

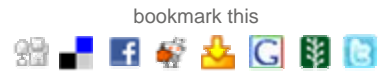
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Vegas Makes International Appeal

Sin City is looking outside U.S. borders to goose business. Here's a taste of why and how they're doing it.

Thursday, October 15, 2009

Glenn Haussman



It's no secret Las Vegas has been getting more than its fair share of negative publicity. Call it a case of the "celebrity effect." That is, our cultural tendency to build something up, usually a person. Then, when they've reached the peak of power, they're quickly eviscerated and brought down.

In Sin City, it's the same thing. For years the market was praised for its seemingly ineffable ability to keep growing and growing and growing. (We're pretty sure they're the ones responsible for turning "Build it and they will come" into a horrible cliché as writers bubbled over with enthusiasm at the market's seemingly endless strength.)



But then something happened. The bottom fell out and the city quickly became a symbol for everything that was wrong with America. Las Vegas was pilloried by everyone from the press to the government, to executives from other destinations snickering with satisfaction.

There is one more chapter to the "celebrity effect," however: The big comeback. And it's something Las Vegas is looking to do. To succeed, the city has got to build demand and to accomplish this goal they're looking outside the borders of the United States.

"The Airport Authority, Las Vegas Visitors and Convention Authority and the hotel community have partnered to do what we can to get increase flights coming from international destinations. It has the potential to be huge for this city," said Alan Feldman, Sr. VP of Public Affairs for MGM MIRAGE.

One major accomplishment of this effort is the introduction of a new flight from Heathrow airport in London direct to Las Vegas beginning on October 25. It joins flights from Virgin Atlantic and a French charter that comes in twice a week, according to Feldman.

According to Barry Shier, Managing Principle of The Partner House, a hospitality advisory and management firm based in Las Vegas, getting nonstop flights into town is paramount.

"When we look at data and see new luxury supply coming into market we are aware that it really requires us to accept new supply. We need to see a resurgence of the international market," said Shier. "We have to recognize there are many countries that we are not hitting yet, in places like South America. We could enhance presence in Central America and portions of Europe, too."

Shier also said Las Vegas could find success getting people to visit the city once they are here in the United States, since many international travelers come to the United States for weeks at a time and visit multiple destinations. "The key is the ability to connect from a lot of places. We see this as an opportunity to

introduce to Las Vegas through American feeder markets. Its good because we don't have to get them from an international market since they are already here and have cleared visa requirements," Shier said.

As less Americans travel to Las Vegas, goosing internationals into coming to Las Vegas helps to expand the pool of people that may be interested in a Sin City vacation. And it's something especially critical to MGM MIRAGE. That's because it's got more than 5,000 rooms coming online in December as its long awaited \$8.5 billion CityCenter project makes its debut. It's the largest private construction project ever in the United States and they need plenty of visitors to make the project successful.

"International visitation is critical. One of the things we try to do is blend the mix of people coming to our properties to help ride through vagaries of the economy. If we can blend things properly with the right strategic mix and get a stable rate, that's good. International visitors tend to stay longer and their spending patterns are very stable. Generally speaking you know what to expect. They are critically important in terms of stabilizing the overall rate base," said Feldman.

CityCenter's more cosmopolitan look and feel is something that should appeal strongly to overseas visitors too, said Feldman. He cited the modern décor and design of the multiple spaces in places such as the ARIA casino resort, the Mandarin Oriental hotel and the business focused Vdara hotel. He also said the selection of restaurants was chosen specifically to have a more international appeal and will feature outlets from chefs such as Sirio Maccioni, Michael Mina, Julian Serrano and Jean-Georges Vongerichten.

Michael Fuller, Vice President of N9NE Group, which operates the nightlife and some restaurants at the Palms Las Vegas, is off to London next week to help promote the launch of the British Airways service.

The company's Rain nightclub is home to a Saturday night production from renowned international DJ and artist Paul Oakenfold, whose show "Perfecto Las Vegas" runs through the end of 2010. Fuller said when they originally launched the show they did billboard advertising in places such as Ibiza and the overseas-based MIXX magazine. They also did promotions in Amsterdam, London, Paris and Berlin, where he is regularly performs.

"When you walk through the Palms and hear German or French and lots of British it really adds something to the environment. When you submerge yourself into another culture it feels attractive and international. We want to capture that international vibe in the casino here," said Fuller.

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