

## Casinos to face reopening headaches

The Covid-19-mandated lockdown of global casinos is one of the biggest crises the industry has had to face and getting the reopening right once the pandemic subsides is also going to present a major challenge.

“Reactivating a moth-balled business operation, particularly one as complex as a casino, major club or hotel isn’t just as simple as opening the doors and turning on the lights, taps, tables, machines, burners,” said Geoff Wohlsen, an Australian gaming consultant.

“Property operations will be like an athlete going back to the field after some time off with injury. Things will be clunky. Some key staff team members won’t be there to paper over the deficiencies of new staff. So ‘Business As Usual’ conditions won’t be what you’ll get in the immediate post COVID world.”

Part of this process is figuring out the demand conditions of your market post-COVID-19.

Tangam Systems’ Ari Mizrachi, SVP of Casino Operations & Strategy recently delivered a webinar on casino reopenings in which he warned that uncertainty in demand will likely be one of the key challenges for operators.

“The industry has seen consistent and predictable year over year growth over the past six years, but the pandemic brings unpredictability in the future demand. Operators will need to be ready to adapt rapidly as demand conditions change to find the right balance between guest satisfaction, labour costs and profitability.”

“Are there still restrictions in travel, length of stay, has consumer sentiment improved, has disposable income from your target market improved?” Wohlsen, who is looking mainly at the Australian gaming market, said he expects “pent-up” demand from customers in the post-COVID-19 period.

“They’ll want some light and excitement in their lives; a sense that ‘the war is over and that we can get out again and enjoy ourselves’. So be ready for big crowds and some anticipation,” he said.

This may not necessarily be the case, especially in Macau, which caters to foreign visitors, argues Andrew Klebanow of Klebanow Consulting.

“The closure and subsequent re-opening of casinos in Macau offers many valuable lessons. Just re-opening the casinos did not lead to a flood of customers returning. Macau’s casinos suffer from a dearth of customers who have been prevented from returning to Macau due to government restrictions on cross-border traffic,” he said.

“Each jurisdiction that re-opens will do so under different circumstances. Casinos in the Philippines, many of which are dependent in part on foreign visitors, also serve local residents and they will return more quickly than gamers from other countries. Korea’s casinos, with one sole exception, will experience a much slower path to recovery since they are wholly dependent on visitors from China and Taiwan.”

One thing is for certain though, the operating environment will change as a result of the COVID-19 pandemic.

The greatest challenge for operators is to assure customers that it is safe to return to their favorite properties and that they are taking every precaution to ensure their safety, noted Klebanow.

“Casinos, by design, bring a lot of people together into a fairly confined space, it was never designed to provide social distancing...The greatest challenge for operators will be to create and maintain space between customers as well as their employees.”

“Operators need to look at every place where employees and customers congregate and develop strategies to mitigate bottlenecks. Elevator lobbies are one such example. Queues at the Cashier’s Cage and player rewards center are other examples. Every place where there is a potential for people to get too close to each other needs to be examined and mitigated,” he said.

“In the post-COVID-19 world, we are all far more aware of hygiene and cleanliness,” adds Wohlsen. “Properties that are obviously and overtly clean and hygienic will do better than those that aren’t.”

Wohlsen suggests that casinos and venues should be 'loud and proud' about their hygiene policies.

"I can imagine that great properties will be making short announcements to customers like "Please have patience with our team members while they clean our slots in the interests of the health of our valued customers..."

Properties may even appoint 'hygiene team members' whose sole role it is to ensure public areas are clean and hygienic. The words might even be on their shirts or badges. A brand new hygiene policy might be posted for everyone to see."

And it's the best time to be thinking about these things, says Wohlsen, comparing the COVID-19 crisis to a global "reset switch".

Mizrachi said it's a great time for operators to reassess your game mix, floor layout, pricing strategy, and operating procedures. Operators should also work now to become "data ready."

"When I was in operations I wasn't able to spend enough time on gaming strategy due to the tactical elements of the role," said Mizrachi, referring to his time at Caesars Entertainment Corp.

"As an operator you may manage thousands of employees and are constantly putting out fires. Now for the first time ever as an operator, you have a chance to reset."

"Let data help you drive your decision making when running your casino. Work with your current strategic analysis teams to build automated reporting. Take this time to ensure you are using your current systems to the best of their abilities, and more importantly to be agile," said Mizrachi.

Once lockdown restrictions are lifted, operators will need to be at the top of their game, said Wohlsen.

"Customers will have lots of options in the immediate post-COVID phase," said Wohlsen. "First 're-impressions' are vital."

"Will all our equipment and systems work when we need them? Will our

transactions process? Will our customers have access to cash when they need it? Can the aircon cope? Will our toilets flush? What back-up plans do we have if something doesn't work?"

It will be like going into a sudden-death play-off – winner takes all, said Wohlsen. "A bad experience will linger in the minds of customers, while great experiences will rust them onto properties that get it right. It's a challenge and a unique opportunity to impress."