

AN ORIGINAL DATA DRIVER

Claudia Winkler, the 2018 Casino Marketing & Technology Lifetime Achievement Award winner, just might know how databases, systems and marketing interact better than anyone in the business

BY CHARLES ANDERER



It's fashionable these days to say that casinos have become a data-driven, marketing-centric business, but like most big things that didn't happen overnight.

Casinos have long been a data-rich environment, but taking an individual's gaming spend and converting that information into actionable marketing intelligence across multiple properties? That started in the late 1980s and it wouldn't have happened when, where and how it did without Claudia Winkler, who will receive the Casino Marketing & Technology Lifetime Achievement Award this month at Caesars Palace in Las Vegas.

In a gaming career that has spanned three decades, Winkler's accomplishments are many, starting with her tenure at Harrah's, where her spade work in the database trenches helped serve as a catalyst for the launch of the original Total Gold card, the initiative that would come to reshape the industry as Total Rewards. A self-described "girl geek," long before it was fashionable; she went on to hold key marketing jobs at a broad range of companies such as Comstock Casino, Lady Luck, Station Casinos and Boyd Gaming, before setting out on her own. Her firm, G.H.I. Solutions, where she is president, has helped open properties such as the Wynn, SLS, and Station Casino Kanas City (now a Pinnacle property) and has led innumerable system selections and project upgrades for commercial and tribal casinos nationwide. Along the way, she has earned a reputation for excellence, integrity and, yes, the occasional unvarnished opinion. You know where you stand with Claudia Winkler, and many, many people in this industry stand with her.

FORMATIVE YEARS

Winkler was born and raised in Pittsburgh, Pa., and at the early age of nine, tragedy struck. "My dad died of a heart attack and my mother was a single-parent for a long time," she said. "I kind of became responsible for my sister, who was three years younger than me, and I grew up pretty fast. I remember my dad telling me many times that I could be anything I wanted and I carried that with me. You know, nothing would get in my way. I had some obstacles; some right turns and some left turns, but I always got to where I knew I was supposed to go."

A major inspiration was her mother. "She was a very strong role model; getting raised by a single mother who at that point was 36 years old," recalled Winkler. "She was an RN and from the time I was 10 until 16, she worked full-time as a school nurse and got her bachelors and master's degree. Education was a family value. My mother was one of four children and three of them were college graduates and one graduated from business school. I couldn't get married until I went to college; they wouldn't pay for a wedding. That was a rule."

Winkler graduated with honors from Penn State, majoring in psychology and sociology. "Like everyone else during that time period, it was all about saving the world," she said. "That has proven very helpful in my consulting career because it helps me understand



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people." But the new and growing world of computers was also on her radar. Her second job after college was with PRC Realty Systems, which today is Realtor.com. PRC was the first company that did online multiple listings and had them in a database that everyone in MLS could access. The job brought her to Las Vegas in 1976, when she installed the first online computer system for the Las Vegas Board of Realtors.

"At PRC I had to learn all about computers and databases; I loved it because I got to use both sides of my brain," said Winkler. "I learned how databases worked and how important it was to put the right information into the computer. I was training people how to use the system and it was very exciting because it was new. I was responsible for configuring it. I would do the implementation or in some cases I was the troubleshooter. I interacted with sales, engineering, executive management, and of course my accounts. I was in a role where I was helping people. I was training them, helping them with a problem like why is my listing not coming up? I was a resource. In those days, everybody did everything."

Her next job was at Burroughs, now Unisys, where she was an account executive handling all the front-of-house equipment, primarily for banks. "I had all the banks in southern Nevada," said Winkler. "I learned about a lot of things; document handling, check imaging and

sorting, and I was responsible for these things called ATMs which, of course, no one was ever going to use."

But change was coming, specifically, marriage to Don Winkler, her husband now of 37 years. Don lived in Lake Tahoe where Claudia would eventually land a job at Harrah's but the gaming industry was still seven years away. There were a couple of more tech jobs, including one with a computer company called Cubix in Carson City, where Winkler was hired to set up an internal telemarketing center. There she worked for Gayle Crowell, "who went on to be part of many startups in Silicon Valley; a great role model. The way she presented herself, her self-confidence. She was never afraid going into a meeting. She would always tell me be prepared, do your homework, have an agenda."

BUILDING THE FUTURE AT HARRAH'S

In 1988, a friend told Winkler about an ad in the paper from Harrah's, where she successfully interviewed for a position as telemarketing manager. "I was responsible for direct marketing and following up on high-limit events, telemarketing to our better players to increase participation," she said. "I was there about three weeks and I went to my boss and said, 'I can't do this job; you guys don't have any data.'"

The casino database lacked phone numbers and was riddled with incomplete

addresses. "On the hotel side it was even worse," recalled Winkler. "They didn't collect phone numbers in more than 50 percent of the reservations and all the zip codes were 99999 because that's what the hotel had to enter to get to the next screen. So my boss asked me for a report, which I wrote complete with screen shots and all the supporting documentation, and then he calls me and said, 'Phil Satre would like to meet with you.'"

At the time, Satre was the head of the Northern Nevada division reporting to Holiday Inn CEO Mike Rose. "This was before Phil was Phil, as I tell him. He visited me in Lake Tahoe; he came to my office in the basement, said, 'Show me,' and sat next to me for the better part of two hours. He wanted me to take him through it; tell him where all this stuff is and show him why it's all screwed up. Two weeks after that, we had our very first Database Marketing Summit."

At the time, Harrah's consisted of five properties; Las Vegas, Laughlin, Reno, Tahoe and Atlantic City. "All the marketing heads and the people who were going to responsible for executing this like me were given an assignment: go back and build a marketing database. Back in those days, we treated each other like competitors. Reno and Tahoe did not communicate. Las Vegas and Laughlin did not communicate and Atlantic City had different everything. So we all went about building our own marketing database and one year later, as Harrah's was famous for, they decided to regionalize, so I got to put Reno and Tahoe together."

At this point of the story, yet another Casino Marketing & Technology Lifetime Achievement Award winner (that makes three counting Winkler and Satre) enters the story: Mike Meczka. When the Reno and Tahoe databases were consolidated, Winkler noticed the same people on both of them. The other problem that she had was insufficient response rates. Enter the independent market researcher Meczka.

"He came into my office one day, picked up all the direct mail that was on my desk and threw it in the garbage can and said, 'That's what happens to 75 percent of your mail,'" laughed Winkler. "I'm like a deer in the headlights and he said, 'Only 25 percent of the people who come to Tahoe care about entertainment. And you have to add to that the fact that these people can only see Sammy Davis, Jr., The Four Tops and Steve and Edie so many times.' So I really started thinking about that. Seventy-five



Among the projects overseen by Winkler as president of G.H.I. Solutions was the transitioning of Lumiere Palace Casino Hotel (above) systems from Pinnacle Entertainment to new owner Tropicana Entertainment.

percent of my mail is going in the garbage can and I'm probably losing another 10 percent because these people are sick of seeing the same entertainers."

Winkler had been very well-educated to understand that telemarketing funded the food-and-beverage (F&B) budget. "What I sent out was the blue money that would transfer from my budget to F&B," she said. "For everyone who went to the show, the F&B department got \$10 out of my budget. I couldn't take any money out of my budget, but I had to think of a different way to give them the \$10. So I suggested that we give people a choice. We did tier the mailings back then, so the best customers got a show for four people, any night. The next tier down got a show for two, any night. And the bottom tier got a show for two, Sunday through Thursday. So I suggested we give people a \$10 dining credit, and at that time Harrah's Tahoe was opening some new restaurants. So they bought it and said I could try it for one of the mailings and see how it does.

"Well, I was a rock star; our response rates went up over 30 percent. So here comes the FP&A guy with his little clipboard (Dave Kowal—who is also a legend in the industry), asking me how much of this was incremental. And I'm like, 'I don't have a clue.' All I knew was that I got 30 percent more people to respond than I had the prior month. So he said, 'It can't all be incremental.' So we called Meczka and we had him do a survey. He called a sampling of the people who had redeemed the offer and asked them, in so many words, when you went to Tahoe the last time, did you go because of the offer they sent you or were you going anyway? And over 30 percent of the people said they went because they got the offer. Well that still made me a rock star; I could take credit for 33 percent of the lift. So everyone said, 'well, that worked pretty well, let's try it again.'"

With the database cleaned up and response rates healthy, the next step was cross-marketing between regional

properties, and again Winkler played a leadership role. "We were sending out two different Harrah's Worlds and different offers for each property, so I raised the concept of perhaps offering a Reno customer an offer for Tahoe and a Tahoe customer an offer for Reno," she said. "John Boushy, who was one of Mike Rose's right-hand men, bought into that right away."

Winkler was given two tapes to run; one for Harrah's Reno and one for Tahoe and there was close to 40 percent crossover; about 40 percent of the Reno people who come to Tahoe go to Harrah's and vice versa. "So once again, we call Meczka, he does a study and he asks the Reno people where they stay when they go to Tahoe. And they said, 'Harvey's.' That was before Harrah's owned Harvey's. And they called the Tahoe people and asked them where they stay when they go to Reno and they said, 'The Eldorado.' Well needless to say that was a holy s--- moment. This was like, 'We don't have loyalty!'

"They let me do my first cross-property offer. In addition to getting the show with a food credit, if you were going to go to Reno from Tahoe, you could get a roll of nickels between midnight and 4:00 am Sunday through Thursday. This was before TITO; it was all coin. I got a two percent lift out of that. In direct marketing terms, two percent is a good response rate, period. To get a two percent lift is outstanding. So they let me continue with the cross-property offers and then the call came to put the two databases together. When we were halfway through that project the call came to do it for the brand. So we built the first Harrah's marketing database and with that came the gold card, which was the beginning of Total Rewards."

Now Harrah's was collecting rich information on all of its players, and the challenge was to get smarter about how to market to them. This wasn't easy in the late 1980s and early 1990s because their computers could only run one job at a time for the whole enterprise. "We had to find a way to do this off of the property operational systems and we started to think about campaign management, which I truly believe we invented," said Winkler. "We created a marketing workbench that included campaign management. We had the tools that we needed in a separate system where we could run our queries, buy and enrich data and do customer acquisition. I know they're moving away from the legacy stuff, but the things we built in the early

1990s are still being used.” She recognized the following people who were on the team for this transformational/disruptive project: Tracy Austin, Bill Burtch, Patti Lee, LuAnn Fetcho and the late Tim Morton.

NEXT MOVES

Harrah’s was moving full-speed ahead but Winkler was at a crossroads. “Part of the problem I had is that I was this girl geek, a girl marketing geek; nobody really understood what I did,” she said. “My peers did, but not the people I reported to. And in the five years that I was at Harrah’s, I had six different bosses because they kept reorganizing things. So I said, you know, I’m burned out on this. I want to go be a marketing director; they have more fun. I would get involved with the slot tournaments because my department took all the reservations for them, and for all the VIP events. At that time, gaming was starting to expand and there was so much pent-up demand for jobs inside of Harrah’s and I was the new kid on the block whereas a lot of other people had been there for 15 or 20 years. I was going to have to wait my turn and, being the not so patient person that I am, I wasn’t willing to wait that long.”

Winkler took a job in Colorado, then came back to Reno and took a job as director of marketing and sales at The Comstock. “I had a fabulous boss there, Burge Harmer,” she recalled. “He kept me on a pretty long leash and would reel me in every now and then, but he kind of let me do what I wanted to do. I had already learned a lot about the numbers at Harrah’s, but I learned even more working for Burge, because this was different than a publicly-traded company. It was a family-run business. He was the nicest man. He was funny, really kind and he had a lot of patience. If I had something a little crazy that I wanted to do he would say, ‘That’s not going to fly; let’s table it.’”

Next were marketing jobs in Mississippi (Lady Luck, director of marketing for two years); Station Casino (director of marketing in Kansas City, where she helped open the property); and Boyd Gaming where she was regional marketing director for the central region with a focus on direct marketing until Bob Boughner brought her back to Las Vegas to head an initiative to standardize all systems across the company.

“We had hired an outside consultant and they had to be taught the basics about comps, theoretical win, etc.,” she recalled. “I



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was teaching Casino 101 and when we were done, I realized that I just might know more about operational systems than anyone in the business. I had the opportunity over the years to work with all the systems that were out there; hotel, retail, casino management. I had a really broad perspective of all the different systems and their nuances, and I understood that one size doesn’t fit all. A corporate enterprise with multiple properties, an operator of integrated resorts, a stand-alone casino with no hotel and just a restaurant, a casino with a hotel that’s branded with a flag, a large Native American casino... it depends. You have to understand what drives your customer. Casinos that are 100 miles away from their nearest competitor don’t have to do the same things that casinos are on top of each other do.”

ON HER OWN

With the Boyd project done, Winkler knew that it was time to either go back to marketing, operations or IT and none of those options appealed to her so she went off on her own after leaving Boyd in 2001, founding G.H.I. the following year.

“I had thought about it since Colorado in between jobs,” she said. “There were so many things I could do by way of project work. The money wasn’t there but I realized I could do it. The real catalyst was my friend Mary Loftness; I’m her Big Sister but she’s the Momma Bird. When I was pondering my next move there were a couple of people who I really trust and Mary was one of them. She said, ‘You should go out on your own; people need what you do.’ So out of the nest I flew.”

Among the projects G.H.I. has been involved in over the years include transitioning all the systems from Caesars (previously Park Place) at the Las Vegas Hilton for Colony Capital; transitioning Pinnacle’s Lumiere Place Casino Hotel in St. Louis to Tropicana Entertainment; opening Wynn Las Vegas and SLS; and converting the casino management system for Pearl River Resort Casino.

“For the first five or six years I would have a complete panic attack every December because I wasn’t sure if I would make any money the next year,” said Winkler. “My business comes from referrals and word of mouth and previous customers. After 16 years, I realized that I would stay busy no matter what and I finally calmed down. I would really like to recognize my associates who have helped me grow G.H.I. into the ‘go-to’ company it is today: Danielle Carmichael, Rick Tony, Debbie Hawkins, Jeanne-Marie Wilkins, Marc Guarino and Doug Verser.”

Another source of stability is her husband Don. “He’s a strong, quiet type. I’m the kite flying high in the air and every now and then he’s the person who reels me in,” she said. “He takes care of things so I can do what I do. And then I have my four cats and the stress busters who came before them. They’re my entertainment and my office assistants. I also have a tremendous network. I’ve been a shoulder to lean on, cry on and ask for advice. I have a lot of people I have worked with over the years who tell me I have no idea how much they’ve learned from me. They’re my kids; it’s very satisfying.” 🌟