

How to prepare for a total indoor ban on smoking....

....based on the Redcliffe Leagues Club

Total Indoor Smoking Ban – July 1 2006



...an approach

Having the benefit of a 3 stage process as opposed to an overnight ban on smoking certainly made the transition easier on our staff, patrons and bottom line.

Structural preparations for smokers' decks aside, the topic of 'July 1' was on the agenda at every Board, Management & Staff meeting for the 12 months prior to the commencement of the bans. As a result we were extremely well placed on July 1 with all staff trained on all aspects of the Legislation and how it applies to their job description.

All staff were constantly reminded about the need to increase service standards to all patrons, particularly gaming, to counter the anticipated downturn in revenue. Therefore the topic was constantly brought up by management or industry experts we had brought in to address the group.

Key to this was educating staff and smokers that Redcliffe Leagues Club was not a strictly non-smoking venue as of July 1, but rather a venue where smoking is banned indoors – as are all licensed venues in Queensland – but can still provide for smokers by way of comfortable outdoor areas. This is only a subtle difference but extremely important.

Reception and door staff received specific training to change patrons' attitudes when they enter the Club. This was often the point where members realised that the smoking bans had come into effect and made comments such as – 'You can't smoke here anymore' which coincided with a Government advertising campaign. Door staff were trained to look out for this and reply with 'In actual fact you can still smoke here sir, we have a beautiful courtyard running off our sports bar and gaming room where you are most welcome to smoke, enjoy your evening'.

To show patrons that the Club was proactive, sketches of smoking decks and other information on the Legislation were communicated via the usual methods – signage, plasma screens, Club newspaper, web site etc. This was all done well in advance of the deadline.

...post July 1

July 1 saw the introduction of a number of new initiatives aimed at educating patrons and increasing service.

Food and beverage service was extended to the machine – something that occurred in many Queensland Clubs prior to July 1, however not at Redcliffe Leagues Club. Having the option to offer this at such a crucial time provided the Club with a significant competitive advantage as the move was extremely well received amongst our members. As the smoking regulations resulted in lost time whilst players smoked, this added service meant we got a little time back – which was crucial.

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Additionally, a new bean-to-cup coffee machine was placed back of house and a higher standard of coffee was provided to valued customers. The complimentary instant coffee remained, however staff were allowed to offer the better coffee to the regulars. This was also extremely well received. Furthermore complimentary packets of nuts, mints, jelly beans, tropical delights and mixed lollies were provided. These were packaged in a clear, oval shaped plastic container with our logo on the lid. Using this as a branding opportunity reminded members that it was at Redcliffe Leagues Club where they were really looked after as smokers.

From July 1 gaming, door and glassy staff were issued new uniform tops which featured a large picture of our courtyard on it with the advice: Smoking Permitted... Ask Me Where. It is easy to assume your patrons know where your smoking areas are – the reality is the vast majority don't know until you make it very clear.

...the smoking area itself

Two schools of thought emerged by Club managers in regards to smoking areas. Some provided a very basic area with little or no furniture with the idea being to get the smokers back inside as quickly as possible. The alternative, and what we have done at Redcliffe is to provide an outdoor area which is extremely comfortable for smokers. Smokers are a key market segment and we believe we need to provide them with state of the art facilities and show them that we will continue to provide high levels of customer service to smokers.

Additions to the Club are marketed as genuine refurbishments and as new and exciting additions to the Club, rather than as a smokers' deck that has been thrown together.

Glassies received specific training on how to service a smoking area – what they can and can't do etc. Ashtrays fill quickly and all staff must stay on top of the area so it is neat and clean at all times.

Having suitable protection from the elements – heaters, fans, shade, cover from rain – are also important elements to consider.

...a marketing strategy

A new market segment of non-smokers emerged as a result of the total indoor ban. People who avoided licensed venues because of a strong dislike for secondary smoke are now visiting the Club.

This segment is not as valuable as the smokers or non-smokers who are more tolerant to secondary smoke, but important none the less. To coincide with potential new members visiting the Club in July the promotional activity had a strong focus on the value of membership. An 18 months for 12 months membership offer was made

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available in addition to a foyer kiosk promotion which rewarded patronage. The 18 months offer was dropped to a number of key suburbs and was extremely successful – more so than years gone by and I am convinced the non-smokers had a part to play in that result.

Effectively marketing to this segment results in increased membership and foot traffic. Importantly, it also helps to negate the downturn in gaming turnover which is inevitable.

New market segment aside, the most important thing to remember is to market the smoking ban to your staff correctly. Whilst they must be informed that it will impact on revenue and everyone's job, it is crucial for the management team to remain extremely positive about the ban so it trickles down through the staff and onto the members. It is important to eliminate the negative comments, the blame game and the long faces starting with the management team. It is crucial the staff put a positive spin on the bans so they can pass that on to the smokers, and this won't happen if they hear the managers criticising the Legislation and appearing stressed and under the pump.

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A look at July attendance year on year...

1.7.05	2251	1.7.06	2972
2.7.05	2535	2.7.06	1799
3.7.05	1926	3.7.06	1357
4.7.05	1310	4.7.06	1517
5.7.05	1608	5.7.06	1877
6.7.05	1731	6.7.06	1967
7.7.05	1492	7.7.06	2830
8.7.05	2176	8.7.06	2369
9.7.05	3404	9.7.06	2629
10.7.05	1690	10.7.06	2901
11.7.05	1349	11.7.06	1701
12.7.05	1855	12.7.06	1368
13.7.05	1515	13.7.06	1429
14.7.05	1468	14.7.06	2503
15.7.05	2328	15.7.06	3581
16.7.05	2539	16.7.06	1982
17.7.05	1963	17.7.06	1305
18.7.05	1338	18.7.06	1698
19.7.05	1865	19.7.06	1542
20.7.05	1706	20.7.06	1669
21.7.05	1601	21.7.06	2818
22.7.05	2743	22.7.06	3547
23.7.05	2513	23.7.06	1886
24.7.05	2387	24.7.06	1625
25.7.05	1622	25.7.06	1869
26.7.05	1884	26.7.06	1550
27.7.05	1582	27.7.06	2133
28.7.05	2246	28.7.06	2465
29.7.05	2410	29.7.06	3048
30.7.05	2582	30.7.06	2532
31.7.05	1755	31.7.06	2650
	61374		67119

Attendance is up 9.3% year on year since the introduction of the indoor smoking ban.

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The information below refers to the entire industry, not RLC:

When looking at the effects of the Smoking Ban on performance for the 1st full month figures the Average Daily Turnover (ADT) figure has been used as a constant and allows us to compare accurately.

The table below illustrates the trend for gaming for the previous 10 months and shows the ADT increasing at an average rate of 5.84%.

You would expect this rate of increase to continue through July 06 as usually July is a better performing month than June historically.

As there was a decrease of 11.01% in July 06 compared to July 05 the cumulative effect is a decrease of 16.86%.

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
2004/05	1,193.04	1,177.81	1,137.80	1,163.14	1,080.24	1,106.33	1,091.71	1,140.49	1,086.16	1,161.27	1,245.66
2005/06	1,245.23	1,218.33	1,216.27	1,224.07	1,146.43	1,156.65	1,207.54	1,193.98	1,176.15	1,210.49	1,108.50
% change to last year	4.37%	3.44%	6.90%	5.24%	6.13%	4.55%	10.61%	4.69%	8.28%	4.24%	-11.01%
								Expected Growth (Average)	5.84%		
								Actual Growth	-11.01%		
								Net Effect	-16.86%		

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