

## Customer Experience Driving Penn National's Approach as it Prepares for Sports Betting in Mississippi

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When the Supreme Court of the United States (SCOTUS) repealed the Professional and Amateur Sports Protection Act on May 14, the state-level scramble to legalize sports wagering began – but not in Mississippi. It is among the few states that proactively advanced enabling legislation in anticipation of a positive outcome from SCOTUS and Mississippi operators like Penn National Gaming (PNG) are now preparing to welcome new customers to the market. The Innovation Group had the opportunity to sit down with PNG Vice President of Public Affairs Jeff Morris and Justin Carter, General Manager of the Hollywood, 1st Jackpot and Resorts Casinos in Tunica, Miss., to learn how the company is approaching this opportunity.

Although they did not expect a decision from SCOTUS this year, PNG has been proactively working with the American Gaming Association and other industry colleagues for the last several years to educate legislators and prepare for what they hoped would be a positive outcome. “What happened in Mississippi is really a microcosm of that work,” said Morris. The Mississippi Gaming and Hospitality Association played a significant role in driving the effort, especially in helping state legislators understand how being the first jurisdiction in the Southeast to offer sports betting could have a major positive impact on tourism.



Regulations were formally adopted at midnight on July 21, which technically allowed casinos to begin taking bets, but it will be a few weeks before any of the Mississippi sports books are officially open for business. At present, PNG's plan is to officially launch sports wagering at its properties in the very near future with two formal sports books – one at Hollywood Casino Tunica and one at 1st Jackpot Casino Tunica – and an additional kiosk area at Resorts Casino Tunica.

Already, the excitement level from customers is much higher than anticipated. “I can't walk the casino floor without fielding questions from team members who have customers wanting to learn more about it,” Carter said. “There is a huge amount of buzz.” With the extreme passion in the region around sports, and college athletics in particular, they hope to become a destination for fans in Memphis and Arkansas as well.

To that end, PNG is approaching the addition of sports betting as it would any amenity that can further complement their offerings. They are working closely with their partner to create an overall experience, taking into consideration the fact that for many of their patrons this will be the first time they've visited a sports book or even placed a bet. The objective is not to cater to a specific clientele, but to appeal to a broad audience. Whether a novice or a seasoned bettor, the most important thing to Carter is that the customer feels comfortable. “Our strategy is – we want it to be accessible. Unlike, say, a racetrack on a Wednesday afternoon. We want to make it as seamless as possible for everyone to really enjoy themselves.”



That strategy translates into the design of the sports books. Carter traveled with his marketing team to Las Vegas to tour “more sportsbooks than they could count.” He noted the vast differences, from traditional enclosed books with tickers scrolling the perimeter and betting line sheets spread about, to more modern books with betting kiosks and lounge furniture. The more “traditional” approach didn’t feel right for PNG’s Mississippi customers. Instead, they plan to utilize new technologies to make the environment more open and welcoming, creating a seamless flow for guests within the casino. At Hollywood, they have installed a 15- by 24-foot screen with surround sound. “If you can imagine watching the Super Bowl on a movie theatre screen – that’s what we’ll be offering,” said Carter. “We’ll differentiate ourselves by creating experiences, allowing customers to really enjoy the matches and enjoy our food and beverage offerings, all while becoming educated on how to enjoy sports betting.”



Property modernization often inspires or necessitates the update of related operations but PNG, like many of its industry counterparts, is taking a phased approach. “We want to be up and running in time for football season,” said Morris. “The last thing we want is to be mid-construction and make our customers wait.” For now, they’re focused on related operations: “If customers are enjoying a game,” said Carter, “we need food service to be hot, fresh and fast.” They are prepared to make broader investments if warranted, but will wait to see if that means new construction or simply scaling up current offerings. “With sports betting margins being so tight, the market and revenue are difficult to predict,” Carter added. “We plan to listen to our customers and make changes as the market demands.”

“Adding a sports book is similar to adding a poker room in many respects -- you don’t go shooting off fireworks when that happens,” Carter continued, “but hopefully we’re smart enough to capitalize on the ancillary revenue we can drive from this.”