

Harrah's Entertainment Inc.

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Outline

- History of Company
- A New Approach
- SWOT Analysis
- Problems / Issues
- Recommendations
- Implementation



Harrah's Background

- William Fisk Harrah was the man who industrialized gambling.
- In 1939, Harrah opened a bingo parlor in Reno, Nevada.
- In 1942, Harrah opened a casino.
- In 1946 he expanded his casino and began serving liquor.
- In 1955 he relocated a casino to create the world's largest structure devoted to gambling.
- By 2000, Harrah's was well-known in the gaming industry and operated casinos in more markets than any other company.

A New Approach

- Their core competency was customer loyalty.
- Hired Gary Loveman as COO
- Launched Total Gold Program in Fall '97
- Three major initiatives: changing the organization structure, building the Harrah's brand and delivering extraordinary service, and exploiting relationship marketing opportunities.

A New Approach (contd.)

1. Build a new organizational structure
2. Build the Harrah's brand and deliver extraordinary service
3. Exploiting relationship marketing opportunities
 - Database Marketing (DBM)
 - Results

SWOT Analysis

Strengths	<ul style="list-style-type: none">✓ Customer loyalty✓ Widespread market reach✓ Excellent technology and operations
Weaknesses	<ul style="list-style-type: none">✓ Competitors have visual attractiveness✓ Was not meeting expectations of consumers✓ Viewed as 'outdated' by consumer base
Opportunities	<ul style="list-style-type: none">✓ Expanding the Total Gold Program✓ Follow consumer patterns to better know your customers
Threats	<ul style="list-style-type: none">✓ Competitors flashier and look more entertaining✓ Competitors have different types of entertainment other than gaming

Key Problems / Strategic Issues

- Re-evaluate customer focus
- Upgrade attractions to compete with other hotels
- Improving service for customers
- Once the New Approach is implemented, how will they keep their customer base

Recommendations

- Continue full force in the future with Total Rewards Program
 - Frequently offer incentives
- Increase visual appeal
- Train employees to deal with all situations (happy or angry customers)
- Hire well-known entertainers and celebrities to attract customers
- Update rewards continually as the customer becomes a frequent Harrah's visitor

Implementation

- Increase funding for employee training and include role-playing for how to handle situations
- Set aside funding purely for the visual upgrades of the building
- When customers become loyal to Harrah's; update and offer better rewards and incentives for the customer to return
- Advertise not only in the hotel markets; but also heavily in neighboring areas to attract new customers
- Continue give-a-ways and offer these events at all locations

Any Questions?



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