

Harrah's Entertainment, Inc.



“With Cognos, we established a closed-loop marketing system to be able to support our customer loyalty objectives. From analyzing customer behavior to developing and tracking the effectiveness of focused campaigns, we can use our data to better serve our customers and in turn decide how to improve our operations to increase their overall satisfaction. Both strategies complement each other in such a way that the combination of the two is more powerful than either individually.”

Tim Stanley, SVP Innovation, Gaming & Technology and CIO at Harrah's Entertainment, Inc.



With more than 80,000 employees, Harrah's Entertainment, Inc. is the world's largest provider of branded casino entertainment through operating subsidiaries primarily under the Harrah's, Caesars and Horseshoe brand names. Harrah's also owns the London Clubs International family of casinos. Since its beginning in Reno, Nevada nearly 70 years ago, the company has grown through development of new properties, expansions, and acquisitions. Harrah's is focused on building loyalty and value with its customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence, and technology leadership.

In the highly competitive gaming market, the need to attract and retain customers is critical to business success, as customer loyalty and satisfaction can make or break a company. Harrah's has been extremely successful in gathering data about its nearly 40 million customers through its Total Rewards® program. However, the company sought to deploy a closed-loop system to better leverage that data and support overall customer loyalty objectives and site operations. As part of this project, the company needed a technology solution to extract insight and understanding from customer preferences, gaming patterns, affinities, and operational metrics collected from all of its U.S. properties, stored in an NCR/Teradata data warehouse. Harrah's chose Cognos based on its flexibility, breadth and depth, as well as its strategic partnership with Teradata.

Challenges faced

When planning its strategic growth strategy, Harrah's decided to maximize the ROI of its existing casino businesses by better understanding its customers'

Industry:

- Entertainment/Casino/Hotel

Geography:

- North America

Information Needs

- BI integration with NCR/Teradata data warehouse
- Ensure privacy of customers' information
- Customer analysis
- Central deployment
- Decentralized execution
- Ability to grow with business

Platforms

- Windows 2000
- IBM DB2 400
- NCR/Teradata V2R6 .0
- Infinium HR (10.4.1)

Users

- 6,000 licenses

Solution

- Cognos ReportNet 1.1
- Cognos PowerPlay 7.1
- Cognos Impromptu 7.1
- Cognos 8 BI
- Cognos Impromptu Web Reports 7.3

Benefits

- Market share gains
- Significant increase in revenue
- Reduced operational costs
- More effective marketing
- Decreased personnel costs
- Enhanced customer service



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behavior and preferences. Harrah's already collects high volumes of transaction detail regarding its customers. This customer data is collected via the Harrah's Total Rewards Card, which records guest activities, from restaurants to gaming tables, and delivers rewards and customer incentives. The challenge was to understand, analyze, and leverage that raw data to maximize the lifetime value of the customer.

Further, Harrah's needed a system that could be managed from a central location, but be accessible from any of its properties, including any newly acquired companies. The solution also needed to be easy for corporate and property-level managers to use, and provide insight and analysis into operational metrics to help overall property performance.

Strategy followed

The company chose to leverage its existing technology investments in Teradata and Cognos solutions to enhance its marketing and customer loyalty success with a closed-loop system. With Teradata as its single enterprise data warehouse, Harrah's expanded its use of Cognos business intelligence software to drill further and deeper into customer data.

The company can now segment customers into numerous profiles and use this segmentation data to develop targeted campaigns to drive desired customer behavior. For example, Harrah's might reach out to customers who haven't visited in more than six months and offer an incentive to bring them back to their favorite property. Or it might promote a new game that is a known affinity to the customer's favorite gaming choice. In addition, with the detailed reporting and analysis capabilities of Cognos business intelligence solutions, Harrah's is also able to measure the effectiveness of these new campaigns against control groups.

The closed-loop system helps the marketing organization with all aspects of the campaigns, from identifying and segmenting customers, implementing marketing tactics, tracking execution, documenting redemption, and measuring the effectiveness of campaigns. In addition, by combining this information with other data, Harrah's can uncover new affinities to help guide improvements in overall operations. For example, if customers who enjoy playing one type of game also tend to play another, the property might move the games closer together.

"One of our objectives is simply to make sure the customer experience at our touch points is as rich as possible based on the variety of data and applications we

have in the background," says Tim Stanley, SVP Innovation, Gaming & Technology and CIO at Harrah's.

To provide that individualized experience, Harrah's wanted to make sure that each property had access to all of the key customer information. Leveraging Cognos software's service-oriented architecture, Harrah's was able to deploy Cognos from its corporate data center and provide access to the data from any property site. In addition, the intuitive interface made it easy for property managers to interact with the software regardless of software experience. The company has developed standard marketing campaigns, each focused on driving activities for specific customer segments. Individual property managers can access these programs, determine what campaigns, or combinations of campaigns, make the most sense given the local property analysis, and execute them for their location.

"Instead of having executives make decisions based on the data and communicate that down to other people, our strategy is to drive business intelligence usage down to every level of the organization possible," explains Stanley.

Benefits realized

Harrah's has gained market share and reduced operational costs through better analysis of its customer data, such as customers' Total Rewards card usage, and gaming patterns and preferences. By identifying trends in this data, Harrah's has been able to create customized, special offers through its Total Rewards incentive program. Equally important, Harrah's has been able to personalize interactions by leveraging information about customer activities and behaviors in real time—such as surprising a guest with a greeting or gift on his or her birthday. This level of customer service for the general gamer, which was previously unheard of in the gaming industry, has resulted in significant increases in revenue for Harrah's.

In addition, the technology architecture makes it easy for Harrah's to quickly bring new properties on board with this closed-loop system. Once Harrah's has integrated new data and source systems into Teradata, the company can then quickly provide the Cognos business intelligence capabilities to the local property level. This architecture also allows Harrah's to plan for business resumption in the event of a physical disaster by maintaining a replica of Teradata in a different location. Properties are still able to use Cognos to access the customer information regardless of where the data warehouse is located.

The total solution resulted in smarter, more focused communication with customers and the ability to maximize each customer relationship. “With Cognos, we are able to evaluate how well we are satisfying guest requests and provide the right kind of predictive recommendations for the customer experience,” states Stanley.

By refining its closed-loop insights and efforts, Harrah’s has established a differentiated loyalty and service framework to continuously improve customer service interactions and business outcomes. Since the deployment of the system, customers’ discretionary spending with Harrah’s versus its competitors jumped from 30 percent to nearly 50 percent more. The centralized deployment also made it easy for the organization to scale to more locations, supporting future growth and acquisitions.

Harrah’s has also cut down on personnel costs. With the data warehouse, the database and customer marketing teams can develop incentive programs with comparative ease. In the past, these teams spent the majority of their time collecting and aggregating data rather than analyzing it. By enabling this new level of analysis, the company has avoided the cost of hiring additional analysts per property.

By and large, Harrah’s has transformed its decision-making approach from “I think” to “I know.” Virtually every customer-facing initiative is tested in a controlled environment using a test campaign and a control

segment. In turn, Harrah’s has evolved from simply analyzing historical data to predicting the future performance of many marketing campaigns—a critical lever in maintaining a competitive market advantage.

Harrah’s can also leverage this closed-loop system to add new value to customer interactions, such as providing self-service access to gaming winnings for individual tax reporting purposes.

Having expanded its customer base through BI analysis, Harrah’s also has the opportunity to offer an even broader set of locations, brands, and amenities in the United States and abroad. In addition, Harrah’s currently operates in Canada, the United Kingdom, Egypt, South America and South Africa and has projects under development in Europe and the Caribbean. These new properties will leverage and enhance the company’s existing capabilities, while also creating new value and insight.

About Cognos

Cognos is the world leader in business intelligence and enterprise planning software. Our solutions for corporate performance management let organizations drive performance with planning, budgeting, and consolidation, monitor it with scorecarding, and understand it with business intelligence reporting and analysis. Cognos is the only vendor to support all of these key management activities in a complete, integrated solution. Founded in 1969, Cognos now serves more than 23,000 customers in over 135 countries.

