

# Harrah case study essay sample

[Business](#), [Marketing](#)



1. Discuss the factors that drove Harrahs customer relationship strategy

Lovemans goal was to increase revenue by gaining a larger percentage of the gaming dollars of their customers. Based on customer focus groups, the company determined that its best customers only spent 36% of their gaming budget at Harrahs. Lovemans strategy was to increase this percentage through a combination of targeted incentives and better customer service.

2. Discuss whether Harrahs business and IT strategies were aligned, and what factors contributed to or detracted from achieving alignment

Data drives strategy. Harrahs could not have implemented its customer-driven strategy without its Total Rewards program and its 300G data warehouse. In the past, business intelligence initiatives have often failed when IT managers take the “Field of Dreams” approach “if you build it, they will come.” Lovemans description of the Harrahs experience shows that a focused, strategy-driven data warehouse can help your organization cash in on the diamonds in your data mine.

Measured and rewarded employees based on customer satisfaction. All workers at each casino receive bonuses based on the casinos customer satisfaction scores.

3. Discuss the integration between Harrahs patron database and the marketing workbench.

Patron database served for data storage. Marketing workbench uses the information store in patron database to perform analytics. It cross users

information such: customer preferences to predict what future services and rewards will be offered to that customer

4. Give examples of how Harrah's has implemented closed loop marketing.

The system helps Harrah to identify its best customers. They found that 26% of gamblers generated 82% of their revenue and that these customers were not the traditional "high-rollers". They were retirees and local workers who spent their discretionary time and income at the casinos.

They ran experiments to determine how to get these customers to spend more. They found that free chips worked better than free rooms or meals to get these customers to spend more

With the closed loop marketing strategy Harrah created a three-tiered reward program (Gold, Platinum, and Diamond) based on the spending. Diamond customers got both better perks and better service, including separate lines at restaurants and check-in.

5. Does Harrah have a sustainable competitive advantage? Can other companies duplicate what Harrah's had done?

Business intelligence initiatives can pay. While he did not mention ROI, Loveman noted that Harrah's has experienced 16 straight quarters of same-store (casino) revenue growth. He attributes this record to the new strategy and the business intelligence initiative.

Dell computers and Capital One have used business intelligence for its marketing campaigns with a proven success. Business intelligence data must

be tied to execution and measurement. The data and analytic tools alone would not have led to success. Workers must provide excellent customer service so customers want to come back. Customer service results must be measured to continually improve.

6. Discuss the privacy and security issues associated with what Harrahs is doing. Are there concerns and how can Harrahs address them?

Harrahs have customers behavior information that could be sold to other companies for business purposes.

Applying security company policy to allow employees not use customers information for any other purpose different than Harrahs business.