

Trying to Lure Customers? Choose the Right Promotional Tools First!

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Advertising and sales promotions account for over 25% of UK marketing budgets, however, research shows that more than 50% of promotions are not profitable. It is common knowledge that promotional tools can be used to encourage unplanned purchase, but do you really know when to use which promotional tools?

A study conducted by Dr. Jenny Ma and her team at the University of Worcester investigated British and Chinese consumer responses to promotional tools in casino gambling. Casino is a fast-growing and competitive sub-sector of the gambling industry (see Figure 1). However, as only 3% of casino customers are classified as frequent visitors, how to attract customers effectively has become a significant topic for this industry.

Figure 1 (Source: Global Betting, Gaming Consultant, Gambling Consultancy)



This study tested different types of promotional tools, such as loyalty scheme and free bet, on consumers in a casino. The findings are interesting: the *loyalty scheme* significantly impacted consumers' intention to *switch casino brand*; whilst *free bet* was found to encourage more spending and visit acceleration. Moreover, British consumers responded more positive to both types of loyalty scheme as promotions, whereas Chinese consumers were found to be more attracted by the *free bet* and the *prize draw*.

This study tells us that before spending huge sums of money on a promotion, we need to have a clear strategy. We need to know what customer behavioural outcomes we are looking for, and what type of promotional tools should be used accordingly. This study also provides important insights to international marketers, and emphasizes that cultural differences should be noted when it comes to the use of promotional tools.

For more information about this Research please contact IORMA [here](#)



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