

Luxor Hotel/Casino Entertainment Customer Survey

presented by:

Leslie Cutchen

Mariana Danilovic

Michael Gat

Tom Glushko

The Anderson Graduate School of Management at UCLA

Introduction

▲ Who we are:

- ▲ UCLA MBA candidates

▲ Previous professional experience

- ▲ consulting

- ▲ marketing research

- ▲ entertainment management

- ▲ systems analysis

- ▲ finance

Presentation Agenda Rides & Attractions

Mariana

(R&A)

I. Goals and Objectives

II. Methodology and Limitations

III. Overview

Michael

IV. Customer Segmentation Profiles

Leslie

V. R&A Satisfaction

VI. Conclusions and Recommendations

All

VII. Questions and Answers

Goals and Objectives

- ▲ Identify customer profile
- ▲ Quantify R&A satisfaction
- ▲ Chart gambling preferences

Methodology

- ▲ Focus groups and secondary research

- ▲ Pre-test survey

- ▲ Test survey

 - ▲ Screener

 - ▲ Las Vegas residents not included

 - ▲ All surveyed over age 21

 - ▲ No incentives

Surveys

- ▲ 314 surveys

- ▲ Intercepts at the attractions

 - ▲ Ride 3 and Nile entrance lines

 - ▲ Museum and Winds of Gods exits

 - ▲ Attraction level and Sega room

- ▲ 5 - 7 minutes to administer

Statistical Sample

- ▲ At least 30 per attraction

- ▲ Central Limit Theorem

- ▲ Sample size

 - ▲ Winds of Gods = 58

 - ▲ Ride 1 = 203

 - ▲ Ride 2 = 147

 - ▲ Ride 3 = 109

 - ▲ Sega = 139

 - ▲ Museum = 110

 - ▲ Nile = 170

Data Categories

▲Luxor Guests = 109

▲Nonguests = 205

▲Weekday = 218

▲Weekend = 96

▲Correlations and regressions on seven R&A

▲four categories

▲64 factors (questions)

Limitations

- ▲ Data Collection
- ▲ Positive Skewing
- ▲ R&A Audience

R&A Customer Profile

▲Gender

- ▲56% male

- ▲44% female

▲Age

- ▲77% are between 25 - 54 years old

▲Income

- ▲77% report household income in excess of \$40,000

▲Gambler Percentage

- ▲82% of ride patrons gamble

R&A Customer Profile

▲Length of Stay

- ▲Average ride patrons stay 3.72 days in Las Vegas

▲Guest/Non-Guest

- ▲35% of sample were Luxor guests

▲Weekend/Weekday

- ▲30% of sample were in Las Vegas for a weekend stay

▲Children in Family

- ▲35% of ride patrons have children
- ▲14% bring children with them

R&A Patron Comparisons

▲Luxor Averages

▲55% male, 45% female

▲77% have household income over \$40,000

▲77% over 35 years old

▲14% brought minors

▲82% gamble

▲LVCVA Averages

▲49% male, 51% female

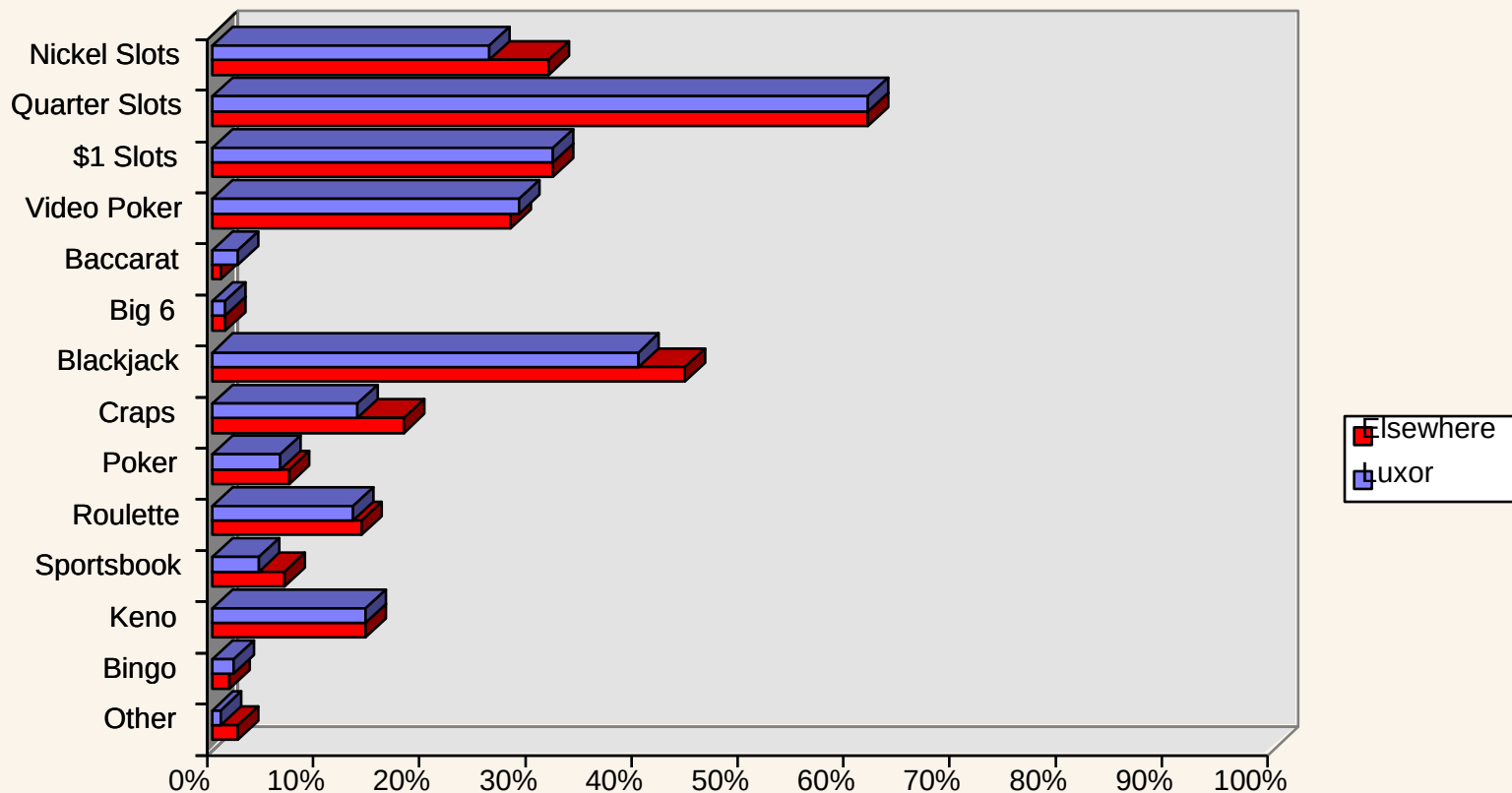
▲58% have household income over \$40,000

▲64% over 40 years old

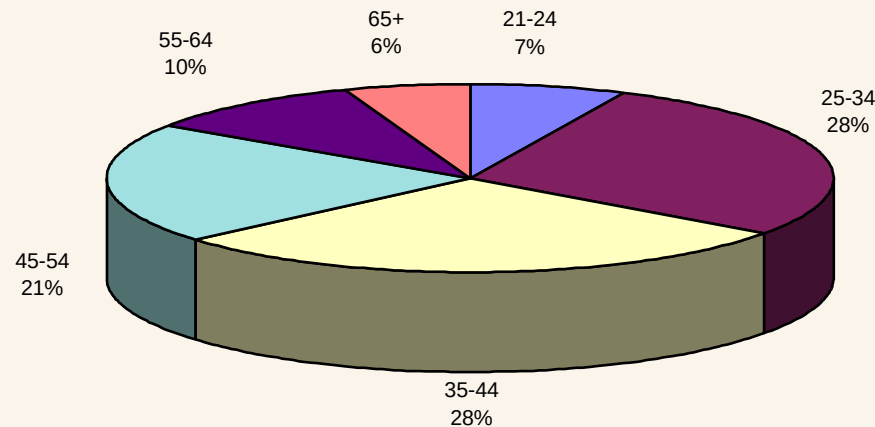
▲9% brought minors

▲90% gamble

Gambling Preferences

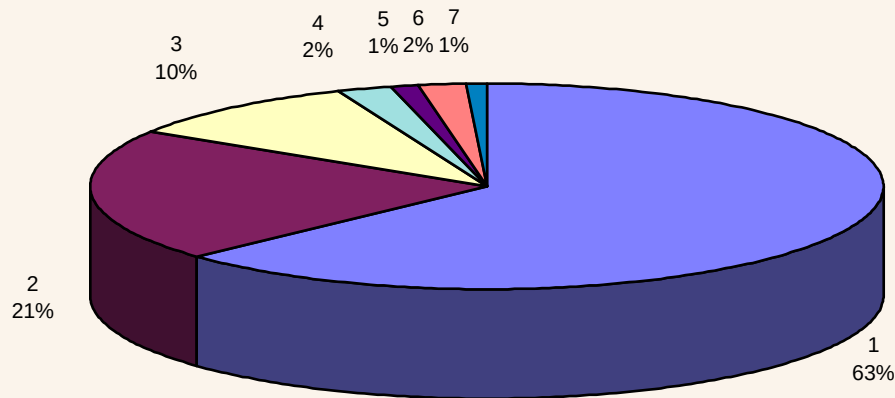


Age



- ▲ Guests/Nonguests and Weekday/Weekend segments track overall distribution, except
 - ▲ More guests are 25-34, more nonguests are 35-44
 - ▲ Patrons aged 55+ drop from 20% on weekdays to 4% on weekends

Visits in Past Year

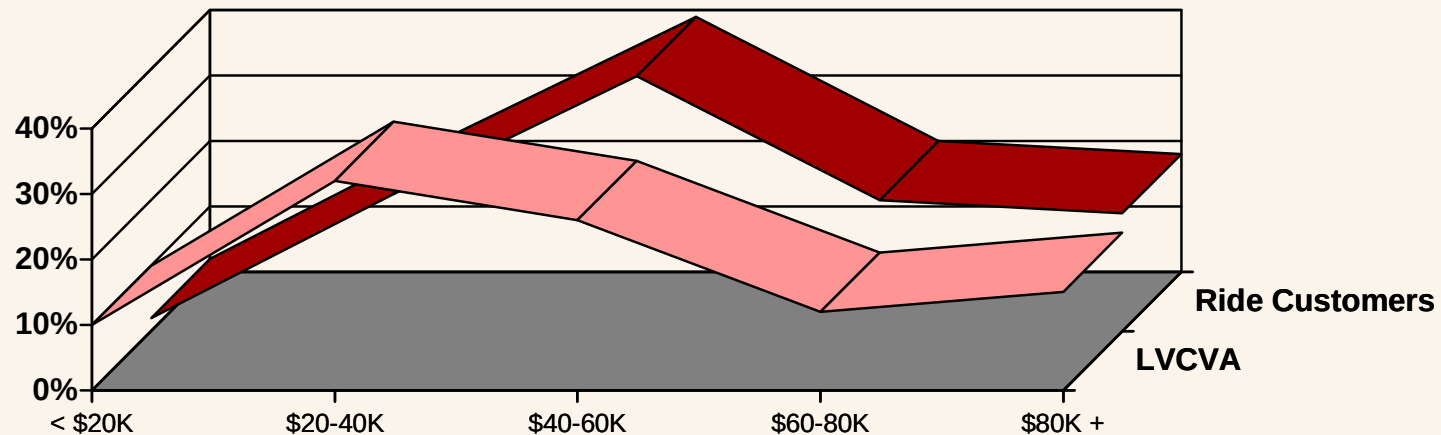


How many times have customers visited Las Vegas in past 12 months

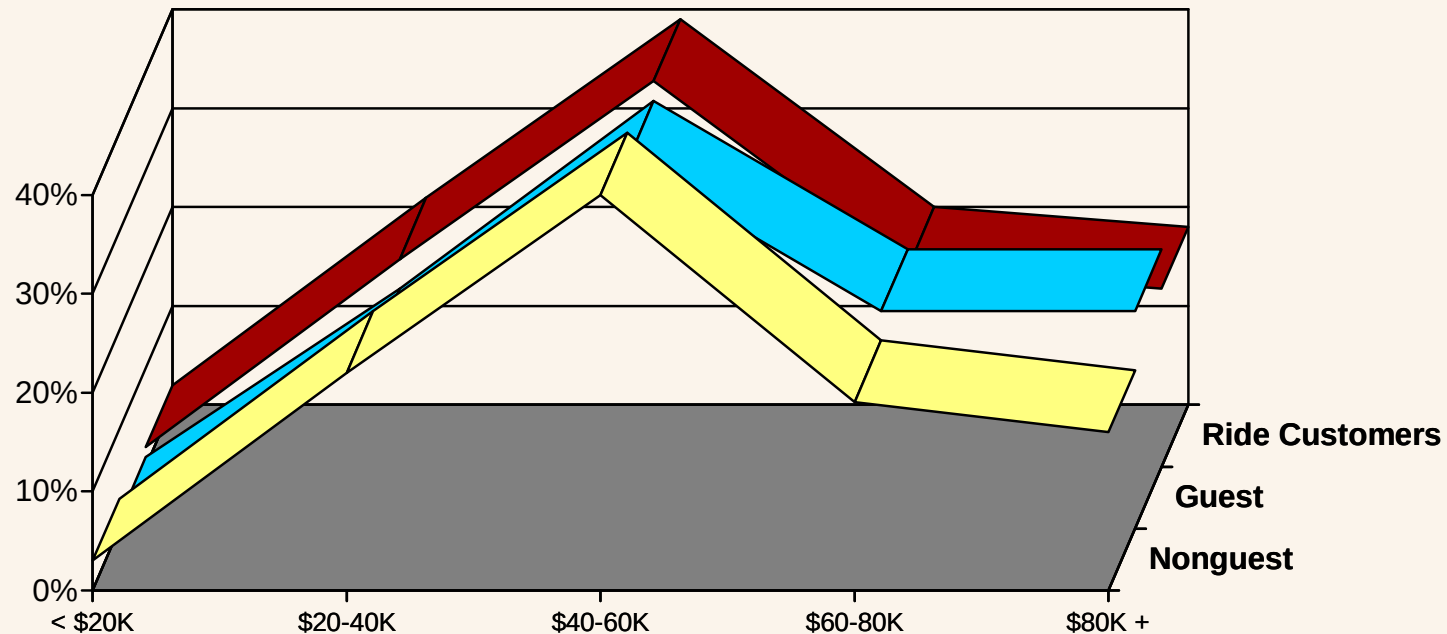
▲ Overall trends track LVCVA data, except

- ▲ More guests are first-time visitors, 70% vs. 63%
- ▲ Less nonguests are visiting for the first time, 60% vs. 63%
- ▲ 7% of weekend patrons had visited Las Vegas more than 6 times in the past year

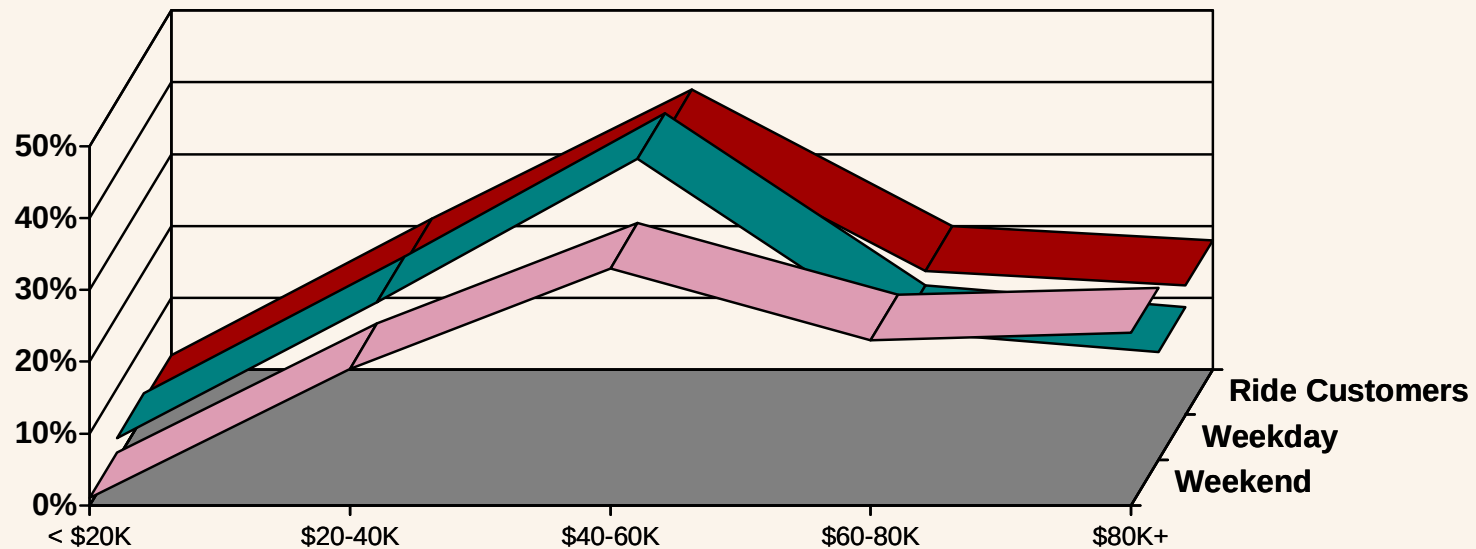
Income Comparisons



Income Comparisons



Income Comparisons



Income Trends

- ▲ Ride customers have higher income than LVCVA sample
 - ▲ Guests and weekend patrons rate higher than the overall sample above \$40K
 - ▲ Nonguests and weekday patrons are still higher than LVCVA sample
- ▲ Income trends are similar at all attractions except for Winds of the Gods

Hotel Selection

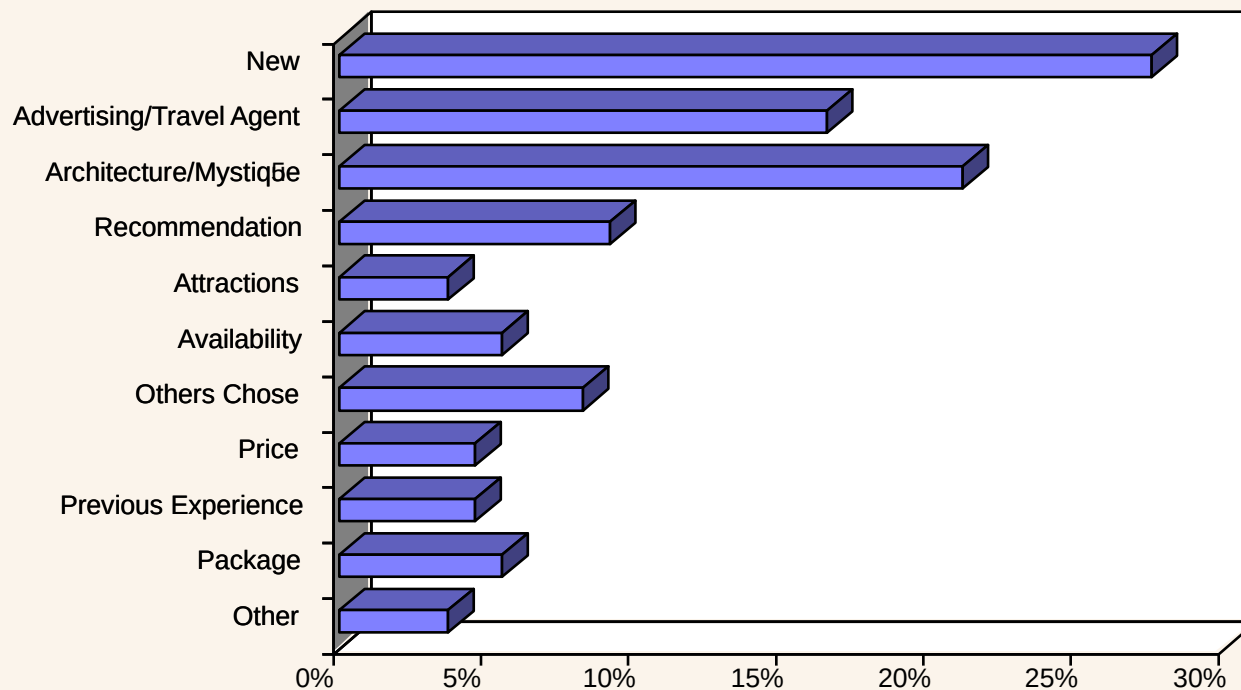
▲Where guests also considered:

▲MGM Grand	55%
▲Mirage	28%
▲Treasure Island	26%
▲Excalibur	24%
▲None	24%
▲Caesar's Palace	8%

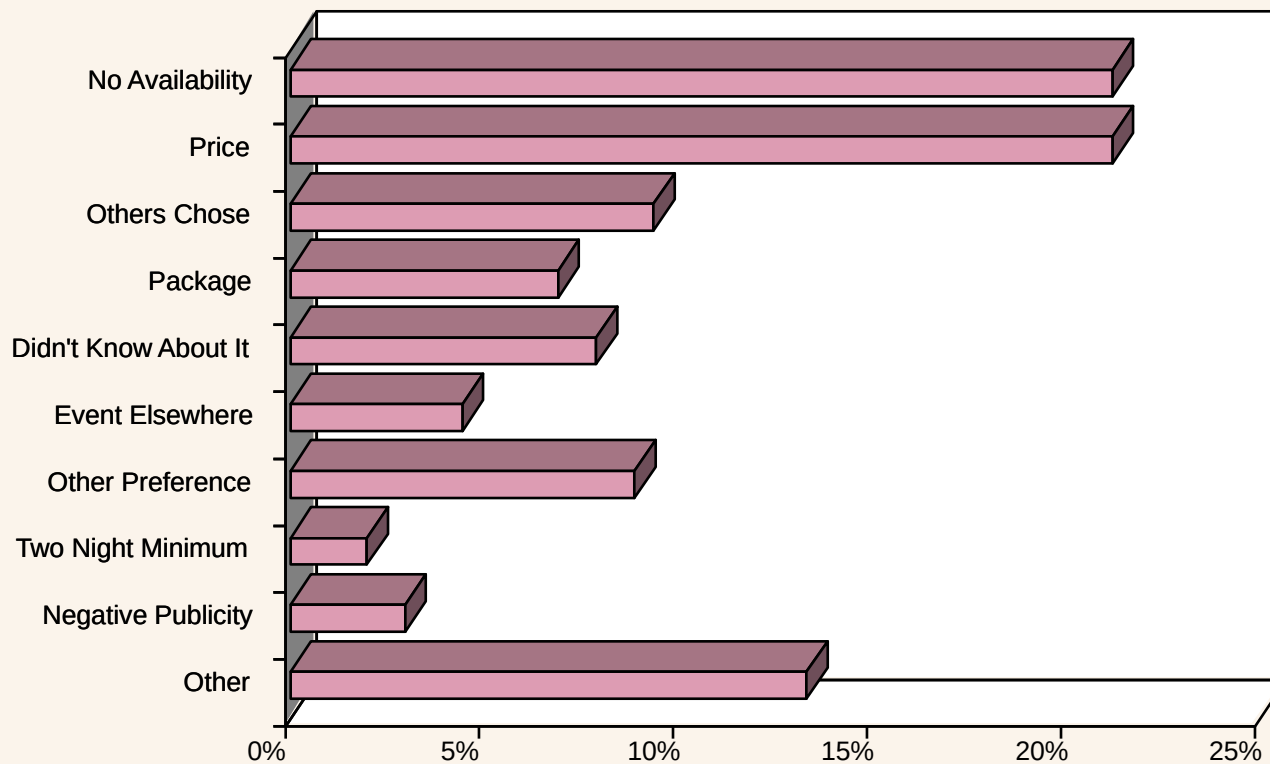
▲Where nonguests are staying:

▲Excalibur	14%
▲MGM Grand	11%
▲Bally's	6%
▲Circus-Circus	5%
▲Mirage	5%
▲Treasure Island	4%

Why Guests Select the Luxor:



Why Nonguests Stay Elsewhere:



“Must see. Must do.”

▲Top mentioned properties:

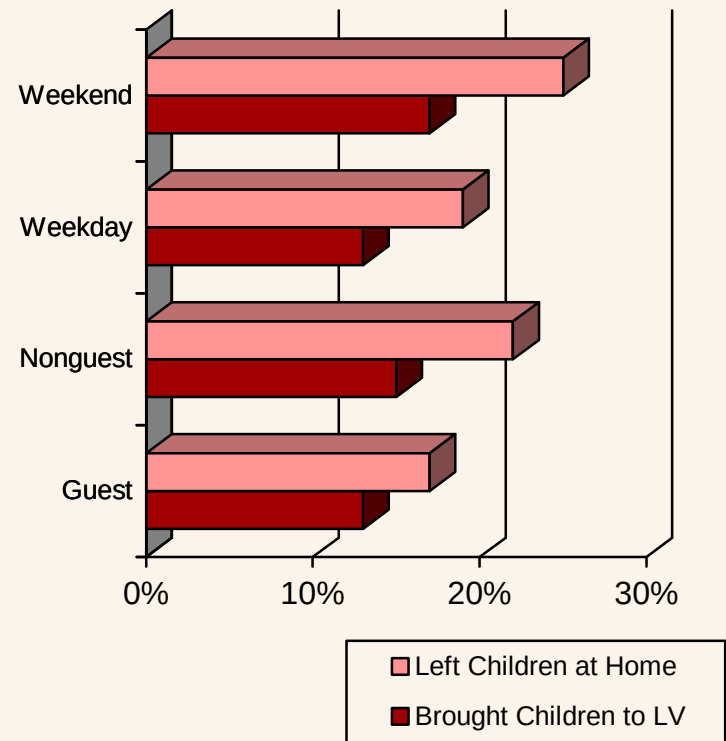
▲Luxor	17%
▲MGM Grand	14%
▲Treasure Island	8%
▲Mirage	4%
▲Excalibur	2%
▲Caesar's	2%

▲37% provided non-specific answers

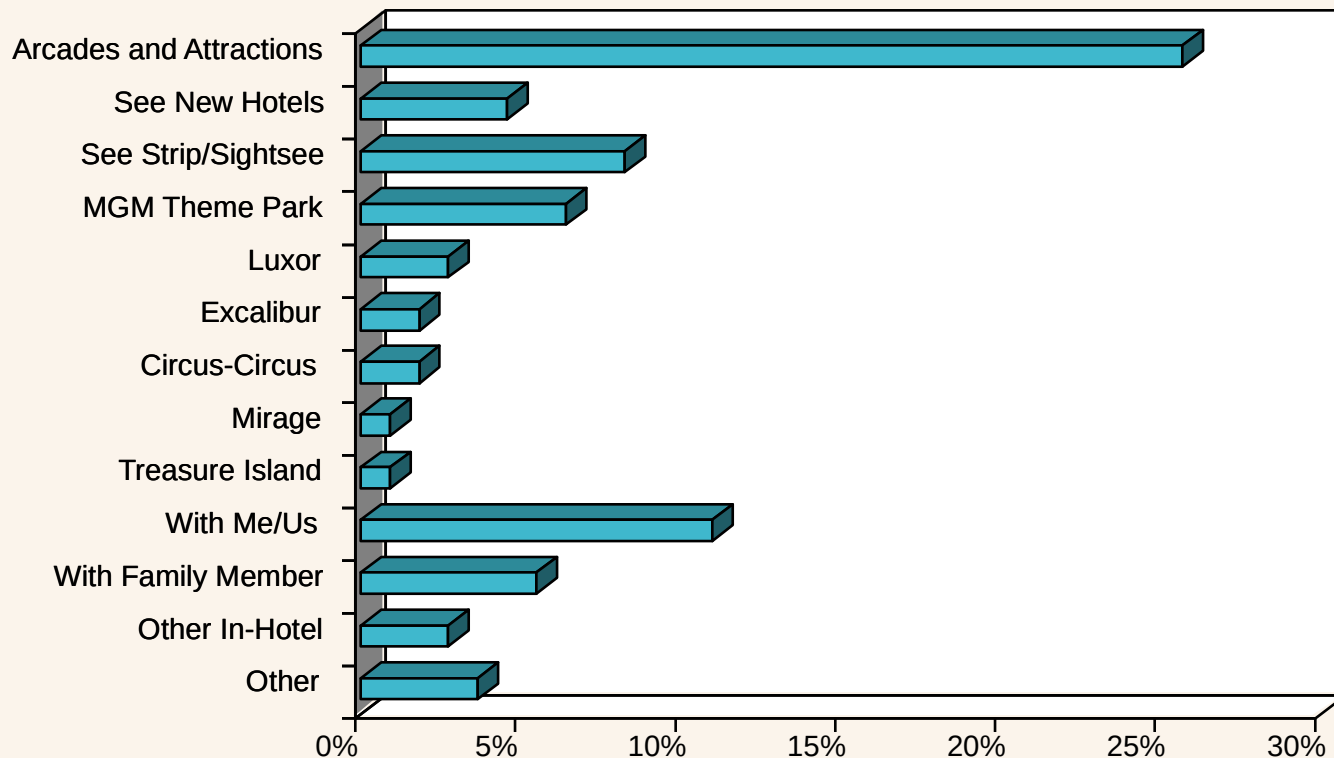
▲13% listed “gambling”

Children

- ▲ 14% of sample brought children to LV
- ▲ 21% left children home
- ▲ The choice to bring children is not a function of child's age

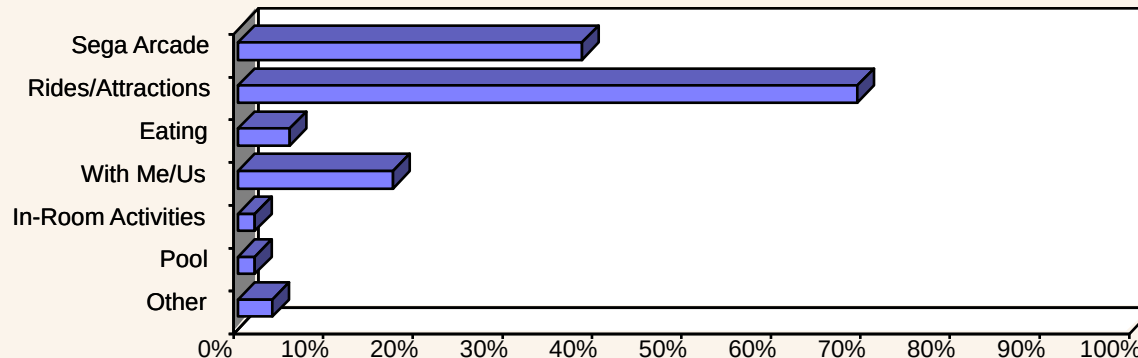


What Kids do in Las Vegas



Children: Other Findings

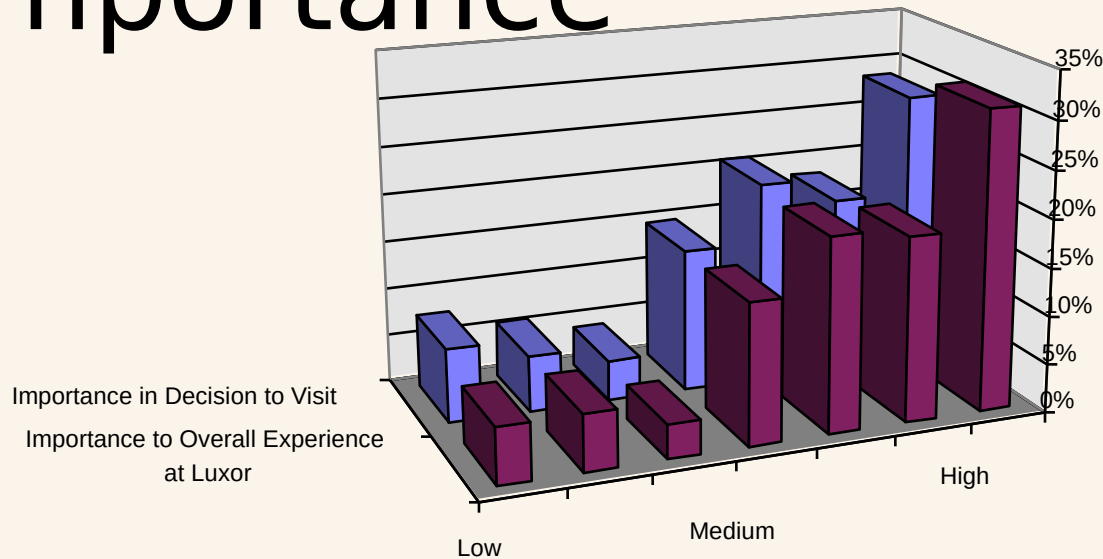
▲ What kids do at the Luxor:



▲ Guests with Children:

- ▲ Higher preference to gamble at Luxor than other guests
- ▲ Higher incomes than guests without children

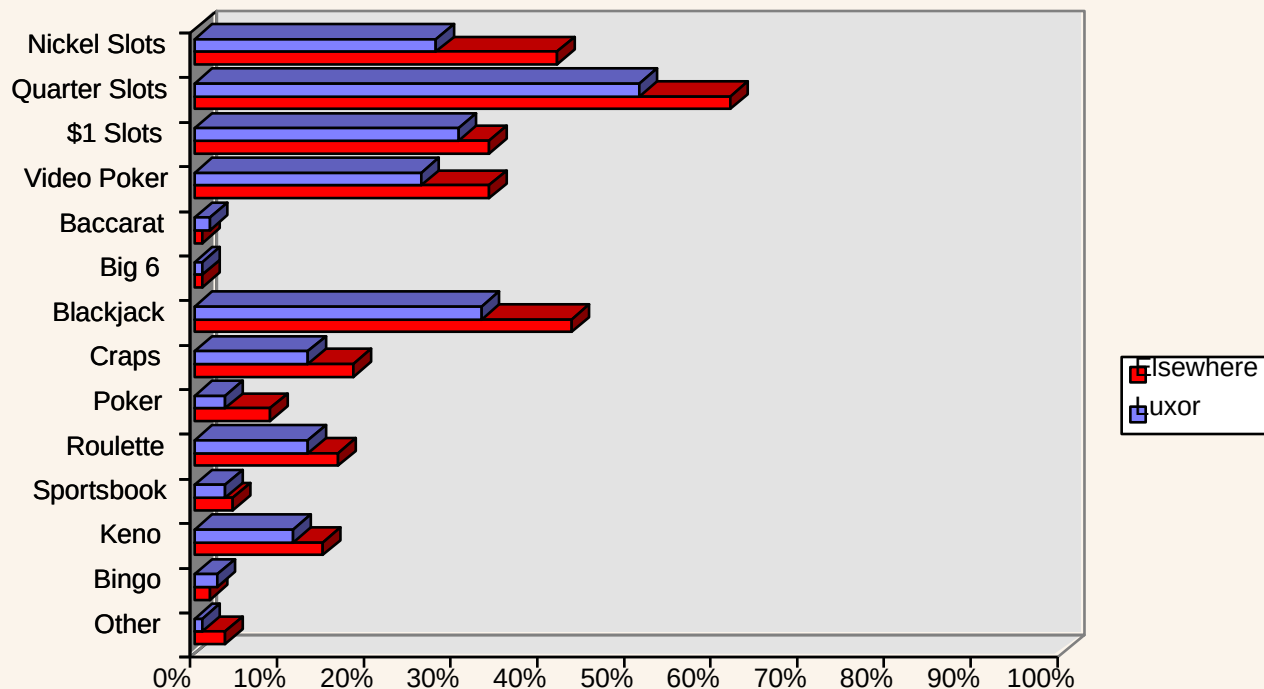
R&A's Overall Importance



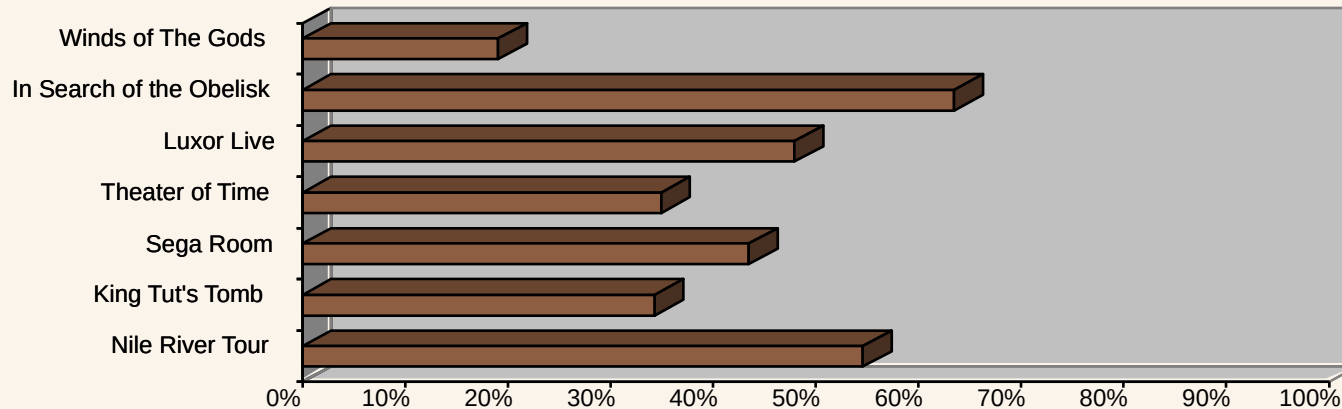
- ▲ Patron answers skewed toward “very important”
- ▲ R&A influences decision to visit or stay
 - ▲ More significant to nonguests than to guests

R&A Attracts Gamblers

▲ 80% of nonguests for whom R&A was an important factor gamble:

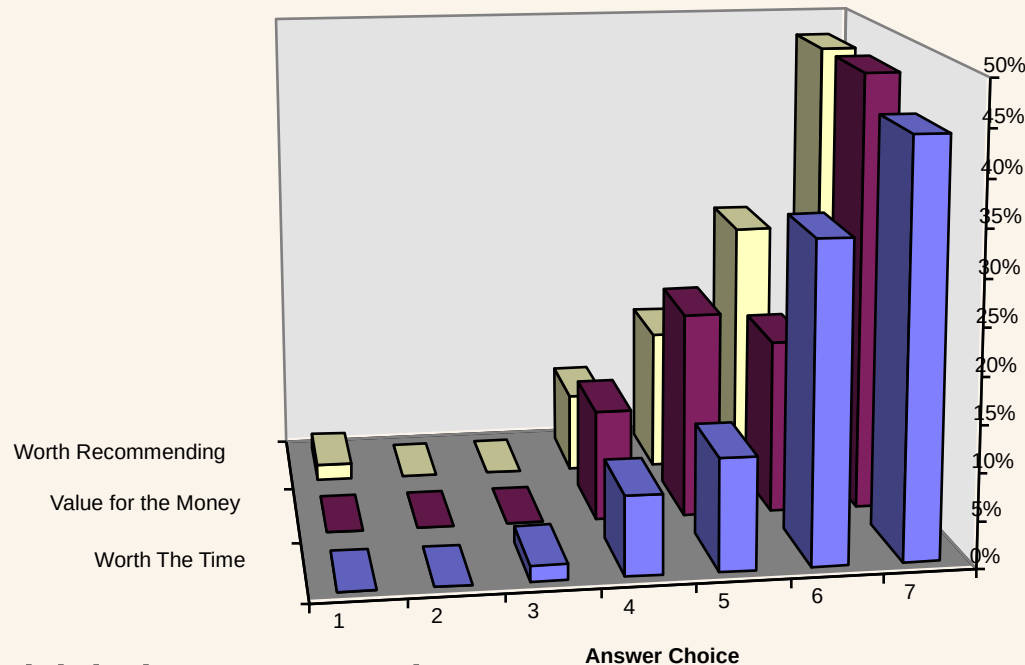


Ride Usage



- ▲ Surveys average three rides
- ▲ Mean scores range 3.98 - 6.15 on a 7 point scale
- ▲ “Worth the Time” and “Value for Money” scores are closely correlated

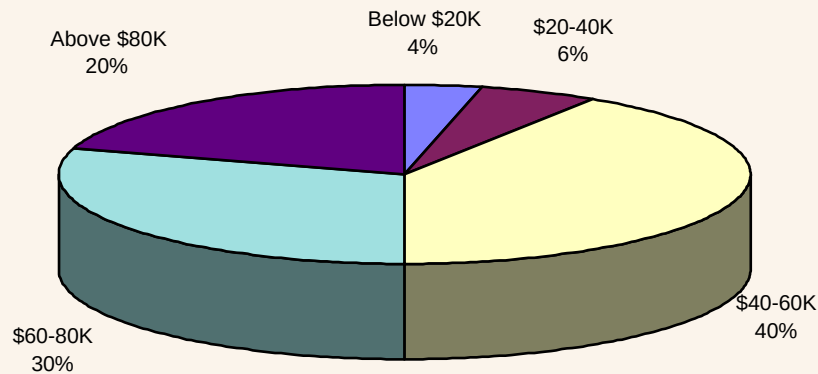
Winds of the Gods



- ▲ Second highest rated
- ▲ More than 40% answered “7” in each category
- ▲ Mean rating for “time” is 6.12

Winds of the Gods

▲ Customer Income



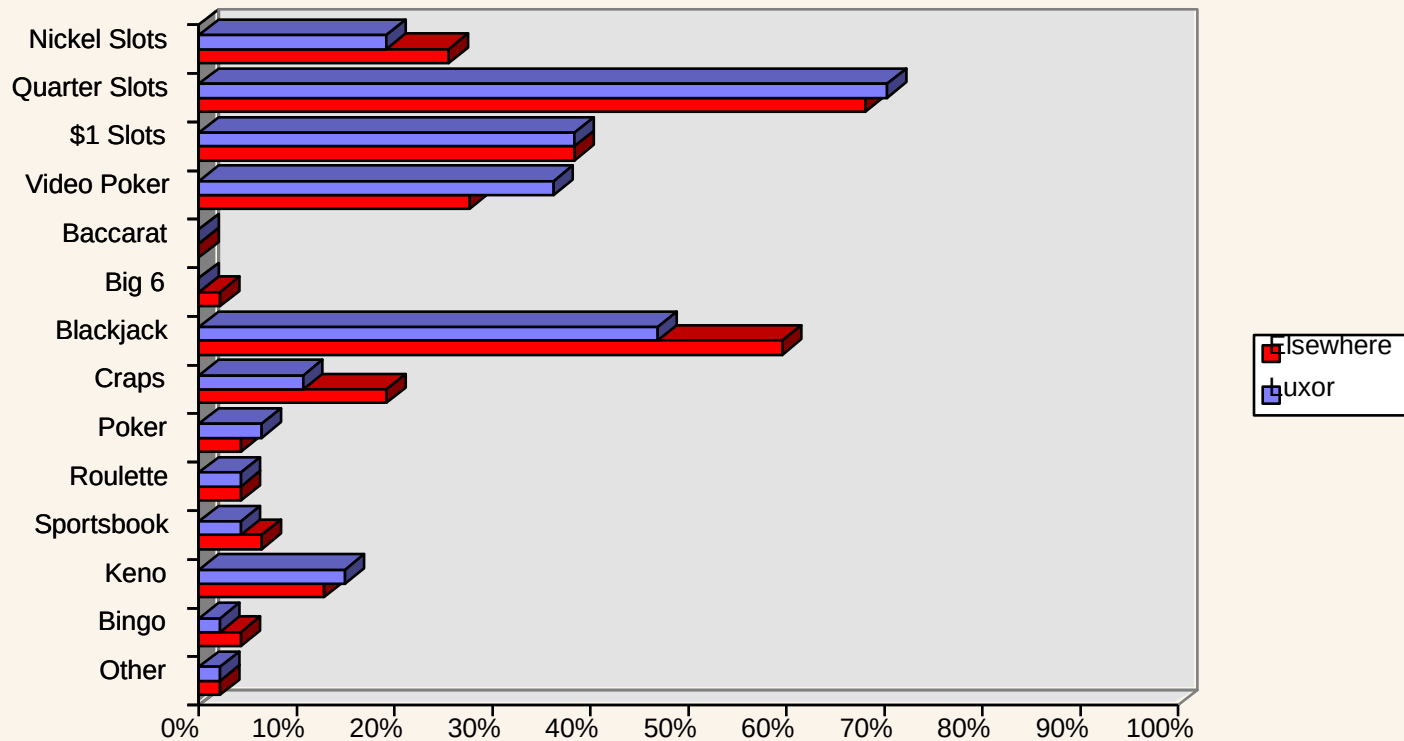
▲ 90% report household incomes in excess of \$40,000

Winds of the Gods

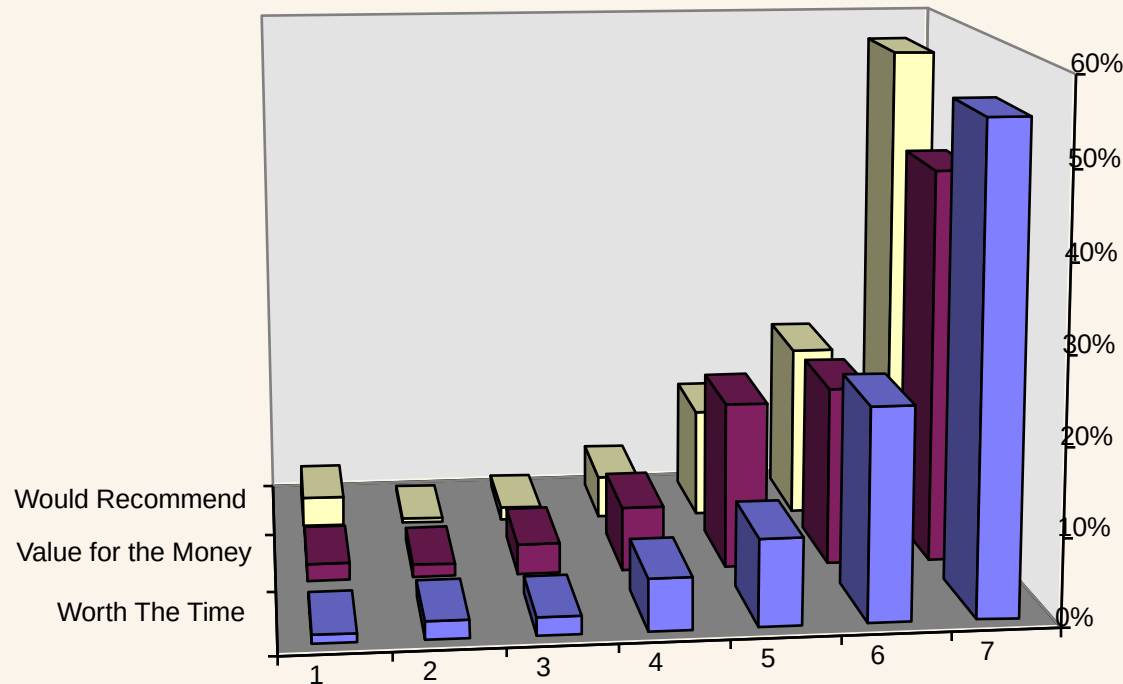
- ▲ Satisfaction on Winds of the Gods is correlated to satisfaction on the Nile River
- ▲ 60% report that they would go again
- ▲ 25% brought children to Las Vegas
- ▲ 80% gamble

Winds of the Gods

▲ Customer Gambling Preferences



In Search of the Obelisk



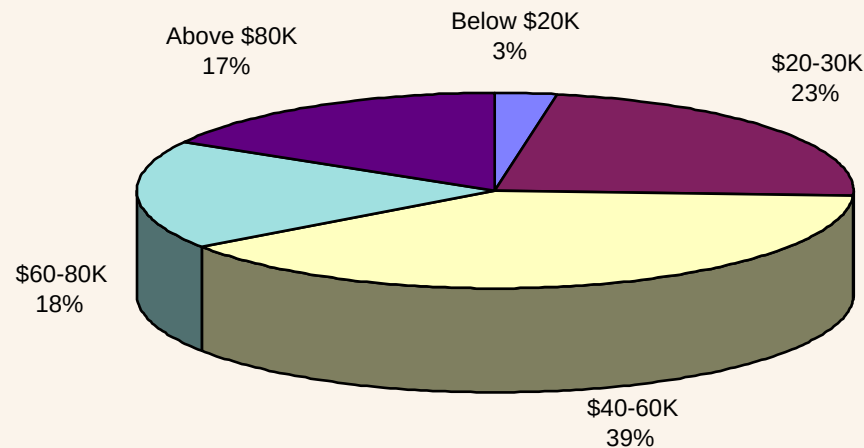
▲ Highest rated

▲ Mean rating for “time” is 6.15

▲ 75% would go again

In Search of the Obelisk

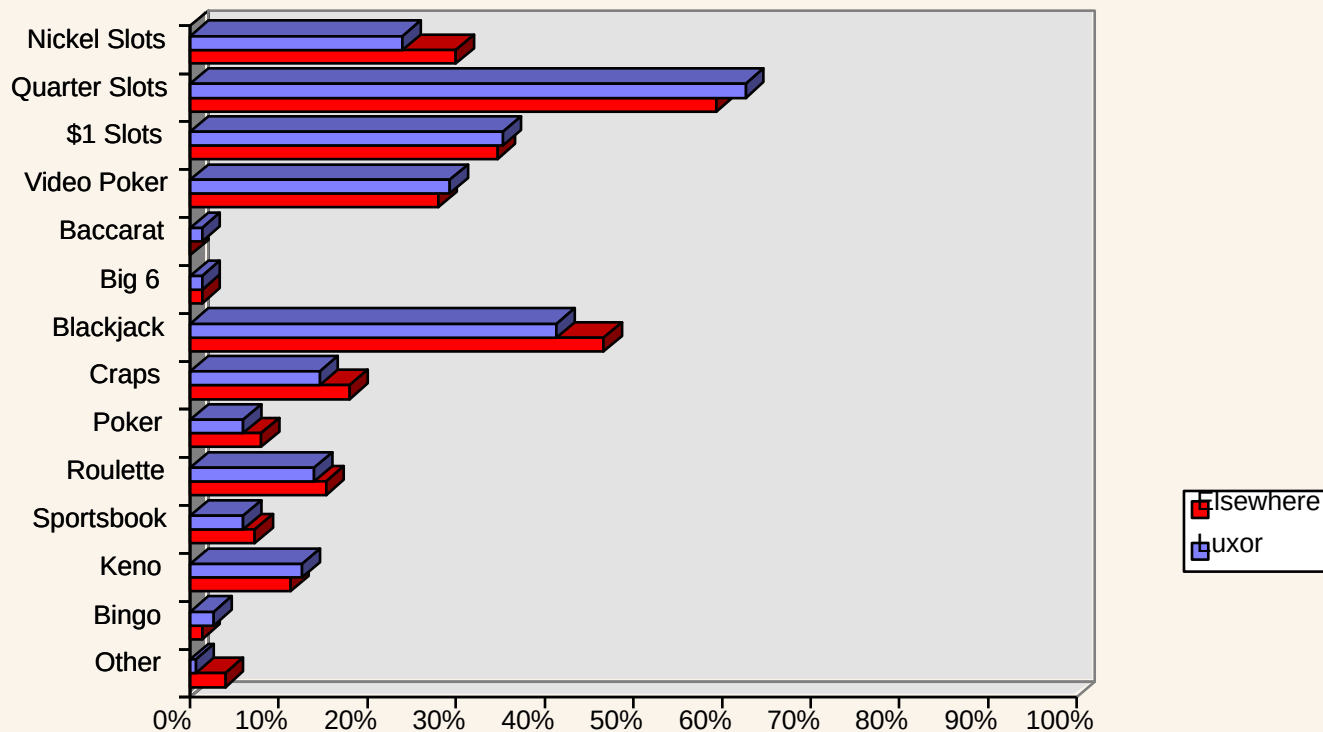
▲ Customer Income



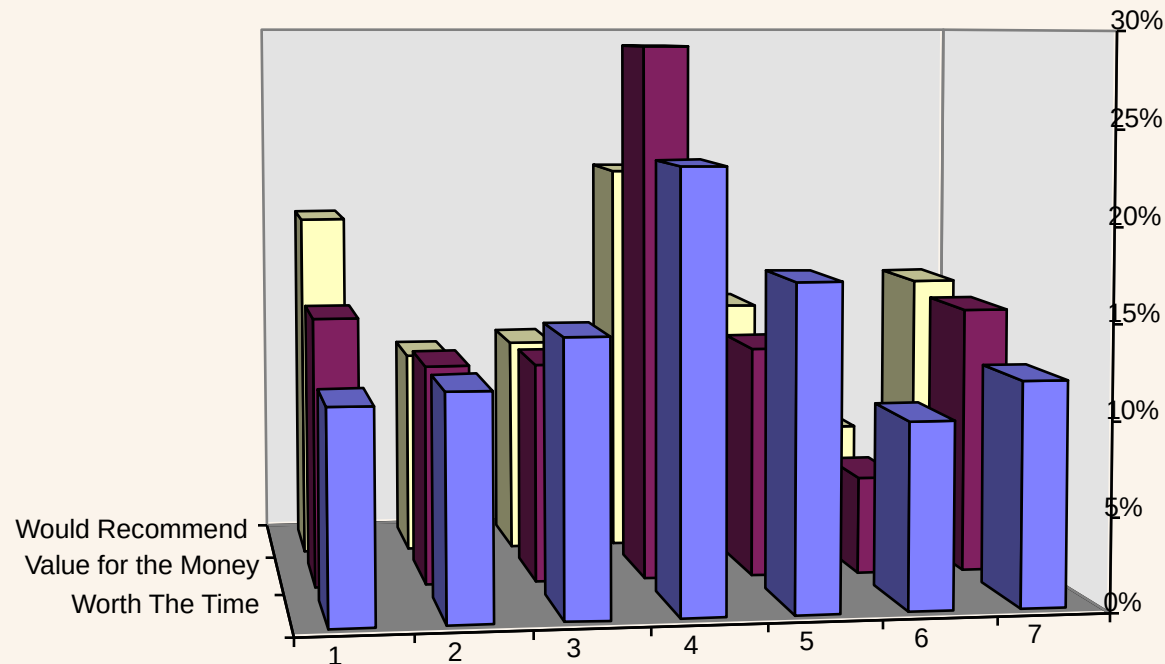
▲ Other attractions are similar to Ride 1

In Search of the Obelisk

▲ 84% of patrons gamble:



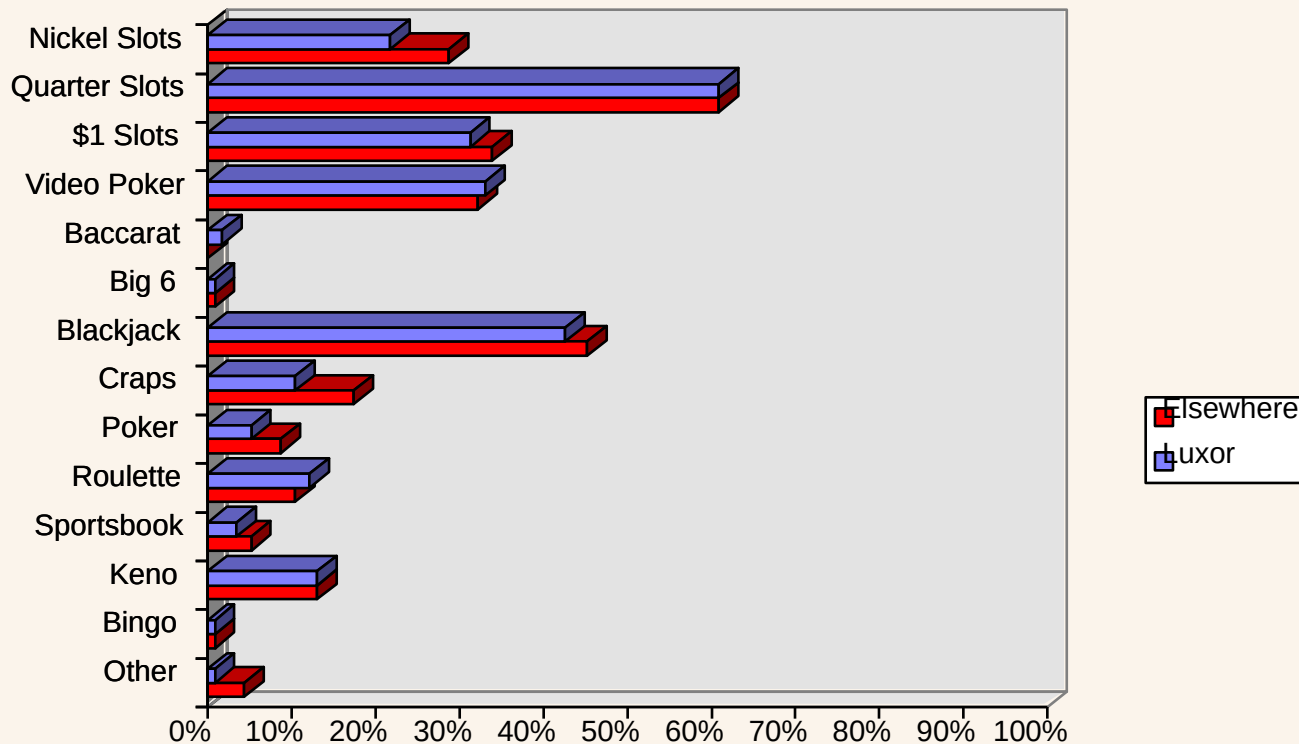
Luxor Live!



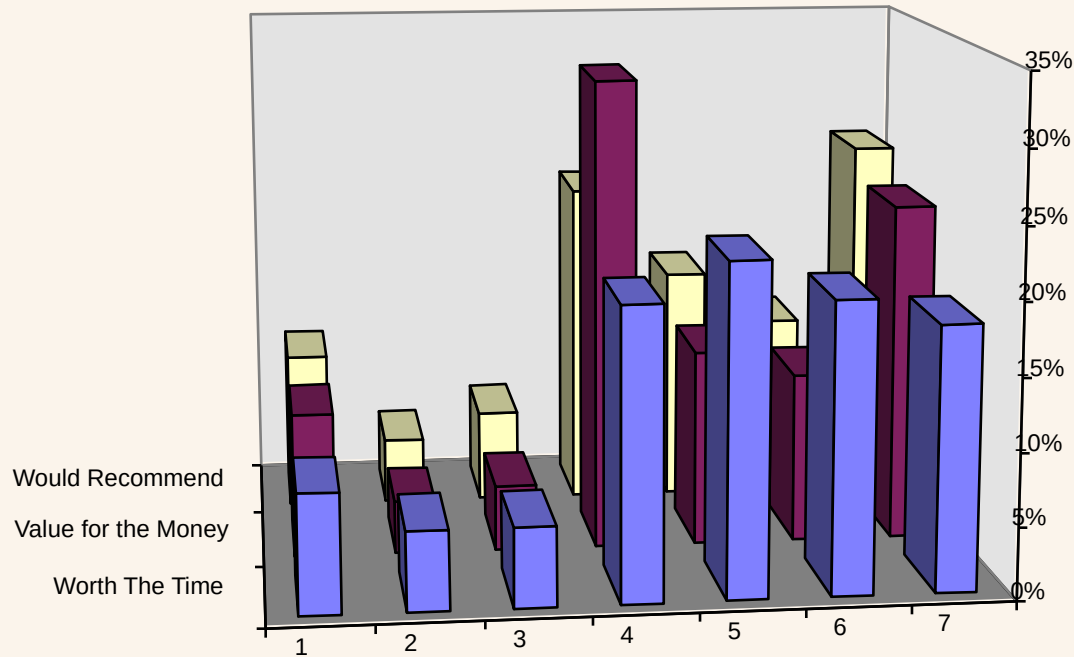
- ▲ Lowest rated
- ▲ Mean score for “time” is 3.98
- ▲ 31% would go again

Luxor Live!

▲78% gamble:



Theater of Time

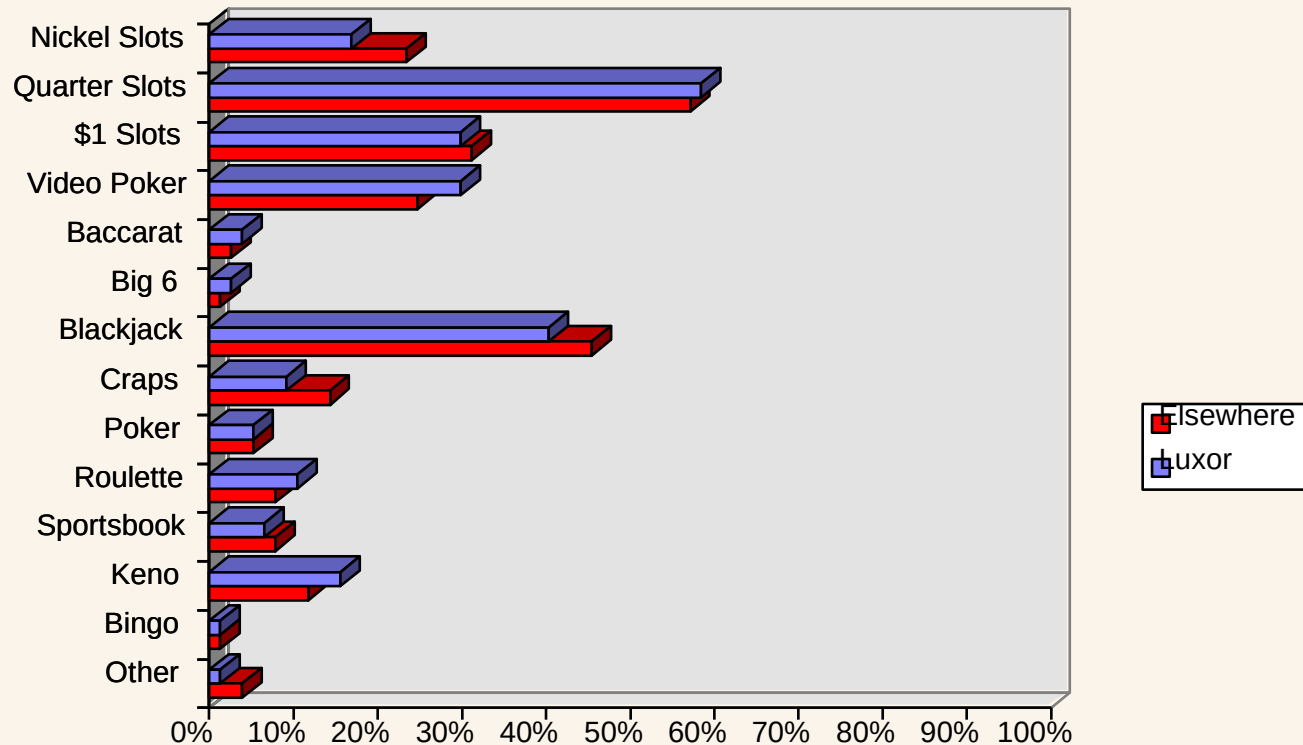


▲ Mean score on “time” is 4.76

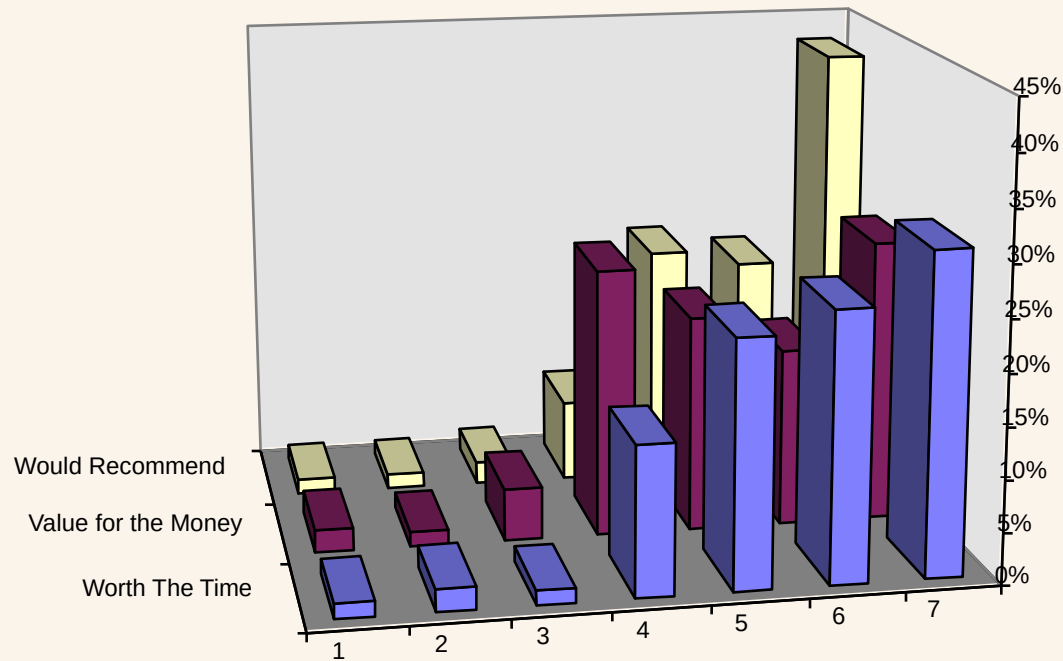
▲ 51% would go again

Theater of Time

▲74% gamble:



Sega VirtuaLand

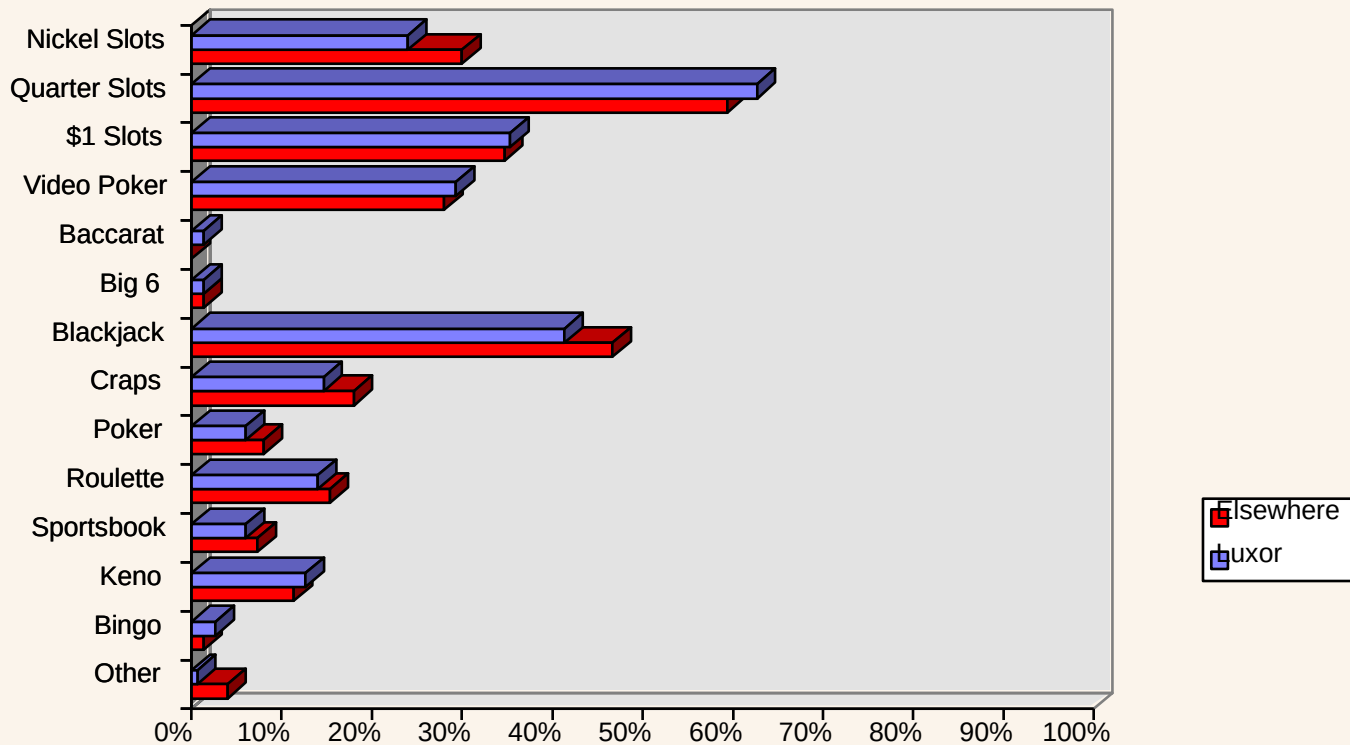


▲ Mean score on “time” is 5.58

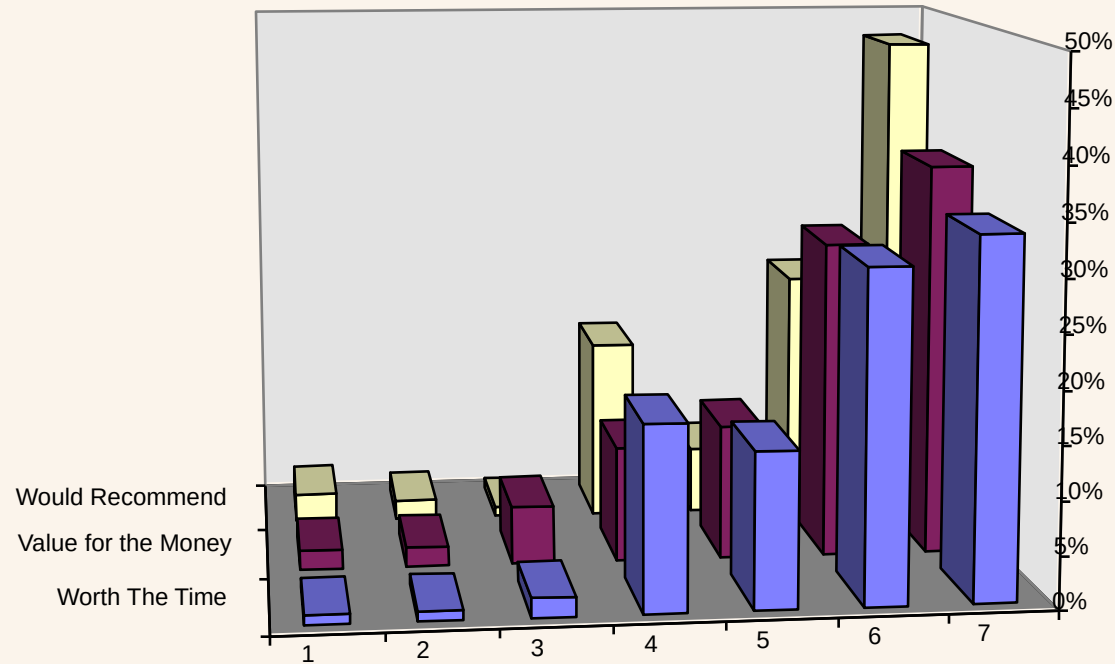
▲ 90% would go again

Sega VirtuaLand

▲80% gamble:



Tut's Tomb and Museum

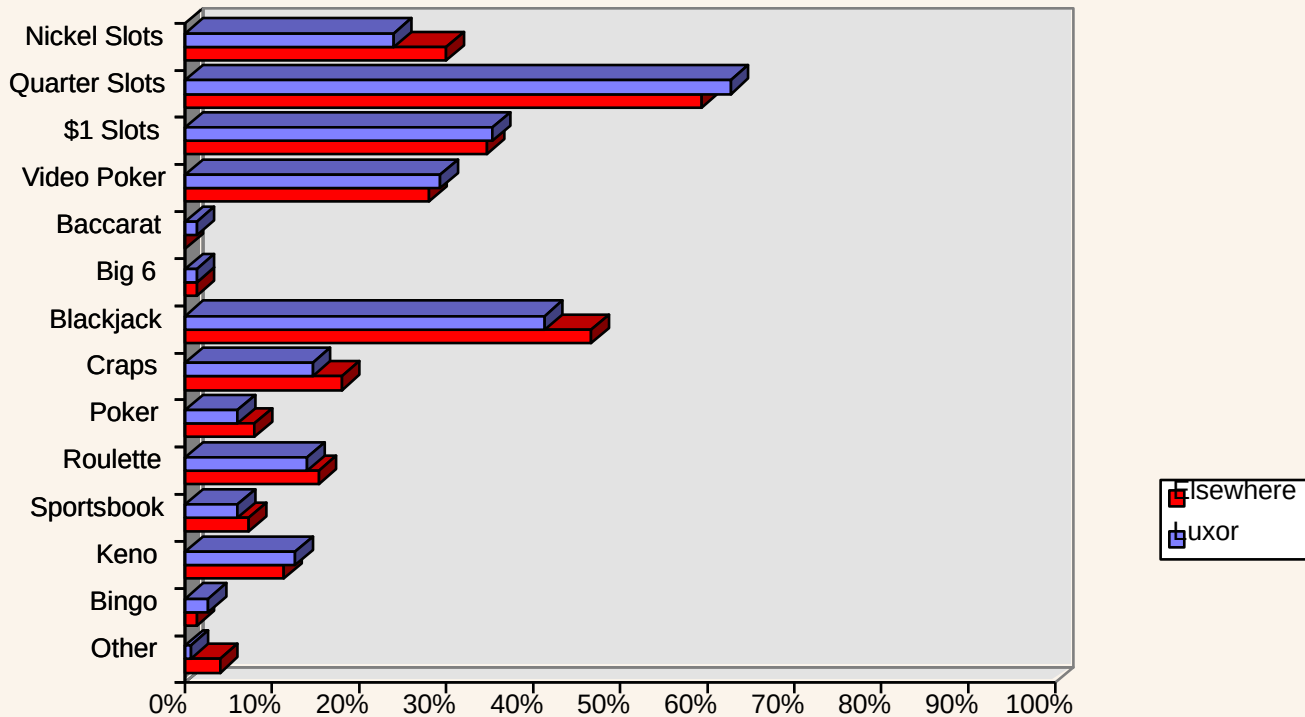


▲ Mean score on “time” is 5.71

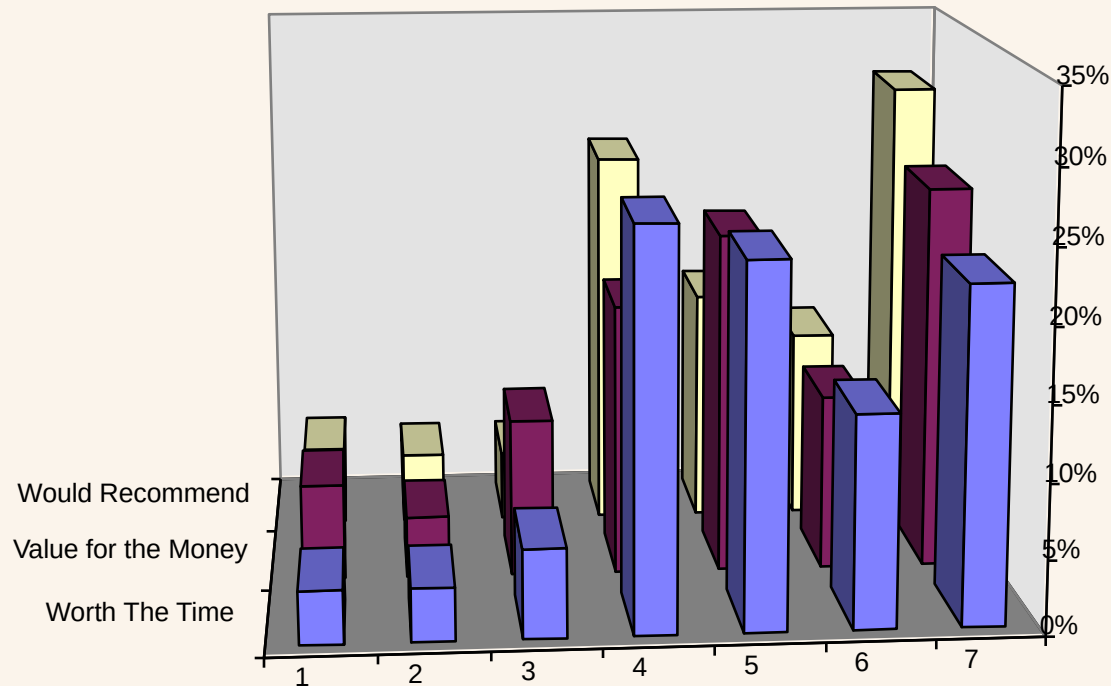
▲ 60% would go again

Tut's Tomb and Museum

▲80% gamble:



Nile River Tour

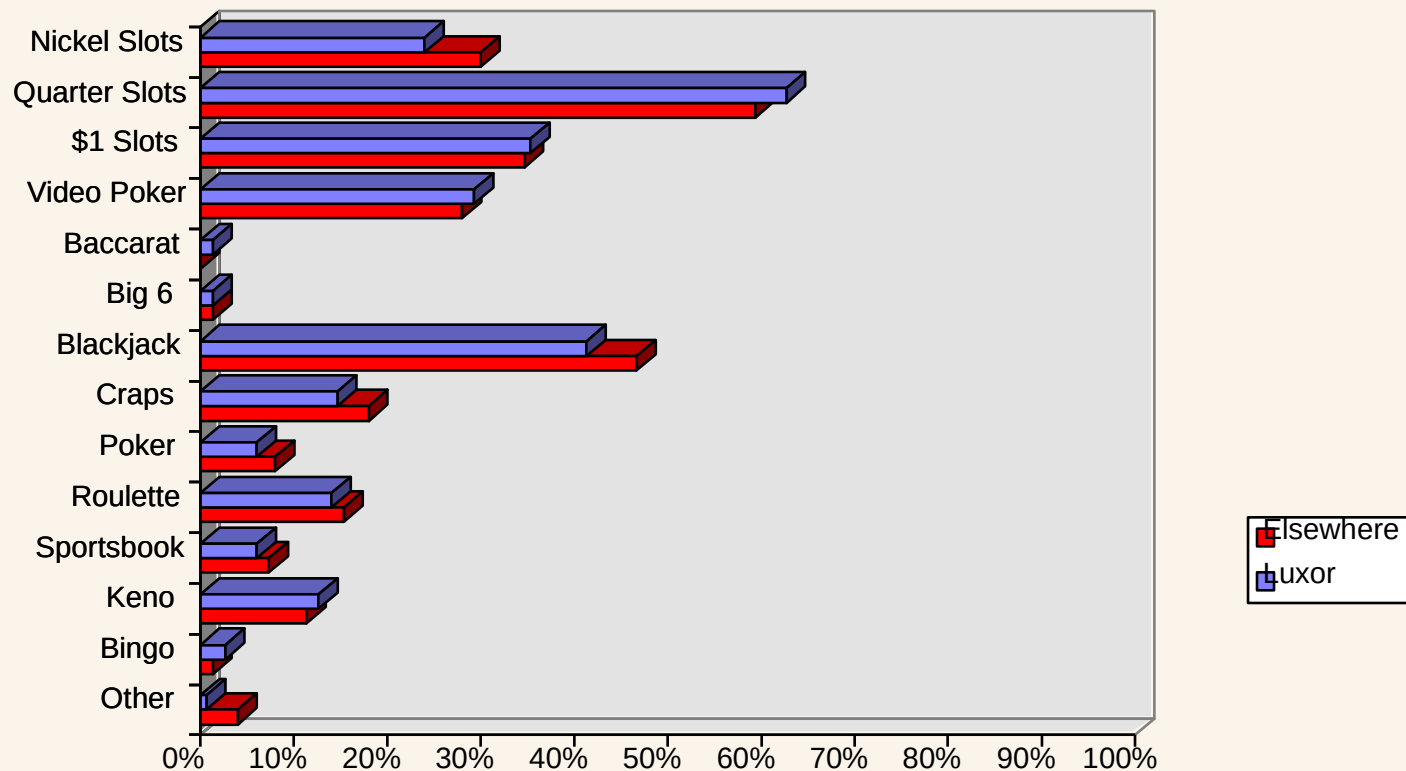


▲ Mean score on “time” is 4.96

▲ 55% would go again

Nile River Tour

▲81% gamble:



Key Successes

▲ R&A attract gamblers

- ▲ Over 80% of non-guest who came for R&A gamble

▲ Luxor positioning works

- ▲ R&A patrons have higher income than LVCVA average
- ▲ Guests have higher income than non-guests
- ▲ The competitive set of other casinos is as expected

Interesting Findings

- ▲ “Newness” factor
- ▲ Ratings track across rides
 - ▲ Worth the time
 - ▲ Value for the money
 - ▲ Would recommend
- ▲ Cannot explain ratings by age or income

Areas for Improvement

▲ Continuous renewal

- ▲ Software upgrades
- ▲ Marketing focus

▲ Capture incremental revenue

- ▲ Bundling of rides and attractions
- ▲ Gambling machines near Winds of Gods theater

Areas for Improvement

▲ Cross-promotion

▲ Among rides

- ▲ Nile to Winds of Gods
- ▲ Other attractions
- ▲ Upcoming rides

▲ Rides to casino

- ▲ Gold Chamber at Winds of Gods
- ▲ Boarding pass
- ▲ Invitation to gamble

▲ Properties

Recommendations

- ▲ Build awareness using customer profiles
 - ▲ Advertise R&A in Las Vegas
 - ▲ Market “newness” and mystique to potential guests
 - ▲ Revisit family marketing
- ▲ Track customer satisfaction
 - ▲ Diagnostic and maintenance focus groups
 - ▲ Follow-up to study
- ▲ Gambling Preferences
 - ▲ Tap the flow between R&A and the casino