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A Sure Bet

Despite what President Obama and the press may have thought—and what the public still might think—gaming destinations are great for meetings. Here's the case in their favor.

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By Andrea Doyle

We've all read about companies like Wells Fargo that hastily canceled plans to host a Las Vegas employee conference after lawmakers in Washington learned about the trip and lashed out. Then there was Goldman Sachs, which moved its meeting from Las Vegas to San Francisco.

Las Vegas is not taking these cancellations lying down. In reaction, it ran "An open letter from Las Vegas," as an ad in the *Wall Street Journal*.

"Recently, a prominent financial firm canceled a meeting in Las Vegas and moved it to another city because of the perception that Las Vegas is a 'fun' trip or an unwarranted extravagance," the ad states.

"We admit, Las Vegas is more fun than any other place on the planet. Guilty as charged. However, serious business is done here every day. Don't get us wrong. We don't think taxpayer dollars should be spent on any unnecessary expenses. But at a time when America is getting back to basics, there is no room for playing the perception game. Las Vegas has been doing business for decades and has the track record to prove it. That's the reality," it continues.

Jeremy Handel, a spokesman for the Las Vegas Convention and Visitors Authority (LVCVA), says the convention bureau is about to get even more active. It will launch a \$1 million ad campaign targeting CEOs in addition to its normal audience of meeting planners.

Advertising is just one way Las Vegas is fighting back. The LVCVA sales staff has had more than 1,000 face-to-face sales calls and is conducting in-market sales missions with its resort partners to encourage businesses to continue to conduct their meetings in the city.

"Las Vegas has been working hard to assure planners that there is value in the destination and that meetings are still vital to their business success," says Rossi Ralenkotter, LVCVA's president and CEO. "The situation is not unique to Las Vegas; it is an industry-wide issue impacting many destinations. While there have been a few high-profile cancellations, the vast majority of our clients have expressed their support for Las Vegas and are eager to bring their programs here. It is important to make sure that we are all reinforcing the message that the meetings industry is an important element of doing business and is an economic stimulus for the nation and specifically for Las Vegas."

Negative publicity aside, corporations have been having successful meetings and incentives at casino properties for years. Easy access, first-rate accommodations, meeting space, entertainment, and dining abound. Plus, planners report that casino resorts are extremely cost-effective.

Jason Fullman, learning manager with Mercedes-Benz USA, planned a departmental meeting for 85 at Mohegan Sun in Uncasville, CT, last October.

"We were able to negotiate a great room rate. Plus, 70 percent of our group was coming from the New Jersey area and was able to drive to the meeting," he explains. For those who flew in, a reasonably priced shuttle was arranged with Mohegan Sun's help to and from airports in Providence, RI, and Hartford, CT, says Fullman, who is based in Costa Mesa, CA.

The training meetings Fullman plans help dealers improve performance through education, which is important even in a down economy.

"We're a training organization and we have to have meetings to discuss our plans, although we may have to do things differently. Maybe meet for shorter periods of time or at the corporate headquarters. We're still figuring it out as the economic temperature rises and drops," explains Fullman.

He was impressed by all Mohegan Sun offers. "There is something for everyone. Great amenities, food selection, activities, and great meeting space. Plus you don't walk into a casino, you walk into a hotel lobby. The casino is off to the side, and you have to [make an effort to] go there. You don't see the casino nor do you hear the casino, but it's there for those who want it," says Fullman.

Lake Tahoe Stressing More for Less

Today's uncertain economy has meeting planners thinking about value. "As meeting and incentive budgets are scaled back, the competition for meeting dollars has intensified," says Steve Lowe, director of sales for Harrah's and Harveys Lake Tahoe. "Price is what you pay. Value is what you get."

He points out that at Harrah's and Harveys Lake Tahoe value includes a 10 percent room tax, no mandatory resort fees, convenient airport access, and food and beverage that is priced lower than the industry average.

"Meetings stimulate not only the people who attend them, but the local economy as well. Bringing people together is an investment in the future that benefits both the company and its employees," says Lowe. "Creative meetings and retreats often result in new ideas to help companies survive and even thrive in times of economic hardship. There is nothing better than a change of scenery to bring out the best in employees: a round of golf, a day of skiing, a mountain bike ride; plus, these activities encourage cross-generational synergy." Lake Tahoe offers these recreational activities in a serene setting along with all the excitement of casino gaming.

In a Class of Their Own

"First-tier cities are very expensive, and second- and third-tier cities don't have the offerings found at casino resorts," says Dorothea Heck, director at D. Lawrence Planners LLC, a meeting and trade show consulting company, as well as at Destination A.C., Atlantic City's only destination management company. "A casino destination may not be a first-tier city, but it features vast offerings and five-star-level properties at a value."

Today's casino properties have been built, and older properties renovated, with the needs of meeting groups in mind. In most cases, convention space is as far from the casino floor as possible.

"If they prefer, a meeting group can have a productive meeting at a casino resort and never take a step on the casino floor," says Larry Huttinger, also a director at D. Lawrence Planners and Destination

A.C. "Today, gaming is so widely accepted. Think about it. Over 40 states have some form of gaming today."

According to the 2008 State of the States: The AGA Survey of Casino Entertainment, released by the American Gaming Association, gross gaming revenues continued the modest but steady growth exhibited in past years to total \$34.13 billion in 2007, a 5.3 percent increase. The survey also reports that 54.5 million adult Americans went to casinos in 2007.

In addition to visiting casinos in greater numbers, Americans continue to show strong support for casino gaming. More than 80 percent of those surveyed believe casino gaming is acceptable for themselves or others.

For those groups looking to cut costs, midweek offers the best deals, as casino traffic usually peaks on the weekends.

"Casinos offer a real value opportunity for meetings, especially between Sunday and Thursday. Groups can get very good sleeping room and meeting room offers, as this is not the casino resort's sole source of revenue," says Heck. "The group has the benefit of a five-star property at a real value. Plus, if they are looking for big-name entertainment there is the opportunity to piggyback on entertainment the casino is providing at a reduced cost."

Putting on a first-rate event is almost second nature at casino resorts that feature highly skilled entertainment crews with stagecraft that rivals Broadway's. "There is such a vast talent pool to tap into. They are already well versed in lighting, staging, and sound," says Huttinger. "Plus, standards are extremely high in the technical area as well as food and beverage. At a property like the Borgata, a group can have a first-class dine-around without ever leaving the building."

Vegas Equals Value

Las Vegas resort executives say given the current economic climate, it is time to emphasize the destination's value.

"Las Vegas is a very economical place to have a meeting. There is unbelievable meeting space, it's easy to fly in and out of, and it is just an attractive option for meeting groups," says Christine Duffy, president and CEO of Maritz Travel.

This year, the Las Vegas Convention Center (LVCC) is celebrating its 50th anniversary. In April 1959, community leaders realized their vision of Las Vegas becoming a leading convention destination when the 90,000-square-foot exhibit hall opened and hosted the World Congress of Flight. Since then, the LVCC has grown to more than 3 million square feet and regularly hosts more than 1.5 million delegates per year, resulting in approximately \$2.5 billion in non-gaming economic impact.

"Las Vegas has invested a great deal in the facilities, service, and amenities that provide a successful atmosphere for meeting planners. Research has shown that events that move to Las Vegas from another destination attract more delegates and get more business done. The value that can be found in holding meetings in Las Vegas is hard to match in other destinations," says Ralenkotter. "Las Vegas is a place where you will get serious business done. Because our entertainment options are geared toward the nighttime, planners and attendees spend their day focusing on business and can enjoy the amenities of our destination at night. Planners can often save the expense of evening functions because there are so many options that delegates will want to experience on their own. We are confident in the brand of Las Vegas and the competitive advantage we provide to meetings and

conventions."

Atlantic City's Ready to Roll

Although Atlantic City is feeling the effects of the economic slowdown, it is faring better than other destinations. "We're lucky we're so close to our key feeder areas. It's not all gloom and doom," explains Jeffrey Vasser, president of the Atlantic City Convention & Visitors Authority. "For 2010, 2011, and 2012, our convention bookings are up. We just have to get through 2009, which is certainly soft. We plan to keep marketing the fact that there are other things to do than just gaming in Atlantic City."

And the options are expanding. There has been more than \$1.5 billion in new investment in the city during the past year alone. New developments include Atlantic City's first boutique hotel, the Chelsea; the Water Club at Borgata, which features 800 guest rooms, a two-story spa, and 18,000 square feet of meeting space; the Chairman's Tower at the Trump Taj Mahal; the Waterfront Tower, a new 964-room tower at Harrah's, where new restaurants and other non-gaming amenities have also recently debuted; the Courtyard by Marriott; Qua Baths and Spa at Caesars; and upgrades at the Tropicana. There is new express train service from New York, and new daily direct air service from Boston on Spirit Airlines.

From the desert in Nevada to the coast of New Jersey, planners are finding gaming destinations still suit their meetings and incentives.

CASINO DESIGN NO CRAP SHOOT

Paul Steelman, owner and CEO of Steelman Partners, one of the world's leading casino designers, has worked on more than 3,000 casino- and entertainment-related projects in a career that spans 32 years. Having designed some of the most unique and successful properties in Las Vegas, Atlantic City, and elsewhere in the U.S., as well as Asia, Europe, and South America, Steelman works closely with casino developers and operators to create one-of-a-kind gaming and entertainment destinations.


Successful casinos, he says, have their own identity and sense of place and their own character. What elements are kept in mind when creating casino resorts? "Movement, excitement, making the customer look and feel great, cost, convenience, comfort. Emotional touch points that include making the customer feel like James Bond," says Steelman. "Natural lighting, blurring the lines between the outside and interior, and golden intoxicating lighting are also important."

He is not surprised that casino resorts are a popular meeting spot for business conferences. "It is only natural that a place with an entire tourist infrastructure is also well-suited to accommodate business meetings of all sorts," says Steelman.

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