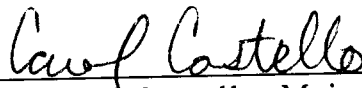


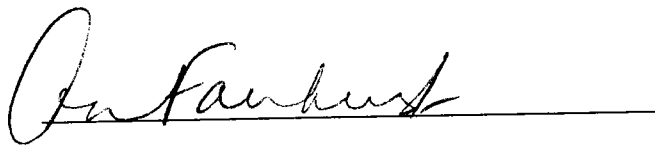
To the Graduate Council:

I am submitting herewith a dissertation written by Carl J. Pfaffenberg entitled "INDIAN AND RIVERBOAT CASINO PATRONS: AN ANALYTIC DESCRIPTION OF DEMOGRAPHIC CHARACTERISTICS, EXPECTATIONS, AND ITEMS OF IMPORTANCE." I have examined the final copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Human Ecology.

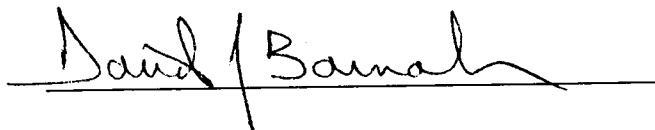


Carol Costello, Major Professor

We have read this dissertation
and recommend its acceptance:







Accepted for the Council:



Associate Vice Chancellor
and Dean of the Graduate School

INDIAN AND RIVERBOAT CASINO PATRONS: AN ANALYTIC
DESCRIPTION OF DEMOGRAPHIC CHARACTERISTICS,
EXPECTATIONS, AND ITEMS OF IMPORTANCE

A Dissertation

Presented for the

Doctor of Philosophy

Degree

The University of Tennessee, Knoxville

Carl J. Pfaffenberg

December, 1997

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DEDICATION

To my mother: I wish she could be here to share it.

ACKNOWLEDGMENTS

If the first name you mention is the most prominent, there is no question: my major professor, Carol Costello. This is not the first time, nor will it be the last that Dr. Costello's name has been mentioned as the: most important to, most influential in, most responsible for, receipt of a Ph.D. Her patience and perseverance were of biblical proportions. Her guidance went from a polite "please" to a size 13 EEE. I hope that our professional relationship may continue to grow for our mutual benefit and the academic community.

Second, but close, my wife Sandy, without whom, the pursuit of this dream would have been impossible, both fiscally and personally. I hope we enjoy the fruits of our combined labor, together always.

I wish to thank Reg Mallamo and Judy Prater at Harrah's Entertainment Company in Memphis, Tennessee. Their support and encouragement made this endeavor possible and pleasant. Also, my other committee members, Ann Fairhurst, David Barnaby, and Mark McGrath, each of whom made a great contribution to my education and development.

A special thank you to Tom Gaddis, my ad hoc committee member, who would frequently forewarn me if a "shark" was in the water. Thanks to Curtis Fox, who made me see that statistics were something more than box scores on a sports page.

Finally, a special regard to Jackie McInnis, Associate Dean of the College of Human Ecology, without whom I, and many others, wouldn't have a clue as to what being a university faculty member is about.

ABSTRACT

The rapid growth in Indian and riverboat casino development since 1989 had occurred without any basic knowledge about the patrons of these types of casinos. A study was designed to find the differences and similarities between the patrons of Indian and riverboat casinos related to the following variables: age, sex, race, income, educational level, work status, marital status, number of dependent children, annual frequency of casino play, amount of money budgeted for a casino visit, distance traveled to a casino, first time visitor's, and limit loss established. The patrons of Indian and riverboat casinos also were asked about features they expected and considered important in a casino visit.

It was found that the patrons were demographically different in variables like age, income, and money budgeted, yet very similar in what they were looking for in a casino experience, i.e. chance to win, security, and service. Ranking by the patron sample confirmed that while patrons may have a reduced expectation of winning, the chance to win was the most important reason for their participation. Items of lesser importance included entertainment and recreation facilities.

Cluster analysis separated the sample into five distinct clusters which reconfirmed the patron's importance for chance to win, security and service. It also pointed out several directions for marketing activities such as segmentation for advertising, fair share and penetration analysis. Data from the cluster analysis also could be utilized in facility development and rehabilitation.

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THE GAMBLERS PRAYER

“Pray to win. Plan to lose. Hope to break even!”

-Anonymous

CHAPTER I

INTRODUCTION

Virtually every casino “knows” its’ patrons. Data are collected and analyzed by casino operations throughout the world. More sophisticated operators can provide a patron profile that may list very personal information. Frequently, marketing operators contend that they know their customer better than the customer knows himself.

Much work has been done by casino operators on what patrons are looking for once they arrive at a casino. Essentially it is no more mysterious than to provide a place to shop, eat, sleep, and be treated well, in an adult environment where they can see things that they couldn’t see anywhere else (Wynn, 1995). A great deal is known about what will please patrons, once they set foot on a specific property. What is virtually unknown, is what motivates the patron to set foot on the property in the first place. Some studies have indicated that the deciding factor when choosing a particular casino was proximity (Harrah’s, 1995). Therefore, those wishing to have a casino experience, will go to the closest location.

The growth in gaming has taken the business from revenues of \$10.5 billion in 1982 to almost \$45 billion in 1995 (Harrah’s, 1996). The growth has been so rapid, that research on choice differentials has been, to date, unneeded. The industry has benefited from the “Field of Dreams”

demand curve: "If you build it, they will come." In 1997, however, the casino industry is in a period of reflection. In 1996, many jurisdictions rejected the idea of casino style gaming and the quicksilver growth from 1989 has come to an abrupt halt (Anonymous, 1997).

It is hard to imagine, that the trend towards casino expansion will be reversed. States and municipal jurisdictions have a constant need for revenues. Taxpayers appear to be upset with their current level of total taxation and seem reluctant, at best, to place more of their money in the hands of politicians. The prospect of a casino adding revenue to the local tax base is, though somewhat simplified, alluring.

Casinos may be segmented into three different ownership and/or operating categories: 1. The traditional, land-based casinos that are available in Nevada and Atlantic City, 2. Riverboat casinos that cruise navigable waters or are dockside over water and, 3. Indian casinos, which are operated for the benefit of a federally recognized native American tribe. Before the end of this century, there will be all three types of facilities, within many market areas, vying for the consumer gaming dollar expenditure (Raphel, 1994). The degree of competition will be intense.

Though the market may appear to be infinite, we know that the business cycle affects all manner of businesses (Drucker, 1973). Therefore as the attractiveness of this business to both operators and legislatures grows, so will the number of available areas to enjoy this form

of entertainment. Eventually, the market will reach its' marginal propensity to consume casino entertainment. At that point, there will be no more growth in the market. Individual operators wishing to expand will derive their success from the business decline of a competitor. A saturated market becomes a "zero sum game": One competitor gains at the expense of another (Drucker, 1973). When the industry arrives at this point, those with the best information and action plan will be the survivors.

Purpose of the study

The objectives of this study were to:

1. determine differences between patrons of Indian casinos and riverboat casinos related to age, sex, race, income, educational level, work status, marital status, number of dependent children, annual frequency of casino play, amount of money budgeted for a casino visit, distance traveled to a casino, first time visitor's, and limit loss established.
2. determine the expectation and importance casino patrons place on features in a casino experience .
3. assess any difference in expectation and importance placed on features by Indian casino patrons and riverboat casino patrons.

Importance of the study

Results generated from this study will help in broadening the body of knowledge in an area that is highly competitive, proprietary, and

secretive. This study also will provide the basis for further research into gaming as an increasingly important economic generator of jobs, taxes, and development. This study can be the basis for gaming industry training programs for those properties that wish to enhance and/or maintain their customer base.

CHAPTER II

LITERATURE REVIEW

The business of gambling

The gambling business took in almost \$45 billion in gross revenues in 1995 (Harrah's, 1996). The industry's revenues from 1982 to 1994 are expressed in Figure 1. The revenues are expressed in terms of gross revenue, which represents the difference between the total amount wagered, less the amount returned to the patrons through winnings (Abt, et. al., 1985).

Gambling's big three are casinos, lotteries, and Indian casinos (Figure 2). The casino segment had a revenue increase of \$11.1 billion from 1982 to 1994, while lotteries had an increase of \$11.9 billion for the same period. Indian casinos only had a \$3.3 billion increase, however Indian casinos, in 1982 were virtually nonexistent. The remainder of the segments include horse racing, charitable games, charitable bingo, jai alai, greyhound racing, card rooms, and legal bookmaking. While in some locales each may be important, the growth dimension of casinos, lotteries, and Indian casinos far exceeds the combined potential of other segments.

The largest segment of the gambling business, casinos, in 1995 had gross revenues of \$30 billion on approximately \$500 billion wagered (Harrah's, 1996). Contrast these figures with "Big three" car sales for

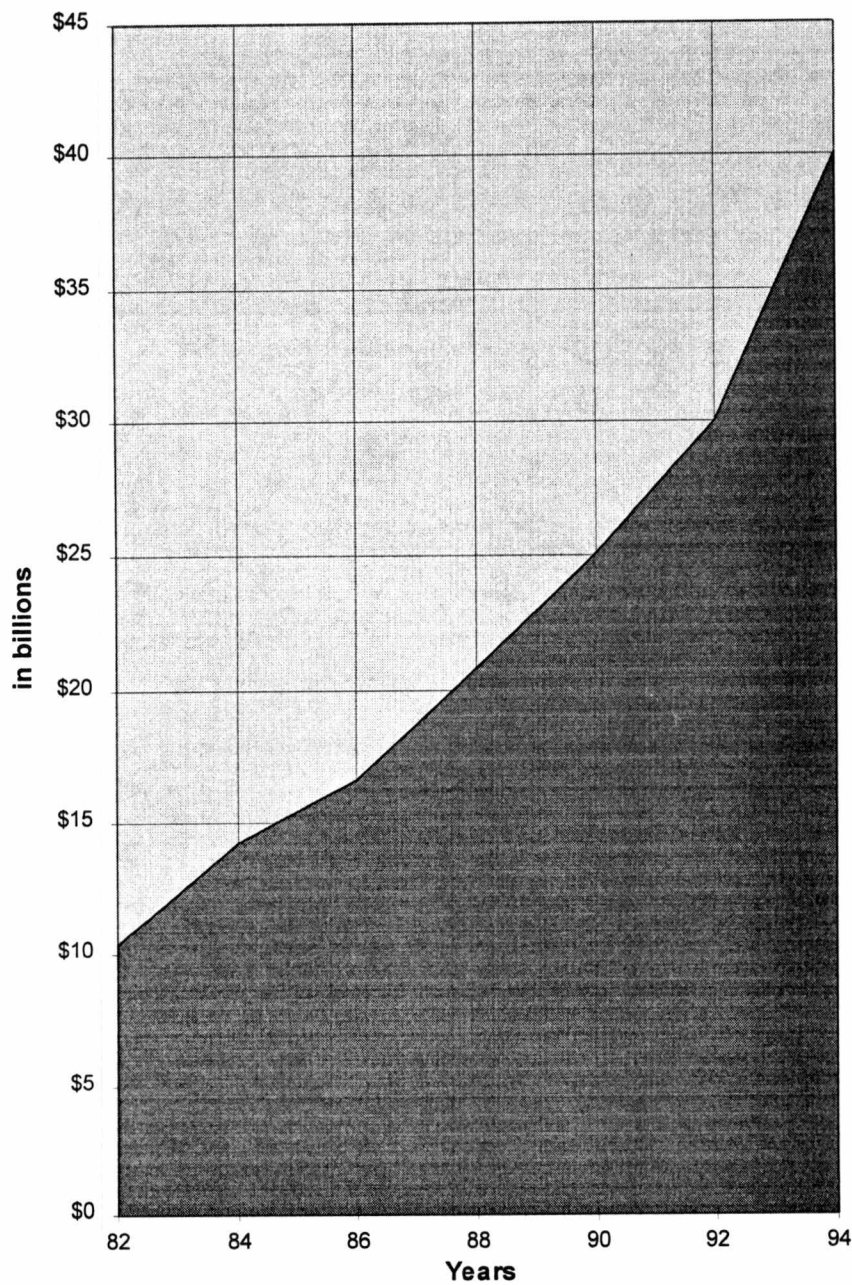


Figure 1. Gross revenues from the gambling industry, 1982-1994.
Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

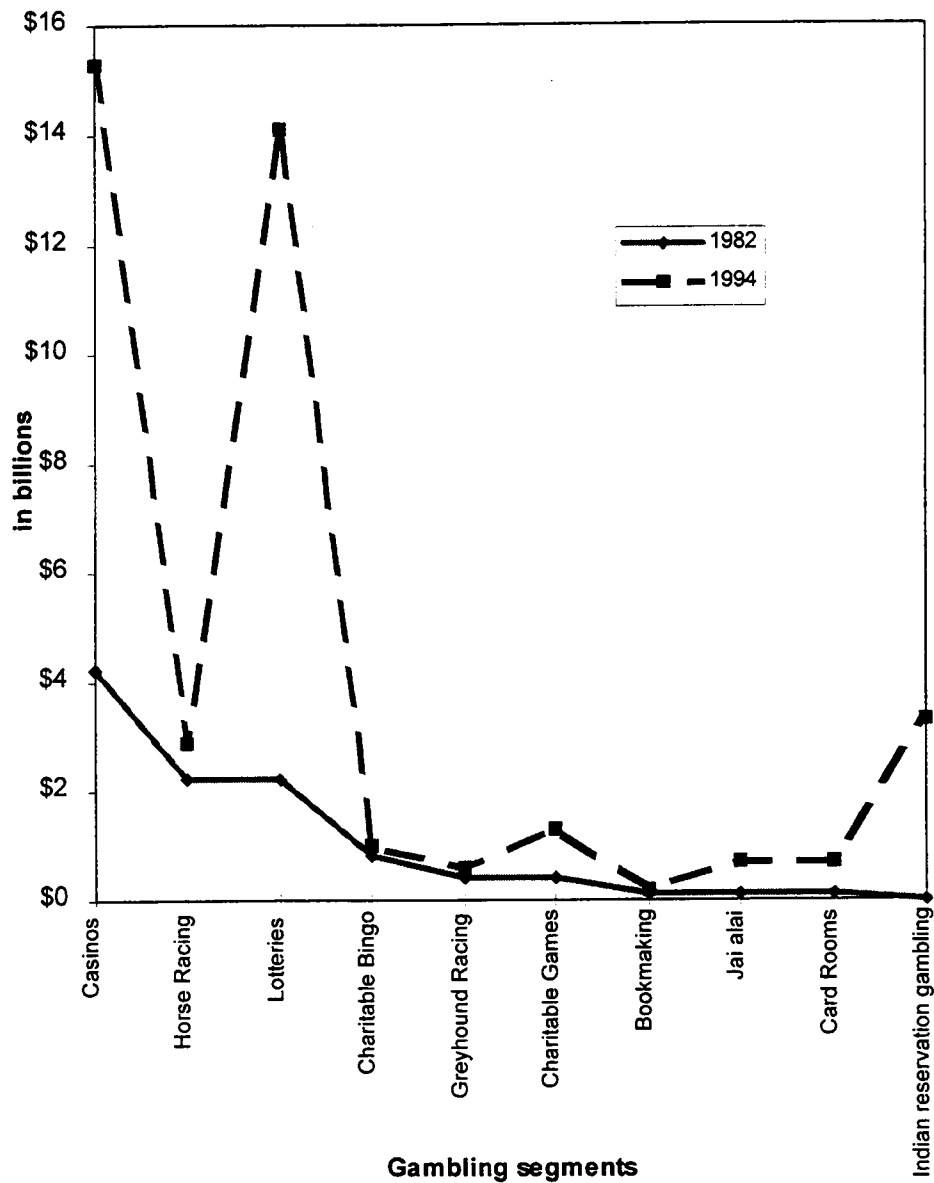


Figure 2. Changes in gross revenues for gambling segments, 1982-1994.

Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

1995 with combined profits of \$16.2 billion on sales of \$425 billion and the size of the gaming industry becomes clearer (Edmonds, 1995).

Dollars alone, however do not describe the magnitude of casino style gambling. Figure 3 represents the amount of casino visits from households in the United States between 1990 and 1994. A 30% figure for 1994 represents approximately 34 million households.

The casino industry has worked hard on improving its' image. The word "gambling" dates back thousands of years. The word "gambling" was seen by its' current practitioners as unattractive because of many negative associations with gambling. "Gaming", on the other hand, seemed to be a word of fun, youth, and vitality and was adopted by the casino industry to aid in the perception of their business. The concept of loss also was unattractive. No one likes to lose money. Therefore the casino business started conceptualizing its business as one of providing an entertainment service. The patron seeking this type of entertainment would spend money to participate. Spending money seems to be a concept that would be more attractive than losing money (Shaw, 1993).

Up until 1989, only the state of Nevada and Atlantic City, New Jersey in the United States had legalized land-based casino gaming. Four events that occurred within two years of each other changed the face of gaming forever in the United States. Late in 1988, the United States Congress passed the Indian Gaming Regulatory Act, allowing casino style

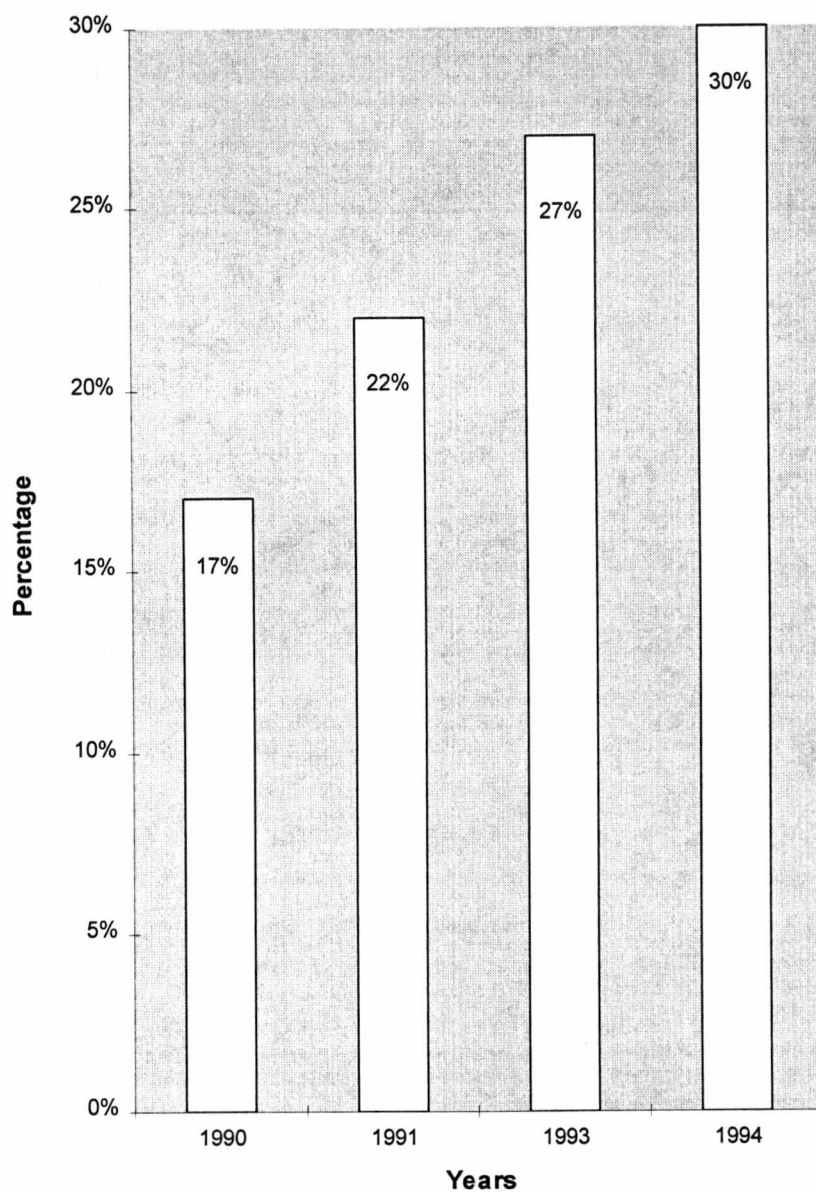


Figure 3. Casino penetration in U. S. households, 1990-1994.

Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

gaming on tribal lands. In early 1989, South Dakota legalized small stakes gambling in the city of Deadwood. Colorado followed by legalizing casino gaming in three small former mining towns. In late April of 1989, Iowa authorized small stakes casino gaming for riverboats on the Mississippi river (Fenich, 1995). The framework for casino growth was established. The speculation and investment since 1989 has been astronomical. Commercially significant casino table or machine games now operate in approximately 30 states and provinces (Harrah's, 1996).

In the United States, state governments and local municipalities gained approximately \$1.9 billion from casino tax revenue in 1995, up from \$1.4 billion the previous year, a 36% increase. Figure 4 represents the estimated state and local direct gaming tax revenues for 1995. The gross revenues of casino operators are substantial, as are the taxes generated. By all measurements, casino entertainment is a generator of jobs, taxes, and capital investment. Communities across the country are diversifying their economies by adding casino entertainment as a new employment and revenue source (Anonymous, 1994).

Traditional land-based casinos

Traditional land-based casinos still are confined to the state of Nevada and the city of Atlantic City, NJ. The past 8 years have seen phenomenal growth in Las Vegas, NV. Many casinos in Las Vegas are

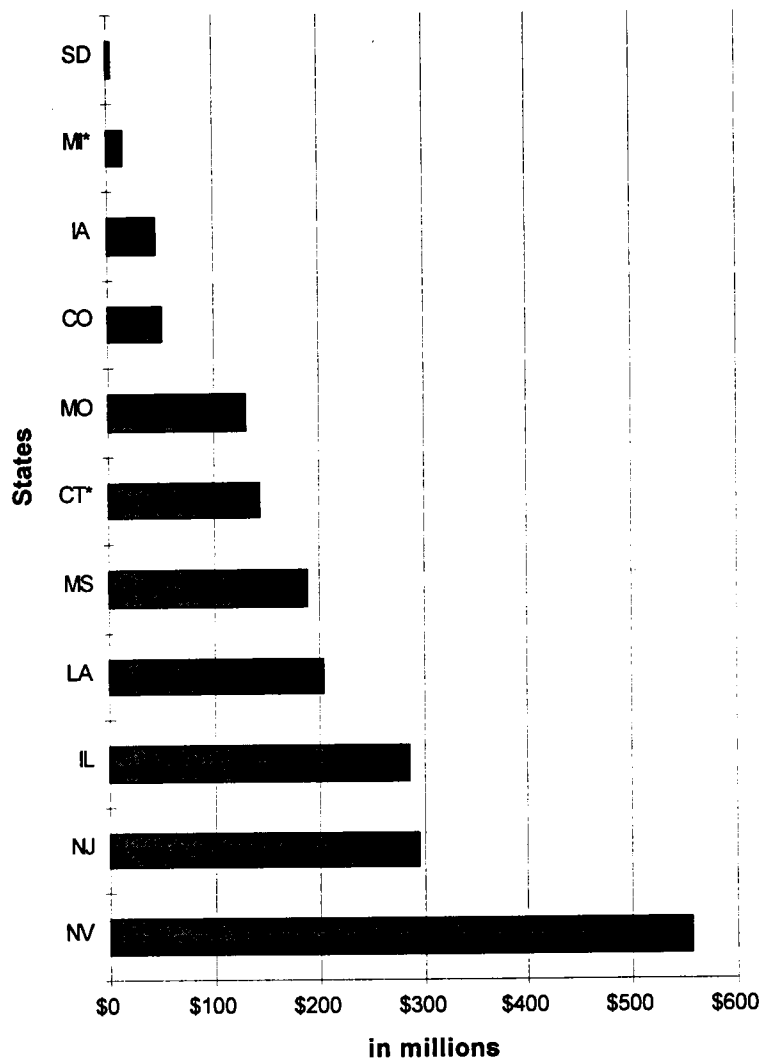


Figure 4. Estimated state and local direct casino gaming tax revenue for 1995.

*Native American casinos in Connecticut and Michigan pay State taxes.

Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

attempting to redirect their marketing emphasis from gaming to entertainment and in so doing, seem to be focusing on the family market. Las Vegas offers theme parks, water parks, dueling pirate ships, an erupting volcano, jousting knights on horseback, life size dinosaurs and an entire four block section of the city, covered by an electric ceiling with evening light shows. In 1997, the city of New York and the left bank of the Seine river will be duplicated as new casino facilities.

For all its building and competition, Las Vegas seems to have unlimited demand. The city boasts over 107,000 hotel rooms making it #1 in that category in the United States. Twelve of the thirteen largest hotels in the world are in Las Vegas. Through 1995, the city-wide occupancy of Las Vegas was 92% on an annual basis (Harrah's, 1996). Atlantic City, New Jersey, however, has been somewhat less successful and somewhat more controversial than Las Vegas.

In the early 1900's, Atlantic City was a haven for families searching for the perfect resort environment. Much, if not all, of the luster of this once proud area was gone by the early 1960's. By the time Merv Griffin opened the Resort International casino in 1978, much of the city's pride and all of its' tourists were gone. Gaming was an attempt to "bring back" the attraction and economic vitality of the city. There is little doubt that the casinos have prospered while generating \$2.6 billion in tax revenue

since 1978 (Hellman, 1994). Atlantic City, as of 1995, was undergoing another growth phase with new casinos being built and existing casinos expanding. Table 1 represents the gross revenue receipts and variances for the entire city for 1994 and 1995.

Indian casinos

The Indian Gaming Regulatory Act of 1988 (IGRA) was primarily a response to the U. S. Supreme Court decision in the Cabazon v. California case of 1987 (U. S. Cal. 1987). The decision essentially allowed the Cabazon tribe to operate gaming activities allowed in the state of California. Prior to this time, Indian tribes were relegated to operation of low stakes bingo games and card rooms with limited wagering. This decision, from the highest court in the land, established a precedent for all other federally recognized tribes to undertake casino style gaming. The U. S. Congress, recognizing that freedom to pursue gaming needed regulation, enacted IGRA and established three levels (I, II, III) of gaming which federally recognized tribes may operate on tribal land.

Class I gaming includes social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations. Class II gaming includes the game of chance commonly known as "bingo" and card games that are specifically authorized by the laws of the State or are not explicitly prohibited by the laws of the State.

Table 1. Atlantic City casino gross revenues for 1994 and 1995 with percentage increase.

Casino	1994 ^a	1995 ^a	Increase
Trump Taj Mahal	\$461,573	\$506,098	9.6%
Caesars	339,510	371,212	9.3
Bally's Park Place	323,702	357,570	10.5
Showboat	294,575	340,952	15.7
Harrah's	291,718	319,527	9.6
Trop World	300,216	313,805	4.5
Trump Plaza	263,086	300,773	14.3
Trump Castle	258,127	278,786	8.0
Resorts	250,154	268,605	7.4
Sands	255,146	264,995	3.9
The Grand	228,883	256,367	12.0
Claridge	155,977	169,419	8.6
Total	\$3,422,666	\$3,748,158	9.5%

^a All numbers in thousands.

Source: Casino Journal, February, 1996.

Class III gaming includes casino style gaming with games of skill and chance including slot machines and banking card games, such as baccarat or blackjack (IGRA, 1988). A key provision of IGRA was that the tribes and the state government in which they reside, needed to have an agreement (compact) for both Class II and III operations. This agreement represents permission from the state that is given in return for some form of revenue from the operation. Net revenues from any tribal gaming are not to be used for purposes other than:

1. to fund tribal government operations or programs,
 2. to provide for the general welfare of the Indian tribe and its members,
 3. to promote tribal economic development,
 4. to donate to charitable organizations, and
 5. to help fund operations of local government agencies
- (IGRA, 1988).

The National Indian Gaming Association (NIGA) indicated that in 1994 revenues from native American casinos generated 7.5% of the \$34 billion generated by the gambling industry as a whole (NIGA, 1995). In 1995, however, native American gaming (NAG) operations had estimated gross revenues of over \$6 billion, more than double the 1994 total (Hadwinger, 1996). NIGA members have been aggressively pursuing compacts with respective state governments and if no accord can be reached, appeals may be made to the Secretary of the Interior.

According to a recent United States Supreme Court decision, the Secretary of the Interior may decide under what conditions recognized tribes might operate class III (casino style) gaming on their reservations. (U. S. Supreme Court, 1996).

Native American casinos still are expanding rapidly, even though the industry appears to be leveling off from the rapid growth of the past five years. Indians see casino gaming as a way out of the poverty that has been their way of life for generations. Indeed, many of their operations are extremely successful. The premier NAG operation may be the premier gaming operation in the entire country.

The Foxwoods casino in Ledyard, Connecticut is operated by the Mashantuckett Pequot Indian tribe. Currently, it is the largest casino in North America with over 250,000 square feet in gaming space. Foxwoods has over 5500 slot machines and has provided revenue for employment, hospitals, schools, cultural centers, and a bright economic future for all Pequots and the 10,000 employees of the casino (Van Warner, 1995). The compact with the state does not require public disclosure of financial operations, however estimates of Foxwoods' revenues range from \$600 million to \$1 billion. The State of Connecticut received over \$130 million in 1994 from this one casino (Connor, 1995). Figure 5 represents the gross revenues from slot machines at Foxwoods. These figures do not include revenues from any games other than slot machines.

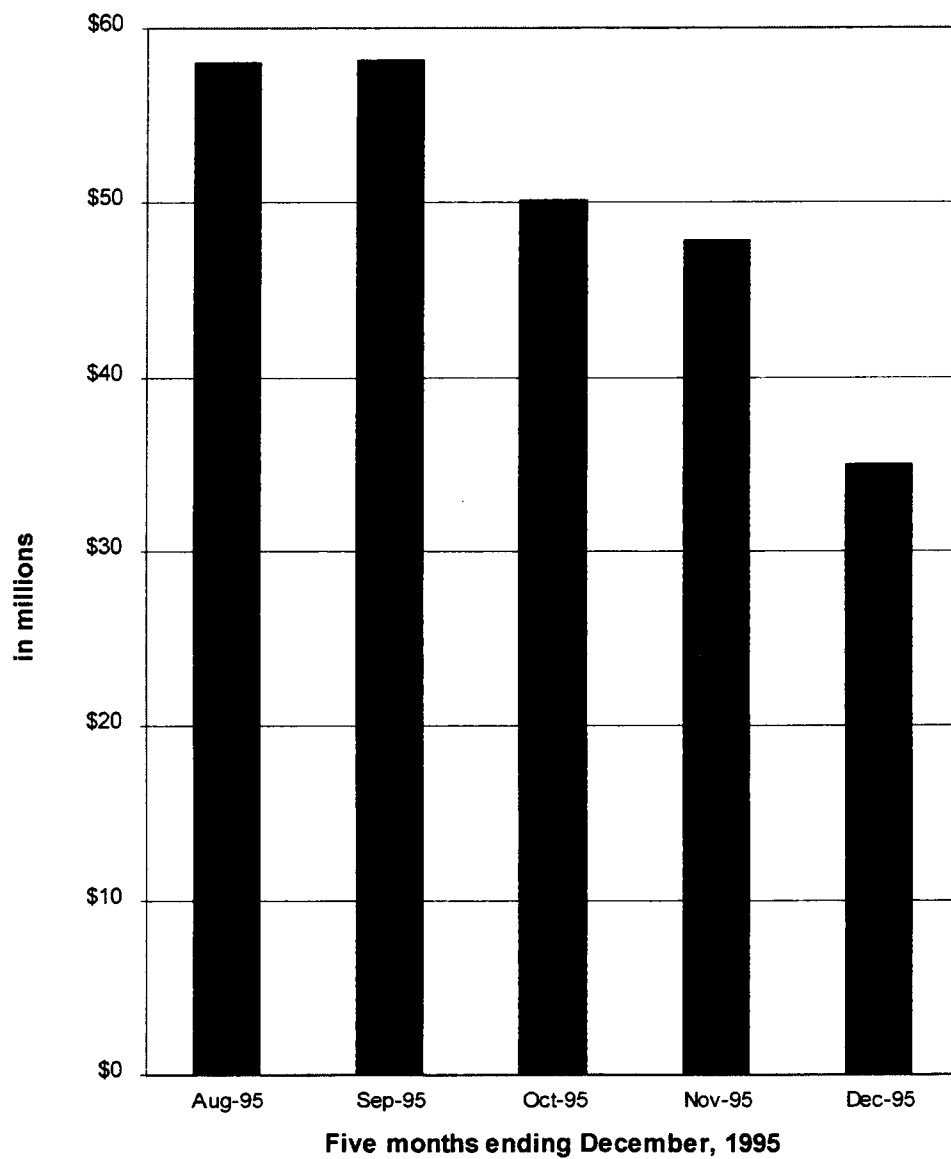


Figure 5. Gross revenues from Foxwoods casino slot machines, 8/95-12/95.
Adapted from: Casino Journal, February, 1996.

Riverboat casinos

Riverboat gaming is available in many states. Along the Mississippi river, the nostalgic re-creation of Ante Bellum riverboats with a 19th century appearance seemed to fit in with the idea of preservation or resurrection, depending on your point of view. Gaming operators and riverboat enthusiasts found such acceptance to their liking as long as gaming was advanced (Eadington, 1993).

Riverboats were not necessarily the most efficient or logical entry into gaming, however they were the most attractive political alternative. The states' desire for revenue was masked by its insistence upon a return to yesteryear in the form of a romantic riverboat. Most of the early jurisdictional approvals required the riverboats to actually cruise the river. This necessitated a number of conditions that were potential problems to the user. They included:

1. admission or cruising fee,
2. fixed schedule of departure and return that may or may not be convenient for the patrons,
3. additional costs to the operator related to the cruise itself and to the additional maritime employees required which are unrelated to the gaming activity,
4. greater risk related to both the operator, patron, and insurance companies: i.e., boats can sink,
5. fewer operating hours than a land-based operation because of the cruising requirement, and

6. problems with ingress, egress, and parking because of the scheduled cruises, not dissimilar to what would be experienced at a popular movie theater (Eadington, 1993).

Each new jurisdiction, however, wanted to be competitively more attractive than the former. Iowa initially established riverboat gaming with a cruising requirement, maximum bet of \$5.00, and a maximum loss per cruise of \$200. Illinois followed with no maximum wager or loss limit. However, Illinois riverboats were still required to cruise. Missouri, wishing to create a competitive edge over its' neighbors, established no minimums or maximums and riverboats could avoid cruising if there were some legitimate reasons for doing so, e.g., navigational safety, inclement weather, etc. Regulation among the neighboring states constantly was decreasing, but the legislature in the State of Mississippi apparently felt that the government that governs least, governs best. Mississippi decided to let the market determine who would be the winners and losers among the competing operators. No wagering or cruising limitations were established. Just as long as the gaming floor is over water, a potential riverboat casino operation exists. Most recently, in the regulations governing casino operation for Mississippi, the word "Riverboat" has been amended to "dockside" to better reflect the style of operation. This change takes Mississippi out of the riverboat casino business and makes it a major competitor in the land-based casino business, particularly in

Biloxi and Tunica (Bay, 1997).

The only things needed to get a license and conduct operations in Mississippi are a relatively crime free history and \$2,500 for the annual fee. Though casinos have suffered some bankruptcies and several have been sold, the overall impact of gaming on the state has been extremely positive from the perspective of tax revenues and employment. Gaming gross revenues for Mississippi are indicated in Figure 6.

Casino market research

The demographic matrix of the typical casino patron has remained consistent over the past two years. In comparison to the average American, casino patrons tended to have higher levels of income and education and were more likely to hold white collar jobs (Harrah's, 1995; Casino Journal, 1996; Harrah's, 1996). The median income of casino patrons was \$39,000 versus the U. S population median of \$31,000 (Harrah's, 1996). Median age of casino patrons was 47 versus the U. S. population median of 46 (Harrah's, 1996). Females represented 52% of the U. S. population and 50% of casino patrons while males represented the remainder (Harrah's, 1996). Figures 7 and 8 represent education and employment of the U. S. population and casino players.

A recent poll conducted by the Hotel & Motel Brokers of America indicated that of those surveyed, 60% have visited a casino in the past year (Watkins and Ford, 1994). About two-thirds of them have made two or

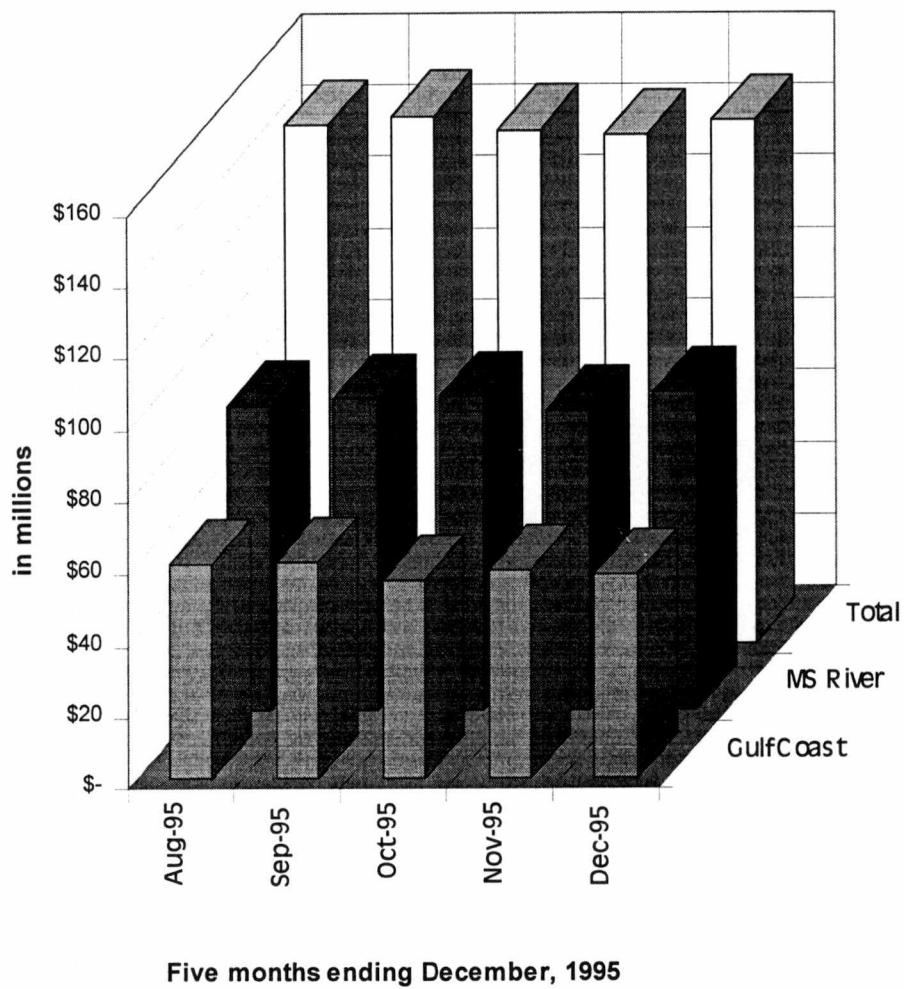
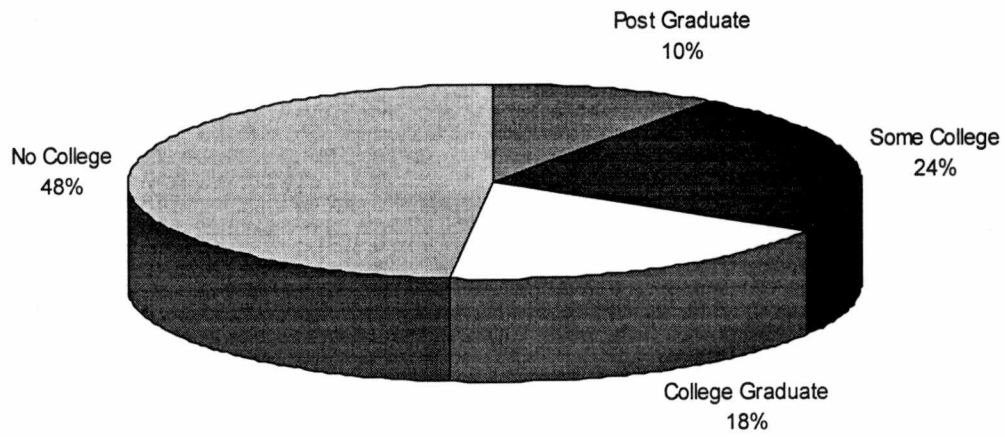


Figure 6. Gross revenues for Mississippi riverboats, 8/95-12/95.
Adapted from: Casino Journal, February, 1996.

Casino Players



U.S. Population

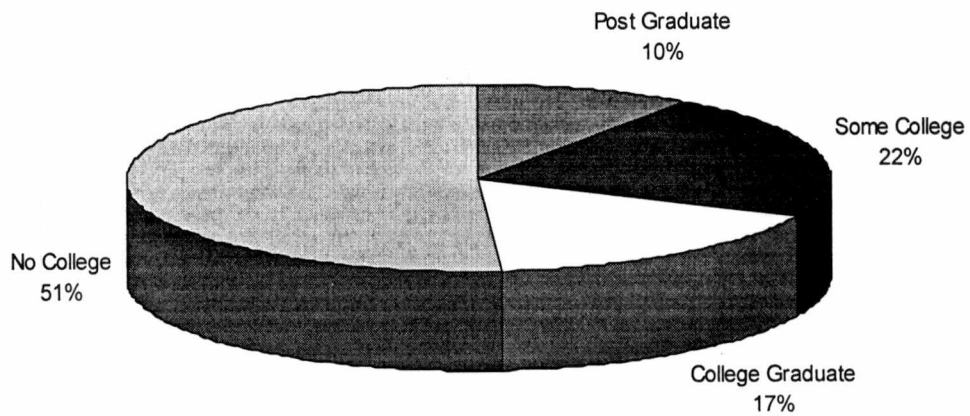
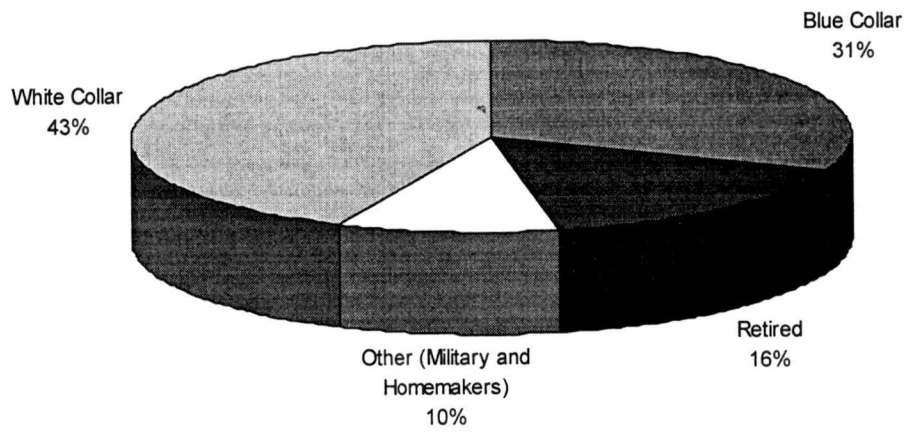


Figure 7. Education level of casino players versus the U. S. population, 1995.
Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

Casino Players



U. S. Population

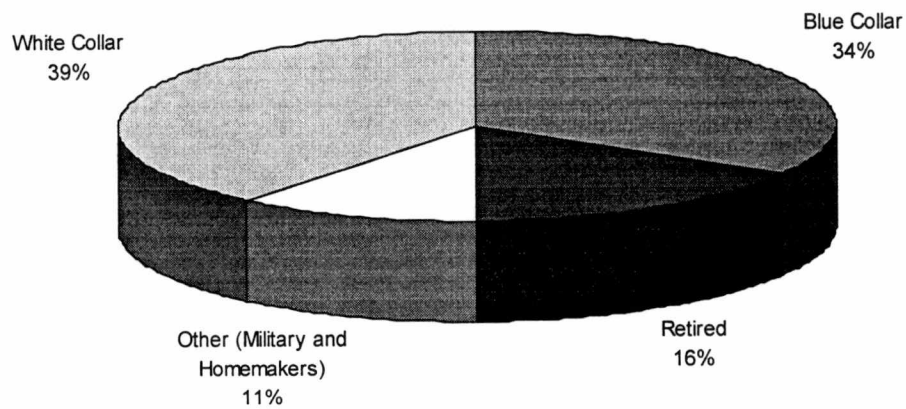


Figure 8. Employment status of casino players versus the U. S. population, 1995.
Adapted from: Harrah's Entertainment Company. (1996). Survey of Casino Entertainment. Memphis, TN.

more casino trips and 44 % have visited casinos three or more times in the past 12 months (Watkins and Ford, 1994; Harrah's, 1995). Additionally, those who visited casinos liked the experience. Sixty-four percent of respondents say they planned to go to a casino in the coming year. According to the Hotel & Motel Brokers of America survey, every casino segment will maintain or increase their market share, except for Indian casinos (Table 2). This may reflect the fact that most Indian casinos lack wraparound amenities and development, including hotels that create variety, interest, and the desire to return.

The aforementioned survey also indicated that hotel room availability as well as food, beverage and other entertainment are important factors in their visit. Many casino hotel patrons seemed to be price-insensitive. Nearly 60% of the group paid more than \$60 a night for their room and a third spent more than \$80 per night. These figures seem to suggest that there was more to the gaming experience than slot machines, table games, and winning.

Few studies, if any, have been published that have indicated what factors are important to casino patrons. Nor has this importance been measured quantifiably. Specific data so far remains proprietary.

Table 2. Where people have gambled and where they plan to gamble.

Area	Visited in 1993	Plan to visit within 12 months
Nevada	32%	36%
Indian Reservation	31%	17%
Riverboat Casino	16%	16%
Atlantic City	13%	13%
Cruise Ship	3%	10%
Caribbean Resort	3%	6%
Others	2%	2%

Source: Watkins, E. and Ford, E. (1994). How long will the boom continue ?
Lodging Hospitality. 50(5): 33-34.

Availability of gaming

Since 1988, the growth of casino gaming generally has brought prosperity for the operators, employees, and jurisdictions involved. If, however a snapshot of the current state of availability were to be taken, some areas would have more activity than it would seem possible to absorb, while the gaming activity for most locales is some distance away.

The state of Nevada, the city of Atlantic City, New Jersey, and the gulf coast of Mississippi are highly concentrated with casino activity. The entire Mississippi river is becoming saturated with riverboats of all description and mobility. Beyond these areas, however there are few if any choices offered to the casual gaming enthusiast. Proximity becomes the primary indicator of choice. A patron goes to Casino X because they like the gaming activity and it is available. Casino X may be land-based, riverboat, or Indian, but it is generally the closest to the home of the patron. Virtually all research to date has indicated this to be so (Watkins and Ford, 1994; Harrah's, 1995; Harrah's, 1996). However, as competition increases proximity may become a non-factor. The unique selling perspective of a casino is the chance to win money. When that unique selling perspective is available at multiple casinos that are equidistant, what other features will determine whether a patron comes to a casino?

CHAPTER III

THE STUDY

Methodology

This study was designed to assess the demographic make-up of casino patrons and to determine what similarities and differences there might be among them. This study also involved the administration of a survey to assess the importance and expectation of specific items in a casino visit.

The study was a cross sectional analysis of the patrons of Indian and riverboat casinos. The survey was administered at respective gaming sites as a way that specific gaming patrons could be identified and queried.

Sites

Four sites were selected to interview patrons. All sites were selected because of their management's willingness to participate. The Indian casinos were geographically diverse. One casino was in a resort community in Michigan and the second was just outside a major urban area in Arizona. The riverboat casinos were selected because they were required to cruise their respective waterways. One casino was in Illinois and one was in Indiana.

The Michigan Indian casino resides on a county road in an area of the state known for its resort business. The gaming facility had 16,000

square feet of space dedicated to gaming and had been in operation since 1990. The facility offered 700 slot machines with play values of \$0.25, \$1.00, and \$5.00. These machines included approximately 100 video poker and 50 video black-jack machines. Additionally, 20 blackjack tables in varying increments from a \$2.00 minimum wager up to a \$500 maximum wager were available. Two roulette wheels, two craps tables, and a "big six" wheel completed the gaming available at the casino..

The facility offered a snack bar with free soft drinks. The only alcohol service available was beer. On the reservation, in another building, there was a full buffet service for breakfast, lunch and dinner. Overnight housing was available in the immediate area, though not operated by the tribe.

The Arizona Indian casino was on a state road just outside a major urban population center. The gaming operation was restricted to machine gaming. The gaming selection consisted of bingo, keno, slot machines, video poker, video black-jack, and video craps. The number of machines available was 600. Wagering increments were \$0.25, \$0.50, \$1.00 and \$5.00. The compact did not allow for any banking card games, e.g., black-jack, baccarat, poker, or any sports book activity.

The facility offered a full buffet service for lunch and dinner in addition to snack bar service. Free soft drinks were available on a self-

serve basis. Alcoholic beverages were not available. An entertainment area with approximately 40 seats was available. The entertainers were heard and seen throughout the facility.

The Illinois riverboat casino was selected because it had a cruising requirement established by the State of Illinois. The site consisted of two boats that cruised on an alternating schedule starting at 6:30 AM and ending at 2:30 AM. The schedule was such that patrons only had to wait a maximum of 30 minutes for access to a boat when they arrived between the cruising hours. Patrons entered a dockside building with three food and beverage outlets, gift shop, entertainment area, customer service facility, and a queuing area for entrance to the boats. There was no fee to the patron for the cruise. The food and beverage outlets consisted of a casual grill and bar open from 11:00 AM through midnight, an upscale steak house open from 5:00 PM through 11:00 PM, and a buffet style restaurant open for breakfast, lunch and dinner from 6:00 AM to 1:00 AM.

The entertainment area consisted of about seventy seats in a cocktail table and chair arrangement. The entertainer was a vocalist and performed from 4:30 PM until 10:30 PM. The building was spacious, nicely decorated, and well lit. The queuing area could hold almost 1000 patrons.

The Illinois boats each had 1200 slot machines, four craps tables, four roulette wheels, and twenty black jack tables. The gaming increments for craps and roulette were \$1.00 to \$1000. Black jack increments were

\$5.00 to \$1000 and slot machines were from \$0.25 to \$5.00.

The Indiana riverboat site was selected because it had a cruising requirement established by the State of Indiana. The casino had much of its patronage arrive via tour bus operators. One of the bus operators was selected to provide access to patrons traveling to the casino. The site consisted of one boat that cruised for ninety minutes, commencing at 6:30 AM and ending at 4:00 AM. Patrons entered a dockside building with two food and beverage outlets, gift shop, customer service facility, and a queuing area for entrance to the boat. The food and beverage outlets were a casual grill and bar open from 11:00 AM through midnight, and a buffet style restaurant open for breakfast, lunch, and dinner from 6:00 AM to 2:00 AM.

The building was spacious, nicely decorated, and well lit. The queuing area could hold almost 1200 patrons without crowding. The boat had 1400 slot machines, four craps tables, four roulette wheels, and twenty-four black jack tables. The gaming increments for craps and roulettes were \$1.00 to \$1000. Black jack increments were \$3.00 to \$1000 and slot machines were from \$0.25 to \$5.00.

Instrument

A three section survey was designed by the researcher (Appendix A). The first section assessed the importance each patron placed on items experienced during a casino visit and the expectation that the item would

be met. Twenty-one items were adapted from a study of casino-hotel re-positioning in Las Vegas, NV (Shoemaker, 1993). The items ranged from opinions on positioning about gaming and atmosphere to the comfort level of the patron and the food and beverage suitability.

During the pilot testing of the survey, it was decided to incorporate some additional items that could be important or expected in a casino visit. These items related to the advertising and image of the casino operation. The items were *recommendation of a friend*, *location*, *advertising*, and *image*.

Each item of importance was measured from 1 to 5 with 1 being "very unimportant" and 5 being "very important". Scale numbers 2 through 4 had no verbal description. Each item of expectation was measured on scale from 1 to 5 with 1 being "low expectation" and 5 being "high expectation". Scale numbers 2 through 4 had no verbal description.

The second section of the survey was designed to get patron responses to eight demographic questions and five casino experience questions. Demographic items consisted of sex, marital status, number of dependent children, age, race, family income, occupational status, and level of completed education. The casino experience questions related to first time visitor, money budgeted for a casino visit, distance traveled to the casino, number of annual casino visits, and if a loss limit was established.

The last part of the survey asked the patron to rank seven features that would be important to them in a casino visit. The features designated by the researcher were chance to win, service, security, food and beverage, overnight rooms, non-gaming entertainment, and location/advertising/image. Rank was measured on a 1 to 7 scale. Number 1 was most important, 2 was second most important, and continuing through 7, which was least important.

The entire instrument was pilot tested by faculty and graduate students at the University of Tennessee, Knoxville. Comments related to clarity and contents were implemented in the final instrument.

Instructions for participating patrons

Every 5th patron was approached and requested to participate in the following manner. "The casino is asking some questions about what you consider important in your visit. This survey will take about eight minutes to complete and we have a nice gift for you when you are finished. Would you please help us?". If the patron indicated "yes" they became part of the sample. If not, they were wished "good luck" and thanked for their time. In the case of the Indiana site, two buses of patrons were given a survey when boarding their respective bus. The surveys were collected on departure at the casino site.

The individuals that agreed were handed a questionnaire and asked to read the instructions. Two researchers were available to answer

questions regarding the completion of the instrument. If no questions were forthcoming, the patrons proceeded to fill out the instrument.

Data collection

Friday was selected as a collection day. If another day was needed to collect an appropriate number of surveys, Saturday was used. Weekend days were chosen because, in each circumstance, the amount of traffic generated during those days exceeded the combined total for the week days. Data were collected from patrons in the morning and evening from a minimum of 80 entering patrons at each site (of the 88 patrons at the Indiana site, 67 returned useable surveys).

Data analysis

Responses were coded into an IBM 9672 mainframe computer at the University of Tennessee Computer Center. Descriptive statistics techniques were used to analyze the items of the survey (SAS 6.08, 1992). Means and standard deviations were calculated for each item in the expectation survey and the importance survey. Differences between items for Indian and riverboat casino patrons were determined by contrast statements via the general linear model.

Frequencies were calculated for all demographic and casino experience questions. Means and standard deviations were calculated for all quantifiable demographic and casino experience questions. Differences between Indian and riverboat patrons for demographic and casino

experience questions were determined by Chi square analysis.

Ward's minimum variance for agglomerative hierarchical clustering was performed using the following demographic variables as independent: family income, level of schooling, distance traveled to casino, number of annual casino visits, and money budgeted for a casino visit. Five clusters were determined to best represent the sample. Means and standard deviations were calculated for each item of importance for the respective clusters and for the independent variables. Significant differences were determined for each item of importance among the clusters via the Tukey procedure in the general linear model. Frequencies were calculated for each cluster and for the casino contributing to that cluster.

Results and discussion

Demographics of all casino patrons

The demographics of the patrons surveyed included eight items: age, gender, marital status, education, race, occupational status, number of dependent children, and annual family income. Additional questions that were specifically related to the casino business included the assessment of first time visitor, annual casino visitation in days, distance traveled to the casino, gaming budget per visit, and establishment of a loss limit.

The patrons of the research study were older than the general population (Table 3). Over half of the casino visitors were over the age of 50 (51.0%). The U. S. population has a median age of 46 years and the

median age for casino patrons, in general, and from other studies was 47 years of age (Harrah's, 1996). There were more senior patrons in this study than that of the general casino population because two of the four sites surveyed were attractive to an older population. The Michigan site was in an upscale resort community which catered to a more mature audience. The Indiana site was weighted by the "over 50 years" of age due to the fact that a bus tour operation was used to obtain this portion of the data that primarily services older female patrons.

Over 59% of the patrons in the research study were female (Table 3). This supports previous studies that indicate that the U. S. population was 52% female and casino patrons overall were divided evenly between males and females (Harrah's, 1996).

While there were no national statistics related to the marital status of casino players, there were some statistics for the U. S. population for persons 18 years of age and older. In the U. S. in 1994, 61% were married, 23% had never been married, 9% were divorced and 7% were widowed (Bureau of Census, 1996). This study of casino patrons revealed that 68% currently were married, 11.1% had never been married, 12.0% were divorced, 3% separated, and 6.0% were widowed (Table 3). The study population did not include a substantial number of adults between 18 and 21 years of age. The legal age for gaming participation in all states sampled was 21, therefore the discrepancy between the study and

Table 3. Age, gender, marital status, and education of all casino patrons, %.

Demographic items	Percentage ^{a, b}
Age	
Under 21	0.9
21 - 35	10.6
36 - 49	37.4
50 - 64	35.1
Over 64	15.9
Gender	
Male	40.3
Female	59.7
Marital Status	
Never married	11.1
Married	68.0
Divorced	12.0
Separated	3.0
Widowed	6.0
Education	
Did not complete high school	11.0
Graduated high school	37.9
Some college	28.0
Graduated college	12.9
Some graduate college	2.5
Completed graduate college	7.6

^a n=440.

^b Percentages may not total 100 due to missing data and rounding.

national average for the category "had never been married" could be explained.

This research study indicated that the casino patron was as educated as the U. S. population as a group. According to the Bureau of the Census, 51% of the U. S. population had no college, 22% had some college, 17% were college graduates, and 10% had performed or finished post-graduate work (Bureau of the Census, 1995). The casino patrons in the current study revealed that 48.9 % had no college, 28% had some college, 12.9% were college graduates, and 10.1% had performed or finished post-graduate work (Table 3). The Harrah's (1996) survey indicated that the overall casino patron had a smaller percentage of individuals that had no college and a slightly higher percentage of subjects that had some college and a higher percentage of patrons that had graduated from college. Overall, the patron demographics of age, gender, and education for this research study almost mirrored the typical casino patron.

The racial make-up of all patrons in this study revealed that 70.9% of the subjects were white, 17.8% black, 4.5% native American/Eskimo, 2.1% Hispanic, and 1.9% Asian (Table 4). The racial make-up of the U. S. population, as of April 1, 1997, was 72.8% white, 12.1% black, 0.7% native American/Eskimo, 10.9 Hispanic, and 3.5% Asian (U. S. Census, 1997). Several comparisons seem of interest. The sample for the current study had more blacks and fewer Hispanics than the U.S. population.

Table 4. Race, occupational status, number of dependent children, and annual family income of all casino patrons, %.

Demographic items	Percentage ^{a, b}
Race	
Native American/Eskimo	4.5
Asian or Asian American	1.9
Black or African American	17.8
Hispanic or Latino	2.1
White/Anglo	70.9
Other	2.8
Occupational status	
Unemployed (not retired)	2.8
Part time (not retired)	9.4
Full time (employed)	54.9
Full time (homemaker)	7.6
Part time (retired)	3.2
Retired	21.8
Student	0.2
Number of dependent children	
Zero	55.3
One	11.1
Two	16.4
Three	10.9
Four or more	6.3
Annual family income	
Less than \$20,000	13.1
\$20,000-\$24,000	7.3
\$24,001-\$30,000	11.4
\$30,001-\$36,000	16.9
\$36,001-\$42,000	9.3
\$42,001-\$48,000	6.6
\$48,001-\$54,000	8.3
\$54,001-\$60,000	7.6
\$60,001-\$75,000	8.6
Over \$75,000	10.9

^a n=440.

^b Percentages may not total 100 due to missing data and rounding.

The employment characteristics of typical casino patrons indicated that they were more likely to be white-collar workers (Harrah's, 1996). While this research study did not segregate subjects into white or blue collar, it did measure their work status. In 1995, 73% of the U. S. population was employed, full or part time (Bureau of the Census, 1995). The current study revealed that 75.1% of the subjects were full or part time employees (Table 4). This research study consisted of 21.8% retired persons as opposed to 16% of the U. S. population (Bureau of the Census, 1995).

The number of dependent children, while not tracked in other casino surveys, seemed to be very low when compared to the U. S. population which in 1994 had an average of 2.1 children per household (Bureau of Census, 1996). Over 55% of the current study respondents had no dependent children (Table 4). Only 11.1% had one child, 16.4% had two children, 10.9% had three, and just 6.3% had four or more (Table 4). The lack of dependent children could be attributed to the age of the patrons, with 51% of the current study over the age of 50.

In comparison to the average American, casino patrons tend to have higher levels of income. The median family income for the U. S. population in 1995 was \$31,000 (Bureau of the Census, 1995a). The median family income for all casino patrons, according to their response rates, was between \$36,000 and \$42,000 (Table 4). Forty-two percent of

the survey had an annual family income in excess of \$42,000, which indicated that casino patrons may have more income available to them to wager. Annual family income has been shown to be a direct determinant of disposable income (Eadington and Cornelius, 1992; Thin and Hsu, 1994).

Casino experience for all patrons

Almost 20% of all casino patrons in this study came to their respective sites for the very first time (Table 5). This indicated that over 80% of the respondents were repeat visitors to the current site. Any business operation that has a repeat customer base of 80% would indicate a high level of satisfaction with the previous experience.

Almost 58% of these patrons visited a casino 9 or more days each year (Table 5). It would be reasonable to assume that when over 81% of the patrons had visited a casino operation for 3 days or more, those patrons would be familiar with the services and facilities of a casino operation. This, coupled with the first time visitor responses (Table 5) indicated that the patrons in the current study were familiar with the sites being surveyed.

Though almost 40% of the patrons traveled less than 50 miles for their casino visit, just over 40% traveled over 100 miles for their visit (Table 5). While it appears that casino patrons made their journey over many different distances, it should be noted that data from one of the

Table 5. First time casino visitor, annual casino visitation, distance traveled to casino, budget per casino visit, and loss limit established of all casino patrons, %.

Casino experience items	Percentage ^{a, b}
First time visitor	
Yes	19.7
No	80.3
Annual casino visitation	
Less than 1 day	5.3
1-2 days	12.9
3-4 days	8.1
5-6 days	5.3
7-8 days	10.6
9-10 days	9.9
11-15 days	8.3
16-20 days	6.9
21-26 days	3.9
More than 26 days	28.8
Distance traveled to casino	
Under 50 miles	39.4
50-100 miles	19.1
101-150 miles	12.4
151-200 miles	7.9
Over 200 miles	21.2
Gaming budget per visit	
Less than \$31	9.2
\$31-\$60	18.0
\$61-\$90	14.2
\$91-\$120	12.8
\$121-\$150	7.1
\$151-\$180	4.0
\$181-\$210	10.2
\$211-\$240	3.6
\$241-\$270	2.1
More than \$270	18.7
Loss limit established	
Yes	64.0
No	11.2
Sometimes	24.0

^a n=440.

^b Percentages may not total 100 due to missing data and rounding.

riverboat sites was collected from a tour bus operation. The tour bus operation patrons represented only 15% of the total, but virtually all of them traveled over 200 miles to get to the riverboat site. Therefore, the distance traveled tended to have a slightly elevated bias.

The patrons of this research study allocated a substantial sum of money for their casino visit (Table 5). Almost 39% budgeted over \$150.00 for each visit. Just over 9% budgeted less than \$31.00 for each visit. The patrons of the current study had more income than the general population (Harrah's, 1996) and seemed willing to spend it on a casino experience, repeatedly.

Perhaps most interesting, 11.2% set no loss limit when they attended a casino (Table 5). Twenty-four percent established a loss limit only sometimes. Casinos contend that they wish to have responsible patrons, putting at risk sums that they can afford to lose (Worsnop, 1996). It would seem that with only 64% of the casino patrons actually doing this all the time, the casinos have some work to do.

Demographics of Indian and riverboat casino patrons

It has been established in previous studies that casino patrons are generally older than the population at large (Harrah's, 1995; Harrah's, 1996; Casino Journal, 1996). Older people may have more time available, more money to spend, and a reduced responsibility to care for children. A significant difference in age between the Indian patrons and riverboat

Table 6. Age, gender, marital status, and education of Indian casino patrons and riverboat casino patrons, %.

Demographic items	Indian ^{a, c}	Riverboat ^{b, c}
Age ^x		
Under 21	0.5	1.2
21 - 35	14.1	8.1
36 - 49	44.3	32.3
50 - 64	29.7	39.1
Over 64	11.4	19.4
Gender ^x		
Male	46.5	35.7
Female	53.5	64.3
Marital Status		
Never married	7.0	14.1
Married	73.5	63.9
Divorced	10.8	12.9
Separated	2.7	3.2
Widowed	5.9	6.0
Education		
Did not complete high school	14.0	8.8
Graduated high school	34.9	40.2
Some college	27.4	28.5
Graduated college	14.5	11.6
Some graduate college	2.2	2.8
Completed graduate college	7.0	8.0

^a n=185.

^b n=255.

^c Percentages may not total 100 due to missing data and rounding.

^x Wilcoxon scores between Indian and riverboat were significantly different at $p < 0.05$.

patrons was found (Table 6). Almost 59% of the riverboat patrons were 50 years of age or older. Those attending Indian casinos had virtually the same percentage of their sample below the age of 50. Marketing efforts towards seniors and facilities needed for them are usually much different from the general population. Riverboat casinos may need to concentrate their efforts towards the older patron.

Females were the majority of the patrons in both the Indian and riverboat casinos. Indian casino patrons were 53.5% female (Table 6). Riverboats had a female patron representation that exceeded 64%. While there was a significant difference, it should be noted that data from one riverboat site were collected via a tour bus operation. The bus tour had 74% of its patrons as female. Had these data not been present, there would have been no significant difference in gender. No differences were noted with marital status and education between Indian and riverboat patrons (Table 6).

While a significant difference between Indian and riverboat patrons was not found for occupational status, the percentage of retired patrons was 19.9% for Indian casinos and 23.3% for riverboat casinos (Table 7). When compared to the U. S. population of 16%, these figures indicated a greater presence of retired persons in casinos (Bureau of the Census, 1995a). This would be consistent with fewer dependent children and a greater budget for casino visitation.

Table 7. Race, occupational status, number of dependent children, and annual family income of Indian casino patrons and riverboat casino patrons, %.

Demographic items	Indian ^{a, c}	Riverboat ^{a, c}
Occupational status		
Unemployed (not retired)	2.2	3.2
Part time (not retired)	12.4	7.2
Full time (employed)	52.2	57.0
Full time (homemaker)	11.8	4.4
Part time (retired)	1.6	4.4
Retired	19.9	23.3
Student	0.0	0.4
Annual family income		
Less than \$20,000	7.5	18.3
\$20,000-\$24,000	5.2	9.0
\$24,001-\$30,000	18.5	5.4
\$30,001-\$36,000	24.9	10.3
\$36,001-\$42,000	11.0	8.1
\$42,001-\$48,000	4.6	8.1
\$48,001-\$54,000	7.5	9.0
\$54,001-\$60,000	4.0	10.3
\$60,001-\$75,000	6.9	9.9
Over \$75,000	9.8	11.7
Race ^x		
Native American/Eskimo	3.8	4.9
Asian or Asian American	2.2	1.6
Black or African American	3.3	28.8
Hispanic or Latino	3.8	0.8
White/Anglo	84.7	60.5
Other	2.2	3.3
Number of dependent children ^x		
Zero	42.2	65.2
One	8.6	13.0
Two	22.7	11.7
Three	21.6	2.8
Four or more	4.9	7.3

^a n=185.

^b n=255.

^c Percentages may not total 100 due to missing data and rounding.

^x Wilcoxon scores between Indian and riverboat were significantly different at $p < 0.05$.

Though there were no significant differences between riverboat and Indian casino patrons related to income; riverboat patrons recorded both ends of the income spectrum, while the Indian casino patrons were predominantly in the middle of the income spectrum (Table 7). There were 27.3% of riverboat patrons making less than \$24,000 and 21.6% making over \$60,000 which compared to Indian casino patron responses of 12.7% and 16.7% respectively. The Indian casino patrons indicated that over 54% of them earned between \$24,001 and \$42,000, while the riverboat patron response for the same category was only 24.7%.

The marketing activities directed toward each of these income groups would be very different. Higher income patrons may be motivated differently, perhaps more subtly, than lower income patrons. Specific appeals at value and price may be more motivating to lower income patrons. Assuming that riverboat operators want to maintain their current mix of patrons, riverboat operators may have to appeal to a broader income spectrum than would Indian casino operators. The apparent income homogeneity of the Indian casino patron potentially would allow for more efficient marketing expenditures.

There was a difference between groups related to both race and number of dependent children (Table 7). The black representation at Indian casinos was 3.3% of all patrons, while the black representation for riverboat casinos was 28.8%. This overwhelming difference was probably

because the riverboat sites were in major urban areas in Illinois and Indiana.

The number of dependent children, though low in all cases, was much lower among riverboat patrons (Table 7). Over 65% of riverboat patrons had no dependent children as opposed to 42.2% of Indian patrons. Slightly more than 10% of riverboat patrons had 3 children or more. Indian patrons had 3 children or more among 26.5% of the sample. The number of dependent children was related inversely to the age of the patrons. The riverboat patrons were older and had fewer dependent children. Also, the fewer dependent children may help to explain why riverboat patrons budget significantly more money for their casino visits.

Casino experience for Indian and riverboat patrons

Five specific questions relating to casino experiences were assessed. Four were found to have significant differences between the Indian and riverboat casino patrons. The one area that was not different related to the establishment of a loss limit for a casino visit. Three possible answers, always, never, or sometimes, were chosen uniformly between the Indian and riverboat patrons (Table 8).

Over 26% of the Indian casino patrons and 15% of the riverboat patrons responded they were first time visitors (Table 8). This indicated that almost 74% of Indian casino patrons and 85% of riverboat patrons were returning from an initial visit to a casino. A restaurant or hotel that

Table 8. First time visitor, annual casino visitation, distance traveled, budget per visit, and loss limit established for Indian casino patrons and riverboat casino patrons, %.

Casino experience items	Indian ^{a, c}	Riverboat ^{b, c}
Loss limit set		
Yes	62.8	66.4
No	14.2	8.8
Sometimes	23.0	24.8
First time visitor ^x		
Yes	26.1	15.0
No	73.9	85.0
Distance traveled to casino ^x		
Under 50 miles	46.0	34.7
50-100 miles	14.4	22.4
101-150 miles	13.8	11.4
151-200 miles	9.2	6.9
Over 200 miles	16.7	24.5
Annual visitation ^x		
Less than 1 day	6.5	4.8
1-2 days	17.3	9.6
3-4 days	8.6	7.2
5-6 days	7.6	3.6
7-8 days	14.6	7.6
9-10 days	12.4	8.0
11-15 days	9.2	7.6
16-20 days	8.1	6.0
21-26 days	2.7	4.8
More than 26 days	13.0	40.6
Gaming budget per visit ^x		
Less than \$31	18.7	2.9
\$31-\$60	25.3	12.1
\$61-\$90	18.7	10.4
\$91-\$120	11.5	13.8
\$121-\$150	6.0	7.9
\$151-\$180	3.8	4.2
\$181-\$210	6.0	13.3
\$211-\$240	2.2	4.6
\$241-\$270	1.6	2.5
More than \$270	6.0	28.3

^a n=185.

^b n=255.

^c Percentages may not total 100 due to missing data and rounding.

^x Wilcoxon scores between Indian and riverboat were significantly different at $p < 0.05$.

could achieve repeat patronage of over 80% would be judged to be performing well for its patrons (Lewis and Pizam, 1981; June and Smith, 1987). Additionally, the costs associated with "new" and "old" customers are usually much different. The cost to retain a patron is generally 10% of the cost to get a new one (Roehl, 1996). While the return visitor response was good for both Indian and riverboat facilities, there was a difference between them. The difference may relate to the general lack of overall facilities than proximity. Many Indian casinos lack restaurants, bars, day care, and other amenities that casino visitors seem to want (Watkins and Ford, 1994).

The riverboat and Indian casino patrons seemed to have enjoyed their initial experience a great deal because 75% were returning visitors. The riverboat casinos, however, had a higher percentage of their patrons returning. One of the riverboat sites had only a 5% first time visitor response while the other riverboat site had a first time response of 42%. These figures combined to yield a 15% first time visitor response which was lower than the Indian casino response. This was due primarily to the urban location and proximity of the casino to patrons' homes. A sample taken in 1993 by Watkins and Ford, indicated that of all patrons who visited a casino, only 31% had visited an Indian casino. Of the total sample, only 17% indicated they planned to visit an Indian casino within the next 12 months (Table 2).

Distance traveled by the patrons was different between the types of facilities (Table 8). The difference primarily was reflected in the frequency of patrons that traveled over 200 miles for their gaming experience. Data were collected from a tour bus operation for one of the riverboat sites. Over 80% of the respondents at this site had traveled over 200 miles to reach the site. Forty-six percent of Indian patrons traveled less than 50 miles for their visit while 34.7% of riverboat patrons traveled such a distance. It seemed that patrons who have chosen to gamble will travel very long distances to satisfy that choice. Though the current study did not focus on day bus trips, it is not uncommon for patrons of Atlantic City casinos to utilize day bus trips from over 400 miles distant (Shonkwiler, 1993; Hellman, 1994).

Riverboat patrons had a much higher casino visitation than did Indian patrons (Table 8). Almost 41% of the riverboat patron responses indicated that they visited a casino more than 26 days per year. Only 13.0% of Indian casino patrons visited at such a rate. More frequent visits were being generated to riverboat casinos through more advertising, marketing, and promotional activities in the riverboat market. This might indicate that the riverboat casino operations were in a more highly competitive situation. The Illinois site had 4 other riverboat casinos within 5 miles and the Indiana site was in a similar situation. The Indian casinos may need to increase advertising and promotional activity to

increase patron return visits.

Perhaps the Indian casinos had some restrictions, voluntary or involuntary, placed on their advertising. It is axiomatic that "word-of-mouth" is the best form of advertising. It appeared that the Indian casinos relied exclusively on that medium. It could have been possible that the Indian casinos did not want to draw a lot of attention to their operations. Fear of increased regulation and taxation could be restricting their promotional efforts.

The gaming budget per visit was significantly different between the two types of facilities (Table 8). The riverboat patrons had a much higher amount of money to put at risk for each visit than did the Indian patrons. Riverboat patrons established a gaming budget of more than \$181.00 almost 49% of the time while Indian patrons established that figure only 15.8% of the time. At the other end of the scale, a figure of less than \$61.00 was budgeted by 44% of Indian patrons while riverboat patrons chose that figure only 15% of the time. The study clearly indicated that riverboat casino patrons visited more often and put more money at risk than did Indian casino patrons. While this sounds very positive for riverboat casino operators, they are in a more competitive situation with the associated costs and standards of performance expected from the patron and other stakeholders.

Table 9. Level of expectation^a for items among all casino patrons^b.

Item	Mean
Food is good value	3.76
Good food	3.98
Restaurant is clean	4.43
Restaurant atmosphere	4.00
Free drinks offered	3.82
Helpful employees	4.38
Friendly employees	4.61
Courteous service	4.50
Well trained employees	4.37
Valet parking	3.24
Covered parking	3.15
Safe place to go	4.63
Guest rooms are secure	3.75
Visible security	4.46
Friend recommendation	3.12
Image	3.23
Location	3.84
Advertising	3.24
Chance to win	3.95
Better odds	3.98
Guest room value	3.03
Guest rooms available	3.02
Major recreation	2.06
Minor recreation	2.38
Good entertainment	2.91

^a Expectation was measured on a 1-5 scale with 1 = low expectation and 5 = high expectation.

^b n=440.

Expectation for all casino patrons

A patron's level of expectation will be a major determinant toward their level of satisfaction for any given experience (Parasuraman, et. al., 1988; Greathouse, et. al., 1996). Marketers have contended that if a business can meet or exceed the expectations of its' patrons, the business will be favored in a competitive market (Yucelt and Marcella, 1996).

The researcher has chosen to report specifically on the upper and lower 20% of scored items of expectation. Virtually all of the items of expectation were scored highly. If an item did not score in the upper 20% it does not mean that the patron did not expect the item.

The items of expectation that patrons scored in the highest 20% were related to security and service (Table 9). The highest scored item was *safe place to go* (4.63). It seemed that there were some items that, without which, nothing else mattered. *Security* undoubtedly was one of those items. Casino patrons expected to gamble in a safe environment. The expectation of patrons to see this security was reflected in the score for *visible security* (4.46). These two security related items probably related to the age of the casino sample. Older people view security of person and property with greater priority than younger people (Schaefer, et. al., 1995). Casino patrons were older than the general population (Harrah's, 1996) and this research study had patrons somewhat older than the general casino population, therefore it was no surprise that security

would be a major item of expectation.

The other items of expectation that scored in the highest 20% were *friendly employees* (4.61), *courteous service* (4.50), and *helpful employees* (4.38) (Table 9). They were all representative of a service feature. The expectation of receiving service is not uncommon to any patron in a market economy (Berry, 1987; Elliot and Hamilton, 1991; Bitner, 1995). The high level of expectation of service in the casino experience cannot be overemphasized. Patrons frequently will evaluate and differentiate their casino experiences on the basis of service (Fine, 1997). Management that acts positively towards employee training and motivation will find that a well-trained staff is their best asset (Vallen, 1978).

The items of expectation that patrons scored in the lowest 20% were *major recreation* (2.06), *minor recreation* (2.36), and *good entertainment* (2.91) (Table 9). The aforementioned items were related to entertainment. None of the sites surveyed offered either *major recreation* or *minor recreation*. With 80% of the patrons making a return visit, it was assumed that the patrons were knowledgeable of this lack of traditional recreation facilities and, therefore had a low expectation for it. Three of the four sites surveyed offered entertainment, however it was a single entertainer and not on the level that commonly might be associated with a casino. Also, the high percentage of return patrons probably had an influence on the low expectation for *good entertainment* due to their familiarity with

the entertainment available.

The expectation for guest rooms also scored low with *guest room value* (3.03) and *guest rooms available* (3.02) (Table 9). Three of the four sites surveyed were very close to major urban areas where almost 59% of their patrons traveled less than 100 miles for their visit (Table 5). It was reasonable to believe that most of these patrons were making day trips. Therefore they were not using overnight accommodations nor was the use of overnight accommodations under consideration, making the level of expectation for any guest room items very low.

The assumption that a casino offers "winning" as it's unique selling perspective was not reflected in the casino patron's level of expectation for their casino visit. Two items of expectation that represented the feature of *win* were *chance to win* (3.98) and *better odds* (3.95) (Table 9). The relatively low score for these items would indicate that casino patrons have a reduced expectation of winning (Fost, 1993; Copulsky, 1996). The patrons may not expect to win, but they certainly do expect to be in a secure, service-oriented environment.

Expectation for Indian casino patrons

Two items of expectation that Indian casino patrons scored in the highest 20% were *friendly employees* (4.51) and *safe place to go* (4.51) (Table 10). A security expectation and a service expectation were scored identically. The remaining highly scored items also were service and

Table 10. Level of expectation^a for items between Indian casino patrons and riverboat casino patrons.

Items	Indian ^b	Riverboat ^c
Food is good value	3.43 ^x	4.02 ^y
Good food	3.71 ^x	4.21 ^y
Restaurant is clean	4.15 ^x	4.68 ^y
Restaurant atmosphere	3.67 ^x	4.27 ^y
Free drinks offered	3.22 ^x	4.32 ^y
Helpful employees	4.20 ^x	4.54 ^y
Friendly employees	4.51 ^x	4.70 ^y
Courteous service	4.33 ^x	4.64 ^y
Well trained employees	4.12 ^x	4.59 ^y
Valet parking	3.04 ^x	3.41 ^y
Covered parking	2.25 ^x	3.91 ^y
Safe place to go	4.51 ^x	4.73 ^y
Guest rooms are secure	3.17 ^x	4.22 ^y
Visible security	4.31 ^x	4.58 ^y
Friend recommendation	2.63 ^x	3.56 ^y
Image	3.07 ^x	3.39 ^y
Location	3.40 ^x	4.21 ^y
Advertising	2.73 ^x	3.67 ^y
Chance to win	3.57 ^x	4.26 ^y
Better odds	3.59 ^x	4.31 ^y
Guest room value	2.59 ^x	3.41 ^y
Guest rooms available	2.64 ^x	3.35 ^y
Major recreation	1.81 ^x	2.29 ^y
Minor recreation	1.94 ^x	2.77 ^y
Good entertainment	2.60 ^x	3.17 ^y

^a Expectation was measured on a 1-5 scale with 1 = low expectation and 5 = high expectation.

^b n=185.

^c n=255.

^{xy} Means with different superscripts differ at $p < 0.05$.

security related. They were *courteous service* (4.33), *visible security* (4.31), and *helpful employees* (4.20) (Table 10).

The Indian casino patrons were younger than the riverboat patrons and had a greater percentage of males in the sample. Younger males probably would not have as high an expectation for security as older females. Also, the Indian casino patron budgeted a much smaller amount per casino visit than the riverboat patrons. This reduced amount of money would cause one to view the security feature with reduced expectation.

Two items of expectation that Indian casino patrons scored in the lowest 20% were *major recreation* (1.81) and *minor recreation* (1.94) (Table 10). Neither of the sites had any traditional recreation activities available, e.g., skiing, golf, swimming, etc. and with almost 74% of the patrons making a return visit (Table 8), they were knowledgeable about this lack of recreation activities and therefore had a low level of expectation.

The remaining items that scored in the lowest 20% were *covered parking* (2.25), *guest room value* (2.59), and *good entertainment* (2.60) (Table 10). Neither site offered *covered parking*; therefore, because it was not available it was not expected. The expectation for *guest room value* was not high because it was not an option for most of the patrons of Indian casinos, of which over 60% traveled less than 100 miles for their casino visit (Table 8). Entertainment was offered only at one Indian casino site

and it was a single entertainer/musician. A low score for the item of *good entertainment* indicated that the level of expectation for the item was low.

Expectation for riverboat casino patrons

The item *safe place to go* (4.73) was the highest scored item of expectation for riverboat casino patrons (Table 10). It appears that if a casino operation can not be a *safe place to go*, it need not invest in other forms of marketing or promotion. Patrons have a high expectation to be safe during their casino visit in which large amounts of money may have been involved.

Service was represented by three of the five highest scored items of expectation. These items were *friendly employees* (4.70), *courteous service* (4.64), and *well-trained employees* (4.59) (Table 10). Riverboat patrons scored these items highly because they had a high level of expectation that the items would be present during their casino experience. This would be considered normal anticipation when a patron experiences a service business as opposed to a product business. The expectation or anticipation for service is high when the customer perceives the experience primarily as a service (Bitner, 1990; Barrier, 1991; Shoemaker, 1996).

The item *restaurant is clean* (4.68) was scored third highest in level of expectation (Table 10). Due to the many recent news items concerned with safety of the food chain, food safety is an item of concern for everyone. Seniors are particularly concerned about food safety because

they are more susceptible to intense illness from ingestion of unsafe food products (June and Smith, 1987). The riverboat patrons were older than both the general population and the Indian casino patrons, therefore the item was scored highly due to the age of the sample and its' current media attention.

Three of the lowest scored items of riverboat patron expectation were *major recreation* (2.29), *minor recreation* (2.77), and *good entertainment* (3.17) (Table 10). Neither site offered any traditional recreation activities, and with 85% of the patrons being return visitors (Table 8), it was understandable that the expectation level for recreation items was low. Both riverboat sites offered a single entertainer in a queuing area, that if having experienced it before, would elicit a low level of expectation.

The remaining items of expectation in the lowest 20% were *guest rooms available* (3.35) and *image* (3.39) (Table 10). Over 57% of the riverboat patrons traveled under 100 miles for their casino visit (Table 8), therefore *guest rooms available* was not an item of expectation. The expectation of *image* was low because of the high percentage of riverboat patrons that were repeat visitors. Their familiarity with the product and services was such that *image* was of little expectation. Additionally, the conceptualization of *image* as an item of expectation was perceived by the researcher to be somewhat difficult for the patrons to understand.

Differences between Indian and riverboat casino patrons' expectations

There were significant differences between the Indian and riverboat patrons for all of the 25 items in the expectation survey. The expectation scores for riverboat patrons were higher across all items than their Indian counterparts. The riverboat patrons only scored two items below 3.00, *minor recreation* (2.77) and *major recreation* (2.29). Indian patrons scored the same two items 1.94 and 1.81, respectively, and had 6 other items below 3.00.

The researcher surmised that the riverboat patrons were more serious about their activities than were the Indian casino patrons. The Indian casino patrons seemed to be more involved with the concept of casino gaming as entertainment and having a good time. This may relate to the higher percentage of first time visitors at Indian casinos. Perhaps the sites of the Indian casinos played an important part in establishing the mood of the patron. The Michigan casino was in a resort community with many of the patrons apparently on vacation or holiday.

Both riverboat casinos had patrons with a higher number of casino visits and larger budget per visit which may have indicated that they had a higher expectation for all aspects of their visit. Perhaps of greatest significance contributing to the high scores of expectation was the gender of the riverboat patrons. Almost 65% of the riverboat patrons were female. This alone may have been the cause for the universal higher

scores as women are less critical and more sensitive to others' feelings (Broverman, et. al., 1972).

The differences between the riverboat and Indian patrons for five expectation items need more explanation than that which can be attributed to a more serious female patron. *Free drinks offered* was scored higher by the riverboat patrons because those sites offered such a feature and the Indian casinos did not. This would cause the Indian patrons to have a low expectation and the riverboat patrons to have a high expectation. The same rationale would apply to *covered parking*.

The expectation of *advertising* was higher for riverboat patrons than Indian patrons for several reasons. The riverboat sites were in a more highly competitive situation than the Indian sites. This contributed to more advertising, marketing, and promotional activity. Patrons would expect to see and/or hear some of this activity in the course of a casino visit.

Marketing and promotional activity frequently is designed to get people talking about the product or service (Schechter, 1994; Roehl, 1996). The aforementioned discussion among people may lead to a *friend recommendation*. Also, this item would have higher expectation from patrons who were first time visitors. Though the riverboat patrons had an overall first time visitor response of 15% (Table 8), one of the contributing riverboat sites had a first time visitor response of almost

43%, thereby increasing the expectation score for *friend recommendation*.

None of the casinos offered guest rooms which would probably cause guest room related items to be scored low. The difference in *guest rooms are secure* probably can be explained, in part, by the age and gender of the patrons. A younger male would not be as concerned with security related items as would an older female. Therefore the expectation for security related items would be reduced for younger males. As the Indian casinos had a higher representation of young male patrons than did the riverboat casinos, the expectation for *guest rooms are secure* should be lower. Additionally, the dollars budgeted for a casino visit were higher among riverboat patrons (Table 8) which would have increased the level of expectation for security items. The researcher surmises that patrons placed a greater emphasis on the word "secure" than on the words, "guest room".

Importance for all casino patrons

The researcher has chosen to report specifically on the upper and lower 20% of scored items of importance. Virtually all of the items of importance were scored highly. If an item did not score in the upper 20% it does not mean that the patron did not consider the item important.

The highest scored item of importance for all casino patrons was *safe place to go* (4.78) (Table 11). Not only was this item expected (Table 9) by the casino patrons, it was very important to them. Three additional

Table 11. Level of importance^a for items by all casino patrons^b.

Items	Mean
Food is good value	4.05
Good food	4.25
Restaurant is clean	4.60
Restaurant atmosphere	4.14
Free drinks offered	4.01
Helpful employees	4.57
Friendly employees	4.74
Courteous service	4.71
Well trained employees	4.56
Valet parking	3.10
Covered parking	3.45
Safe place to go	4.78
Guest rooms are secure	4.18
Visible security	4.52
Friend recommendation	3.24
Image	3.31
Location	4.06
Advertising	3.33
Chance to win	4.63
Better odds	4.58
Guest room value	3.48
Guest rooms available	3.34
Major recreation	2.15
Minor recreation	2.63
Good entertainment	3.18

^a Importance was measured on a 1-5 scale with 1 = not important and 5 = very important.

^b n=440.

items in the highest scored 20% were *friendly employees* (4.74), *courteous service* (4.71), and *helpful employees* (4.57) (Table 11). The casino business is a service business, not dissimilar to any hospitality venture. Patrons scored service related items highly because they believed that service was a major component of their experience. When casino management recognizes that their employees make the service difference in the casino experience, the better the entire industry will be (Fine, 1997).

The item of *restaurant is clean* (4.60) also was highly scored (Table 11). The importance of this item could be related to the national issues of food safety and sanitation. The absence of illness would be more important to older people than the general population. The age of casino patrons for the current study was above the national mean. Therefore, items of importance for older people would probably be items of importance for casino patrons. People tend to act in their own best interests. A person that decides certain things are important will act to satisfy those items of importance (Elliot and Hamilton, 1991).

The lowest scored 20% of importance items were *major recreation* (2.15) and *minor recreation* (2.63) (Table 11). These items were scored low primarily due to the age of the patrons. Older people are less likely users of recreational facilities (Turco and Riley, 1996). The patrons were there to enjoy the gaming experience and had virtually no interest in

exploring other activities, e.g., skiing. Another low scored item, for the same aforementioned reasons, was *good entertainment* (3.18) (Table 11).

The last two items of importance in the lowest scored 20% were *friend recommendation* (3.24) and *valet parking* (3.10) (Table 11).

Perhaps a *friend recommendation* would have been more important to first time visitors. Eighty percent of the patrons were return visitors (Table 5). They had experienced the casino previously. After the first visit, the patron can decide about returning without external input.

Valet parking was provided at three of the four sites surveyed. However, *valet parking* was not utilized widely. Two of the three sites providing *valet parking* charged \$5.00 for the service. The third site charged \$3.00. It was perceived that patrons viewed this as unimportant because they did not use, nor did they plan to use the service. Additionally, it was believed by the researcher that patrons viewed the fee for *valet parking* as better utilized elsewhere in the gaming experience.

Importance for Indian casino patrons

The highest scored item of importance for Indian casino patrons was *safe place to go* (4.72) (Table 12). Apparently, Indian casino patrons not only expected it (Table 10), but it was very important to them. Two service items, *friendly employees* (4.69) and *courteous employees* (4.69) also were highly scored. Interacting with friendly and courteous employees was very important to the patrons of Indian casinos.

Table 12. Level of importance^a for items between Indian casino patrons and riverboat casino patrons.

Items	Indian ^b	Riverboat ^c
Food is good value	3.99	4.09
Good food	4.13 ^x	4.35 ^y
Restaurant is clean	4.46 ^x	4.72 ^y
Restaurant atmosphere	3.88 ^x	4.35 ^y
Free drinks offered	3.67 ^x	4.28 ^y
Helpful employees	4.42 ^x	4.69 ^y
Friendly employees	4.69	4.78
Courteous service	4.68	4.75
Well trained employees	4.38 ^x	4.71 ^y
Valet parking	2.85	3.29
Covered parking	2.82 ^x	3.97 ^y
Safe place to go	4.72	4.83
Guest rooms are secure	4.07	4.27
Visible security	4.40 ^x	4.62 ^y
Friend recommendation	2.86 ^x	3.56 ^y
Image	3.24	3.37
Location	3.67 ^x	4.37 ^y
Advertising	2.87 ^x	3.69 ^y
Chance to win	4.56	4.69
Better odds	4.50	4.64
Guest room value	3.53	3.44
Guest rooms available	3.33	3.36
Major recreation	2.16	2.15
Minor recreation	2.52	2.72
Good entertainment	3.22	3.15

^a Importance was measured on a 1-5 scale with 1 = not important and 5 = very important.

^b n=185.

^c n=255.

^{xy} Means with different superscripts differ at $p < 0.05$.

The last two items in the highest scored 20% for importance were *chance to win* (4.56) and *better odds* (4.50) (Table 12). Indian casino patrons scored highly on the unique selling perspective of a casino. The expectation scores for these items were much lower (Table 10). It would seem that *chance to win* and *better odds* were important to Indian casino patrons, but they had a reduced expectation for the same items.

Two recreation items, *major recreation* (2.16) and *minor recreation* (2.52) (Table 12) were scored in the lowest 20% of importance by patrons of Indian casinos. The age of the patrons, the importance they placed on winning, and a lack of recreation facilities all influenced the low importance scores for recreation items. Two of the lowest scored 20% among items of importance were parking related: *covered parking* (2.82) and *valet parking* (2.85) (Table 12). Neither site offered *covered parking*, making that item less important. One site had *valet parking*, but it was used minimally by the patrons. If a person does not use something, it tends to be less important to that person (Anderson, 1973; Bearden and Teel, 1983; Keyt, et. al., 1994). Although the researcher categorized parking items under a security feature it was uncertain that the patrons viewed parking items similarly.

The last item in the lowest scored 20% of importance for Indian casino patrons was *friend recommendation* (2.86) (Table 12). Almost 74% of Indian casino patrons were making a return visit. Returning visitors

have had the chance to sample and experience the facility for themselves. The *friend recommendation* was much less important to a patron already familiar with the facility. A *friend recommendation* would be potentially more influential with first time visitors.

Importance for riverboat casino patrons

The highest scored item of importance for riverboat casino patrons was *safe place to go* (4.83) (Table 12). The rationale for the importance of this item was identical to that for Indian casino patrons. However, the riverboat patrons scored this item higher than any other in the current study. The importance of *safe place to go* for riverboat patrons could be explained by: 1. patrons of riverboats were older; 2. patrons of riverboats were almost 65% female; 3. riverboat sites were in major urban areas; and 4. riverboat casino patrons had a higher budget per casino visit.

Safety may be an issue of concern for all persons, however it was more important to older people. Older people are more susceptible to crimes against person and property. Similar arguments also apply to the gender of the patrons. The larger percentage of females at riverboat casinos heightened the importance of security related items. Security items seem to be more important to people in urban areas. Newspapers, television, and radio provide constant reminders of the need to be vigilant regarding your person and property. Finally, the higher budgeted amount of money per visit for riverboat patrons would heighten the importance for

safe place to go because the riverboat patron probably was carrying more money than the Indian casino patron.

Three service items, *friendly employees* (4.78), *courteous service* (4.75), and *well trained employees* (4.71) (Table 12) were in the highest 20% of importance scored by patrons of riverboat casinos. The issue of service was not age or gender related as it seemed to be universally important for all patrons. The United States is a service economy and service would be more important to patrons utilizing a service business (Naisbitt, 1990). The management of casino operations would be well served by acting on items of feedback from their patrons, i.e., the expectation and importance they place on *friendly employees*, *courteous employees* and *well trained employees*. Feedback is the "breakfast of champions" (Blanchard and Johnson, 1982).

The last item of importance in the highest scored 20% for riverboat patrons was *restaurant is clean* (4.72) (Table 12). The emphasis on cleanliness was attributed to the large percentage of seniors in the riverboat sample. Seniors view meal functions as extremely important (Schaefer, et. al., 1995). A similar importance would be attached to the sanitation of the facility.

Two recreation items, *major recreation* (2.15) and *minor recreation* (2.72) (Table 12) were scored in the lowest 20% of importance by patrons of riverboat casinos. Riverboat casino patrons were perceived by the

researcher to be more serious about their visit than Indian casino patrons. Riverboat casino patrons were there for the specific purpose of gaming, with more dollars budgeted, and more frequent visits than Indian casino patrons.

It was not surprising that *good entertainment* (3.15) (Table 12) was among the lowest scored items of importance for patrons of riverboat casinos. The entertainment that was available at both sites would probably have been described as satisfactory by the respective patrons. It was not an attraction nor was it a detraction.

More than 57% of the riverboat casino patrons had traveled less than 100 miles for their casino visit. Most of the 24.5% of the riverboat casino patrons that had traveled over 200 miles were doing so on a day bus trip (Table 8). It was understandable therefore, that *guest rooms available* (3.36) and *valet parking* (3.29) were items scored in the lowest 20% of importance for riverboat casino patrons (Table 12).

Differences between Indian and riverboat casino patrons' importance

There were significant differences among 11 of the 25 items in the importance survey (Table 12). All the differences were higher for riverboat patrons. The riverboat patrons were significantly more female. The female influence alone, could account for the higher scores for importance of items (Broverman, et. al., 1972). The riverboat patrons also were older. The greater representation of seniors would have been

particularly influential in the differences between *good food, restaurant is clean*, and *restaurant atmosphere is good*. Seniors tend to place an unusually high level of importance on meal functions and the events surrounding them (Schaefer, et. al., 1995).

The difference for *free drinks offered* was related to the site. Both riverboat operations had the ability to use free drinks as a promotional opportunity. Neither of the Indian sites did this type of promotion. As the riverboat patrons were familiar with this type of promotion it was more important to them.

The difference for *helpful employees* and *well trained employees* could be explained by the gender and age of the riverboat patrons. Senior patrons may need help from an employee for something. If they need help, they want the employee to be well trained, perhaps even in mouth-to-mouth or the Heimlich maneuver.

The difference for *covered parking* was site related. The Indian casinos did not offer covered parking. Both of the riverboat casinos offered covered parking. Both of the riverboat sites were in areas where the weather frequently could be inclement. While only one of the Indian sites would experience similar weather. Additionally, the riverboat surveys were administered in January, when covered parking (even for a bus tour) was more important.

Visible security would be an item of importance to older people.

Being able to see security personnel or measures would provide a level of internal comfort and well-being. The riverboat patrons had a greater representation of older people with 58.5% over the age of 50 (Table 6). Therefore, *visible security* was of greater importance to riverboat casino patrons than Indian casino patrons.

The remaining items of difference were *friend recommendation*, *location*, and *advertising*. The importance for *friend recommendation* would be more influential on first time visitors. The riverboat casino patrons had a first time visitor response of 15%, which was low. One of the riverboat sites, however, had a first time visitor response of over 42% which would have contributed to a higher overall score for this item. The second riverboat site had a first time visitor response of 5%.

Location is perhaps the most important determinant towards the success of any business. Riverboat casinos had the ability to select and pay for numerous potential landing areas. Indian casinos, on the other hand, were restricted to reservation lands, which in the past, have not been considered desirable areas. The site probably influenced the riverboat casino patron to score *location* higher than did the Indian casino patron.

Advertising was scored higher by riverboat patrons because it was much more prevalent among riverboat casinos. The riverboat sites each had four casino competitors within a five mile radius. This competitive environment had frequent advertising with radio, television, billboard, and

print media being used to influence choice among potential patrons. One of the Indian casinos did some advertising with directional billboards. The other Indian casino did virtually no advertising. As the riverboat patrons were exposed to more advertising, it was of greater importance to them.

Importance ranking of features by all casino patrons

Comparative rating scales rely on relative judgments. The most common is the rank order, which is a type of ordinal scale (Fink and Kosecoff, 1985).

The features in a casino experience were ranked independently. Patrons were asked to rank seven features in order of importance with the most important item being number 1, second most important was number 2 and so on through number 7 being least important.

Chance to win (1.78) was clearly the most important feature among all casino patrons (Table 13). If a patron only considered *service*, *security*, and *food and beverage* as desired features, they may as well have gone to a four star restaurant. The thing that makes casinos different, that unique selling perspective, is the *chance to win*. When offered as a stand-alone feature, it was an overwhelming first choice.

The second most important was *service* (2.74) and third most important was *security* (2.98) (Table 13). Casino patrons, in the portion of the survey that assessed importance (Table 11), scored items of *service* and

Table 13. Importance ranking^a of features by all casino patrons^b.

Feature	Mean
Service	2.74
Food and beverage	3.81
Overnight rooms	5.70
Security	2.98
Non-gaming entertainment	5.51
Chance to win	1.78
Location/advertising/image	5.35

^a Rank was measured on a 1 - 7 scale with "1" = most important, "2" = next most important, and continuing through "7" = least important.

^b n=440.

security highly. Casino patrons, when ranking these items, viewed the casino business as a service business. Which patron would not want *service*? Following that line of thought, which patron would not want *security*? Considering the age of the patrons of all casinos, it was somewhat surprising to the researcher that *security* was not ranked higher than *service*. Perhaps that was because patrons of the casinos expected *security*, if not for themselves, for the casino. Casinos handle large amounts of money on a daily basis (Figure 5 and 6). Large amounts of money would prompt operators to use the best of security equipment and personnel to respond to any security related issue. While security was an extremely important feature to the patrons, they also assumed it was present since it was present during their last visit.

The United States is primarily a service economy (Naisbitt, 1990). *Service*, however, was a much more elusive feature. *Service* represented different things to different patrons. *Service* has been described as both intangible and inconsistent (Vallen, 1978). The two aforementioned characteristics virtually assure a lack of definition for *service*. One patron might interpret *service* as merely getting "good luck" from a change employee when handed a roll of quarters. A pleasant smile, a "thank you", a quick response to a question, are all examples of *service*. As *service* was much less assured than *security*, it became a feature of greater importance.

The fourth most important feature was *food and beverage* (3.81)

(Table 13). All casino patrons are consumers of *food and beverage* items. The consumption takes place many times each day. Virtually all of the patrons surveyed probably were going to consume some *food and beverage* item during their casino experience. The importance for a casino to maintain high standards of cleanliness, product, and value in their *food and beverage* operations can not be overstated. *Food and beverage* represents an opportunity for the casino operator in a highly competitive situation to differentiate themselves.

The last three features in the ranking survey were *location/advertising/image* (5.35), *non-gaming entertainment* (5.51), and *overnight rooms* (5.70) (Table 13). These seem to have been ranked so closely as to have been almost interchangeable.

The feature of *overnight rooms* was least important in the rankings because virtually none of the patrons surveyed would have used this feature, nor would they have been contemplating the use of guest rooms. Items in the level of importance survey (Table 11) that related to guest rooms also scored low. It appears that the casino patrons were at their respective sites primarily for the purpose of one day of gambling.

If the patrons were there for gambling, with little interest in other features, *non-gaming entertainment* should also rank low. The item of *good entertainment* in the level of importance survey (Table 11) was scored low. None of the sites had any type of entertainment that would be

considered a “draw” to patrons. What was available was roughly equivalent to live background music.

Location/advertising/image was of greater importance when advertising was active. Two casino sites were very active with advertising in various media sources because of the competitive nature of their markets. A third casino site provided directional advertising.

Image was also a component of *location/advertising/image*. Three of the four sites surveyed were major brands in casino entertainment and had been operating for more than a year. A year would have been more than enough time to have established a position in the mind of the patron. If the patrons like the image they see, they will view association with that business as positive (Madden, 1991).

Differences between importance rankings of Indian and riverboat casino patrons

Chance to win, service, security, and food and beverage were the top four ranked features for both groups. The Indian patrons ranked them 1.83, 2.60, 2.81 and, 3.93 while the riverboat patrons ranked them 1.73, 2.86, 3.12 and, 3.72, respectively (Table 14).

Even though the first four features were ranked identically between both groups, there were some significant differences. *Security* was ranked third in both groups, however the patrons of Indian casinos ranked it higher than did riverboat patrons.

Table 14. Importance ranking^a of features by Indian casino patrons and riverboat casino patrons.

Feature	Indian ^b	Riverboat ^c
Service	2.60	2.86
Food and beverage	3.93	3.72
Overnight rooms	5.58 ^x	5.81 ^y
Security	2.81 ^x	3.12 ^y
Non-gaming entertainment	5.32 ^x	5.67 ^y
Chance to win	1.83	1.73
Location/advertising/image	5.91 ^x	4.88 ^y

^a Rank was measured on a 1 - 7 scale with "1" = most important, "2" = next most important, and continuing through "7" = least important.

^b n=185.

^c n=255.

^{xy} Means with different superscripts differ at $p < 0.05$.

There were three potential reasons for the difference. First time visitors represented 26% of the Indian patrons while they only represented 15% of the riverboat patrons. The first time you do anything, you are more concerned about both the activity and your surroundings.

Therefore, *security* would be of greater importance to first time visitors.

The remaining 74% (returning visitors) of Indian patrons had an annual casino visitation which was much lower than for riverboat patrons (Table 8). The more times you attend a casino, the more times you experience the *security* of that casino. You see it, feel it, have a safe visit, and become less concerned with the issue of *security* because you know that the casino provides that feature. Therefore, the riverboat casino patrons, though concerned about security, ranked it lower than Indian casino patrons.

Finally, the remoteness of the Indian casinos may have contributed to a heightened level for *security* from its' patrons. Only one of the sites offered valet parking and both sites were isolated from any other activities or businesses.

When casino patrons were asked about the importance of items in their visit, they scored *safe place to go* highest of any item. Indian casino patrons scored *safe place to go* 4.72 and riverboat patrons scored it 4.83 (Table 12). These same patrons ranked *security* third of seven features. Perhaps the wording conveyed different messages. *Security* could have a

much broader definition than *safe place to go*. The latter is very specific while the former can encompass many more possibilities.

Indian casino patrons ranked *non-gaming entertainment* (5.32) fifth, *overnight rooms* (5.58) sixth, and *location/advertising/image* (5.91) seventh (Table 14). Riverboat patrons ranked *location/advertising/image* (4.88) fifth, *non-gaming entertainment* (5.67) sixth, and *overnight rooms* (5.81) seventh (Table 14).

Non-gaming entertainment was offered on both riverboat casinos, but at only one Indian casino, yet the Indian patrons ranked the feature more important than did the riverboat patrons. Several things influenced the importance of entertainment in the rankings of the Indian casino patrons. The Indian casino patrons were younger, went to more remote locations and reported a much lower budget per gaming visit than their riverboat counterparts. They seemed to be focused on more features than did the riverboat casino patrons.

Though *chance to win* was the number one ranked feature for both groups, the riverboat patrons seemed more focused on *chance to win* in their casino visit. The riverboat patrons allotted a much higher budget per casino visit than did Indian patrons. The riverboat casino patrons visited casinos with much greater frequency. It would seem that the riverboat casino patrons were more focused on the unique selling perspective and less focused on *non-gaming entertainment*.

The feature of *overnight rooms* was ranked more important by Indian casino patrons than riverboat casino patrons. This probably was attributed to the remote nature of the Indian sites. As more of the Indian casino patrons were considering this feature, it became more important to them than it would have been to riverboat casino patrons. If a feature was under consideration, it became more important (Oh and Miyoung, 1996).

Location/advertising/image was ranked more important by riverboat casino patrons because they apparently used *location/advertising/image* to assist in making a decision about where to attend, with particular emphasis on the advertising and image components. The riverboat casinos were both in urban locations with many other gaming choices immediately available. The competitive situation of the riverboat casinos made advertising a frequently used marketing tool. When a large number of choices for a particular product or service are available, image becomes a consideration in the choice making process (Madden, 1991).

Cluster analysis of patrons

A cluster analysis was performed on the data using the following variables: income, education, distance traveled to casino, annual casino visitation, and budget allotted per casino visit. The cubic clustering criterion indicated that four clusters would be optimum while the pseudo t^2 indicated that six clusters would be optimum. The total sample was

segmented into five distinct clusters. Each cluster was given a name by the researcher that attempted to capture the nature of it's patrons casino participation (Table 15). One cluster was named "groupies" because of it's frequent annual visits and relatively low budget. The patrons of this cluster traveled less than 100 miles for their casino visit. Perhaps this contributed to the frequent visitation with between 11 and 21 days of casino visits annually. This group established a small budget of between \$31.00 and \$90.00 from their annual incomes of between \$24,000 and \$36,000. The high frequency of visits and small budget allocated seemed to indicate that this group used casino participation as a social opportunity (Table 15).

The patrons in the cluster labeled "nickel slots" had an income of between \$30,000 and \$42,000. They visited a casino between 1 and 3 days annually and established a budget per visit of between \$31.00 and \$90.00. This cluster may have had a casual view of casino gaming. Even though *chance to win* was scored highly by the cluster, the low frequency of visits and low budget probably indicated they were gaming more for amusement (Table 15).

The patrons in the cluster labeled "high rollers" were patrons that casino managers like to see. They had incomes in excess of \$48,000 and visited a casino more than 21 days annually. Their high incomes and frequency of visits were combined with a gaming budget of more than

Table 15. Cluster characteristics for casino patrons.

Characteristics	Groupies ^a	Nickle slots ^b	High rollers ^c	High potential ^d	Problems ^e
Income (in thousands)	\$24 - \$36	\$30 - \$42	> \$48	> \$54	< \$30
Education	completed high school	completed high school	completed high school	some college	completed high school
Distance (in miles)	< 100	100 - 150	100 - 150	100 - 150	100 - 150
Annual casino visits (in days)	11 - 21	1 - 3	> 21	7 - 10	9 - 15
Budget	\$31 - \$90	\$31 - \$90	> \$241	\$91 - \$150	>\$211

^a n=97.

^b n=82.

^c n=74.

^d n=73.

^e n=44.

\$241.00 per visit. This cluster could afford to visit frequently with a high budget per visit (Table 15).

The patrons in the "high potential" cluster had incomes in excess of \$54,000. They visited a casino between 7 and 10 days annually and established a budget per casino visit of between \$91.00 and \$150.00. The patrons of the "high potential" cluster had a high income but were more casual about both their frequency and budgeting than the "high roller" cluster. Perhaps they had goals other than a day of gambling (Table 15).

The last cluster, labeled as "problems", had the lowest annual income of any cluster, less than \$30,000. "Problems" had an annual casino visitation between 9 and 15 days and a budget per visit in excess of \$211. Patrons with frequent visits and a high budget for each visit would seem to be a delight for any casino manager. However, this cluster seemed to contain patrons for whom gaming might not be positive entertainment. Some of the "problems" may have insufficient income to justify regular visits with a budget in excess of \$211 for each visit. (Table 15).

The Michigan casino had 50% of its' patrons in the clusters of "groupies" and "nickel slots", which indicated individuals in mid-range classifications of income, who also were cautious in their budgeting (Table 16). Almost 34% of the Michigan patrons were clustered as "high potential". The percentage of "problems" and "high rollers" were similar

Table 16. Patron distribution by cluster and site, %

Site	Groupies ^a	Nickel slots ^b	High Rollers ^c	High Potential ^d	Problems ^e
Michigan	27.42	22.58	8.06	33.87	8.06
Arizona	50.00	32.98	2.13	11.70	3.19
Illinois	14.62	11.70	37.43	19.30	16.96
Indiana	18.60	39.53	6.98	18.60	16.28

^a n=97.

^b n=82.

^c n=74.

^d n=73.

^e n=44.

at slightly over 8% (Table 16).

The Arizona casino had almost 83% of its' patrons in the "groupie" and "nickel slots" clusters with one half of them in the former (Table 16). The income levels for the Arizona site were towards the lower end of all patrons however the Arizona site had the fewest potential "problems" with only 3.19% (Table 16).

The Illinois casino had over 56% of its' patrons in either the "high rollers" or "high potential" clusters (Table 16). These patrons visited casinos a minimum of 7 days annually. Almost 38% of the Illinois patrons were "high rollers" with budgets in excess of \$241.00 per visit (Table 16). The Illinois casino also had almost 17% of its' patrons clustered as "problems" (Table 16). The Illinois casino had a majority of patrons with high incomes, high budget per visit, and a high frequency of annual visits. However, the Illinois casino also had almost 17% of its' patrons in the "problems" cluster.

The Indiana casino had a similar percentage of patrons in the "problems" cluster as did the Illinois casino, 16.28% (Table 16). However, the Indiana casino had less than 26% of its' patrons in the higher income clusters (Table 16). Over 58% of the Indiana casino patrons came from the "groupies" and "nickel slots" clusters (Table 16).

Table 17. Importance^a for items scored by casino patrons through cluster analysis.

Items	Groupies ^b	Nickel slots ^c	High rollers ^d	High potential ^e	Problems ^f
Food is good value	4.25	4.06	3.82	4.12	4.00
Good food	4.37	4.21	4.16	4.18	4.26
Restaurant is clean	4.37	4.51	4.62	4.65	4.79
Restaurant atmosphere	3.97 ^x	4.03 ^{xy}	4.25 ^y	4.13 ^{xy}	4.49 ^y
Free drinks offered	3.82 ^x	3.89 ^{xy}	4.24 ^{xy}	4.12 ^{xy}	4.50 ^y
Helpful employees	4.56	4.48	4.62	4.61	4.78
Friendly employees	4.78	4.71	4.74	4.65	4.86
Courteous service	4.78	4.56	4.73	4.72	4.78
Well trained employees	4.43 ^x	4.39 ^x	4.75 ^y	4.64 ^{xy}	4.79 ^y
Valet parking	3.34	3.26	3.34	2.70	3.24
Covered parking	3.34 ^{xz}	3.04 ^x	4.00 ^{vz}	3.46 ^{wxz}	4.22 ^{vy}
Safe place to go	4.76	4.68	4.79	4.80	4.83
Guest rooms are secure	3.94	4.04	4.33	4.45	4.32
Visible security	4.40 ^x	4.44 ^{xy}	4.76 ^y	4.49 ^{xy}	4.50 ^{xy}
Friend recommendation	2.97 ^x	3.10 ^x	3.54 ^{xy}	3.29 ^{xy}	3.89 ^y
Image	3.33	3.54	3.16	3.30	3.70
Location	3.76 ^x	3.90 ^{xy}	4.24 ^y	4.24 ^y	4.54 ^y
Advertising	3.11 ^x	3.36 ^x	3.30 ^x	3.24 ^x	4.22 ^y
Chance to win	4.60	4.67	4.57	4.58	4.63
Better odds	4.41	4.59	4.62	4.65	4.67
Guest room value	3.30	3.65	3.61	3.48	3.76
Guest rooms available	2.91 ^x	3.40 ^{xy}	3.56 ^y	3.43 ^{xy}	3.58 ^{xy}
Major recreation	2.21	2.14	2.07	2.04	2.40
Minor recreation	2.45	2.89	2.71	2.50	2.78
Good entertainment	3.28 ^{xy}	3.33 ^x	2.85 ^y	3.11 ^{xy}	3.59 ^{xy}

^a Importance was measured on a 1-5 scale with 1 = not important and 5 = very important.

^b n=97.

^c n=82.

^d n=74.

^e n=73.

^f n=44.

^{vwxyz} Means with different superscripts differ at $p < 0.05$.

Importance by cluster

The cluster of “groupies” scored *friendly employees* and *courteous service* equally (4.78) (Table 17). *Safe place to go* (4.76), *chance to win* (4.60), and *helpful employees* (4.56) completed the highest scored 20% of items for this cluster (Table 17). Service, security and chance to win were universally important to casino patrons, no matter the grouping.

The “nickel slots” cluster also scored *friendly employees* (4.71) highest (Table 17). The other items of importance in the highest scored 20% for this cluster were *safe place to go* (4.68), *chance to win* (4.67), *better odds* (4.59), and *courteous service* (4.56) (Table 17).

The “high rollers” cluster scored two security items highest: *safe place to go* (4.79) and *visible security* (4.76) (Table 17). The other highest scored items were *well-trained employees* (4.75), *friendly employees* (4.74), and *courteous service* (4.73) (Table 17).

The “high potential” cluster had *safe place to go* (4.80) as the highest scored item of importance (Table 17). The remaining items of importance in the highest scored 20% were *courteous service* (4.72), *restaurant is clean* (4.65), *friendly employees* (4.65), and *better odds* (4.65) (Table 17). Security and service, once again, were items of importance to casino patrons.

The “problems” cluster scored their highest 20% of items of importance as follows: *friendly employees* (4.86), *safe place to go* (4.83),

restaurant is clean (4.79), *well-trained employees* (4.79), and *helpful employees* (4.78) (Table 17). This cluster, like others, scored items of security and service highly.

It was interesting that the two clusters with the highest income levels, “high rollers” and “high potential”, scored *safe place to go* highest for their items of importance. The remaining clusters with more moderate income levels scored *friendly employees* highest for their items of importance. Additionally, only the patrons of the “groupies” and “nickel slots” clusters scored *chance to win* among their highest 20% of items of importance. These two groups had the smallest amount of money budgeted per visit and perhaps an inverse relationship may have existed.

Differences among clusters

The importance of *restaurant atmosphere* was different between “groupies” (3.97) and “high rollers” (4.25), and between “groupies” (3.97) and “problems” (4.49) (Table 17). When the “problems” cluster was identified as having a difference with another cluster, “problems” was always scored higher. Perhaps this was because the “problems” cluster had the lowest income and one of the highest budgets per casino visit. That combination could make many items more important. Similarly, the “groupies” cluster when identified as having a difference in scores always had the low score among the clusters. The amount of money budgeted per casino visit was the low when compared to the other clusters, except the

“nickel slots”. However, the “groupies” had no differences among the items of importance with the “nickel slots” cluster. Perhaps the amount of money budgeted per casino visit may have had an impact on the perception of importance for items.

The importance of *free drinks offered* was different between “groupies” (3.82) and “problems” (4.50) (Table 17). “Problems” had a much higher budget per casino visit than did “groupies”. Perhaps the higher budget placed a greater importance on auxiliary services, such as free drinks.

Well trained employees had four differences. The differences were between “groupies” (4.43) and “high rollers” (4.75), “groupies” (4.43) and “problems” (4.79), “nickel slots” (4.39) and “high rollers” (4.75), and “nickel slots” (4.39) and “problems” (4.79) (Table 17). *Well trained employees* was a service item that generally was highly scored by all patrons. In each instance of difference the higher scoring cluster had a larger amount of money budgeted per casino visit. The amount of money you were prepared to spend could have affected the perception of importance for many items.

The item of *covered parking* had differences between “groupies” (3.34) and “problems” (4.22), “nickel slots” (3.04) and “high rollers” (4.00), and “nickel slots” (3.04) and “problems” (4.22) (Table 17). Once again, the budget per casino visit was higher for each cluster that scored

covered parking higher. A higher budget may increase the importance for auxiliary services, such as *free drinks* and *covered parking*.

The item of *visible security* had differences between “groupies” (4.40) and “high rollers” (4.76) (Table 17). The much larger sum of money budgeted per casino visit by the “high rollers” would have been more than sufficient to establish a high score for this security item relative to the “groupies”.

The item of *friend recommendation* was different between “groupies” (2.97) and “problems” (3.89), and “nickel slots” (3.54) and “problems” (3.89) (Table 17). The clusters that scored *friend recommendation* higher, had a lower income and higher budget than the cluster that scored *friend recommendation* lower. The factor of a higher gaming budget per casino visit, once again, seems to be directly influencing the scores for items of importance.

Location was scored differently among three groups of clusters. Differences existed between “groupies” (3.11) and “high rollers” (4.24), “groupies” (3.11) and “high potential” (4.24), and “groupies” (3.11) and “problems” (4.22) (Table 17). Each of the higher scoring clusters had a higher budget per casino visit. Perhaps a higher budget was influential for a higher score for *location*. Distance traveled was scored higher for the “high potential” than the “groupies” which may have indicated that distance was not an important variable in the scoring of *location* for this

sample.

Advertising had differences among the five clusters with "problems" being different from each of the others. "Problems" scored the item higher (4.22) than any of the other clusters (Table 17). As the other four clusters had no differences in scores other than with "problems" it would be reasonable to surmise that "problems" scored everything high.

The item of *guest rooms available* was different between "groupies" (2.91) and "high rollers" (3.56) (Table 17). The "groupies" tended to score most items low. The item of *guest rooms available* was one that the "high rollers" might have considered using because of their income levels and frequency of visits.

The item of *good entertainment* was different between "high rollers" (2.85) and "nickel slots" (3.33) (Table 17). The "nickel slots" cluster had a lower annual frequency of casino visits and wanted good entertainment during their infrequent visits. Another possible explanation was that perhaps the high annual frequency of visits on the part of the "high rollers" created a familiarity with the *good entertainment* which resulted in a low score of importance.

Perhaps most interesting of the analysis of items of importance by cluster, was that there were 10 items that had differences among the five clusters (Table 17). Of the 10 items, none were scored in the highest 20% in the importance section of the survey for all casino patrons (Table 11)

and none were in the highest scored 20% for Indian casino patrons.

Riverboat casino patrons did score *well trained employees* in their top 20% for items of importance (Table 12). With this one exception, the clusters seem to be similar in their scoring for items of more importance.

CHAPTER IV

SUMMARY AND CONCLUSIONS

Summary

There were 3 major research areas that this study was designed to probe. The results that address each of these areas are summarized below.

It was found that patrons of Indian and riverboat casinos had many demographic differences. They were age, sex, race, number of dependent children, annual frequency of casino play, amount of money budgeted for a casino visit, distance traveled to a casino, and number of first time visitors. The similarities between the Indian and riverboat casino patrons were marital status, education, occupational status, annual family income, and loss limit established.

Almost 59% of the riverboat patrons were 50 years of age or older. Those attending Indian casinos had virtually the same percentage of their sample below the age of 50 (Table 6).

Females were the majority of the patrons in both the Indian and riverboat casinos. Indian casino patrons were 53.5% female while riverboats female patrons exceeded 64% (Table 6).

There was a difference between Indian and riverboat casinos related to both race and number of dependent children (Table 7). The black representation at Indian casinos was 3.3% of all patrons, while the black

representation for riverboat casinos was 28.8%. The number of dependent children was lower among riverboat patrons (Table 7). Over 65% of riverboat patrons had no dependent children as opposed to 42.2% of Indian patrons. Slightly more than 10% of riverboat patrons had 3 children or more. Indian patrons had 3 children or more among 26.5% of the sample.

Number of first time visitors was different between Indian and riverboat casinos. Over 26% of the Indian casino patrons and 15% of the riverboat patrons responded they were first time visitors (Table 8). This indicated that almost 74% of Indian casino patrons and 85% of riverboat patrons were returning from an initial visit to a casino.

Distance traveled by the patrons was different between Indian and riverboat casinos (Table 8). The difference primarily was reflected in the frequency of patrons that traveled over 200 miles for their gaming experience. Forty-six percent of Indian patrons traveled less than 50 miles for their visit while 34.7% of riverboat patrons traveled such a distance.

Riverboat patrons had higher annual casino visits than did Indian patrons (Table 8). Almost 41% of the riverboat patron responses indicated that they visited a casino more than 26 days per year. Only 13% of Indian casino patrons visited so frequently.

Finally, the gaming budget per visit was different between Indian and riverboat casinos (Table 8). The riverboat casino patrons had a higher amount of money to put at risk for each visit than did the Indian casino

patrons. Riverboat patrons established a gaming budget of more than \$181.00, almost 49% of the time. Indian patrons established that figure only 15.8% of the time. At the other end of the scale, a figure of less than \$61.00 was budgeted by 44% of Indian casino patrons, while riverboat casino patrons chose that figure only 15% of the time.

It was found that the highest expectation for Indian and riverboat casino patrons was for a *safe place to go*. Both groups scored this item highest in their survey. Items of security and service predominated the sections of the survey dedicated to expectations.

Three items that were not expected by either group of patrons were *minor recreation*, *major recreation*, and *good entertainment*. Both the Indian and riverboat casino patrons scored these items in their lowest 20%.

It was found that the item of greatest importance for Indian and riverboat casino patrons was *safe place to go*. Both groups scored this item highest. Items of security and service represented 7 of the 10 highest scored items among patrons of Indian and riverboat casinos. The remaining 3 highest scored items were *chance to win*, *better odds*, and *restaurant is clean*. The latter was in the highest scored 20% of items for the riverboat casino patrons. *Chance to win* and *better odds* were both in the highest scored 20% of items for the Indian casino patrons.

The two recreation items, *minor recreation* and *major recreation*, were the lowest scored items of importance for Indian and riverboat casino

patrons. One additional low scored item, common to both groups, was *valet parking*.

Importance also was measured on a ranking scale. *Chance to win* was clearly the most important feature among Indian and riverboat casino patrons in their rankings (Table 14). *Chance to win* was followed by *service*, *security*, and *food and beverage* as the top four ranked features for both Indian and riverboat casino patrons.

Indian casino patrons ranked *non-gaming entertainment* fifth, *overnight rooms* sixth, and *location/advertising/image* seventh (Table 14). Riverboat patrons ranked *location/advertising/image* fifth, *non-gaming entertainment* sixth, and *overnight rooms* seventh (Table 14).

Riverboat casino patrons scored all 25 items of expectation higher than did Indian casino patrons (Table 10). It was found that items of importance had 11 of the 25 items scored differently (Table 12). All the 11 different items were scored higher by the riverboat patrons. The 11 different items were *good food*, *restaurant is clean*, *restaurant atmosphere*, *free drinks offered*, *helpful employees*, *well trained employees*, *covered parking*, *visible security*, *friend recommendation*, *location*, and *advertising*. Differences between the rankings of Indian and riverboat casino patrons were found in the following features: *security*, *non-gaming entertainment*, *location/advertising/image* and *overnight rooms*.

Limitations of the study

There were five areas that the researcher viewed as limitations.

First, there was a lack of previous data available about patrons of casinos, particularly patrons of Indian casinos. Hopefully, this study will be a step towards broadening that field of knowledge.

Secondly, the study took data from casinos that were willing to participate. This receptivity, exacerbated the third limitation, that of the geographic diversity among the casinos, especially between the Indian casinos. This geographic diversity created a great deal of variance among individual patrons of each site.

The fourth limitation also was driven by the willingness of casinos to participate. The limitation was the use of a day tour bus to the Indiana casino for data collection. There is little question that the use of this source created a significant bias toward several variables, e.g. age, and distance traveled.

Finally, the study was a snapshot of casino patrons in the Fall of 1996 and Winter of 1997. Conclusions would be much easier to draw had this been a longitudinal study of a specific type of casino. However, the study was an important first step toward understanding casino patron behavior and motivation in non-traditional gaming formats i.e., Indian and riverboat casinos.

Conclusions

Casino patrons scored intangible items of expectation and importance, such as security and service, high. A restaurant marketing adage goes, "don't sell the steak, sell the sizzle". It appears that casino patrons placed more of their importance and expectations on the "sizzle", than on the "steak".

Winning was very important to casino patrons, however winning was not an item of high expectation. Most patrons seemed to be resolved to the fact that they would leave the casino with less cash than they entered. They wanted to experience aspects of security and service in their casino visit; i.e., they wanted to feel safe and be treated well.

The Indian and riverboat casino patrons surveyed were there to gamble. These casino facilities need not invest in recreation or entertainment facilities because their patrons have no interest in those types of diversions. The successful casino operators will be able to transform "losing money" into "spending money" and at the same time provide the patron with a pleasant experience. One of the major casino operators in the country has, as its slogan, "A good time, every time". They are on the right track!

Casino operators need to invest in the image and reality of security at their properties. It was obvious that if your casino was not perceived as a *safe place to go*, you needn't waste money promoting "loose slots".

Casino operators need to invest in the training and motivation of their employees. The Indian casinos need to pay specific attention to this. The Watkins and Ford (1994) study indicated that just over half of the patrons who visited an Indian casino in 1993 planned to do so again in the next 12 months (Table 2). The returning visitor response for Indian casinos in the current study, while seemingly high at 74%, was low relative to the riverboat patrons at 85% (Table 8). The annual visitation of Indian casino patrons was less than for riverboat patrons (Table 8). The combination of these items suggest that Indian casino patrons may be at the casino for reasons that are different from riverboat casino patrons.

Finally, the success of casino developments from 1989 through 1994 was assured primarily through opening their doors. This rapid development will bring more riverboat, Indian and traditional forms of gambling into direct competition with one another. When this happens, the casinos that have given their patrons a chance to win in a secure and service oriented environment will be the ones that will continue to prosper. Perhaps casino developers and operators have a prayer of their own.

Implications for managers

Any business wants to provide a *safe place to go* for it's patrons. Casino patrons are more sensitive to personal security because of the cash and credit cards that they may have on their person. If a casino does not

convey to the patron the best of security measures, it will be hard to promote any other aspect of your business. If a casino does not convey to the patron the best of security measures, nothing else matters. From curbside through the entire experience security must be conveyed to the patron. It may be lighting in the parking lot, uniformed, roaming, security personnel, or the availability of safe deposit boxes, but without a patron feeling safe, nothing else matters.

Providing services that patrons need and want is a job of management. Indian casinos may wish to consider child care for visiting patrons. The number of children for casino patrons, while low, was much higher for those attending Indian casinos. The investment that Indian casinos place in live entertainment may be well spent. Indian casino patrons seem to appreciate it more than do riverboat casino patrons. The investment that riverboats make in live entertainment would be better allocated, perhaps towards employee motivation.

Providing service is another area of management responsibility to the patron. Throughout the breadth of this study, service related items were scored highly and ranked highly. It is axiomatic that the value of real estate is determined by "location, location, location". Similarly, the value of service may be determined by training, training, training. Casino patrons indicated that they place value on service and expect to receive it. In addition to training, the entire hiring process may need review. The

expectation and importance for service related items will be difficult to meet without a continuing training program that upper management actively participates in and supports.

Almost 66% of Indian and riverboat casino patrons drive less than 100 miles for their casino experience. Casino managers should concentrate on the population demographics from their immediate area. This will provide a very accurate picture of their patron. Once the patron is known, the opportunity exists to define how to communicate the casinos message to them. Much publicity is given to attracting patrons from outside the area. The data received would indicate that the bulk of Indian and riverboat casino patrons come from relatively short distances.

Casino managers would be pleased to have patrons from the "high roller" or "high potential" cluster. Both clusters had high income levels and probably would respond to a more upscale form of advertising. Well done direct mail may prove much more motivating to this group than a half page ad in the "Entertainment" section. The "high potential" cluster had, at a minimum, some college education. Perhaps the casinos message should be sent via the local cable carrier on "A & E" or "The Learning Channel".

Items of expectation and importance generally were consistent in scoring with one major exception, *chance to win*. Fortunately for a manager, *chance to win* was scored lower as an expectation than it was as

an item of importance. This means that patrons generally have a reduced expectation for winning, even though they consider it important. Any messages sent need not elevate the expectation of winning for the patron. However, the patron does expect to get value for their budget per visit. How does that happen? Essentially it is no more mysterious than to provide a place to shop, eat, sleep, and be treated well, in an adult environment where they (patrons) can see things that they couldn't see anywhere else" (Wynn, 1995)

Future research

Similar studies need be conducted at traditional land-based casinos. The results may be substantially different particularly regarding the expectation and importance for entertainment and recreation. Hopefully, data may be taken from additional Indian and riverboat casinos to broaden and strengthen this initial study.

More focus on the motivation or psychometrics of the patron is needed so managers can know with greater assurance why patrons are making the choices they do. Many properties attempt to monitor the satisfaction of guests. Proper research methodology in this area will yield much more reliable information. A broad array of possibilities exists in an industry that has been, to date, not very collaborative.

If knowledge is power, than casino managers can not know enough about their patrons. The need to know and understand the demographic

matrices of the patron and how the casino is performing in the eyes of that patron can not be overemphasized. Managers frequently perceive that they are performing well for their patrons. This perception rarely matches reality. Without unbiased, independent, frequent evaluation of patron expectation, importance, and satisfaction, managers easily can be convinced that they are taking care of the patron.

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Appendix

QUESTIONNAIRE

Patrons come to casinos for many reasons. The following are some of the features that people look for in casinos. The left side of the survey represents the level of importance you place on the feature being offered at a casino. The right side of the survey indicates your level of expectation, **that the casino you are about to enter** will provide the feature. Please circle the number which most closely describes your feeling as to the importance of a casino offering the feature listed AND your level of expectation that it will be met today.

EXAMPLES:

A casino may have distinct architecture as a feature. You feel that this is not an important feature to have and you do not expect to see it, upon arrival. You would answer as follows:

Not Important			Very Important		<u>Feature</u>	Low Expectation			High Expectation	
1	2	3	4	5		1	2	3	4	5
(1)					Distinct Architecture			(3)		

A casino may feature on-site automatic teller machine (ATM) service. You may think this to be not very important, but you would expect such a service. You may answer as follows:

Not Important			Very Important		<u>Feature</u>	Low Expectation			High Expectation	
1	2	3	4	5		1	2	3	4	5
(1)					On-site ATM's available					(5)

NOT IMPORTANT					VERY IMPORTANT					LOW EXPECTATION					HIGH EXPECTATION				
					<u>Feature</u>														
1	2	3	4	5	Food is good value	1	2	3	4	5									
1	2	3	4	5	Helpful Employees	1	2	3	4	5									
1	2	3	4	5	Covered parking	1	2	3	4	5									
1	2	3	4	5	Recommendation of friend/colleague	1	2	3	4	5									
1	2	3	4	5	Image/Brand name	1	2	3	4	5									
1	2	3	4	5	Valet Parking	1	2	3	4	5									
1	2	3	4	5	Friendly employees	1	2	3	4	5									
1	2	3	4	5	A good chance to win	1	2	3	4	5									
1	2	3	4	5	Good food	1	2	3	4	5									
1	2	3	4	5	Restaurants are clean	1	2	3	4	5									
1	2	3	4	5	Safe place to go	1	2	3	4	5									
1	2	3	4	5	Courteous service	1	2	3	4	5									
1	2	3	4	5	Major recreation (golf, tennis, skiing)	1	2	3	4	5									
1	2	3	4	5	Good entertainment in lounge/showroom	1	2	3	4	5									
1	2	3	4	5	Overnight rooms are good value	1	2	3	4	5									
1	2	3	4	5	Guest room areas are secure	1	2	3	4	5									
1	2	3	4	5	Minor recreation (pool, work-out, etc.)	1	2	3	4	5									
1	2	3	4	5	Overnight rooms are available	1	2	3	4	5									
1	2	3	4	5	Good atmosphere in restaurant	1	2	3	4	5									
1	2	3	4	5	Better odds	1	2	3	4	5									
1	2	3	4	5	Visible security	1	2	3	4	5									
1	2	3	4	5	Serves free drinks	1	2	3	4	5									
1	2	3	4	5	Location	1	2	3	4	5									
1	2	3	4	5	Well trained employees	1	2	3	4	5									
1	2	3	4	5	Advertising	1	2	3	4	5									

Thank you for completing the facility survey. Now we would like to know more about you.

1. What is your sex ? (Circle the number of your answer)
 1. MALE
 2. FEMALE
2. What is your present marital status ? (Circle number)
 1. NEVER MARRIED
 2. MARRIED
 3. DIVORCED
 4. SEPARATED
 5. WIDOWED
3. What is your number of dependent children ? (Circle number)
 1. ZERO
 2. ONE
 3. TWO
 4. THREE
 5. FOUR OR MORE
4. What is your age ? (Circle number)
 1. UNDER 21
 2. 21-35
 3. 35-49
 4. 50-64
 5. OVER 64
5. What is your race ? (Circle number)
 1. NATIVE AMERICAN/ESKIMO
 2. ASIAN OR ASIAN/AMERICAN
 3. BLACK OR AFRICAN/AMERICAN
 4. HISPANIC OR LATINO
 5. WHITE/ANGLO
 6. OTHER
6. Your family income before taxes in 1995 was ? (Circle number)
 1. UNDER \$20,000
 2. \$20,000-\$24,000
 3. \$24,001-\$30,000
 4. \$30,001-\$36,000
 5. \$36,001-\$42,000
 6. \$42,001-\$48,000
 7. \$48,001-\$54,000
 8. \$54,001-\$60,000
 9. \$60,001-\$75,000
 10. OVER \$75,000

7. Please describe the usual occupation of the principal wage earner in your household.
(If retired, describe the usual occupation before retirement.)

TITLE: _____

KIND OF WORK YOU DO: _____

8. Your current occupational status (Circle ONE that best describes)

1. UNEMPLOYED-NOT RETIRED
2. PART-TIME-NOT RETIRED
3. FULL TIME-EMPLOYED
4. FULL TIME-HOMEMAKER
5. PART TIME-RETIRED
6. RETIRED
7. STUDENT

9. Your level of completed school (Circle number)

1. DID NOT COMPLETE HIGH SCHOOL
2. COMPLETED HIGH SCHOOL
3. SOME COLLEGE
4. COMPLETED COLLEGE

(specify major) _____

5. SOME GRADUATE WORK
6. COMPLETED GRADUATE WORK

(specify highest degree and major) _____

10. What city and state do you live in ?

CITY: _____

STATE: _____

11. How often do you visit a casino, during the year, for the purpose of gaming ? (Circle number)

1. LESS THAN 1 DAY
2. 1 - 2 DAYS
3. 3 - 4 DAYS
4. 5 - 6 DAYS
5. 7 - 8 DAYS
6. 9 - 10 DAYS
7. 11 - 15 DAYS
8. 15 - 20 DAYS
9. 21 - 26 DAYS
10. MORE THAN 26 DAYS

12. Is this your first visit to this casino ? (Circle number)

1. YES
2. NO

13. How much money do you put at risk for each visit ? (Circle number)
1. LESS THAN \$31
 2. \$31-\$60
 3. \$61-\$90
 4. \$91-\$120
 5. \$121-\$150
 6. \$151-\$180
 7. \$181-\$210
 8. \$211-\$240
 9. \$241-\$270
 10. MORE THAN \$270
14. Do you establish a limit to spend (lose) prior to entering the casino ? (Circle number)
1. YES
 2. NO
 3. SOMETIMES

15. Many casinos offer a number of items that contribute to your total enjoyment. Following are the major components of a casino type experience. Please select the segment that you feel most important, by placing the number 1, next to it. The second most important should get the number 2, as so on through 7. PLEASE DO NOT USE THE SAME NUMBER MORE THAN ONCE.

SERVICE _____

FOOD AND BEVERAGE _____

OVERNIGHT ROOMS _____

SECURITY _____

NON-GAMING ENTERTAINMENT _____

CHANCE TO WIN _____

LOCATION/ADVERTISING/IMAGE _____

IF YOU WOULD LIKE TO PARTICIPATE IN A FOLLOW-UP SURVEY RELATED TO YOUR SATISFACTION WITH TODAY'S CASINO EXPERIENCE, PLEASE SUPPLY US WITH YOUR MAILING ADDRESS. IN ABOUT 30 DAYS, WE WILL MAIL A QUESTIONNAIRE TO YOU WITH A SELF ADDRESSED, STAMPED ENVELOPE FOR YOUR RETURN. INCLUDED WILL BE A SMALL TOKEN OF OUR THANKS, FOR YOUR PARTICIPATION.

NAME: _____

STREET ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE _____

THANK YOU FOR YOUR PARTICIPATION.

VITA

Carl J. Pfaffenberg was born in Detroit, Michigan on August 23, 1944. He graduated from Michigan State University with a Bachelor of Arts degree in Hotel, Motel, and Club Management in June of 1966. After serving three years as a Lieutenant in the United States Navy, he returned to Michigan State University to pursue a Master of Business Administration degree in Marketing, graduating in August of 1971.

After spending 21 years operating hotels, Carl accepted a position as an instructor in Hotel, Restaurant Administration at Central Missouri State University. It was while at CMSU, that he decided to make a career change. He was accepted into the graduate program at the University of Tennessee, Knoxville starting in September of 1994. The doctoral degree was received in December, 1997.

He is presently an Assistant Professor in the Travel Industry Management program at the University of Hawai'i at Manoa in Honolulu, Hawai'i.