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## **ECONOMY LODGING SUCCESS FACTORS IN THE LAS VEGAS STRIP MARKET**

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A Goal Without a Plan is Just a Wish - Antoine de Saint-Exupery

## MARKET OVERVIEW

- ✘ 150,593
- ✘ 39,668,221
- ✘ 62.3% U.S. National Average Occupancy %
- ✘ 84.3% Las Vegas' 2013 City-wide Occupancy
- ✘ 9.7 Billion 2013 Gaming Rev. (Clark County)
- ✘ 5,107,416 Convention Attendees
- ✘ 26% of visitors from Southern California

## LVCVA VEGAS FAQ

- ✘ How many conventions are held per year? 22,027
- ✘ What is Las Vegas Strip's gaming revenue? \$6.5 Billion
- ✘ What is Downtown's gaming revenue? \$501 Million
- ✘ What is Boulder Strip's gaming revenue? \$787 Million
- ✘ What is the average visitor's gambling budget per trip? \$530
- ✘ What is Las Vegas' hotel occupancy? 87.1%
- ✘ What is Las Vegas' motel occupancy? 59.8%
- ✘ What is Las Vegas' weekend occupancy? 91.1%
- ✘ What is Las Vegas' midweek occupancy? 81.4%
- ✘ What is the total number of enplaned/deplaned airline passengers? 41,857,059
- ✘ What is the average daily auto traffic: all major highways? 102,244
- ✘ What is the average daily auto traffic: I-15 at NV/CA Border? 42,485
- ✘ What is the average nightly room rate? \$111
- ✘ How long is the average visitor's trip (in nights)? 3.3
- ✘ What % of visitors are under 21? 10%
- ✘ What is the average age of a visitor? 45.8
- ✘ What % are first time visitors? 15%
- ✘ What % of visitors are International? 20%

## KNOW YOUR MARKET

- ✘ Not all visitors want to be on the strip
- ✘ European Travelers Have Long Vacations
- ✘ Other “Non Strip Factors”
  - + Airport
  - + National Parks
  - + Conventions
  - + Events
- ✘ Budget Minded Traveler’s
- ✘ Southern California

## 3 FACTORS TO SUCCESS

- ✘ Having Proper Revenue Management Techniques
- ✘ Having a Sales Oriented Culture
- ✘ Customer Retention (Repeat Business!)

## REVENUE MANAGEMENT

- ✘ Know your competition and utilize your rate shops such as Travel Click's Rate 360 Report
- ✘ Identify High Demand Dates ASAP
- ✘ Have a strategy for high demand dates
- ✘ Build a Base further out with sales then supplement
- ✘ 20% Walk-In Transient Business
- ✘ Use your YOY Pace statistics to help make decisions on promotions
- ✘ Market is Dynamic, be ready to yield on the fly
- ✘ Proper utilization of Opaque channels

Rms Left	ADR	Revenue Lost
6	\$41.99	\$251.94
1	\$144.95	\$145.67
6	\$64.88	\$389.28
6	\$63.08	\$378.48
4	\$73.60	\$287.04
1	\$73.23	\$76.89
2	\$84.90	\$165.55
5	\$73.36	\$363.13
3	\$57.40	\$172.20
5	\$56.05	\$277.45
3	\$92.28	\$276.84
4	\$56.66	\$220.97
4	\$104.06	\$405.83
2	\$122.74	\$239.34
5	\$53.64	\$265.52
5	\$54.71	\$270.81
5	\$72.11	\$356.94
8	\$49.90	\$396.71
6	\$58.47	\$350.82
4	\$60.64	\$236.50
8	\$65.23	\$518.58
6	\$61.10	\$366.60
2	\$68.31	\$133.20
2	\$57.11	\$111.36
5	\$53.00	\$262.35
<b>107</b>	<b>\$64.67</b>	<b>\$6920.03</b>

## EXAMPLE

- ✘ By being afraid of the "what if" this hotel lost nearly \$7k in revenue in 12 months
- ✘ Sell Every Room, you will never have be able to sell that inventory again!

## SALES CULTURE

- ✘ Front Desk Clerks are your best Sales People
- ✘ Sales People tend to work better when an incentive can be earned
  - + Utilize fun sales Contests
  - + Provide incentives for 100% Sell Outs
  - + Empower clerks to sell, provide a range of rates so they don't walk out the door
- ✘ Use both good and bad reviews as sales opportunities
- ✘ Revenue is King!
- ✘ Happy Employees Sell Better

## RETENTION

- ✘ According to the LVCVA, only 15% of the almost 40 million visitors in 2013 were first time visitors.
- ✘ That means 34 Million REPEAT customers come ever year
- ✘ Importance of Frequent Stay Programs
  - + Everyone loves points
- ✘ Customer Service
- ✘ Act as if philosophy

