

Modeling Korean Domestic Casino Gaming Demand

Abstract

The primary purpose of this research is to investigate the determinants of the casino gaming demand by both the number of casino visitors and their expenditure (i.e., the casino revenue) in a Korean domestic casino. This study employs econometric modeling technique using the time-series data. The empirical results show that habit persistence is the most significant determinant of the casino visits, followed by visitors' income, marketing expenditure, and the transportation cost. While marketing expenditure contributes most significantly to casino revenue, followed by the past revenue. Lastly, the study reveals that seasonality is also an important influencing factor of the demand for casino gaming in terms of the number of visitors. This study has important practical implications on casino gaming demand management in terms of effective marketing and successful planning.

Key words: Casino management, Casino gaming demand, demand modeling, general-to-specific approach, demand elasticity