



Service attributes of Casinos in Macau

L. C. Koo

Assistant Director

Macau Gaming Research Association

Definition of Service

- A service is any activity or benefit that one party can give to another that is essentially **intangible** and does not result in the **ownership** of anything.
- Results generated by activities at the **interface** between the supplier and the customer and by supplier **internal** activities to meet the customer needs.



Service attributes:

- The supplier or the customer may be represented at the interface by **personnel or equipment**.
- **Customer activities** at the interface with the supplier may be essential to the service delivery.
- Service is **intangible** and as such cannot be stored.
- Delivery or use of **tangible** products may form part of the service delivery.
- A service may be linked with the manufacture and supply of tangible products.

Service attributes:

- **Simultaneity in customer contact (participation)**
- **Intangibility**
- **Heterogeneity**
- **Perishability**
- **Instorability**
- **Lack of formal customer specification**
- **Government may regulate**
- **Difficult to quantify**
- **Timeliness**
- **Inseparability of production and consumption (process)**
- **Human factors (People)**

- **Physical evidence**
- **Service non-conformity characteristics**
- **Difficult to standardize**
- **Quality of service is a perception**
- **Service requires special skills and techniques**
- **Cannot be resold**
- **If not used it is lost**
- **Expectations formed by word-of-mouth communications, personal needs, past experience, and what and how the employees of service provider communicates to the customer**

Casino customer wants

- 1. Casino customers want to be entertained.**
- 2. They want to be appreciated.**
- 3. They want the casino to care about them**
- 4. They want to feel welcome in the casino.**
- 5. They want to feel important.**
- 6. They want respect for their privacy.**
- 7. They want a quick and positive response if they have a problem.**
- 8. They want an effective recovery from any service lapse on the part of staff.**
- 9. They want service without having to ask for it.**
- 10. They want customer-friendly facilities.**

Attributes of Service Quality

- **Service quality reflects the extent to which a service meets customers' needs.**
- **Service quality, as subjectively perceived by customers, involves a comparison of what they feel the service should be (expectation, E) with their judgment of the services they received (perceptions, P).**
- **Quality is not a singular but a multi-dimensional phenomenon.**
- **Delivering quality service means conforming to customer expectations on a consistent basis.**

Service Attributes under the Kano model

- (1) **Attractive quality (A)**. When present, customers are very satisfied; when absent, customers still accept this product/service attribute without being dissatisfied.
- (2) **One-dimensional quality (O)**. When present, customers are satisfied. The intensity of this attribute varies. The higher is the quality, the higher the level of satisfaction and vice versa become. When absent, customers are dissatisfied. One-dimensional requirements are usually explicitly demanded by the customer.

Service Attributes under the Kano model

- (3) **Must-be quality (M)**. Customers believe that this quality attribute is a necessity, and thus, when absent, they are dissatisfied. Customers take these for granted and are extremely dissatisfied when these requirements are not fulfilled.
- (4) **Indifferent quality (I)**. Customers are indifferent to the presence of this quality attribute.
- (5) **Reverse quality (R)**. When present, customers are dissatisfied and vice versa.

Determination of Kano category

The category of the highest response frequency (i.e. the mode) determines category of the quality attribute in the Kano classification scheme. If two or more of Kano's categories are tied for a given quality attribute, the selected category would have the greatest impact on the products and services, based on the following order: M>O>A> I

Advantages of the Kano method

- **Product requirements can be better understood: criteria which have the greatest influence on the customer's satisfaction can be identified.**
- **Priorities for product development can be determined. It is not useful to invest in improving must-be requirements**
- **Providing valuable help in trade-off situations in the product development stage.**
- **Customer-tailored solutions can be elaborated which guarantee an optimal level of satisfaction among the different customer segments.**
- **Discovering and fulfilling attractive requirements creates a wide range of possibilities for differentiation.**

Customer Satisfaction (CS) Coefficient

- CS-coefficient is indicative of how strongly a product feature may influence satisfaction or, in case of its “non-fulfillment”, customer dissatisfaction. The closer the value is to 1, the higher the influence on customer satisfaction.

CS Coefficient for satisfaction

$$= (A+O) / (A + O + M + I)$$

CS Coefficient for dissatisfaction

$$= - (O + M) / (A + O + M + I)$$

Kano evaluation table

Customer requirements		Dysfunctional (negative) question				
		1 like	2 must-be	3 neutral	4 live with	5 dislike
Functional (positive) question	1 like	Q	A	A	A	O
	2 must-be	R	I	I	I	M
	3 neutral	R	I	I	I	M
	4 live with	R	I	I	I	M
	5 dislike	R	R	R	R	Q
<p>A=Attractive; I=Indifferent; M=Must-be; O=One-dimensional; Q=Questionable; R=Reverse</p>						

Scoring of service attributes of casinos in Macau by 119 respondents

	A	O	M	I	R	Q	Category	CS Satisfact ion	CS Dissatisf action	Sum of CS
Casino decoration	37	23	27	22	3	0	A	0.550	-0.459	0.091
Variety of games	9	36	33	30	3	0	O	0.417	-0.639	-0.222
Service standard	56	32	20	7	0	0	A	0.765	-0.452	0.313
Location & transportation	17	25	36	33	0	0	M	0.378	-0.550	-0.172
Rebates & complimentary	29	23	35	30	2	0	M	0.444	-0.496	-0.052
Free food and drink	23	28	34	28	2	0	M	0.451	-0.549	-0.098
Entertainment show	9	15	30	52	5	0	I	0.226	-0.425	-0.199

Key Findings :

- “Free entertainment show” is reckoned as an indifferent service attribute in casinos.
- “Variety of games” is considered to be a one-dimensional service attribute
- “Casino decoration” is viewed as an attractive attribute
- “Location & transportation”, “Rebates and complimentary”, “Free food and drink” are “Must-be” attributes

Descending order of CS coefficient for satisfaction

Service standard	0.765
Casino decoration	0.550
Free food and drink	0.451
Rebates & complimentary	0.444
Variety of games	0.417
Location & transportation	0.378
Entertainment show	0.226

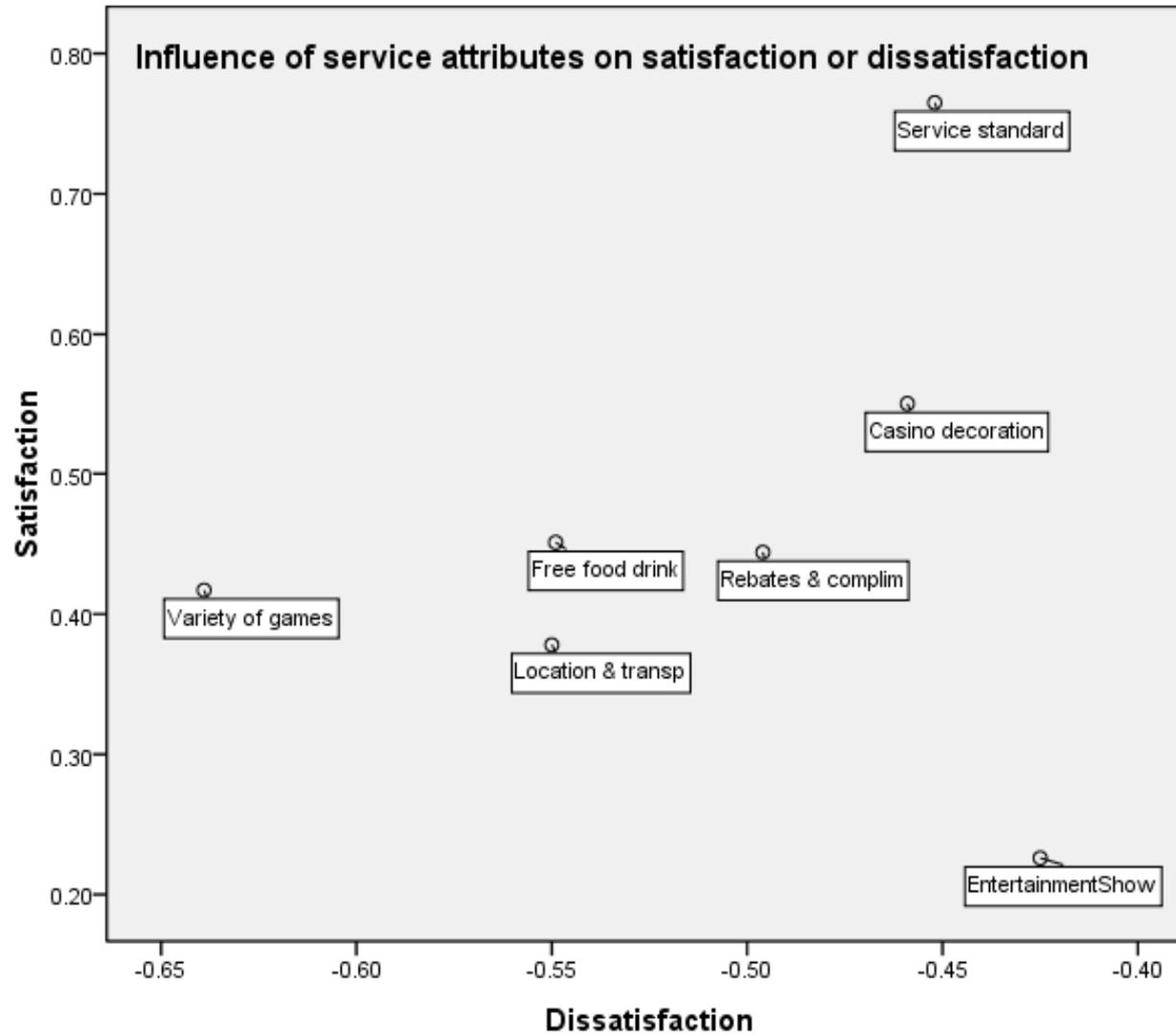
- In order to satisfy the customers the casinos should focused in improving their “service standard” which has the largest CS Coefficient of 0.765.

Descending order of magnitude for CS coefficient for dissatisfaction

Variety of games	-0.639
Location & transportation	-0.550
Free food and drink	-0.549
Rebates & complimentary	-0.496
Casino decoration	-0.459
Service standard	-0.452
Entertainment show	-0.425

- Inadequate “variety of game” is the most important attribute to avoid customer dissatisfaction.

Two dimensional plot of CS satisfaction and dissatisfaction coefficients



In a competitive business environment, it is of utmost importance for the service provider to:

- be aware of the service dimensions, which is important to its targeted customers.
- know the importance given by their preferred customers to each of the service dimension.
- know the exact attributes, which make the service dimensions.



Conclusion

- The service aspects are many and varied (Appendix I) and further studies should be conducted to examine the various unique casino attributes

WHAY	WHY	HOW
Smiling may not be right at all times (do the right thing at the right time)	If a customer has a bad mood, smiling may cause some undesirable results.	Being sensitive to the situation. Smiling is appropriate when greeting customers and congratulating them for winning.
Professional Knowledge (To solve problems for customers)	When customers have problems the front line colleagues should be knowledgeable to assist.	Wearing proper staff uniform. Demonstrating professional knowledge. Attending training courses.
Professional Skills (To develop good relationship and trust with customers)	Good customer relationship will facilitate smooth operations	Attending relevant training programmes to enhance professional skills
Professional integrity (To make customer feeling safe)	Good atmosphere can be developed	Being fair and consistent in dealing with customers.
Be patient (Handle customer problems with patience and sincerity)	To make customers feel important and respected	No discriminating expression and do not make unnecessary remarks
Language proficiency (Be able to communicate with foreign customers to understand their needs)	Most customers are coming from outside Macau and they have language difficulties	To communicate in customers' languages
Be observant (to deliver excellent service through proactively detecting customer need)	To deliver prompt and appropriate services to customers	Observing diligently and sensitively
Courtesy (Be polite to make customers feel important)	To portray a good impression to customers to enhance good relationship with them	Building good service attitude
Being proactive (Help customers proactively)	To understand customer needs and to solve their problems	Being sensitive and being willing to serve
Positive attitude (Be active to serve customers)	To make customers feel comfortable and relaxed	Providing efficient services
High Emotional Quotient (EQ) (Essential in the gaming industry)	Front line colleagues may get unreasonable complaints from customers	Not to argue with customers but to seek support from superiors
Teamwork (To reap synergetic benefits)	Good cooperation among employees would enhance chances of success	Being cooperative with each other and having clear team objectives
Comfortable environment (To retain customers to play longer in the casinos)	To make customers feel relaxed	Providing a clean and relaxed atmosphere through proper lighting, music, entertainment,... etc.
Security (High tech security system and professional security guards)	To ease off customers' concern on safety	Having Security guards suitable located in the casinos.

Service attitude (Employees being committed to service customers)	Enhancing service capability to attract and retain customers	Through service training programmes and empowerment
Care and Concern (Make customers feel like VIP)	To enhance good customer relationship	Cultivating a service oriented atmosphere through service and quality initiatives
Neat staff uniform (Front line staff appearance help portray a proper image in the mind of the customers)	Staff appearance is part of the Physical Evidences in the 7P model	Ensuring employees wear neat, tidy, and clean uniform. Staff grooming is pleasing and appropriate.
Understanding customer needs (To deliver services that customers need to create a good impression)	To make customers feel like being at home	Standing in the shoes of the customers in service delivery
Responses to customers (Mutual interaction with customers)	To make customers feel important and being respected	Practicing effective communication with customers
Around the clock Service (Casino service is available 24 hours a day)	To provide convenience to customers	Having an effective round the clock roster scheme
Serve with passion (To make customer feel important)	To attract customers to come back again	Serving sincerely with appropriate smile
Calm (To enhance customers' confidence on casino)	Various unexpected problems may occur because all types of persons are present in casino	Staying calm when chaos occurs
Personalized service (To make customers feel like VIP)	To retain VIP customers and promote good words of mouth among them	Tailor-designing effective and efficient service for VIP customers
Casino Coaches (To provide convenient transportation service to prospects and customers)	To provide convenience to customers so as to increase the number of patrons to the casino	Developing and maintaining a frequent, fast, and flexible point to point transportation schedule
Staff Roster (Adequate rest so that employees can delivery excellent customer service)	To equip proper and adequate manpower to provide round the clock service	Maintain an eight-hour working roster to provide good customer service at reasonable cost
Complimentary rebate (Promotional item, ferry tickets, hotel rooms, lucky draw, rebates,...)	Complimentary items are part of the price strategy in the marketing mix of a casino	Developing a good and effective customer loyalty programme to maximize business opportunities.
Cleanliness (To provide a comfortable environment for the customers)	A clean environment helps attract and retain customers	Having a frequent and effective cleaning service to keep the environment clean and tidy
Surveillance (High tech surveillance monitoring system)	To monitor staff and customer statuses. Record unusual events on video for subsequent control	Having a 24 hour surveillance system with comprehensive coverage to protect the interest of customers, employees, and the casino.
Fraud Prevention (High tech surveillance and round the clock monitoring)	To protect the interest of customers, employees, and the casino. To avoid cheating. To protect customers when disputes arise.	To develop, maintain, and improve fraud prevention measures regularly.

Other casino attributes include:

- A place for sudden rich;
- Automation;
- Casino turnover not necessarily tied with scale of operations
- Customers and Casinos are in opposition
- Free admission;
- Free drinks;
- Free entertainment;
- Free transportation;
- Gaming business is seasonal;
- Government supervision;
- High degree of discipline;
- Illegal money lending;
- Large cash transaction;
- Luxurious decoration;
- No ownership;
- No photographing;
- Noisy;
- Oligopoly;
- Plenty of ATM machines;
- Plenty of pawn shops around;
- Polluted air;
- Service chain;
- Service Formula $100-I = 0$;
- Service is a people business;
- Service is a process;
- Service standard can be affected by other present in the environment;
- Service theatre;
- **SERUCTION** (Service and Production);
- Variety of gaming choices for customers



Thank You