Mohegan tribe, who opened Mohegan Sun, under the management of Sun International, a South African resort company, in 1996. Drawing from the whole Northeast, the two Connecticut casinos comprise the fourth largest market in the United States after Las Vegas, Atlantic City, and the Chicago area markets in Illinois and Indiana. In total, however, the 228 tribes in 28 states were operating 406 casinos at the end of 2005 with gross revenue of \$23 billion and 15 percent of them reporting annual revenue in excess of \$100 million each.

The starting point for understanding casino economics is the terminology. The total amounts wagered on the various casino games, including **roulette, poker, blackjack, craps, baccarat, and slot machines** are commonly referred to as the handle or drop.

This number may be boosted by promotional activities, including associated sporting events and showcasing top-flight **entertainment names**. In the case of Atlantic City, that city's casinos have long offered subsidized bus promotions including free betting chips to patrons from Central and Northern New Jersey, New York City, and Philadelphia.

Position capacity in a casino refers to the number of slot machines plus six times the number of table games based on six seats available at a typical table game. This measure reflects the supply or capacity of a casino, the same as rooms in the hotel sector and seats within the airlines. Hence, position capacity share would reflect one casino's capacity relative to that of the entire market, and the so-called **fair share** would rate a casino's gross revenue (win) share to its position capacity share to see if one ratio was higher than the other.

Generally, casinos guarantee themselves a favorable outcome at most of the table games by keeping the betting odds in their favor and doing essentially the same thing at slot machines. Naturally, all firms who have invested capital and have assumed the risk associated with operating a business deserve to earn a profitable return on that investment, and the heavily regulated gaming companies are no exception.

Thus, they should not be viewed differently than any other free-market industry just because the sector has had an unsavory past. Losing wagers at table games are used to pay off the winners but winners also lose (or less than the full potential of their gains) because the amount of the return is less than a revenue neutral amount, meaning that the house, or casino, pays out on amount to winners short of the total amount bet. For instance, in roulette where there are 38 numbers to bet on (1-36 and 0 and 00), a winning bet on any single number will only return \$36 for each \$1 bet where the true odds are 38 to 1.

A goodly portion of such gamblers are wealthy individuals and are called **high rollers** or **whales** because they tend to bet large amounts per sitting. They are also generally well known for complete vigorously for their business because, given the odds favoring the house, frequent betting of this sort can greatly enhance the casino win amount. Less sought after are relative amateur players who are called fish by more experienced gamblers.

Lodging conditions can also alter casino operations. In Las Vegas, for example, where an ample supply of hotel rooms exist, slightly more revenue is generated by rooms, food, shopping and entertainment than from gambling.

The opposite happens in Atlantic City, where rooms are in relatively short supply and only about 10 percent of revenue is derived from non-gambling activities. Moreover, in Atlantic-City, what relatively few rooms are available are likely to be offered to the so-called high rollers as an enticement to a longer stay. Las Vegas also comps (complementary) accommodations to high rollers but obviously has an ample supply left over for normal tourists.

Casinos can be broken into **four basic types**:

First, there is the city-based mega casino like those found in Las Vegas and other Nevada cities, Atlantic City, Detroit, and New Orleans. These are often large dreamlike buildings that incorporate a huge gambling area as well as lodging, restaurants, and entertainment areas able to accommodate circuses, sporting events, concerts, and conventions.

For the most part, the mega casinos have lower profit margins than those devoted strictly to gambling not only because rooms, food, alcohol, and entertainment are often given away free to favored customers but also because prices for these items are kept artificially low to attract visitors to the higher-rate-of-return activity, namely gambling.

Another large segment of the industry is **the local market casino**, situated in suburban or rural settings and catering to people who are living within comfortable driving distance. Most tribal casinos fall into this category. In 2004, 85 percent of them reported revenues of under \$100 million, with nearly half of total under \$10 million. Suburban Las Vegas also supplies a large number of local casinos. These facilities are almost solely devoted to gambling but also might have a bar and a small restaurant.

A third type, riverboat casinos, were designed to operate along rivers through daily scheduled sailings. In fact, this casino type rarely, if ever, leaves the dock anymore, even though trips on the Mississippi River as a tourist attraction, *à la Mark Twain 's World*, constituted the original rationale in the late 1980's of applicants seeking state operating licenses. The problem was that the main source of revenue involved local residents with no interest in cruising the river and meeting the sailing schedule just to go onboard.

Subsequently, state legislature, thirsty for tax revenues, dropped the sailing requirement. Such facilities are relatively small and are the predominant casino type in Illinois, Indiana, Iowa, Louisiana, Mississippi, and Missouri.

Finally, racetrack casinos have gained popularity as a supplement to regular betting on greyhound or horse races which have been losing customers for the last 20 years. Table games and slot machines have been installed in the grandstand and on the grounds of racetracks. The top five racetrack casinos are in Delaware, Rhode Island and West Virginia.



With a turnover of over 3,2 billion EUR in 2012, the Novomatic group is one of the biggest conglomerates from the Gaming Industry.

Founded in 1980, the groups holds affiliated societies in 43 countries and exports high technology gaming equipments in over 80 countries.

In Romania, **the Group is present for 20 years** and imposed itself categorically on the market, today approximately 70% from the used equipments are being produced by **Novomatic**. The local operations include renting and selling slot machines, but also their operation, the group being among the first three operators on the slot machines market and the only operator that operates video lottery equipments, through its collaboration with *CN Loteria Romana*.

The representative society for operating operations is Intertop SRL, on which we conducted the case study.

Responsible Gambling is and always will be the main challenge for the company. Customers expect – and they should expect – that a gambling service provider, with activity on global level, to deliver transparent information concerning gambling risks and also, as support, to ensure a calculated approach regarding gambling, protection of minors and effective protection measures for risk gamblers. Taking into consideration the new legal requirements, responsible gambling becomes one the critical activities and the most strategic of Novomatic. In 2012, Novomatic published the Responsible Gambling Code as a set of mandatory guidelines.

The **innovating power** of the Novomatic group is based, mainly, on its dedicated and creative employees. The **professional employees** are required not only in the development and production of modern equipments of gambling, but also for the operative part of the business. **Training** and formation continues, along with the achievement of company's employees full potential, are crucial factors.

The **sustainability report**, as a stable component of the Annual Report of **Novomatic Group**, it documents the declared objective of the company, in order to demonstrate a strong sense of responsibility in a sensitive business environment.

In the future it will continue on the same model of transparency and availability, which was chosen in communication with the concerned parties.

4.1. Customers' Satisfaction Survey

Conclusions after questionnaire (attached) processing regarding customers' satisfaction:

A. Satisfaction rate of costumers from our locations

1. the first conclusion is that our customers are very satisfied with the company's services
2. with the relationship developed with the staff.

B. Costumer's dissatisfactions include:

1. the value of winnings, wishing for higher gains
2. clients manifest their wish regarding more frequently raffles and jackpots, referring again to bigger earnings and an increase of winning rate.
3. they also expressed their opinion about changing the staff uniform

Conclusions after questionnaire processing regarding customers' satisfaction:

C. The necessity to redesign some of the locations through:

1. redesign of the hall
2. changing the gambling equipments in some locations.

4.2. Responsible Gambling

Romslot – Slot Organizers' Organization

The Gaming Industry promotes a safe gambling and is trying to draw attention regarding dangers that may occur when behaving in an uncontrolled manner during gambling.

4.3. Strategic Performance Initiative

A. Building an implementing and customer experience project

STEP 1: Analyzing the experiential world of the customer

STEP 2: Building the experiential platform

STEP 3: Designing the brand experience

STEP 4: Structuring the customer interface

STEP 5: Engaging in continuous innovation

Analyzing the experiential world of the customer , offers a good knowledge of the customer's world. It is important to analyze what customers want , what customers need, their lifestyles and their socio-cultural context. Companies need to know how the world is from the customer's point of view, because they have to offer products according to the appeal, features, etc, that the customers want and need.

Building the experiential platform says that CEM uses the “experiential platform” as a way of positioning of a firm brand or specific product. This platform communicates what a company, its brand or its products symbolize, and what value they provide to customers.

Designing the Brand Experience, the experiential platform must be used, in order to design, the brand experience, which consists of the static elements: logo, signage, brochures, product itself, design, decoration, etc, since they also interact with customers.

Structuring the customer interface. This interface refers to the dynamic exchange of information and service that occurs between the customer and a company - in person, over the phone, online or in any other way.

B. Employees Engagement in Customer Experience management Project

What all employees, across all levels, get from an experience-oriented organization is a more rewarding *employee experience* that includes a new form of professional and personal development.

STEP 1: Recruiting employees

STEP 2: Training for experience delivery

STEP 3: Providing incentives and rewards

STEP 4: Measuring behavior against experience standards

STEP 5: Providing the right employee experience

The first step, *recruiting employees*, is very important, because not all people are suitable for providing customer experience. It is not enough to look at their curriculums. The company should look at their background, if they like people, if they know how important is to create experiences to customers, if they are prepared to provide those experiences. A role-play is what Schmitt suggest in order to know how they act in specific situations, and if they are capable to act according to the CEM.

Enlightened organizations, which are companies focused on CEM , look for people with a positive attitude, and instead of just looking for skills and attitudes, they look for the emotional capabilities the possible employees have.

The second step of the process, *training of experience delivery*, consist of the training of the recruited employees. Although they have specific skills and capacities (because they have been already recruited for having them), they have to be trained according to the philosophy of the company and the specific experiences the organization wants to provide.

Providing incentives and rewards would be the third step. Once the employees with specific skills are trained, they need motivation and a good work environment to be comfortable and be able to transmit the experiences. This is also a good way for companies to assure the employees will continue creating experiences over time.

The fourth step would be *measuring behavior against experience standards*. Companies should measure the behavior of the employees providing experience and the standard behavior needed for CEM. It is very important for employees to receive feedback of it, in order to be recognized their work or to know if they need to be more focused in specific aspects in which they do not achieve the standards of CEM.

In the last step, *providing the right employee experience*, giving the employees a good experience is to be able to provide experiences to customers, it is very important that employees feel as a part of the company.

Co-Created Experiences

Every interaction is important in the customer experience and the role of the company is an enabler in the customer achieving an optimal experience. There are many forms of interaction or encounter, including either direct (self-service encounters) or indirect (unplanned encounters) with the supplier.

5. Conclusions

*Thank you for
your attention!*