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Player Value

As a Host there are important facts and figures that you will have to know, understand, and be able to explain back to guests in a simplified, respectful, and confident manor.

Understanding these will be the key to understanding what casinos are looking for, understanding if your potential guest will broadly qualify for our services, understanding how to best service your clients, and understand how to best help you clients improve their player rating.

This will be some of the most important information you will have to rely on. It's crucial to learn, relearn, and ask as many questions as needed so that there are no doubts when talking to potential customers and there are no mistakes in facts when talking to customers. The only thing worse than not knowing is pretending to know and giving out false guidance.

Let's jump right in!

ADT

What is ADT and why is it important?

ADT= Average Daily Theoretical

This is a mathematical equation that is used by almost every casino. It helps casinos decide a player's value or worth. Before we get to the math, there are terms you must know:

House Edge=the standardized percentage of win for the casino based upon the game.

Every casino game is designed to give a certain percentage of play back to the casino. For example, slots can carry a 15% house edge which make them one of the best games for casinos to make money. For every dollar played, the casino will, over the course of the year, take in 10% of all money played. If 1 slot machine has 1 million dollars put in over a year, the casino will make \$150,000. Blackjack has one of the lowest house edges and is one of the worst money makers for casinos.

Average Hands/Spins per hour=the standardized number of hands dealt, or spins played during 1 hour of play on a game.

These numbers are used by casinos around the world and give every casino a baseline, per hour, what play at a table or machine should be. Yes, there are always games that move faster on a given day or slower on a given day. There are players the hit the slot machine button faster or slower on any given day. So, this is an agreed average, and this list will be provided to you to help make your calculations.

Average Bet= the average of recorded bets during an hour of play

This one is straightforward but is the one that hurts most players, and they don't even know it. Remember this is an average, so if a player raises and drops their bet it can have great effects on their hourly average. For example, a guest puts \$100 in a machine, and they play \$3 a spin. After a while of play they start to come down to the end of their \$100. Many will lower their bets, to maximize their chances before they run out of money. However, they just killed their average of \$3 per spin which they played most of the time. Their average bet will now drop to \$2.

Average Play=the amount of time the guest plays during 24 hours.

This one is also straightforward. It is simply how much time the guest will sit a play in the casino each day.

ADT

House Edge X Average Hands/Spins X Average Bet X Length of Play

It is a mathematical equation (average) and as you can see, any of the points, we enter a small number it throws the whole total in a downward spiral. Example, we can have a player who bets an average of \$25, plays 3-4 hours per day, at 60 hands per hour, but their game of choice is BJ which has. House edge of 0.5%. HUGE nosedive. Everything was great until we put in the .5%. If that were a slot player, the value would be huge if we substitute 10% for .5%.

Most guests do not understand or even know about ADT. While it impacts them directly, casino players, for the most part, just want to go and have fun. So, this is part of our job. To understand this for them. To advise them on tips to improve and get better offers, and to qualify them for initial offers, and so on.

Very important to note, ADT has nothing to do with tier status.

You will hear and see this a lot and it's because people do not know or do not understand. You will hear people say well I'm Diamond with Caesars. I'm Platinum with Carnival. That's wonderful but tells us nothing about the type of player they are. Only ADT will do that.

It is possible that a guest goes to a Caesars property a few days a week or sails on Carnival 4-times per year. Because they go frequently, they build up enough points to earn Platinum or Diamond. They may go each time and bet the minimum and only play for an hour each day. As you now know, that will kill their ADT. They may be Platinum or Diamond but their value to a casino is next to nothing, and they will not be eligible for any comps unless it's offered as a tier benefit (nothing to do with gambling).

How do I and casinos use ADT?

The next step is putting ADT into action, now that you know what ADT is and how it is calculated.

For this part, let's use an example guest. Guest 1 sails on a 7-day cruise. During that cruise, the guest plays slots at an average of \$3 per spin for 2 hours each day.

House Edge (10%) x Average Spins (600) x Average Bet (3) x Average Play (2)

ADT=\$360

This is the most the casino can make. The casino can make more or less on any given trip. Remember back to the 15% is an annual take. Some weeks will be more, and some weeks will be less but at the end of the year it will be 10% in the casinos' pockets. However, to reward this guest for their play, most casino will take a portion and reinvest it into the player to get them to gamble again.

This may be in the form of a free dinner at a restaurant, comped rooms or cabins, shows, etc.

When cruise lines look to fill their cabins, they look for players with certain ADT values so that they know they have the chance of getting their percentage. In this example, our guest wants a balcony cabin on a 7-night Royal cruise. However, a balcony on this cruise retails for \$4300 (for 2 people with taxes and port charges). If we multiply the ADT by 7-nights, we get \$2520 which is less than the retail price. Most cruise lines would turn this down unless it was an off-season, unfilled ship. Knowing this, we may have a better shot to get an OV or Interior and give the guest good news rather than bad.

The higher the ADT of a player the better the perks the casinos are willing to offer. Why? It boils down to math. Casinos have slots because they are money makers. However, they cannot make their 10% off each machine if there are no butts in the seats. Casinos need players in, always, playing to make sure they get they annual percentage. They would rather give some back to genuine players and keep them playing than take a chance on smaller value players or no one at all.

All trips are based on ADT. For most trips, guests will be expected to have an \$600-\$800 ADT for a balcony cabin, depending on the trip requested. It may be more or a bit less. The same is true for rooms in Vegas but ADT expectations are a bit lower due to the number of rooms available.

You can be preemptive when you compare the retail price compared to the guests ADT. If there is a huge difference between the two, you might need to steer your customer to a different trip, ship, or time of year. For example, if your guest has an ADT of \$300 and they want a 7-day cruise that a balcony retails for \$4000. Their ADT of $\$300 \times 7 = \2100 . \$4000 vs. \$2100, you already know that this is most likely not going to be approved as it's a loss for the cruise line.

**AS Always, don't assume, guess, or make up information.
Nothing will lose customers faster than giving them wrong
information!**

**Please reach out and ask all the questions you need until you
completely understand ADT. Keep refereeing back to this sheet and
take the time to completely understand it. I will ask you!**