



Ripped from the Headlines



A whole new spin on pool parties at Bare.



Celebrity chef Michael Mina delights meat lovers at the new Strip Steak.



Personalized luxury at the new Platinum Hotel and Spa.

New Strip Style

The first two condo-hotels, a new genre of accommodations on the Strip, opened in the past year. The 255-unit Platinum Hotel & Spa debuted in October just off the Strip with a hip style and amenities that include WELL Spa and 7,000 square feet of meeting space, and the last of the three 576-room towers at The Signature at MGM Grand is scheduled to open in July. The Signature complex features 24-hour concierge service, Wi-Fi, a pool at each tower, and a variety of small upscale meeting rooms. Among the other condo-hotel projects in line for completion in the next year are the \$400 million, 800-unit condo-hotel tower being built by Westgate Resorts at the Planet Hollywood Resort & Casino, the 1,282-unit Trump International Hotel & Tower, and the 599-unit Palms Place condo-hotel.



CALCULATED RISKS

How far will meeting planners go to book Vegas—and how does it pay off?

Take a look...

The first time DeAna Miller saw The Platinum Hotel & Spa she was wearing a hard hat, goggles, and a pair of borrowed construction boots with her suit. It was a few months before the 255-unit condominium-hotel was slated to open last October and little more than the framework was in place. The meeting and trade show planner for Newport Beach, California-based Conexant Systems could only imagine from renderings what the sleek marble floors and burnished copper accents would ultimately look like. She recalls how her heart beat a little faster with anxiety as she considered staging a high-level meeting of valued customers on what were, at the time, merely the sawdust covered floors of a new, independently owned Las Vegas hotel that had no proven record—and no connection with a larger hotel company with a proven record. “But, I was also really excited about it, and everyone I met with was so wonderful and accommodating that I knew it would be a great place to go,” she says.

At first, Miller’s superiors couldn’t envision how this new breed of hotel would make sense for them. “They just couldn’t grasp the concept of it not being on the Strip, and not being at

one of the mega-resorts with a casino and several different restaurants,” she says. Plus, it was a brand-new type of hotel for Las Vegas, with every room actually a condominium unit. Having not yet experienced the property, Conexant executives were worried that the level of luxury wouldn’t be up to par for their VIP clients. In the end, the company signed the bottom line and everyone was really glad they did. “The customers loved it,” says Miller, adding that Conexant has booked the property every year indefinitely.

TAKING THE LEAP

Wagering on a new and unproven property is just one way gutsy planners gamble on meetings in Las Vegas, making concessions in both their logistics and their contracts they would be unlikely to make in other destinations. Anxious to place their events in this red-hot meetings town, planners have been known to shift their dates to unfamiliar or less desirable times, restructure their original plans in order to use facilities available on a particular date, put down a large meeting space deposit, agree to hard-line attrition limits, or even concede to a more stringent cancellation penalty. Planners

By Heidi Waldrop Bay



"It was really scary.

We had already taken deposits for 200,000 square feet of exhibit space for the show."

who don't use Vegas regularly for their programs—and sometimes those who do—may seriously wonder what's up.

"You hear things about how Las Vegas can be difficult, but it is simply because of the high demand," says Gail Fitzgerald, vice president of sales and marketing for the new MGM MIRAGE CityCenter Resort & Casino, who has been

riding the Las Vegas meetings wave for 14 years. "We very much want group business, but it may be a different way of doing business than in many other destinations."

Las Vegas occupancy rates run at an average 90 percent year round, peaking at about 94 percent in late winter/early spring. Hotel developers and the city itself work hard to

keep up with demand: Las Vegas boasts more than 133,000 sleeping rooms and three of the five largest convention centers in the country—two of which are privately owned by hotels—and that doesn't take into account the massive new developments underway. CityCenter will bring three new hotels to the city by 2010 along with 300,000 square feet of meeting space, while Echelon Place will boast one million square feet of meeting space and four new hotels by 2010. Hyatt and Starwood have both thrown their hats in the construction ring with new hotels, and expansions to meet group demand are announced all the time at meetings properties throughout the city (see "Ripped From the Headlines," on p. 4 for details on these development projects and more.)

Fitzgerald compares the economics of meetings in Vegas to the high-end automobile market. When a particular car strikes a chord with buyers, she says, "everybody wants that car in that color. In order to hold what you want, you put down a deposit." Likewise, when a city's sleeping and meeting rooms have multiple bidders, suppliers have to look at it as displacing other business. "You may be required to put up a higher deposit or have a more stringent penalty, because if you cancel at a holiday, for example, and the hotel has turned away a lot of business, they lose big time."

So why will meetings planners book-

RICK CALVERT, Director of Sales, Association of Woodworking & Furnishings Suppliers

EVENT: Four-day trade show in August 2005 (returning July 2007)

SCOPE: 17,045 attendees; 422,000 net square feet

WHERE: Las Vegas Convention Center

RISK: After 46 years of holding the bi-annual trade show in southern California (the home of nearly 90 percent of attendees), AWFS risked a fall off in attendance and the possibility that exhibitors would not follow the show to Las Vegas.

CONFESSION: *It was really scary. We had already taken deposits for 200,000 square feet of exhibit space for the show, which was originally to be held in [California]. We had to give exhibitors the option that, if they didn't want to follow the show to Vegas, we would give them their money back. It was a pretty significant financial risk, but it paid off.*

Virtually every exhibitor came with us and our total attendance was up 22 percent in 2005 over 2003, after having remained static for five consecutive shows. Attendance in 49 out of 50 states increased (only California didn't) and our international attendance was up over 100 percent. We didn't just move to Las Vegas. We used the event of moving as an opportunity to re-brand our show. Not only had others perceived us as a regional show, but we had been victims of seeing ourselves that way, mostly marketing to the west. With Las Vegas, we marketed throughout the country and internationally, simultaneously revamping the look and feel of the show, so that when people got there, it wasn't just a new city, but a new show.

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RELOCATION ANXIETY





DEANA MILLER, Meeting and Trade Show Manager, Conexant Systems, Inc.

EVENT: January 2007; Week-long meeting in conjunction with Consumer Electronics Show

SCOPE: 90 employees; 250 high-level customers

WHERE: The Platinum Hotel & Spa

RISK: Booking an unopened, unproven, independent property that is a brand-new genre of condominium hotels in Las Vegas

CONFESSION: *We do one big meeting/trade show like this each year. It is not only to show our products, but take care of our customers in an impressive atmosphere. Our executives feared The Platinum would be too different or not up to par with the more classic Las Vegas resort, so our customers wouldn't like it. I kept telling them I knew they would love it, but I have to be honest, I was a little worried because everything was brand new, including the staff. But our customers really loved it. Many of them come from Asia and said it was one of the best places they have stayed in Las Vegas. I have been a meeting planner for over 15 years and they were the most accommodating and overall wonderful people I have ever worked with, and I mean everyone at the hotel. We have set up a contract to go back every year as long as they will put up with us.*

ing Vegas agree to stricter contract terms and other initial discomforts that seem to require so much? Don Ross, who came to the city almost 19 years ago from a five-star resort in Florida and is now vice president of catering, conventions, and events for Meetings by Harrah's Entertainment, has seen it happen time and again. "You also get so much," he says. "The planner may struggle with asking 'Do I want to sign for all these rooms,' but then we hear back from them that they got the best attendance ever. A new client who doesn't know their attendees may have to be nervous, but those who have been here before know Las Vegas is a great draw."

RISKS VS. RETURNS

Planners and local industry players agree that flexibility is the key to reaching the goals for a Las Vegas meeting. "Really, the biggest concession that a meeting or convention may have to make in order to convene in Las Vegas is to be open-minded with their schedule," says Michael Goldsmith, director of convention sales for the Las Vegas Convention & Visitors Authority. "We are a popular destination and groups, especially trade shows, book well in advance. If you are flexible and patient, We will do everything possible to accommodate your group."

While objectives are nearly always met in spades, at times it may not look like what the planner initially envisioned. One planner took a chance by presenting to executives the option of meeting during a different month of the year, and during the week rather than on the weekend, in order to get into the Las Vegas property the corporation wanted. Although at first the top brass balked, they ended up thrilled when everything went as well as always; the only difference was the timing.

Sometimes a meeting planner may have to let go of the way they have always set up their function space and get innovative with space that is available. It can pay off big time, with the ability to get into a desirable property at the exact time that is wanted. For example, a massive group of 4,000 rooms will have a tough time getting into Vegas on the weekend, but there is plenty of availability for the small or even medium-size group that is willing to be adaptable, according to Ross. "People think you can't book a weekend meeting in Las Vegas, but we can do that," he says. "It just means, for instance, that a pharmaceutical group that needs a large amount of breakout rooms may need to change their thought process and use some guest rooms or suites for that purpose. We have such a large amount of diverse meeting space in Las Vegas that we can almost always work something out."

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UNPROVEN
ENTITY



"If you are going to be doing meetings in Las Vegas, it is important you establish strong relationships with hotels and suppliers.

Planners may need to understand that certain requests simply aren't viable in Vegas, but because the city has so much meetings experience, properties may actually be able to offer a better option than what was originally requested. Fitzgerald points to dedicated check-in, as an example. "When you have several thousand people checking in and out on any given day, it is hard to dedicate an entire window to a group when so many others are waiting to check

in." The alternative? "Using a meeting room for satellite check-in works well, or ask the hotel to open a restaurant during the day so that a small group could have a very special setting as a private check-in and hospitality area." Honestly, which is better?

DIVERSION VS. DISTRACTION

Some planners feel that Las Vegas, as a 24/7 resort town full of gaming, clubs, and entertainment, poses its own threat to their meeting, extending too many lures to entice attendees away from the business at hand. Sandy Kitrell, a senior buyer for Carlson Marketing who specializes in Las Vegas, has one word for planners who harbor these concerns: Don't—the rewards of taking a serious meeting into this environment should outweigh any fear.

"The corporate meeting I am working on right now is really committed to the destination, because they have had such success," she says, citing the excellent facilities, helpful CVB and hotel staffs, and the constant supply of new activities for attendees.

Rather than shy away from Vegas because of its wheeling-and-dealing atmosphere, Kitrell heartily recommends that planners embrace it and dare to let go of the more rigidly organized program they might arrange in another destination that doesn't offer as much. "Because there are so many different options, you don't have to have a structured program. You can give the participants more free time so that they can just choose for themselves what they want to do," she says. (For more on this topic and strategies to reduce attendee distraction, see our special Webinar Report, pg. 44.)

WORKING THE SYSTEM

The breathtaking pace at which Las Vegas is evolving can sometimes make planners a little nervous. Will it pay off handsomely, like it did for the Conexant meeting at The Platinum, where customers raved that the event was among the best the company had ever held? Or will they be left holding the bag? Carlson Marketing's Kitrell has found that especially in Las Vegas, it is important to bet on help from those who know the dynamics of the city best.

"If planners are going to be doing meetings in Las Vegas, it is important that they establish strong relationships



DIANNA BISSWURM, Director of Industry Outreach, ISSA (The leading association for the cleaning industry worldwide)

EVENT: September 2008; Annual convention and trade show

SCOPE: More than 17,000 attendees

WHERE: Las Vegas Convention Center

RISK: Going into a potential construction zone.

CONFESSION: *When we found out the convention center was possibly going to be under construction during our usual three-year rotation time, we got nervous and decided to go to southern California this time around. But then our exhibitors really wanted to go to Las Vegas, so when an opening came available we looked at the venue again. There was a chance that our people would have to walk through construction, and even that the renovations on the actual hall we use might be underway, so we would have exhibits mingling with construction. But we met with the LVCC people and our trade show manager and the answers we received made us feel that there wouldn't be much disruption, if at all. We thought long and hard about it because our customers had strong feelings that they wanted to be back in Las Vegas where we had a history we were happy with. We break attendance records every time we go there, so we feel like it is worth the risk. As we get closer to the event, we plan to work with the LVCC to get updates on their construction timeline so we can keep our attendees and exhibitors updated on any situations that might impact their activities.*

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HARD HAT
ZONE