

# An Effective Antidote for Turbulent Times



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All things considered, 2018 was a good year for Macau gaming operators. Casino revenues rose to US\$37.6 billion, a 14% increase over the previous year. However, analysts warn that the industry could be facing strong headwinds for 2019 and beyond. Increasing regional competition, uncertainty over license renewal, unresolved US-China trade

tensions and President Xi's periodic moves to reign in corruption are some of the factors that could adversely impact gaming revenues in Macau.

There is but one certainty – we will not witness the remarkable revenue growth in the coming decade that we saw in the decade immediately after Macau opened its doors to foreign operators. With the revenue tide ebbing, the six concessionaries in Macau will have to carve out a strong consumer franchise if they are to survive and prosper. All operators have already cut costs significantly and the only way to shore up the balance sheet in future will be to increase revenues. The two segments that are prime candidates for revenue enhancement are the Mass and Premium Mass segments. The way to attract and retain these two groups of customers is by offering them a distinctive customer experience (CX).

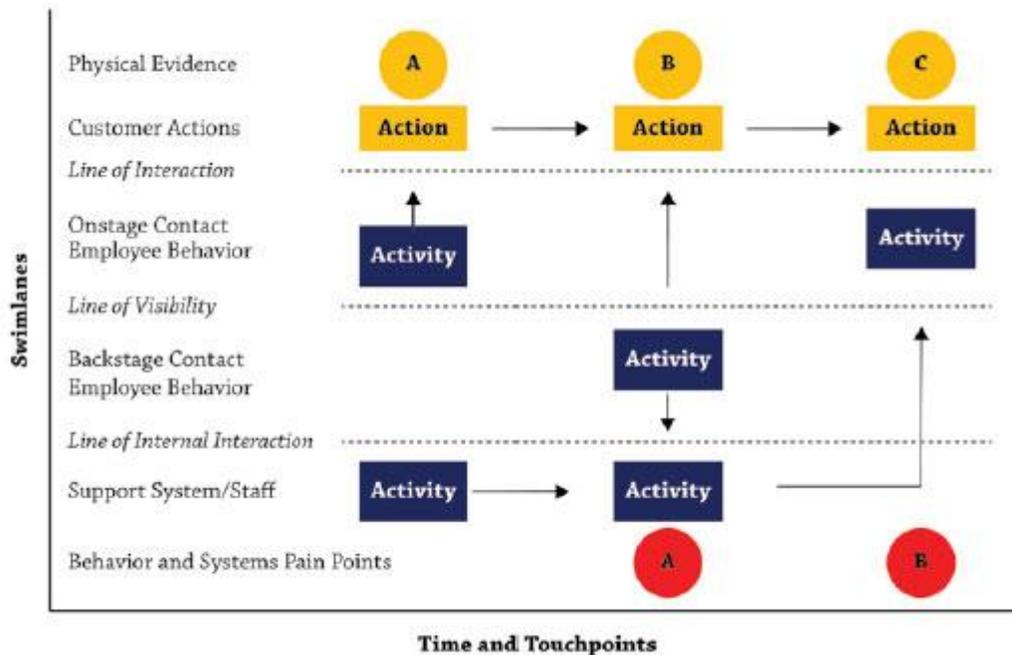
### OFFERING SUPERIOR CX

While over 90% of all businesses claim to compete primarily on the basis of CX, the percentage of consumers who feel that their providers offer an outstanding customer experience is in single digits. This disconnect conveys two shortcomings on the part of providers – one, businesses are unable to translate their objective of providing a superior CX into reality, and two, businesses are not gauging the voice of their customers (VoC).

Designing a superior CX should start with a map of the current experience offered to key customer segments. Sometimes, this process is referred to as service blueprinting or customer journey mapping. A service blueprint could be described as a service roadmap – a tangible, visual document that lays out where and how your customers interact with your business. It is an information-laden visual document that makes the customer-company relationship and the customer experience crystal clear.

Once the current-state blueprints are designed, management needs to assess which touchpoints (points of interaction between the provider and customer) need fixing. After fixing the “fail points” management can direct its attention to creating touchpoints that offer superior value to customers in a way that cannot be easily duplicated by competitors.

Of all the methodologies for enhancing CX, blueprints have proved to be the most effective. Currently, three of the six major casino operators in Macau are using service blueprints to positive effect.



## VoC INITIATIVES

Voice of the Customer (VoC) is a term that describes your customers' feedback about their experiences with and expectations of your products or services. I have seen VoC initiatives scuttled at some prominent properties in Macau because management convinces itself that the company offers the best CX to their customers or because management feels that customers will be offended if their feedback on CX is asked for. Nothing could be farther from the truth.

The sole judge of customer experience quality is the customer. VoC initiatives are therefore indispensable for monitoring the customer experience. Typical VoC methods include traditional means such as Call Center transcripts, customer satisfaction surveys and focus groups as well as some recent revolutionary methods such as Zaltman Metaphor Elicitation Technique (ZMET) and use of AI for data analysis and prediction of customer behavior.

To summarize, CX will be the key differentiator between successful and not-so-successful casino operators in Macau and Asia. Companies aspiring to be in the former category are urged to engage in service blueprinting and VoC initiatives.



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