

# Casino moves beyond 'All'

## Foxwoods needs smarter, more targeted approach, new CEO says

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Today

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*Part two of two*

*Connecticut's two Native American casinos are taking different approaches to the changing business landscape. The new leaders of Mohegan Sun and Foxwoods sat down with reporter Brad Kane to discuss their strategies. Today, we focus on Foxwoods. For last week's Mohegan Sun feature, visit [here](#).*

Foxwoods needs to pick its spots, President and CEO Scott Butera said.

The Mashantucket resort casino — whose advertising campaign once dubbed it the Wonder of It All, and then later simply All — can no longer be all things to everybody, Butera said.

Instead, North America's largest casino needs to focus on its core audience, reward its loyal customers and restore the luster it once had, Butera said.

And the resort casino will launch a new advertising campaign later this year to let everyone know this new direction.

“One thing we don't want to do is chase business that isn't there,” Butera said. “We need to spend intelligently.”

Butera is one half of a major shake-up this year in Connecticut's casino leadership. Both he and Mohegan Sun President and CEO Jeffrey Hartmann took over their roles on Jan. 1, at a time when the state's resort casinos are reaching a critical juncture.

Slot machine revenue at Foxwoods and Mohegan dropped by 20 percent over the past five years. As revenue decreased, the cost of borrowing for new projects increased. And New York and

Massachusetts — the main out-of-state draws for Connecticut’s casinos — are moving toward expanded gambling.

Unlike Hartmann who took over the top job at Mohegan Sun from a long-tenured CEO who maintains a presence on the property, Butera walked into a situation that has been volatile for chief executives.

Since 2007, Foxwoods burned through six permanent and interim CEOs. Butera is a former CEO of Tropicana Entertainment and has a history of turning around cash-strapped gaming properties.

“Hopefully, we have a team now that will be in place for the long term,” Butera said.

Before the recession hit, Foxwoods embarked on a major expansion of its Connecticut property, adding the MGM Grand at Foxwoods hotel and casino. While this gives the property almost double the hotel rooms of Mohegan Sun, it leaves the Foxwoods owners — the Mashantucket Pequot Tribal Nation — with more than \$2 billion in debt.

One of Butera’s first tasks as CEO was to embark on a strategic, comprehensive repositioning of the company.

This means investing in customers, upgrading its entertainment, improving food and beverage offerings and starting summer programs to create more excitement and fun at the property, Butera said.

“We are going to be spending a lot of money, but we don’t want to be wasting money,” Butera said. “We want to spend it on things that our customers will enjoy.”

This focus will be on customers living within 90 minutes of the Mashantucket property, and on the strong Asian clientele who travel to Mashantucket from Boston and New York City.

Spending intelligently means taking care of loyal customers, Butera said. Instead of giving random giveaways, Foxwoods will provide rewards for the people that frequent the casino the most. In February, the casino installed 1,100 promotional machines from Hamden electronics company TransAct Technologies Inc. that give coupons based on slot play.

Spending intelligently also means not booking big headlining entertainment acts on a Tuesday, Butera said. Foxwoods needs to maximize its entertainment offerings to create additional business for its casinos and non-gaming amenities, such as restaurants and shops.

Foxwoods faces its biggest threat from expanded gambling in Massachusetts. Although that state has yet to approve gambling, the Massachusetts legislature passed a bill in 2010 allowing for three resort casinos. While that bill was vetoed by the governor, momentum for a similar bill is building this year, and Gov. Deval Patrick supports resort casinos.

Other than Connecticut, Foxwoods gets most of its business from Massachusetts, more than 31 percent. Although New York is opening more resort casinos as well, that state accounts for 10 percent of Foxwoods' clientele.

Because of the high debt from its MGM Grand expansion, Foxwoods is less well positioned financially to take advantage of expanded gambling in other states, like Mohegan Sun is doing. Foxwoods is looking for opportunities to diversify its business, but the resort doesn't have anything specific to announce, Butera said.

The focus is more on tapping loyal customers who live within 90 minutes of Foxwoods. The Mashantucket casino gets 37 percent of its clientele from Connecticut, far less than Mohegan Sun's 54 percent.

"We are building a plan assuming Massachusetts is going ahead with gaming," Butera said. "A lot of the things we would be doing anyway with or without Massachusetts."

To get at this core customer base, Butera said Foxwoods is competing with everything people might spend money on: movies, restaurants, parents buying their children back-to-school clothes. That's all money that could be spent at Foxwoods.

As part of this more focused approach, Foxwoods will replace its All advertising campaign later this year. The new campaign will be more specific and targeted with a fresher concept geared toward sending the right message, Butera said.

"It will demonstrate who we are and what we have to offer," Butera said.

Before Butera took over, Foxwoods expanded its brand in New York City and Boston through various sponsorships such as the WNBA team New York Liberty, soccer team Boston Breakers and the Foxwoods Theatre in New York, home of a highly publicized Spider-Man musical.

While Foxwoods might look to do similar sponsorships in the future, the focus will be on teams and locations that Foxwoods customers like. The current sponsorships aren't going away, Butera said, but the resort needs to pick the right partners as it moves in a new direction.

"We are happy with the start we are off to," Butera said. "All being told, we have a good product in Connecticut, and we are happy with it."