

Study: Conventions, entertainment hurt gaming revenue

By Richard N. Velotta, Las Vegas Sun

There's no significant relationship between convention attendance and gaming revenue in Las Vegas, according to research by students at UNLV.

But conventions drive occupancy rates higher – and higher occupancy rates generally mean higher room rates and higher gaming revenue, UNLV student researcher Kristin Malek said in a session on casino performance research.

Casino industry leaders, theorists and academicians today began debating issues surrounding a business that thrives on people's willingness to take risks, with wide-ranging presentations and panels on the social implications of the industry that has made Las Vegas famous.

The 15th International Conference on Gambling & Risk Taking begins four days of academic presentations, addresses and panel discussions on the proliferation of the gaming industry, how the industry is viewed in different countries by different cultures and the challenges of problem gambling.



A sold-out concert like Lady

Antebellum doesn't mean concert-goers spend money at the casino, too. Photo/LTN file

Malek said three hypotheses have evolved on the impact of conventions on gaming – they help drive casino play, they're detrimental to casino play and that they have no positive or negative effect.

She said further research is needed on the impact of whether midweek or weekend convention dates affect casino revenue and whether different types of convention attendees play more aggressively than others.

Another UNLV study reviewed the contribution of non-gaming amenities to casino performance.

Professor Sarah Tanford presented student Elena Shampner-Ghiassi's research and concluded that food and beverage and retail amenities tend to drive higher gaming revenue, while hotel rooms and golf don't.

Entertainment amenities tend to hurt gaming revenue, the research found, but entertainment acts can generate their own revenue.

In a case study involving an unnamed Las Vegas casino studied from Jan. 1 to Dec. 31, 2011, research found, an entertainment event needed to make \$3 million in profit to compensate for the loss of revenue at slot machines and table games. The research noted that entertainment could also drive additional food and beverage profits.

The International Conference on Gambling & Risk Taking was first developed by Bill Eadington, the former director of UNR's Institute for the Study of Gambling and Commercial Gaming. Eadington died earlier this year, and leaders at UNLV's International Gaming Institute agreed to take the

reins.

More than 450 people from around the world are attending the conference at Caesars Palace.

The conference is being attended by mathematicians, anthropologists, psychologists, political scientists, sociologists, technologists and regulators.

It's the 15th edition of the conference held every three years. Las Vegas has hosted the event five times previously.

The conference began with a stroke of bad luck – the opening keynote speaker from South Africa broke his ankle and canceled his appearance.

David Schwartz, director of UNLV's Center for Gaming Research, pinch-hit for speaker Peter Collins and contrasted the gaming industry today with the year of the first conference in 1974.

Nevada had just approved two corporate gaming acts and corporations were taking over the management of casinos from mobs.

Since then, commercial gaming has proliferated on the Strip with lotteries, riverboats, racinos and tribal casinos nationwide.

The two biggest changes in the industry have been the explosion of two new markets in Asia – Macau, which had \$38 billion in revenue last year, and Singapore – and the United States playing catch-up to Europe in online gambling in the midst of concerns about that industry increasing problem gambling.