

Destination Marketing Strategy Development



Las Vegas, NV

Introduction

This paper seeks to detail the characteristics of Las Vegas, NV as a tourist destination and provide an overview of the statistics regarding the tourism industry. As well, this paper seeks to provide an analysis of the strengths, weaknesses, opportunities, and threats for the destination and outline area of improvement to ensure future competitiveness for the destination. This paper seeks to analyze the city of Las Vegas from a destination marketer's viewpoint and provide recommendations for destination marketers to ensure the future success of the destination.

Characteristics of the Destination

Las Vegas is located in the southern area of Nevada and boasts a population of about 583,000 people and 1.951 million in the metro area (McNamee, G.L.). The destination is home to world-famous night life, hotels, casinos, fine dining, entertainment, and shopping. The city is often referred to "Sin City" and is famous for a slogan of "What Happens in Vegas, Stays in Vegas". Las Vegas's main tourism groups are leisure and business travelers. These travelers tend to be adult travelers over the age of 21, and often in groups of two. The area hosts numerous conventions and business conferences each year and has a state-of-the-art convention center and hotels with large convention spaces. Some of the conventions that are held each year include the Consumer Electronics Show, American Dental Association and DefCon. While the main draw to the area is the city itself, the area also offers additional attractions and things for tourists to do. Nearby are natural recreations areas including Red Rock Canyon, Death Valley National Park, and a National Wildlife Refuge. The Hoover Dam and Grand Canyon are also located nearby and there are also activities such as a mine tour, kayaking, biking, and watersports. The Hoover Dam and Grand Canyon were the two most popular places visited nearby (Las Vegas Visitor Profile Study).

Annually, Las Vegas attracts over 42 million visitors. Las Vegas is most easily accessed by plane or by car. The McCarran Airport transports around 22.2 million passengers annually and on average 37,460 cars enter Las Vegas (Las Vegas Convention and Visitors Authority). Las Vegas is in a desert area and there is limited transportation into the area. There are buses that travel from cities nearby, but the closest train stations are in Needles, CA and Kingman, AZ. Once in Las Vegas, most tourists rely on their own vehicle, ride sharing services or taxis to get around the area. There are buses and shuttles, but they are not utilized as often. Public transportation within the tourist areas is present, but lacking in coverage and overall service.

The Las Vegas Convention and Visitor Authority (LVCVA) is the Destination Marketing Organization (DMO) that represents the destination. LVCVA is a government organization that is established by state law and receives funding from the county room tax. Additionally, LVCVA owns and operates the convention center in Las Vegas and is governed by an autonomous board of directors.

Las Vegas' economy is heavily driven by the hospitality industry, and most of the employment for the local community is in the hospitality industry. According to the U.S. Bureau of Labor Statistics, 210 thousand people are employed by the leisure and hospitality industry. The other

industries that employ a large number of the local community include trade, transportation and utilities (192 thousand), professional and business services (137 thousand), education and health services (105 thousand) and the government (103 thousand). The hospitality and tourism industries are the major economic driver of Las Vegas and Las Vegas was one of the hardest hit economies during the COVID-19 pandemic. The city relies on the tourism industry and has struggled over the past year when tourism numbers hit an extreme low and many employees were out of work due to the pandemic. The unemployment rate in Las Vegas hit 34.2% during the pandemic and the number of visitors dipped by 55% (Sayre, K., & Mackrael, K.). However, even though Las Vegas' economy suffered greatly during the pandemic, the city remains hopeful and as the city continues to open up and return to normal, visitors are returning, and revenues are coming in.

Analysis of Destination Products

A large percentage of tourist visit Las Vegas for vacation/pleasure, with a smaller percentage visiting the area for a convention or corporate meeting. In 2019, 36% of visitors were in Las Vegas for vacation/pleasure and 14% were in Las Vegas for a convention or corporate meeting (Las Vegas Visitor Profile Study). In general, most visitors were parties of 2 who were over the age of 21. Most visitors stayed in a hotel on the strip and stayed for an average of 3.4 nights. An average of 81% of visitors stated they gambled while in Las Vegas, 51% saw a show, 28% went to a paid attraction like a water park, and 42% went to bar or lounge (Las Vegas Visitor Profile Study). The attractions of Las Vegas are mostly targeted for adult travelers and often couples. As well as group trips such as bachelor/bachelorette parties, birthday celebrations, etc. Las Vegas does not target as much to family travelers or younger travelers. This is due to a lot of their entertainment and attractions being more suited for mature audiences and those who are 21+ years old. Las Vegas has shows ranging from magic shows, musicals, comedies to mature shows, sporting events and concerts. The dining ranges from fast food restaurants like White Castle to fine dining like Restaurant Guy Savoy and extensive buffet meals. Visitors can visit numerous high-class hotels and experience luxury casinos and extravagant decorations. There are also museums, aquariums, theme parks, golf courses and outdoor activities galore. Las Vegas truly has something for everyone and there is no shortage of places to try and explore. The sheer number of options can be overwhelming and finding the options that are best suited for each traveler can be time-consuming. Many travelers do not even know of the extensive list of things to do in the Las Vegas area and often remain in the Las Vegas strip area.

Strengths

Las Vegas does a great job of catering to couples, group trips and those over the age of 21 years old. Las Vegas has hundreds of options for shopping, entertainment, dining, nightlife and lodging and there are so many things to explore in the area. Visitors can spend many days in the area and find something new to do each day. Visitors stayed for an average of 3.4 nights, which indicates that visitors are keeping busy but there is still room for improvement in number of days visitors are staying. Las Vegas has so many options of things to do and visitors can likely spend many, many days in the area and not run out of new things to try.

Las Vegas has done a great job advertising itself and the city is well-known across the globe. Las Vegas is iconic and well-known. It has developed a strong marketing campaign and iconic slogans such as “What Happens In Vegas, Stays in Vegas.” The marketing strategy for Las Vegas has done a great job of catering to their target market and creating a unique draw for the city.

Weaknesses

Las Vegas is not targeting their destination to family travelers and that leaves out a lot of travelers. While a lot of the attractions in the area are suited for non-family travelers, there is still lots to do in the area, but Las Vegas is not currently seen as a family destination. As well, there is a certain reputation that Las Vegas has created for itself and some travelers may not resonate with the party reputations that often follows Las Vegas. This can be seen as a weakness because some travelers will avoid the destination due to this reputation even though there is much more to do than just partake in the party lifestyle.

There are so many things to do in the Las Vegas area and the vast number of things to do can be overwhelming for new visitors. The area can cater to a variety of wants but finding the best options for each person can be a place of weakness. Some travelers may find the time needed to plan a trip to be too consuming and may not easily be able to find the options that best suit their desires.

Las Vegas is located in the middle of the desert and has limited transportation options to get into the area, and also limited transportation options once you are in the city. There are not any trains that travel to Las Vegas and there are very limited options beyond a plane and car to travel to the city. Additionally, public transportation is limited and most tourists will need to rely on taxis and car share applications in order to get around the city.

Opportunities

The current average number of days visitors spend in Las Vegas is 3.4 days, which leaves room for improvement and the opportunity to market to tourists on ways they would be able to spend additional time in the area. As well, Las Vegas has the potential to market more to family travelers and create marketing campaigns to show family travelers the potential Las Vegas has as a destination. Many people think of the Las Vegas strip when they think of Las Vegas, however there is a lot to do off the strip and I think Las Vegas has a great opportunity to market these other options to attract more visitors and encourage travelers to spend more time in the area.

Threats

As seen with the COVID 19 pandemic, most destinations are seeing the vulnerability the tourism industry has when crises occur. Las Vegas saw a huge drop in visitors during 2020, and the destination is still working to recover from the impacts of the pandemic. Situations like the pandemic or the Las Vegas shootings continue to demonstrate the number of threats to destinations. While it is impossible to predict when something like that might happen, destinations should develop plans and strategies to deal with a multitude of situations.

Destinations are also experiencing fierce competition among other destinations to attract visitors. Destinations must be able to differentiate themselves, offer unique experiences and create a memorable experience to attract travelers. Las Vegas is iconic and many people are aware of the area, as a result, the city itself may not develop as many marketing campaigns or work to attract visitors due to assumption that everyone has heard of Las Vegas. This can be seen as a threat, because even though the city is well known, it is still critical that the city works to attract new visitors and encourage others to return.

Future Marketing & Competitiveness

Las Vegas, like many destinations, saw a large decrease in visitors due to the COVID-19 pandemic. While on average, the area attracts around 42 million visitors, in 2020, Las Vegas only attracted less than 20 million visitors. Las Vegas is working on recovering and the city has quickly begun on the right path. Recently the World of Concrete Convention brought 60,000 people to the area, artists such as Carrie Underwood, Katy Perry and Luke Bryan are set to take residencies in Las Vegas, and July 4th fireworks have been planned that will likely bring large crowds to the area for the first time in over a year. Visitors are finally starting to return, and businesses are hopeful in the recovery (Thomaselli, R.I.). However, when looking at visitor volume during the years 2015-2019, visitor volume remained relatively consistent around 42 million visitors (Las Vegas Convention and Visitor Authority Research Center). This means that while their tourism industry is remaining strong, it is not showing an increase in arrivals over the past 5 years. For Las Vegas to remain a competitive destination, I think it is important the city focuses on ways to increase the number of visitors to the area each year.

Based on research completed by the LVCVA, the three main tools used when visitors were planning trips to Las Vegas include websites, word of mouth and social media. The LVCVA website is very comprehensive and offers a lot of information on the area and things visitors would need to know. There are also other sites including vegas.com and lasvegas.com that offer one stop websites to book hotels, flights, shows, tours, and attractions for Las Vegas. These websites allow visitors to see many options in the area and compare prices easily. These websites are visited frequently by potential tourists and provide a great resource for those looking to visit Las Vegas. Continuing to support and invest in advertising tools is critical to the continued success of Las Vegas' tourism industry.

One thing that I would work on as a destination marketer is developing sample itineraries for visitors. There is such a variety of things to do, and it can be overwhelming to understand the layout of the city and how to get around. I think developing itineraries for various occasions and allowing visitors to utilize these could make the planning process easier and less overwhelming. As well, I would also work on continuing to develop a good social media presence. Many visitors utilize social media when planning their trips, and I would want to create an interactive space where visitors can ask questions, interact with destination managers as well as other travelers. Visit Las Vegas currently has a Facebook, Twitter, Instagram, Snapchat, and YouTube presence. They do have a fair amount of content posted on their various social media pages, but I

would hope to incorporate more interactivity between the destination managers and travelers. There is not much response from the DMO, and I think the interaction can create a great consumer experience for tourists. Actively monitoring and responding to comments and questions posed by followers will provide a better customer experience.

Social media continues to grow and develop, and destinations that are not able to stay on top of the current technology trends will find themselves falling behind other destinations. Las Vegas should also focus on taking advantage of new technological advances and staying on top of current trends. For example, applications like TikTok have become extremely popular and creating a presence on trending apps can increase tourist arrivals and overall marketing presence. The LVCVA does not currently have a presence on TikTok, and as a result, is missing out on the interactions with members of that community. As well, creating high quality content is important and creates a direct reflection of the quality of the destination. Instead of focusing on quantity, Las Vegas should focus on unique, attention-grabbing, high-quality marketing campaigns.

The city of Las Vegas itself is almost entirely composed of the tourism industry, however, when you leave the main strip there is less of a focus on tourism and more of a focus on the local community. Hospitality and tourism are the main economic drivers in the area and a large portion of the local community is directly or indirectly employed within the hospitality industry. However, even though much of the local community has a personal interest in ensuring the tourism industry succeeds, it is still important that governments and lawmakers include the local community when making decisions about the economy and development opportunities. The city has worked in recent years to diversify their economy and attract companies like Google to the area through tax incentives and workforce development programs. However, there is still such a heavy reliance on the leisure and hospitality industry for employment and revenue that it is critical to continue to involve the local community and make educated decisions to further the tourism industry.

I think it is important for Las Vegas to continue to invest in the industry and create development plans to accommodate a growing industry and continue to attract visitors. Las Vegas should take a proactive approach in investing in infrastructure and fixing any issues, while also discussing ways to improve and develop the area to create interest and attract new and returning tourists to the area. Before the pandemic, tourist arrivals had remained relatively similar for about 5 years, so it is important for the city to discuss and create plans to increase the number of tourist arrivals.

Currently, Las Vegas is very geared towards adult travelers and the city has a reputation for alcohol, parties, and adult activities. However, Las Vegas has the potential to market to family travelers to draw in additional visitors. The city has already begun to add in additional attractions to appeal to family travelers. Some of these attractions include an aquarium, Hershey's Chocolate World, kid friendly shows, arcades, M&M World, Children's Museum, and kid friendly dining. Las Vegas will have a lot to overcome to appeal to family travelers and some families may remain weary of traveling to a location such as Las Vegas no matter how many things there are to do. I do not think Las Vegas should try to replace their current tourist

attractions to draw in families, as their current target market is essential to makeup of their tourist industry. However, Las Vegas could try to increase tourist arrivals by adding additional attractions and marketing to family travelers.

Conclusion

Overall, Las Vegas is a powerhouse in the tourism industry and analysts and industry leaders say, “that the hospitality industry is ultimately what makes Las Vegas stand out and thrive” and they say that they “would be just as wrong to give up on our core competency today as we would have been during past downturns” (Sayre, K., & Mackrael, K.). Las Vegas has been hit hard during the global pandemic and businesses and residents are still working to recover from the economic impact of essentially having to shut down the main economic driver of the city. However, the community is hopeful, and the return of tourism is becoming more and more apparent. The city should focus on remaining competitive though investment and development, maintain a strong presence online and on social media, stay on top of trends in marketing, continue to involve the local community and considering marketing to family travelers.

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