

## **A POSITIONING ANALYSIS OF LOCALS CASINOS IN LAS VEGAS**

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### **ABSTRACT**

A company's market position is the proposition that the brand offers to potential guests or customers. This proposition makes the case for booking a room, eating their food, or gambling on their machines and/or their tables. Furthermore, the market position encompasses the collection of attributes the hospitality company tenders for the purpose of meeting their guests' or customers' wants and needs [1]. In the hospitality industry, positioning has conceptually been investigated in the following major areas: destinations, stand-alone businesses such as hotels or tour operators, and theme parks [2].

Magnified by the current economic downturn and combined with challenges inherent in today's increasingly competitive marketplace, long-term success in the hospitality industry is at least partially reliant upon how well companies are positioned with respect to their competitors [3] [2] [4]. A successful participant in the market should identify a segment that will reward a participant's distinct offerings, which enable it to fulfill customer needs better than its competitors [3].

This investigation extends previous research on positioning to the "locals" casino segment in the southern portion of the Las Vegas metropolitan area. With respect to the gaming industry, the "locals" market refers to local area residents who frequent legalized gambling establishments in contrast to "out of town" visitors who visit legalized gambling establishments [5]. In the interest of clarity, Shoemaker and Zemke (2005) defined locals as "residents who participate in legalized gambling" while this study will broaden the classification of locals to include: all individuals who visit a casino location, and who may or may not participate in gambling. For example, these individuals may use the facility for its food and beverage offerings, show, or shopping.

Understanding this market is of great importance because locals casinos serve as a primary purveyor of leisure activities for Clark County residents. When local residents (Clark County) were asked to rank the leisure activities they participate in, gambling emerged as the second most popular after attending movies, thereafter, eating out, hiking, and going to shows followed in order of highest rate of participation. With respect to gambling, only 16% of residents indicate that they gambled most often on the Las Vegas Strip Corridor, while 62% indicated that they gambled most often in locals oriented casinos (North Las Vegas, Henderson, Summerlin, Boulder Strip/Green Valley). Residents avoided the Strip Corridor because it was too crowded, had too many tourists, had too much traffic, was less convenient, and offered worse odds of winning. Besides gambling, residents visit casinos to pursue other leisure activities. Sixty-three percent of Clark County residents indicate that they have visited a hotel casino to attend a show. Furthermore, 68% of Clark County residents indicated that they at least occasionally dined at restaurants located in hotel casinos (2008 LVCVA Residents Study).

The purpose of this study is to examine images and perceptions of four selected Las Vegas valley locals casinos- Green Valley Ranch, Southpoint, M Resort, and the Silverton. Cognitive perceptions, affective

perceptions, overall image and behavioral intentions related to each casino location will be analyzed in order to generate a better understanding of how to more effectively market these local casinos. The results will help the local casinos operating both in Las Vegas and outside of Las Vegas enhance their image management and marketing, as well as improve their positioning strategy.

The study utilizes a survey instrument designed to collect cognitive, affective, and demographic related data from respondents. The survey questions and attributes incorporated were identified from the prevailing literature and from a preliminary study that utilized internet message boards. Members of local Las Vegas resident gaming related message boards were asked to provide reasons for choosing a local casino. Once the survey instrument was created, the Cannon Survey Center conducted the computer-aided telephone interview. The sample was purchased from Survey Sampling International, and was based on zip codes. Potential respondents who resided within a five mile radius of the targeted casino properties (Green Valley Ranch, M Resort, South Point, and Silverton) were identified. The data collection period was approximately two weeks and lasted until 200 completed responses were obtained.

The data will be analyzed first by factor analysis and then using multidimensional scaling. Factor analysis will be utilized with exploratory intentions in order to identify underlying dimensions with the goal of data reduction. Multidimensional scaling will serve to create a relative image or position of the casino operators in multidimensional space based on the attributes evaluated by the participants. Multidimensional scaling is particularly effective at identifying previously unrecognized dimensions that individuals utilized when contrasting items including brands, stores, products, etc [6]. In addition multidimensional scaling allows for an objective means of making comparison between objects (casinos in this case).

The researchers in this positioning study hope to provide a better understanding of the positioning of four local casinos that are geographically located in close proximity to one another. The analysis of cognitive and affective data will be addressed and the related implications will be discussed. From a practical perspective, the study hopes to provide insight into the customers's brand image related to the four distinct operators.

## REFERENCES

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