

Conflict Resolution and “Negotiation” Strategies for Player Development and Loyalty Clubs

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HOLD THE CHICKEN

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Proper Negotiation Techniques

Rewards Versus Incentives

The prevailing gaming industry viewpoint is that amenities and offers, in the form of everything from food & beverage to rooms to free play to golf, etc., are basically rewards we offer players in exchange for having played (and lost) with us. (The main exception to this is the direct mail offer designed to incent a “future” trip, but even that is based on prior play.)

In most other industries, sales functions utilize these amenities, not to reward customers who have made purchases, but rather to incentivize customers to either make purchase or make more purchases.

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Definitions

- **Complimentaries**
 - (n.) something given or **supplied without charge**, such as lodging, transportation, or meals, especially as an inducement to prospective customers.
- **Retention Comps**
 - Retention complimentaries are given to players across all player segments **to incent loyalty and the maintenance of a standard level of play from all players**. They are generally conservative in nature and usually equate to an amount equal to, or in line with, the point awards given to club members for their play.
- **Growth Comps**
 - Growth complimentaries are comps that are **specific to the goal of driving incremental trips** and income from players over and above their normal level of play (lift). These are primarily aimed at players of high worth, or potential high worth, and are generally higher in value than retention comps.

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The Player Bank Account

A player's comp account (or rewards account or reinvestment amount, however you want to phrase it) is basically like a bank account.

To deposit in the account – you **PLAY!**

To withdraw from the account – you **REDEEM** rewards!

Play is play, but redemption can take the form of an outbound or inbound redemption, and a retention reward or growth reward.

Proper Negotiation Techniques

- **Always Lead With Your Best Shot**
 - Never negotiate price – you will be shopped.
- **Negotiate For Play – Not Rewards**
 - Never say no – negotiate play for pay.
- **Never Say No**
 - Rather than focus on what you cannot do, focus on what you can do.

Proper Negotiation Techniques

- **Education Is Negotiation**
 - It is up to us to educate them about what they get for their play.
- **A Simple Translation Of Benefits-To-Play Is Powerful**
 - Earn X points, get X benefit.
- **Never Apologize**
 - It's no one's fault they haven't made enough deposits in their account for what they are asking for.

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Handling Unearned Comp Requests

1. Never apologize. Always compliment them on their level of play instead.
2. Whenever possible, develop and offer a choice of a lesser comp (something they have earned) or the ability to earn the higher comp (e.g. “you can have that with another 100 points of play”).
3. Ask for their commitment. “What would YOU like to do?”
4. Offer something else, if possible (another service, a drink, a reservation, etc.)
5. Close with a positive parting comment or remark.

Conflict Management & Recovery

Definitions: Conflict Resolution

- Conflict – mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands
- Resolution – the act of answering, solving
- Conflict Resolution – to solve opposing needs, drives, wishes, or demands

Conflict Management & Recovery

Definitions: Conflict Management

- **Conflict** – mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands
- **Manage** – to handle or direct with a degree of skill, to work upon or try to alter for a purpose
- **Conflict Management** – to direct or alter opposing needs, drives, wishes, or demands for a purpose

Conflict Management & Recovery

Definitions: Customer Recovery

- Customer – one who buys, especially one who buys regularly
- Recovery – to bring back to normal, to make up for
- Customer Recovery – to bring back a person who buys

Conflict Management & Recovery

Personal Power

- **Successful conflict management and resolution is not about fixing problems, assigning blame, directing outcomes or mediating arguments.**
- **It is about restoring one's sense of power, their basic feelings about what is fair and how they should be treated and their place in the world around them.**

Conflict Management & Recovery

Things That Take Power

1. Arguing with the guest.
2. A blind adherence to following “THE RULES.”
3. Getting into a SHOUTING contest.
4. Trying to make it quick and easy.
5. Bribing the guest.

Conflict Management & Recovery

Things That Give Power

1. Listening and understanding.
2. Being accepting of, and validating, others needs and wants, whether you agree with them or not.
3. Giving something of yourself, your time, attention, and effort.
4. Negotiating in good faith.
5. Focusing on and making it about the guest, not about you (or your organization).

Conflict Management & Recovery

The B.U.D.D.Y. System (Be A Buddy)

B – Build a relationship.

U – Understand what the needs/wants are.

D – Deliver the expected service or solution.

D – Delight them with a follow-up.

Y – Yell about your success.

Session Take-aways

1. Rewards and amenities are most powerful when used as an incentive to future play rather than a reward for past play.
2. Never say NO, negotiate Play, not Rewards.
3. Customize and practice the “Unearned Comp Request Procedure” – keep it positive.
4. Successful conflict management is for the goal of bringing a player back, not making them happy.
5. It is all about restoring a guest’s sense of their own power.
6. Practice and use BUDDY in all conflict situations.

Q & A

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