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The multiple effects of a showroom on casino outlets in Las Vegas

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THE MULTIPLE EFFECTS OF A SHOWROOM

ON CASINO OUTLETS IN LAS VEGAS

by

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Bachelor of Business Administration, Hotel Management
Kyunggi University, Suwon, Korea
2003

A thesis submitted in partial fulfillment
of the requirements for the

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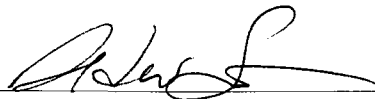
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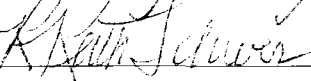
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ABSTRACT

The Multiple Effects of a Showroom on Casino Outlets in Las Vegas
by

Dongnam Kang

Dr. Carola Raab, Thesis Committee Chair
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In the competitive casino market of Las Vegas, casino operators make efforts to lure more visitors to their properties by offering various live entertainment shows that competitors do not offer. The reviewed literature revealed that showrooms appeared to attract people to the casino floor and, consequently, had significant impact on driving additional casino revenues. However, the literature did not reveal actual evidence that showrooms, which require huge investments and operating costs, actually generate additional revenues to casino hotels. Therefore, the purpose of this research is to investigate the indirect impacts of shows offered in a hotel casino by examining the amount of money spectators spent in the casino and other outlets located in the same property.

In eight of the nine hypotheses, the results revealed that there was no significant relationship between the amount of money respondents spent to purchase show tickets and the amount of money spent in the casino hotel. It can be concluded that although some show patrons spent more money on purchasing show tickets than others, it did not mean that they also contributed to more overall casino hotel revenues.

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ACKNOWLEDGEMENTS

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CHAPTER I

INTRODUCTION

In the competitive casino market of Las Vegas, casino operators make efforts to

lure more visitors to their properties by offering a wide variety of amusements through

such amenities as restaurants, bars, shopping malls, nightclubs, spas, and pools. As one

way of attracting customers, casino hotels have started operating their own shows. For

example, "Mystere" has performed at the Treasure Island since 1993. The Bellagio has

hosted "O" show since 1998, "Zumanity" has been shown at the New York-New York

Hotel since 2003, and the Mirage has performed "Love" since 2006 (Brewer, 2004).

Through previous studies, it has been found that the primary reason of having these

showrooms located in the casino hotel is not to make money from ticket sales, but to

generate more foot traffic into casino hotels (Becker, 2003; Christiansen & Brinkerhoff-

Jacobs, 1995, Dandurand & Ralenkotter, 1985, Roehl, 1996, Suh 2006).

Las Vegas offers a variety of shows such as production, magic, comedy, adult,

and music. In 2007 the number of shows which are regularly performed per week is about

one hundred (www.vegas.com). Recently, newly-built hotels have opened their properties

and new theaters together, since having a famous show such as the Cirque du Soleil is

regarded as an important amenity, thus allowing hotels to differentiate from competitors

(Weatherford, 1997, 2006a). A new theater for the "Le Reve" opened with Wynn Las

Vegas simultaneously in 2005, and "The Phantom of the Opera" started its business in

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June 2006 at the renewed Venetian Hotel. Also, an Elvis-themed show is scheduled to open in November 2009 at City Center (Friess, 2004; Clarke, 2006). Casino marketers are placing a greater emphasis on operating a showroom and perceiving it as a marketing strategy to distinguish their properties in the increased competition of casinos.

Additionally, the average trip expenditure per visitor on shows has increased annually. According to the Las Vegas Profile by Las Vegas Convention and Visitors Authority [LVCVA] (2006), in 2006 the average spending per person on shows was $50. Visitors' expenditures in 2005, 2004, and 2003 on shows were $49, $47, and $42 respectively. After excluding the visitors who did not spend any money in shows, the average expenditures were $109 in 2006, $106 in 2005, $96 in 2004, and $88 in 2003. In 2006, seventy six percent of visitors to Las Vegas attended a show during their stay, and in 2002, sixty one percent of Clark Country residents said that they had seen a show operated by Las Vegas hotels. [LVCVA] (2006). Therefore, a showroom is becoming one of the reasons for both tourists and residents to visit casino hotels of Las Vegas.

In order to run a showroom in a hotel property, enormous amounts of money are needed. For example, Treasure Island spent $32 million to create a showroom for "Mystere." $80 million was needed for an "O" theater at Bellagio, $100 million for a "Le Reve" aqua theater at Wynn Las Vegas, and $165 million for "Ka" at MGM Mirage (Freiss, 2004; Rod, 2004). There are a couple of reasons why casino hotels are making endeavors to have showrooms in spite of the huge investments and operating costs. One of the reasons is earnings are related with ticket sales. Cirque du Soleil's' four shows, "O" in Bellagio, "Zumanity" in New York- New York, "Mystere" in Treasure Island, and "Ka" in MGM Grand, had a combined gross of about $333 million per year from tickets

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(Weatherford, 2005). The Venetian, which opened a new theater for "The Phantom of the Opera," was expected to gain $1.8 million a week or less than $100 million a year from ticket sales if its tickets would sell for full price (Chris, 2004). Another reason is found in intangible benefits through having a noticeable show at the property. When providing a show that other properties do not offer, casino hotels could not only maintain their reputation and strengthen their brand identity, but also create a tremendous level of energy and excitement in their visitors and employees (Rod, 2004). However, the primary reason to hold shows is the indirect effect on hotel revenue. It is believed that shows are one of the major amenities leading people to come to the casino floor (Dandurand & Ralenkotter, 1985; Roehl, 1996). Casino operators expect that a show could attract a number of people who would not otherwise have visited their properties. Some of the people who stay at other properties would come to see a show, and others would decide to stay at a hotel to see a particular show. Also, most visitors may spend time and money before and after a show in restaurants, bars, casinos, movie theaters, souvenir stores, and shopping malls. Ultimately, the expenditures of visitors in other outlets would contribute to the hotel revenue. With regard to the "Celine Dion" show, Wally Barr, president of Caesars Entertainment, said that "Dion is drawing an added 800,000 customers into Caesars where they are dropping even more money in the mega resort's casino, bars and restaurants" (Simth, 2004, para. 8).

The review of the previous literature revealed that entertainment functions as an attraction to draw foot traffic into casinos. (Christiansen & Brinkerhoff-Jacobs, 1995, Dandurand & Ralenkotter, 1985, Roehl, 1996, Suh 2006). Roehl (1996) found that entertainment played a role in making casino players spend more money at table games

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and slot machines. Additionally, it was found that entertainment made an impact on visitors' length of stay in the hotel (Dandurand & Ralenkotter, 1985).

Due to the above-mentioned reasons, showrooms are operated and these showrooms become known as loss leaders (Guier, 1999). A loss leader refers to a retail product which is sold at the discounted price or below the retail cost in order to increase sales and store traffics (Walters & Rinne, 1986). In Las Vegas, casino executives operate some showrooms as loss leaders. These showrooms are operated not for the purpose of making profits via ticket sales but for drawing more customers in casino hotels, and, consequently, increase the overall sales of casino hotels. Tom Jenkin, the senior vice president and general manager of Harrah's Las Vegas, stated that the purpose of a magician Mac King's afternoon show at Harrah's was to keep hotel guests stay in the property during the daytime (Weatherford, 2001). Free show offerings, such as a "Pirate" show at Treasure Island and a "Fountain" show at Bellagio, have been also known to be operated to attract more customers to casino hotels. In fact, a $32 million "Pirate" show at Treasure Island had no direct impact on the revenue of the hotel. In spite of the considerable investment and operating costs, the only reason to continue with its performance is to draw more people into its property. Most of all, Treasure Island could expect spectators to wait for the "Pirate" show in the hotel casino before the show or enter its property after seeing it. Some of them, enticed by the show, might also spend their money in other outlets such as rooms, bars, convenience stores, clubs, casinos, souvenir stores, and shopping malls. Also, when they go into the property, it might become an opportunity for casino operators to gain new customers. To achieve this goal casino operators are investing a lot of money in custom-built showrooms for Broadway

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style musicals or headliner shows that other competitors do not offer. Therefore, in Las Vegas a showroom functions as a marketing tool to attain a competitive edge over other casinos.

The reviewed literature revealed that a showroom appeared to attract people into casino floors and, consequently, had significant impacts on driving additional casino revenues (Christiansen & Brinkerhoff-Jacobs, 1995, Dandurand & Ralenkotter, 1985, Roehl, 1996, Suh 2006). However, there is a lack of empirical research to support the reason why a showroom is necessary, how it influences the generation of hotel revenue, and whether or not it is worth running a showroom. Some of the research examined the indirect impact of a showroom in the casino property. Most of the previous research only focused on the relationship between the number of spectators and the change of gaming volume (Christiansen & Brinkerhoff-Jacobs, 1995; Samuels, 1999; Suh, 2006). Therefore, the purpose of this research is to reveal the indirect impacts of a showroom by examining the amount of money spectators spend on other outlets located in the same property.

Problem Statement

This study is to identify a relationship between the amount of money spectators spent to purchase a show ticket and the amount of money spectators spent in each hotel outlet located in the same casino hotel in which the show is performed. In general, the ticket price of a show is decided considering an initial investment building a showroom and operating costs (Palmeri, 2004). Therefore, it can be assumed that the showroom requiring large investments has a more expensive ticket price than other showrooms that

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require a small investment. It was revealed in previous research that a showroom produces a positive impact on gaming volume (Christiansen & Brinkerhoff-Jacobs, 1995, Dandurand & Ralenkotter, 1985, Roehl, 1996, Suh 2006). Left to measure is the relationship between the amount of money spent on showroom tickets and other casino hotel revenue centers. The specific objectives of this study are as follows: (1) to determine whether there is a relationship between the amount of money spectators spent for a show and the total expenditures of spectators in the hotel outlets; (2) to examine a relationship between the amount of money spectators spent on seeing a show and the expenditures of spectators in each outlet; and, (3) to identify their expenditures in each outlet.

Significance of the Study

Casino hotel operators consider the showroom as one of several outlets to have both direct and indirect impacts on hotel revenues. The direct effect of a showroom is easily tracked through ticket sales. On the other hand, it is difficult to determine the indirect effects of a showroom, since tracking individual expenditures of show attendees in the hotel property is practically impossible for casino operators. The only way is to record their activities through the use of players' cards. However, it is still challenging because players' cards are only used in playing casino games, and even the rate of card use is only 30 percent to 35 percent (Kibly, Fox, & Lucas, 2004). Also, it is uncertain whether or not show-driven visitors actually spend their money in the hotel property since some of them just arrive at hotels on time and leave the property at once without visiting other outlets. It means that a showroom drives unprofitable visitors and does not

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function properly as a loss leader, and eventually hotels only get direct profits from ticket sales.

Therefore, to estimate the total expenditures of show attendees is important. Casino operators can evaluate the contribution of a showroom to the hotel through the total consumption of spectators. Compared with the initial investment needed to develop a theater and subsequent operating costs, casino executives can better make a decision whether their showroom is needed or not. Therefore, this study is helpful to provide hotel managers with valuable information in the decision making process. Also, from an academic standpoint, given the lack of empirical research regarding the effects of a showroom on casino hotel revenue, the result of this study will contribute to the extension of the related literature.

Definition of Terms

The following terms are defined as they are used in this study.

- Show: shows typically feature dancing, music, showgirls, comedy, magic, and a specialty act such as a juggler or an acrobat. However, Las Vegas shows embrace combining elements of a rock concert, Broadway show, dance recital, and performance art (David, 2001).
- Spending: spending is the instrumental response fortified by spending itself or by the positive feeling through gaining the goods or services (Feinberg, 1986).
- Ticket price: ticket price indicates the total amount of money that spectators spend to see a specific performance.

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CHAPTER II

LITERATURE REVIEW

Introduction

The purpose of this chapter is to provide the reasoning behind conducting this study by a review of the literature related to show offerings in the Las Vegas casino industry. This chapter is divided into five sections. First, research that is helpful to understand entertainment offered by casino hotels in Las Vegas is mentioned, followed by studies that examine the indirect effects of showrooms and restaurants on gaming volume. In addition, related literature regarding the role of entertainment in the retail business and loss-leader promotions are reviewed. The last section discusses the types of shows performed on the Las Vegas Strip.

Understanding Entertainment in Las Vegas Casino Hotels

In Las Vegas the reason for having a showroom in a hotel property is to provide visitors with more opportunities to have experiences beyond just offering gaming. In the past casino gambling was only available in a peripheral location, such as Nevada, and demand for casinos surpassed supply of gamblers. Hence, casino operators did not need to consider offering other services and amenities for visitors. However, as the availability of gambling increased in the United States, the industry became more competitive. According to Eric Hausler, a Susquehanna Financial Group gaming analyst, "consumers

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can gamble anywhere, with 700,000 slot machines across the United States," (Rod, 2005). More than 600 casinos across the country are available for people who want to partake in casino gambling and they are located in a 4 hour proximity from most major cities (Shoemaker & Zemke, 2005). With the expansion of casino gambling, casino operators felt that to only offer a gaming experience was not enough to draw continued traffic into their property. In order to entice customers into the property, casino hotels in Las Vegas began to offer a variety of attractions and amenities, such as restaurants, bars, casinos, spas, entertainments, souvenir stores, night clubs and shopping malls. By providing visitors with various attractions that can differentiate their properties from competitors, casino hotel marketers can expect an increased length of stay and attract new customers who would not otherwise have visited their properties. Dandurand and Ralenkotter (1995) examined the relationship between entertainment and the length of a visitor's stay. They found that there was a positive relationship between two variables. The more visitors attended shows, the longer they stayed in the hotel property. In Roehl's study (1996) which targeted Las Vegas residents, it was identified that casino amenities, such as showrooms and restaurants, make visitors spend more money in the casinos. Lucas and Santos (2003) examined the relationship between restaurant head counts (food covers) and gaming volume. The study found that patron head counts had a significant positive influence on the gaming volume of casinos. Also, another study discovered that various entertainment offerings not only prevented spectators from leaving the property without gambling, but also made them stay longer (Richard, Platerink & Arnold-Baker, 2001). It was concluded that a casino with diverse entertainment options provided visitors with more reasons to remain longer. For example, without a restaurant available to

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visitors in a hotel property, visitors may have to leave to find other restaurants, which would result in losing an opportunity to generate additional revenues. By presenting diverse non-gaming offerings, casino hotels could expect to attract more customer traffic, and subsequently gain additional revenues.

In today's fierce competition in the casino market, the profits of a casino hotel are not only from casino gaming. Las Vegas casino operators seek new opportunities not only on the casino floor but also with non-gaming amenities such as entertainment, shopping, and dining. In a survey of gaming industry executives of Las Vegas (Rod, 2005), 58 percent of respondents said that non-gaming amenities in the casino hotel were increasingly important, and 42 percent of them answered that the importance of non-gaming amenities would further increase significantly in coming years. None of the respondents expected the importance of non-gaming amenities to decrease. Also, at the 2005 Global Gaming Expo the two casino industry leaders, Gary Loveman, Harrah's Entertainment Chairman and Terry Lanni, MGM Mirage Chairman, stated that industry's dependence on gaming revenue was diminishing, and that they were expecting more benefits from growing non-gaming attractions including restaurants, retail businesses, entertainments and spa-salon offerings (Stutz, 2005). The structure of the Las Vegas casino industry is changing from an era of placing great emphasis on gaming to an entertainment-oriented industry with more than half of Las Vegas hotel-casino revenues now coming from non-gaming amenities (Rod, 2005). The study, which surveyed tourists, supported the increased importance of non-gaming amenities. In addition, 65 percent of respondents stated that the primary purpose of visiting to Las Vegas was for vacation or pleasure. On the contrary, the proportion of respondents who said that their main reason

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of visiting to Las Vegas was for gambling was only 5 percent [LVCVA] (2005). In addition, a senior vice president and executive director of the American Gaming Association said that food-and-beverage revenues increased 134 percent during the last decade, while gaming revenue only increased 46 percent for the same period. Non-gaming revenues rose to 58 percent of total sales in 2005 from 47 percent 10 years ago (Robison, 2006). Casino operators are aware of this development, as is evident with the increase of non-gaming amenities in Las Vegas' casino hotels. However, there is a lack of empirical evidence to support the importance of non-gaming amenities in the casino hotel. Although the previous studies provided a great deal of information about the indirect impacts of non-gaming amenities, they just focused on the relationship between non-gaming amenities and casino volume. Therefore, further research is necessary to investigate the effects of non-gaming amenities.

Indirect Effects of a Showroom on Gaming Volume

There is little research related to the indirect effect of a showroom on revenues produced by outlets, such as restaurants, bars, casinos, shopping malls, and night clubs, located in the same property. Previous studies only dealt with the indirect impacts of entertainment on gaming volume, and provided limited information about entertainment-prone visitors (Dandurand & Ralenkotter, 1985; Roehl, 1996; Suh, 2006). Dandurand and Ralenkotter(1985) found a positive relationship between gambling and entertainment in the entertainment-prone visitors. According to the results of this study, this type of visitor tended to travel independently of the season, and they were mostly high school graduates. The average respondents were 31-50 year old married males who were salaried

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employees and earned a salary between $25, 000 and $40,000. They usually shared

expenses with another person, took a trip without children, visited Las Vegas 1.6 times

per year, and traveled to Las Vegas as the main destination. They were more likely to

assign higher importance to excitement, sight-seeing, shopping, entertainment, and

pleasure, while less importance to cuisine and gambling. Also, it was uncovered that the

number of shows they attended had a correlation with the length of stay. However, since

this study was conducted in 1985, it does not explain the behavior of today's

entertainment-prone visitors. Although the study revealed the profile of entertainment-

prone visitors and the correlation between the number of shows and the length of stay, the

indirect impacts of a showroom in casino hotels were not examined. Therefore, it lacked

information crucial for casino executives who need to decide whether to operate

entertainment amenities.

Roehl (1996) found that entertainment had a positive effect on the gaming

volume, and also impacted the amount of money visitors spent in the casino. Roehl's

study examined the indirect effects of two non-gaming amenities, restaurants and

entertainment, on casino revenue. The results indicated that spectators who attended large

and small-scale entertainment showed higher yearly gaming expenditures. Additionally,

it was identified that people who visited coffee shops and gourmet restaurants had higher

yearly gaming spending. On the other hand, people who ate in buffet restaurants or did

not eat in the restaurant did not show a significant relationship with yearly expenditures

on gaming activities. Furthermore, the study revealed that visitors who attended large

scale shows spent more money on gaming activities than those who attended small scales

shows, or did not attend. In spite of Roehl's useful findings regarding indirect effects of

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specific non-gaming outlets, further research is needed in order to better understand the indirect impacts of entertainment. Furthermore, Roehl's study is limited to Las Vegas residents, and the criteria he used for classifying the scales of shows are also obscure. Finally, since it was conducted in 1996, the result of study could not provide casino operators with practical information to explain the today's circumstances in the casino industry.

Suh (2006) examined indirect impacts of entertainment amenities on casino business volume in two hotels located on the Las Vegas Strip. In order to demonstrate the presence of a relationship between show head counts and casino volume, three variables were selected: show headcounts which represented the number of show spectators; daily coin-in referred to total amount of money spent by players per day in all slot machines; and, daily cash drop indicating the total amount of cash and chips in each game's drop box of table game per day. The results revealed that show headcounts had a positive and significant influence upon casino volume in the three models: daily coin-in in LV Hotel, daily cash drop in LV Hotel, and daily cash-drop in a second LV Hotel (Suh, 2006). The · study supported popular wisdom in the casino industry. A showroom played a major role in drawing customer traffic into the casino floor. However, Suh's (2006) study had several limitations. For example, the contribution of a showroom in attracting customers to the property would vary depending on the several factors: the type of a show; the seating capacity of a showroom; the show brand awareness; the running time of a show; or, the characteristics of properties such as location or the presence of other attractions. Also, since this study was conducted in only two properties, it would be difficult to generalize the findings to other properties in Las Vegas Strip. Additionally, in Suh's

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study credit play was not considered as a variable to explain the amount of money played in table games even though substantial amounts of chips were provided for high rollers as complementary offers.

In another study, it was uncovered that the presence of entertainment amenities attracted a broad range of customers to the casino floor (Christiansen and Brinkerhoff-Jacobs, 1995). According to the authors, entertainment located in the property encouraged people to visit the property and stay longer when their needs were satisfied. In addition, the authors emphasized the importance of prudent selection of non-gaming amenities. Even though non-gaming amenities may draw a particular type of visitor, it was still questionable whether these visitors would be willing to gamble within the property. There is a possibility that entertainment-prone customers may just visit to the hotel in order to enjoy the entertainment itself, which means the entertainment would fail to generate additional casino volume. Furthermore, this study pointed out that the development of non-gaming outlets could distract visitors from playing slot machines or table games (Christiansen and Brinkerhoff-Jacobs, 1995). For example, non-gaming offerings, such as interactive videos, movies, and video arcades, may divert casino players away from playing slot machines. Even though the researchers examined the impacts of entertainment in a casino hotel, they solely focused on the importance of entertainment amenities on casino gaming. Therefore, further research is necessary to investigate the indirect effects of other types of non-gaming amenities on the overall hotel revenue to identify the indirect impacts of various entertainment offerings.

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Indirect Effects of a Restaurant on Gaming Volume

Restaurants are also regarded as one of the amenities to attract visitors into the hotel property (Christiansen and Brinkerhoff-Jacobs, 1995; Dandurand & Ralenkotter, 1985; Roehl, 1996; Suh, 2006). In casino hotels, the restaurant business displays some close similarity to the entertainment business. One of the critical reasons why casino hotels operate restaurants in their properties is the additional profits that restaurants can generate. By incorporating first-class restaurants (e.g., Wolfgang Puck at MGM Grand), casino operators can expect to enhance hotel brand image as well as draw traffic to the property (Miller & Associates, 2006). Another study demonstrated that the presence and availability of restaurants provided customers with the option to consider whether to leave the property, and consequently encouraged them to stay longer in the casino (Brock, Fussell, & Corney, 1990).

Although some restaurants located in casinos were operated at a substantial loss, casino executives kept operating them. The reason for operating restaurants despite a substantial loss was that it was one way to lure guests to the casino floor (Lucas & Brewer, 2001). Lucas and Brewer's study (2001) examined the impacts of casino-operated restaurant business volume (food covers) on gaming business volume. The result showed food covers as a variable did not have a significant positive effect on casino business volume, which was an outcome contrary to popular wisdom regarding to the role of restaurant in casino hotels. On the other hand, the study of Lucas and Santos (2003) showed a different result contrary to the results of Lucas and Brewer (2001). Lucas and Santos (2003) found a positive relation between food covers and gaming volume in three hotels. Specifically, it was revealed that restaurants had a positive impact

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on increasing gaming volume. This study demonstrated the conventional wisdom: the restaurant patrons drove casino volume. However, since they only investigated three casino properties, the results could not be generalized to other properties in Las Vegas. Furthermore, one of the casinos that was located in Las Vegas targeted mainly local residents. Also, the other two casinos investigated were not located in Las Vegas, which presented a major limitation of the study.

The main reason of the different results between two studies may have been attributed to the financial condition of restaurants explored. The restaurants examined in the study of Lucas and Brewer (2001) were operated at a substantial loss, while the restaurants in Lucas and Santos' study (2003) were marginally profitable. It is unreasonable to draw an inference from the results that the financial condition of restaurants has influence on relationship between restaurants and casino volume. In spite of a lack of consensus in two studies, the researchers not only emphasized the role of restaurants in casino hotels, but also suggested the further research the effects of restaurants on casino revenues.

Marketing Literature

The Role of Entertainment in the Retail Business

Sit, Merriless, and Birch (2003) investigated the effects of entertainment on shopping behavior of customers who visited shopping malls. In order to differentiate a shopping center from other competitors, a variety of entertainment offerings were employed. It was identified that entertainment offerings made a contribution to enhance the mall's brand image and provide shoppers with unique opportunities. Entertainment

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offerings for shopping malls proved to be helpful to increase retail stores' revenues by drawing new customers and repeated customers (Shim & Eastlick, 1998). Talpade and Haynes (1997) noted that entertainment was a critical factor for shopping malls to affect consumer patronage by offering an exciting and fun shopping experience. Sit et al. (2003) also found that entertainment is one of the attributes that entice visitors to frequently visit the established malls. However, compared to other attributes, such as location, a broad range of products, a various choice of brands, and the cleanliness of restrooms, the importance of entertainment was relatively low. Also, most of entertainment-prone customers were identified as to be teenage males with low annual incomes. They showed a tendency to use the shopping centers as meeting place and for entertainment. Even though entertainment in shopping malls was considered an attraction drawing new customers and a broad range of customers, indirect effects of entertainment on sales volume of retail stores were not identified.

<center>*Loss Leader Literature*</center>

The term "loss-leader" refers to items designed specifically to lead store traffic and ultimately increase the sales of other products (Walters & Rinne,1986). In the retail business, loss leader promotions were employed by advertising special offers which were sold at or below retailer's cost (Mason & Mayor, 1985). The loss leader strategy was based on deal-prone customers as defined by Blattberg, Buesing, Peacock, and Lieberman (1978). Customers who were seeking the best deal made a visit to identify it, and hence would be induced to purchase additional merchandises that were sold at regular prices (Walters & Mackenzie, 1988; Walters & Rinne, 1986). On the other hand, Walters and Rinne (1986) noted "cherry picking" behavior of customers. The term

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"cherry picking" represented the specific behavior of patrons to buy only the promoted merchandise rather than other products. It was found when the number of customers showing cherry picking behaviors increased, only store traffic simultaneously increased but it did not affect store revenues. Walters and Rinne (1986) investigated 30 types of loss-leader merchandise in three different stores. The results identified by them showed that only two of 30 items had a positive and significant influence on store profits. Additionally, Walters' and Mackenzie's (1988) study produced that most of loss leader promotions failed to generate additional store profits. Therefore, according to the above-mentioned studies, it can be concluded that loss leader strategies in the retail business do not show a positive relationship with store profits.

Types of Show

The Las Vegas Convention and Visitors Authority (LVCVA) divided shows performed in Las Vegas into five types: 1) regularly scheduled production shows; 2) lounge acts; 3) headliner shows; and, 4) comedy revues [LVCVA] (2005). Also, recently musicals which succeed in Broadway opened their theater and were identified differently (Katsilometes, 2006). Therefore, in this study shows performed in Las Vegas Strip are divided into six types: 1) Production shows, 2) Lounge acts, 3) Headliner shows, 4) Broadway style shows, and 5) Comedy revues. The following are examples of the types of shows produced in Las Vegas:

1. Regularly scheduled production shows are referred to Las Vegas style shows performed in hotel casinos. Representative examples are the Cirque du Soleil's shows in Las Vegas, production shows with unique features

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distinguishing them from other shows of different cities. These styles of shows are performed in custom-designed theaters, featuring live music, a number of dancers and singers, and acrobats (Suh, 2006). The representative production shows offered by Las Vegas casino hotels are as follows: the "Mystere" at Treasure Island, the "O" show at Bellagio, the "Zumanity" at NewYork NewYork, the "Ka" at MGM Grand, the "Love" at Mirage, the "Blue Man Group" at Venetian, the "V -- The Ultimate Variety Show" at Aladdin, and the "Le Rêve" at Wynn Las Vegas;

2. Lounge acts represent acts performed by singers, musicians, and comedians in lounges located in the hotel property. Visitors can enjoy the acts by purchasing one or two drinks. Representative lounge acts are as follows: the"Ariel" show at Petrossian Bar of Bellagio, the"David Osborne and Bob Sachs" show at Cafe Lago Restaurant of Caesars Palace, the"Whitney Phoenix" show at Petrossian Bar of Bellagio, the"Dueling Pianos" show at Bar at Times Square of New York - New York, the"Ghalib Ghallab" show at Terrazza of Caesars Palace, and the"Bob Millard" show at Onda of Mirage;

3. Headliner shows refer to live entertainment shows employing big-name entertainers such as Elton John, Celine Dion, and Penn & Teller. Casino hotels operate headliner shows as one of the ways to enhance the brand image of hotels as well as draw foot traffic into the property. Some of them are regularly scheduled to perform in custom-designed theaters. The representatives of headlines shows are as follows: "Celine Dion A New Day ... " at Caesars Palace, "Danny Gans" at Mirage, "Rita Rudner" at Harrah's,

"Penn & Teller" at Rio, "Toni Braxton: Revealed" at Flamingo, and "George Wallace" at Flamingo;

4. Broadway style musicals were recently introduced to Las Vegas Strip. Some musicals that made a success on Broadway are performed after a revision to fit the Las Vegas style. The following are examples of Broadway style musicals which were regularly performed in Las Vegas Strip: "Mamma Mia!" at Mandalay Bay, "Phantom - The Las Vegas Spectacular" at Venetian, "The Producers" at Paris Las Vegas, and "Monty Python's Spamalot" at Wynn Las Vegas; and,

5. Comedy revues refer to the ongoing performance by several comedians such as "The Improv" at the Riviera or "Comedy Stop" at the Tropicana.

Summary

This chapter presented the related literature in show offerings of Las Vegas casino hotels and in the indirect effects of a showroom and restaurants on gaming volume. The review of the previous literature found a positive relationship between gaming volume and the presence of entertainment in casino hotels. Based on this finding, nine hypotheses are developed in Chapter III.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter presents the research methodology adopted for this study. First, the research hypotheses are described, followed by the explanation of the survey instrument, scale measurement, and sampling.

Research Hypotheses

Through the literature review, it was found that a showroom functioned to attract more people into a casino hotel. Suh (2006) revealed that a showroom as an entertainment amenity had a positive relationship with the increase on gaming volumes. However, although a showroom is believed to generate additional revenues by drawing more people into casino floors, there is no empirical research with regard to effects of a showroom on the outlets of casino hotel. In addition, even though some showrooms, such as the Broadway-style musicals or famous headliner shows, require a lot of investment, the effectiveness of these showrooms has not been examined and evaluated. For this reason, the primary purpose of this study is to reveal a relationship between the amount of money spent by a spectator for a show, and the total amount of money he/she spent in a casino hotel and on each outlet located in the casino hotel. Thus, the nine hypotheses developed for this study are as follows:

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H_{01}: There is no relationship between the total amount of money spent by show patrons when visiting casino hotels, and their amount of money spent for shows and the household income;

H_{02}: There is no relationship between the total amount of money spent by show patrons on gaming activities, and their amount of money spent for shows and the household income;

H_{03}: There is no relationship between the totals amounts of money spent by show patrons in restaurants, and their amount of money spent for shows and the household income;

H_{04}: There is no relationship between the total amount of money spent by show patrons in bars located in the showrooms, and their amount of money spent for shows and the household income;

H_{05}: There is no relationship between the total amount of money spent by show patrons in bars outside the showrooms, and their amount of money spent for shows and the household income;

H_{06}: There is no relationship between the total amount of money spent by show patrons in souvenir stores, and their amount of money spent for shows and the household income;

H_{07}: There is no relationship between the totals amount of money spent by show patrons on shopping, and their amount of money spent for shows and the household income;

H_{08}: There is no relationship between the total amount of money spent by show patrons in night clubs, and their amount of money spent for shows and the

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household income; and,

H_{09}: There is no relationship between the total amount of money spent by show patrons on other activities, and their amount of money spent for shows and the household income.

Survey Instrument and Scale Measurement

In order to investigate the expenditures of spectators, the study was conducted by using a self-administered questionnaire. In terms of examining customers' expenditures, there are only a few existing studies dealing with customers' dining or shopping behaviors in hotels, or the effects of restaurants and shopping malls located in hotels (Chen, 1996; Tung, 2005; Louca, 2006). Since no existing questionnaire was available, a questionnaire was developed based on the literature mentioned in the previous chapter.

To verify content validity, a pilot test for the initial draft of the questionnaire was employed on the main strip of Las Vegas. The sample was 20 tourists and local residents. Before conducting the pre-test the researcher informed respondents in advance that the goal of the test was to evaluate the questionnaire. After examining the questionnaires obtained, some questions were revised. This resulted in the final one-page questionnaire, which allowed for an increased response rate because it was easy to read and quick to complete.

The questionnaire was composed of two sections. The first section began with a screening question of whether respondents were staying at a casino hotel where the show was performed. Respondents, who were staying at the same casino hotel as the show was performed, were regarded as an inappropriate sample and excluded from data collection.

The other questions in the first section were designed to investigate the amount of money a participant spent when visiting a casino hotel. The respondents were asked about the amount of money they spent to purchase a show ticket and the expenditures they made in each outlet of the hotel. Open-ended questions were employed to ask about their expenditures in the following eight types of outlet in the casino hotel: casinos; restaurants; bars in the showroom; bars outside the showroom; souvenir stores; shopping malls; night clubs; and, others. Hotel outlets were categorized according to a search of websites of six Las Vegas hotel casinos equipped with showrooms: Luxor Las Vegas resort hotel & casino (www.luxor.com); Wynn Las Vegas (www.wynnlasvegas.com); Bellagio Hotel & Casino (www.bellagio.com); New York New York Hotel & Casino (www.nynyhotelcasino.com); Venetian Resort Hotel Casino (www.venetian.com); and, Mirage Hotel & Casino (www.mirage.com). Questions asking about the expenditure were divided in two separate parts, the expenditures before the show and after the show.

The second part of the questionnaire was designed to provide information about the demographic profiles of respondents and their purpose of visit. A categorical scale was employed to find out participants' demographic information. such as age, household income, and the purpose of their visit.

Sampling and Data Collection

The targeted population of this research was composed of those who had seen any shows at the casino hotel located on the main strip of Las Vegas. It would be ideal to collect the data from the entire population who had attended any shows in Las Vegas in order to test the hypotheses of this research. However, access to the entire population is

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impossible. Also, obtaining the data from casino operators is challenging, since most of show operators usually do not reveal revenues of outlets, and the actual ticket price show patrons pay varies by property. Consequently, this study employed a non-probability, convenience sample, since this method allowed for collecting the data easily and quickly (Zimunk, 2003). However, it is unlikely that the sample collected in this study represents the population. Due to the fact that generalization of the sample to the population would lead to misleading results, the results of this study are limited (Zimunk, 2003).

The survey was conducted during June 20, 2007 to July 30, 2007 at public places of the Las Vegas Strip, such as the intersection of Las Vegas Boulevard and Flamingo Road and at the Fountain show of the Bellagio. Participants were randomly selected by the researcher. Before asking them to participate in the survey, respondents were asked whether they had seen a show in Las Vegas during their trip, and whether they could remember approximately how much they spent for a show in the property, in order to ensure their eligibility for this study.

Participants were informed that their participation was voluntary, and that there was no financial compensation. In order to inform them about the purpose of the study, an instrument cover letter was provided along with the questionnaire. Further, in order to encourage respondents to take part in the survey, a souvenir was offered to respondents who completed the questionnaire. A total 205 questionnaires were collected. However, 30 of them were regarded as invalid. Thus, a total of 172 questionnaires were considered usable for this study.

Data Entry

The completed questionnaires were investigated for any inconsistencies. To solve the problem of unanswered questions, a basic rule was applied. If there were any unanswered cells that asked about personal expenditures in the each outlet of the hotel, it was considered that respondents did not spend any money in that particular outlet. If too many questions were unanswered, the entire questionnaire was removed from the analysis. All collected data were entered into the Statistical Package for Social Sciences (SPSS) software version 14.0. Interval scale items, such as the expenditures of respondents, were coded directly into SPSS and categorical scale items were coded according to the order of answers: for example, for the question asking about the annual household income, "less than $19,999" was coded as "1", "$20,000 to $39,999" as "2", "$40,000 to $59,999" as "3", "$60,000 to $79,999" as "4", "$80,000 to $99,999 as "5", and "more than $100,000" as "6". In order to run the multiple linear regression analyses with categorical scale items, the income variable was recoded establishing dummy variables with only two values, zero and one. For example, first dummy variable, income 1, was created and coded as follows; respondents answers of "less than $19,999" were coded as "1", and otherwise coded as "0". The income 2 variable was created for the answer of "$20,000 to $39,999", and coded as "1" and respondents that did not belong to this income group were coded as "0". Income groups 3, to 6 were created respectively for the answers of "$40,000 to $59,999", "$60,000 to 79,999", "$80,000 to $99,999", and "more than $100,000". These variables were coded in the same way as the income 1 and 2. Descriptive statistics analysis was applied to examine any data entry errors or missing data. Data were also checked against the original questionnaires. After the data were

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entered, tests were conducted in order to investigate the assumptions for regression

analysis. The following tests were conducted: linearity of the relationship, normality,

constant variance of error terms (homoscedasticity), multicollinearity, and outliers.

Multiple linear regression analysis was conducted to examine a relationship between the

amounts of money respondents spent for a show, and their expenditures when visiting

casino hotels and their demographic profile. All hypotheses were tested at the 95 percent

significant level (α=.05).

Summary

The research methodology employed in this study was described in

Chapter III. The research hypotheses, survey instrument, scale measurement, sampling,

and data collection were presented. In Chapter IV, the results of testing the nine

hypotheses are presented.

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CHAPTER IV

DATA ANALYSIS AND RESULTS

Introduction

This chapter describes the data analysis and the findings of this study. The data were analyzed in order to be able to identify if the amount of money spent by spectators to purchase show tickets had an influence on their expenditures in casino hotel outlets. The demographic information of respondents is also presented. Tests for validity are discussed, and the results of the multiple linear regression analyses are presented.

Demographic Profile of Respondents

The respondents' demographic profile is presented in Table 1. A total of 172 questionnaires were valid among 205 collected in this study. Approximately 88.2 percent of respondents were tourists, while 11.8 percent of them were local residents. On the other hand, 19 out of 172 participants did not answer this question. Among those who were tourists, 60.5 percent of them visited Las Vegas for pleasure, 8 percent for business, 5.2 percent to visit acquaintances, and 3 percent for other reasons. such as conventions or weddings.

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Table 1

Demographic Information of Respondents (N=172)

Characteristics	N	%
Region		
Tourist	135	88.2
Local resident	18	11.8
Missing	19	11.0
Total	172	100.0
Purpose of visit [a]		
Business	14	8.1
Pleasure	104	60.5
Visiting acquaintance	9	5.2
Other	5	2.9
Missing	40	23.3
Total	172	100.0
Age		
21 ~ 29	37	21.5
30 ~ 39	35	20.3
40 ~ 49	37	21.5
50 ~ 59	21	12.2
60 ~ 69	11	4.2
Over 69	13	7.6
Missing	18	10.5
Total	172	100.0
Income		
Less than $19,999	10	5.8
$20,000 to $39,999	26	15.1
$40,000 to $59,999	29	16.9
$60,000 to $79,999	32	18.6
$80,000 to $99,999	18	10.5
$100,000 or more	22	12.8
Missing	35	20.3
Total	172	100.0

Note. [a] The purpose of visit was asked only to those who answered they were tourists.

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The age of respondents was divided into six different groups: 21.5 percent were between 21 and 29, 20.3 percent were between 30 and 39, 21.5 percent were between 40 and 49, 12.2 percent were between 50 and 59, 4.2 percent were between 60 and 69, and 7.6 percent were over 69 years old. 10.5 percent did not answer this question.

In terms of the income of respondents, almost 13 percent of respondents had an annual household income of $100,000 or more. 10.5 percent had a household income from $80,000 to $99,999, 18.6 percent from $60,000 to $79,999, 16.9 percent from $59,999 to $60,000, 16.9 percent from $40,000 to $59,999, and 15.1 percent 39,999 to $20,000. 5.8 percent of the respondents had an approximate household income of less than $19,999. 20.3 percent of participants did not respond to this question.

Descriptive Statistics

The descriptive analysis indicating the means and the standard deviations of each variable were shown in Table 2. The amount of money respondents spent for a show has a mean of $78.14 with a standard deviation of $35, 71. Participants spent an average of $151.84 when visiting a casino hotel to attend a show. The total amount of money spent by a spectator before the show was approximately $87 per person with a standard deviation of $221.26. After the show, respondents spent an average of $74.48 in the casino hotel with a standard deviation of $158.24. Participants spent $103.83 on gaming activities in the hotel. The total amount of money spent by a spectator in restaurants, had a mean score of $24.94 with a standard deviation with $47.74. The amount of money spent by a spectator in the bars of a showroom, had a mean score of $5.14 with a standard deviation of $12.42. On the other hand, respondents spent $2.88 in bars outside the

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showroom. The total amount of money spectators spent in souvenir stores, and on shopping, had a mean score of $4.25 and $12.47, respectively. The amount of money spent by a spectator in night clubs showed a mean score of $6.22 with a standard deviation of $25.35. Respondent spent $1.54 on other activities when visiting a casino hotel for attending a show.

Table 2

Descriptive Statistics

	Mean	Std. Error	S.D.
The amount of money spent by a spectator for a show	$78.14	$2.72	$35.71
The total amount of money spent by a spectator in the casino hotel	$151.84	$15.93	$208.95
The total amount of money spent by a spectator on gaming activities	$103.83	$13.85	$181.61
The total amount of money spent by a spectator in restaurants	$24.94	$3.64	$47.74
The total amount of money spent by a spectator in bars inside the showroom	$5.14	$.95	$12.43
The total amount of money spent by a spectator in bars outside the showroom	$2.88	$.97	$12.75
The amount of money spent by a spectator in souvenir stores	$4.25	$.98	$12.86
The amount of money spent by a spectator on shopping	$12.47	$3.69	$48.39
The amount of money spent by a spectator in night clubs	$6.22	$1.93	$25.35
The total amount of money spent by a spectator in other activities	$1.54	$.46	$5.98

Table 3 shows that approximately 66 percent of the respondents spent from 51 dollars to 100 dollars purchasing the show tickets. The respondents who paid more than 100 dollars occupied about 15 percent. Also, more than 50 percent of respondent spent less than 100 dollars when visiting casino hotels to see shows. The number of

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respondents did not spend any money in hotels is 23 out of 173, representing 13.4 percent.

It was found that 58 percent of people spent less than $100 when visiting a casino hotel to

see a show. The number of respondents who spent more than 400 dollars is 13 among

total 173 respondents.

Table 3

Frequency Table of the Amount of Money Spent by a Spectator (N = 172)

Variables	Attributes	N	%
ES	$0	12	7.0
	$1 ~ $50	22	12.8
	$51 ~ $100	113	65.7
	$101 ~ $150	22	12.8
	$151 or more	3	1.7
ET	$0	23	13.4
	$1 ~ $100	77	44.8
	$101 ~ $200	26	15.1
	$201 ~ $300	17	9.9
	$301 ~ $400	16	9.3
	$401 or more	13	7.5
EG	$0	79	45.9
	$1 ~ $100	45	26.1
	$101 ~ $200	20	11.6
	$201 ~ $300	13	7.6
	$301 ~ $400	7	4.1
	$401 or more	8	4.6
ER	$0	95	55.2
	$1 ~ $50	55	32.0
	$51 ~ $100	13	7.6
	$101 ~ $150	3	1.7
	$151 ~ $200	4	2.3
	$201 or more	2	1.2

Note. The abbreviations of each variable are shown as follows: ES: the amount of money spent by a spectator for a show; ET: the total amount of money spent by a spectator in the casino hotel; EG: the total amount of money spent by a spectator on gaming activities; and, ER: the total amount of money spent by a spectator in restaurants.

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Table 4 showed the direction and strength of a relationship between variables, both independent and dependent. In general, the range of the correlation coefficients were 1.0 to -1.0, and the number close to -1.0 means a strong negative a relationship between variables. Table 4 displayed that there were some significant correlations between certain variables: 1) the amount of money a participant spent for a show and the total expenditures in casino hotel; 2) the expenditures on gaming activities, in restaurants, bars inside a showroom and bars outside a showroom; 3) expenditures in bars inside a showroom, and outside a showroom; and, 4) expenditures in both bars and in night clubs.

Table 4

Summary of Correlation Analysis

	ES	ET	EG	ER	EB1	EB2	ES1	ES2	EN	EO
ES	1.00									
ET	.170*	1.00								
EG	.113	.832**	1.00							
ER	.116	.451**	.235**	1.00						
EB1	.083	.217**	.159**	.131	1.00					
EB2	.023	.293**	.226**	.120	.336**	1.00				
ES1	-.086	.170**	.050	.092	.038	.132	1.00			
ES2	.087	.239**	-.050	.053	.098	.119	.000	1.00		
EN	.147	.311**	.144	.072	.280**	.275**	-.012	.125	1.00	
EO	.085	-.008	-.054	.114	-.091	-.058	.006	-.048	-.064	1.00

Note. The abbreviations of each variable are shown as follows: ES: the amount of money spent by a spectator for a show; ET: the total amount of money spent by a spectator in the casino hotel; EG: the total amount of money spent by a spectator on gaming activities; ER: the total amount of money spent by a spectator in restaurants; EB1: the total amount of money spent by a spectator in bars inside the showroom; EB2: the total amount of money spent by a spectator in bars outside the showroom; ES1: the total amount of money spent by a spectator in souvenir stores; ES2: the total amount of money spent by a spectator on shopping; EN: the total amount of money spent by a spectator in night clubs; and, EO: the total amount of money spent by a spectator on other activities; $*p<.05$, $**p<.01$.

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Preliminary Steps for Multiple Linear Regression Analysis

The relationship between a dependent variable and an independent variable can be demonstrated by linear regression analysis. In this study several independent variables were employed for testing the hypotheses (Berenson, Levine, & Krehbiel, 2004; Norušis, 2004).

Prior to performing the regression analysis, the basic assumptions of regression analysis were examined. Normality, independence of errors, linearity, constant variance (homoscedasticity), and multicollinearity were investigated. Normality was reviewed by examining the histogram and normal probability plots. To check for independence of errors, the Durbin-Watson tests were performed. Since the statistics ranging form 0 to 4 were close to 2 in all tests, there was no problem. By examining the scatter plots of independent variables and a dependent variable, linearity was also confirmed. The constant variance was investigated by checking the scatterplot of predicted values and studentized residuals. Lastly, for checking multicollinearity, an analysis of variance inflation factors (VIF) was tested. Since the values of VIF on all analyses showed less than 5, there was no apparent multicollinearity (Snee, 1977). Based on the results, no assumptions of regression analysis were violated in this study (Norušis, 2004).

Hypotheses Testing

Multiple linear regression analyses were performed to test the nine hypotheses, from H1 to H9, in order to identify a potential relationship between respondents' expenditures in each hotel outlet, and the amount of money spent by spectators for a show and their income.

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The first hypothesis examined the effects of the following two independent variables; the amount of money spectators spent to purchase the show ticket and their household income, on the total expenditures when visiting a casino hotel.

H_{01}: There is no relationship between the total amount of money spent by show patrons when visiting casino hotels, and their amount of money spent for shows and the household income.

Table 5 displays the result for testing a relationship between the total expenditures of a respondent when visiting a casino hotel and the amount of money spent for a show and the income. The model is not significant, which means that the null hypothesis is accepted ($p > .05$, F = 1.703). With other words, the null hypothesis that there is no relationship between the total amount of money spent by show patrons when visiting casino hotels, and their amount of money spent for shows and the household income is supported. Therefore, as Table 6 shows, none of the independent variable turns out to be significant in this model.

Table 5

Summary of Regression Analysis (N=172)

R	R^2	Adjusted R^2	Df	F	Sig.
.270	.073	.030	6	1.703	.125

Note. Dependent variable is the total amount of money spent by spectators when visiting a casino hotel;

*p< .05.

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Table 6

Significance of Regression Coefficients (N=172)

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
	B	Std. Error	B			T	VIF
(Constant)	93.519	57.916		1.615	.109		
ES	.662	.539	.107	1.228	.222	.933	1.071
Income1	-44.417	72.516	-.058	-.613	.541	.809	1.237
Income2	-13.784	52.443	-.027	-.263	.793	.680	1.470
Income3	-53.173	51.517	-.108	-1.032	.304	.650	1.539
Income5	64.720	58.629	.109	1.104	.272	.733	1.363
Income6	79.314	55.024	.145	1.441	.152	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators when visiting a casino hotel;

* $p < .05$.

The second hypothesis examined the effects of the amount of money spectators spent for shows and their household income on the total expenditures on gaming activities. Multiple linear regression was conducted to test hypothesis two.

H_{02}: There is no relationship between the total amount of money spent by show patrons on gaming activities, and their amount of money spent for shows and the household income.

Table 7 displays the result for testing a significant relationship between the total expenditures of a respondent on gaming activities, and the amount of money spent for a show and the income. The model is significant at a 95 percent level, which means that the evidence is sufficient to reject the null hypothesis and to verify the alternative hypothesis, which predicted that there is a relationship between the amount of money to purchase the show ticket and the income, and the total expenditures on gaming activities ($p < .05$, F =

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2.232. The coefficient of determination shows a value of .093, which means that the independent variables, the amount of money spent by spectators for a show and their income, explain 9.3 percent of the dependent variable, the total amount of money spent by spectators on gaming activities. Only one variable, income 6, is identified as significant at the 95 percent level in this model ($p<.05$, $t = 2.508$).

Table 7

Summary of Regression Analysis (N=172)

R	R²	Adjusted R²	Df	F	Sig.
.305	.093	.051	6	2.223	.045*

Note. Dependent variable is the total amount of money spent by spectators on gaming activities;

*p<.05.

Table 8

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	B			T	VIF
(Constant)	49.870	52.874		.943	.347		
ES	.367	.492	.064	.746	.457	.933	1.071
Income1	2.469	66.204	.003	.037	.970	.809	1.237
Income2	-11.298	47.879	-.024	-.236	.814	.680	1.470
Income3	-17.222	47.033	-.038	-.366	.715	.650	1.539
Income5	87.562	53.526	.160	1.636	.104	.733	1.363
Income6	125.999	50.235	.250	2.508	.013**	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators on gaming activities;

** p<.05.

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The third hypothesis was tested to examine the effects of two independent variables, the amount of money which spectators spent to purchase the show ticket, their household income, on the total expenditures in restaurants located in hotels. In order to test the hypothesis multiple linear regression analysis was conducted selecting the total expenditures in restaurants as a dependent variable and the spending to purchase the show tickets, the annual household income as independent variables.

H_{03}: There is no relationship between the totals amounts of money spent by show patrons in restaurants, and their amount of money spent for shows and the household income.

Table 9 displays the result for testing a relationship between the total amount of money spent by a spectator in restaurants, and the amount of money spent for a show, the purpose of the visit, the age and income. The relationship between a dependent variable and independent variables is identified as not significant. It indicated that the null hypothesis is accepted ($p > .05$, $F = 1.621$). Therefore, none of the variables displayed in Table 10 are significant.

Table 9

Summary of Regression Analysis (N=172)

R	R²	Adjusted R²	Df	F	Sig.
.264	.070	.027	6	1.621	.146

Note. Dependent variable is the total amount of money spent by spectators in restaurants;

*p< .05.

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Table 10

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	*B*			T	VIF
(Constant)	27.293	13.908		1.962	.052		
ES	.136	.130	.092	1.047	.297	.933	1.071
Income1	-32.693	17.415	-.177	-1.877	.063	.809	1.237
Income2	-15.019	12.594	-.122	-1.193	.235	.680	1.470
Income3	-28.603	12.372	-.243	-2.312	.022	.650	1.539
Income5	-18.989	14.080	-.133	-1.349	.180	.733	1.363
Income6	-4.751	13.214	-.036	-.360	.720	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators in restaurants;

* p< .05.

In the fourth hypothesis, the effects of the amount of money spent by spectators to purchase the show ticket and their income on the total expenditures in bars located in the showroom were examined. Multiple linear regression analysis was conducted to test the fourth hypothesis.

H_{04}: There is no relationship between the total amount of money spent by show patrons in bars located in the showrooms and their amount of money spent for shows and the household income.

According to the Table 11, the null hypothesis is accepted (p> .05, F=.545). The results also mean that there is no relationship between the total amount of money spent by spectators in bars located in the showrooms, and the amount of money spent for shows

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and the household income. Therefore, none of the variables displayed in Table 12. show

any significance.

Table 11

Summary of Regression Analysis (N=172)

R	R²	Adjusted R²	df	F	Sig.
.157	.025	-.021	6	.545	.773

Note. Dependent variable is the total amount of money spent by spectators in bars located in the showroom;

*p< .05.

Table 12

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	β	t	Sig.	T	VIF
(Constant)	2.847	3.001		.949	.345		
ES	.007	.028	.023	.261	.795	.933	1.071
Income1	.907	3.757	.023	.241	.810	.809	1.237
Income2	1.206	2.717	.047	.444	.658	.680	1.470
Income3	-.775	2.669	-.031	-.290	.772	.650	1.539
Income5	4.307	3.038	.143	1.418	.159	.733	1.363
Income6	1.731	2.851	.063	.607	.545	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of

money spent by spectators in bars located in the showroom;

* p< .05.

The fifth hypothesis is developed to examine a relationship between respondents' total expenditures in bars outside the showroom, and their amount of money spent to purchase the show ticket and income. Multiple linear regression analysis was used with the expenditures in bars outside the showroom as a dependent variable, and the spending to purchase the show tickets and income as independent variables.

H_{05}: There is no relationship between the total amount of money spent by show patrons in bars outside the showrooms, and their amount of money spent for shows and the household income.

As shown in Table 13, the result for testing a relationship between the total expenditures of a respondent in bars outside a showroom, and the amount of money spent for a show and the income is not significant, which means that the null hypothesis is accepted (p> .05, F = 1.573). Therefore, this result indicated that there is no relationship between the total expenditures of a respondent in bars outside a showroom, and the amount of money spent for a show and the income. Furthermore, none of the variables displayed in Table 14 are significant.

Table 13

Summary of Regression Analysis (N=172)

R	R^2	Adjusted R^2	df	F	Sig.
.260	.068	.025	6	1.573	.160

Note. Dependent variable is the total amount of money spent by spectators in bars outside the showroom; *p< .05.

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Table 14

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	β			T	VIF
(Constant)	3.919	2.616		1.498	.137		
ES	-.046	.024	-.165	-1.883	.062	.933	1.071
Income1	.784	3.275	.023	.239	.811	.809	1.237
Income2	.828	2.369	.036	.350	.727	.680	1.470
Income3	1.739	2.327	.079	.747	.456	.650	1.539
Income5	2.441	2.648	.091	.922	.358	.733	1.363
Income6	5.628	2.485	.228	2.264	.025	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators in bars outside the showroom;

* p< .05.

The sixth hypothesis investigated the effects of two independent variables, the amount of money spectators spent to purchase the show ticket and their income, on the total expenditures in souvenir stores. To test the hypothesis, multiple linear regression analysis was conducted with the expenditures in souvenir stores as the dependent variable and the expenditure to purchase the show tickets and the income as independent variables.

H_{06}: There is no relationship between the total amount of money spent by show patrons in souvenir stores, and their amount of money spent for shows and the household income.

Table 15 presents that the model is significant at a 95 percent level (p< .05, F = 2.320). Therefore, there is sufficient evidence to reject the null hypothesis, which indicates that the alternative hypothesis that there is relationship between a dependent

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variable and independent variables is supported. The coefficient of determination shows a value of 0.97, which means that 9.7 percent of a dependent variable is explained by the independent variables, the amount of money spent for a show and the income. In Table 16 it is identified that one independent variable, the amount of money spent for a show, has a significant negative relationship with the dependent variable (p<.05, t = -2.112).

Table 15

Summary of Regression Analysis (N=172)

R	R²	Adjusted R²	df	F	Sig.
.311	.097	.055	6	2.320	.037*

Note. Dependent variable is the total amount of money spent by spectators in souvenir stores;

*p< .05.

Table 16

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	β			T	VIF
(Constant)	9.159	3.406		2.689	.008		
ES	-.067	.032	-.182	-2.112	.037*	.933	1.071
Income1	-2.292	4.265	-.050	-.537	.592	.809	1.237
Income2	-2.478	3.085	-.081	-.803	.423	.680	1.470
Income3	4.990	3.030	.170	1.647	.102	.650	1.539
Income5	-1.430	3.448	-.040	-.415	.679	.733	1.363
Income6	1.815	3.236	.056	.561	.576	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators in souvenir stores;

* p< .05.

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In order to investigate the effects of the independent variables, the amount of money spectators spent to purchase the show ticket and their income, on the total expenditures in shopping, the seventh hypothesis was examined. Multiple linear regression analysis was applied with the expenditures on shopping as the dependent variable and the spending to purchase the show tickets and the income as independent variables.

H_{07}: There is no relationship between the totals amount of money spent by show patrons on shopping, and the amount of money spent for shows and the household income.

Table 17 displays that the result for testing a relationship between the total amount of money spent by spectators on shopping, and the amount of money spent for seeing shows and their income. It reveals that the model is significant at a 95 percent level is not significant (p >.05, F=.652). It revealed that the null hypothesis is accepted, which means that there is no relationship between the total amount of money spent by spectators on shopping, and the amount of money spent for seeing shows and their income. Consequently, none of the independent variables shown in Table 18. are significance.

Table 17

Summary of Regression Analysis (N=172)

R	R^2	Adjusted R^2	df	F	Sig.
.171	.029	-.016	6	.652	.689

Note. Dependent variable is the total amount of money spent by spectators on shopping;

*p< .05.

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Table 18

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	β			T	VIF
(Constant)	6.420	11.830		.543	.588		
ES	.057	.110	.046	.513	.609	.933	1.071
Income1	-10.217	14.812	-.066	-.690	.492	.809	1.237
Income2	9.491	10.712	.093	.886	.377	.680	1.470
Income3	-7.659	10.523	-.078	-.728	.468	.650	1.539
Income5	.277	11.975	.002	.023	.982	.733	1.363
Income6	5.809	11.239	.053	.517	.606	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators on shopping;

* $p < .05$.

The eighth hypothesis investigated the effects of independent variables, the amount of money spectators spent to purchase the show ticket and their income, on the total expenditures in night clubs. Multiple linear regression analysis was applied to test the hypothesis.

H_{08}: There is no relationship between the total amount of money spent by show patrons in night clubs, and their amount of money spent for shows and the household income.

Table 19 displays the result for testing the eighth hypothesis. The result revealed that the null hypothesis is accepted ($p > .05$, $F = 1.114$). Thus, it indicates that there is no

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relationship between respondents' total expenditures in night clubs and the amount of

money they spent for shows and their household income is not supported. Therefore,

none of the variables shown in Table 20 are statistically significant.

Table 19

Summary of Regression Analysis (N=172)

R	R^2	Adjusted R^2	df	F	Sig.
.221	.049	.005	6	1.114	.358

Note. Dependent variable is the total amount of money spent by spectators in night clubs;

*p< .05.

Table 20

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	β			T	VIF
(Constant)	.289	7.275		.040	.968		
ES	.114	.068	.149	1.678	.096	.933	1.071
Income1	-7.944	9.109	-.083	-.872	.385	.809	1.237
Income2	1.484	6.588	.023	.225	.822	.680	1.470
Income3	-5.913	6.471	-.097	-.914	.363	.650	1.539
Income5	-9.164	7.365	-.124	-1.244	.216	.733	1.363
Income6	-7.020	6.912	-.103	-1.016	.312	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of

money spent by spectators in night clubs;

* p< .05.

The ninth and last hypothesis investigated the effects of independent variables, the

amount of money spectators spent to purchase the show ticket and their income, related

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to the total expenditures on other activities such as buying personal items in convenience stores, buying movie tickets, or spending money at the spa and pool. Multiple linear regression was performed with the total expenditures on other activities as a dependent variable, and the spending to purchase the show tickets and their income as independent variables.

H_{09}: There is no relationship between the total amount of money spent by show patrons on other activities, and their amount of money spent for shows and the household income.

Table 21 displays the result for testing a relationship between the total expenditures of a respondent on other activities, and the amount of money spent for a show, the purpose of the visit, the age and income. The model is significant at a 95 percent level, which means that there is a sufficient evidence to reject the null hypothesis and verify the alternative hypothesis, which predicted that there is a relationship between the amount of money to purchase the show ticket and the income, and the total expenditures on other activities ($p < .05$, $F = 2.340$). The coefficient of determination shows a value of .097, and indicates that 9.7percent of the dependent variable, the total amount of money spent by a spectator on gaming activities, is explained by the independent variables, the amount of money spent for a show and the income. In the result of this model (Table 22), only one variable, "income 1", shows a positive significant relationship to the expenditures on other activities ($p < .05$, $t = -2.596$).

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Table 21

Summary of Regression Analysis (N=172)

R	R²	Adjusted R²	df	F	Sig.
.312	.097	.056	6	2.340	.035*

Note. Dependent variable is the total amount of money spent by spectators on other activities;

*p< .05.

Table 22

Significance of Regression Coefficients (N=172)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	β			T	VIF
(Constant)	1.502	1.885		.797	.427		
ES	.004	.018	.018	.207	.836	.933	1.071
Income1	6.125	2.360	.241	2.596	.011*	.809	1.237
Income2	1.737	1.707	.103	1.018	.311	.680	1.470
Income3	-1.069	1.676	-.066	-.638	.525	.650	1.539
Income5	-.952	1.908	-.049	-.499	.618	.733	1.363
Income6	-1.826	1.791	-.101	-1.020	.310	.705	1.418

Note. ES: the amount of money spent by a spectator for a show; dependent variable is the total amount of money spent by spectators on other activities;

* p< .05.

Table 23 displays a summary of the results of testing the nine hypotheses in this study.

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Table 23

Summary of Study Hypotheses (N=172)

Hypothesis	Decision
H_{01}: There is no relationship between the total amounts of money spent by show patrons when visiting casino hotels, and their amount of money spent for shows and the household income	Accept H_{01}
H_{02}: There is no relationship between the total amounts of money spent by show patrons on gaming activities, and their amount of money spent for shows and the household income	Reject H_{02} (Income 6 significant)
H_{03}: There is no relationship between the totals amounts of money spent by show patrons in restaurants, and their amount of money spent for shows and the household income	Accept H_{03}
H_{04}: There is no relationship between the total amounts of money spent by show patrons in bars located in the showrooms, and their amount of money spent for shows and the household income	Accept H_{04}
H_{05}: There is no relationship between the total amounts of money spent by show patrons in bars outside the showrooms, and their amount of money spent for shows and the household income	Accept H_{05}
H_{06}: There is no relationship between the total amounts of money spent by show patrons in souvenir stores, and their amount of money spent for shows and the household income	Reject H_{06} (ES [a] significant)
H_{07}: There is no relationship between the totals amount of money spent by show patrons on shopping, and their amount of money spent for shows and the household income	Accept H_{07}
H_{08}: There is no relationship between the total amounts of money spent by show patrons in night clubs, and their amount of money spent for shows and the household income	Accept H_{08}
H_{09}: There is no relationship between the total amounts of money spent by show patrons on other activities, and their amount of money spent for shows and the household income	Reject H_{09} (Income 1 significant)

Note. The multiple linear regression analyses were conducted for testing all hypotheses. [a] the amount of money spent by a spectator for a show .

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Summary

In this chapter, the data analysis and the findings of the results were presented. The respondents' demographic profiles were described, followed by the descriptive statistics. In order to test the nine hypotheses, multiple linear regression analyses were conducted, and also the results were described. The discussion of results, implications for casino management, limitations, and recommendations for future study are presented in Chapter V.

CHAPTER V

DISCUSSION AND IMPLICATIONS

Introduction

This chapter presents the summary of findings obtained from the data analyses, and compares the results of this study with other previous studies. In this area, this chapter also suggests some possible implications for casino management. Limitations associated with this study and recommendations for future research are presented as well.

Discussion of Results

The outcomes of this study provided some meaningful findings with respect to the effects of a showroom in a casino hotel. The spectators spent $78 to purchase show tickets, and their average expenditures in casino hotel was $151. When including the expenditures in restaurants, bars, and night clubs, the average expenditures per person on food and drink was $39.18. The average expenditures on shopping and in souvenir stores was $16.37 when visiting casino hotels to attend shows. According to LVCVA (2006), the visitors to Las Vegas spent $260.68 on food and drink, and $140.86 on shopping per trip. Also, visitors attended any shows in Las Vegas spent $109.62 per trip on shows. Even though the findings of LVCVA were based on the expenditures per trip, this presented some useful information to compare the finding of this study. Since visitors stayed an average of 4.6 days in Las Vegas, their average expenditures on shopping, and

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food and drink could be calculated by dividing the total amounts by 4.6. Therefore, their average expenditures on shopping, and food and beverage per day was $30.62 and $44.93, respectively. When one compares visitors' average expenditures from the LVCVA information with this study, respondents of this study spent more money on food and beverage, and less money on shopping. Therefore, it may be possible that tourists that attend shows more likely spend more money on food and beverage and less money on shopping.

The first hypothesis test revealed that there was no relationship between the total amount of money spent by a show spectator when visiting a casino hotel, and the amount of money spent for a show and show attendees household income. This finding was contrary to conventional wisdom that spectators who purchased expensive show tickets will more or likely also make more of a contribution to casino hotel revenues. Therefore, it is possible to assume that show patrons lured to a property by a fabulous show do not guarantee to generate additional revenues as may be expected by casino executives.

On the other hand, results of the second hypothesis rejected the null hypothesis, which indicated that there was a significant relationship between respondents' total expenditures on gaming activities, and the amount of money spent to purchase show tickets and household income. However, only one variable, "income 6", was identified as significant. This finding indicates that show patrons who have more than $100,000 household income spent more money than respondents with a lesser household income. Therefore, the study suggests that show patrons who have incomes more than $100,000 are more valuable customers in respect with the generation of gaming revenues. However, casino managers will not be surprised by this result.

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The results obtained from the third, fourth, and fifth hypotheses tests, the amount of money spent by a spectator for a show and the income, failed to show any significant relationships with the total amount of money spent in restaurants and bars inside and outside the showroom. These results indicated that show ticket price and show attendees incomes were not significantly related to additional revenues generated for restaurants and bars. These results coincides somewhat with Lucas' and Brewer's (2001) study discussed in the literature review, who found no relationship between the amount of food covers and slot business volume.

The result of the sixth hypothesis revealed that the amount of money a show patron spent to purchase a show ticket had a negative effect on the expenditures in souvenir stores. A show patron who pays a relative high price for a show has a tendency not to spend more money on purchasing souvenir items. On the other hand, this result may also indicate that a customer who spends less money on a show ticket is more likely to purchase souvenirs.

On the other hand, the results for the seventh and eighth hypothesis did not show any relationships between the amount of money spent by spectators for shows and their income and their expenditures on shopping and in night clubs. Therefore, the presence of a high-priced showroom did not reveal any connection to retail shop revenues and night clubs located in casino hotels. This result is somewhat surprising as retail shopping is generally the largest expenditures for Las Vegas' tourists (LVCVA, 2006).

The results of the ninth hypothesis test supported the alternative hypothesis that there is a significant relationship between spectators' expenditures on other activities, and the amount of money spent for a show, and their income. However, in this model only

income 1 variable was a significant predictor in explaining a positive relationship with respondents' spending on other activities, which indicated that show patrons with an annual household income of less than $19,000 spent more money on other activities than respondents with higher annual household incomes. In this study, "other activities" related to buying personal items in convenience stores. Therefore, the results may imply that those who have a lower annual household income tend to purchase more goods such as food and beverage items, or cigarettes in convenient stores than those who have a higher annual income.

The results of the current study indicated in eight of nine hypotheses that the amount of money show patrons paid to see shows failed to provide a significant relationship with their expenditures on other revenue centers in a casino hotel. Only in souvenir stores a significant relationship between two variables was identified. The findings implied that although some show patrons spent more money on purchasing show tickets than others, it did not mean that they also contributed to additional hotel revenues.

The primary goal of this study was to verify the relationship between the amount money show patrons spent for shows and their expenditures at the property. Although the results indicated that respondents' ticket price did not have any impact on the amount of money they spent at the properties, it did not mean that the independent variables employed in this study were sufficient enough to explain the results of the multiple linear regression analyses. The results of the correlation analysis do show a positive correlation between the total amount of money spent in a casino hotel and the amount of money spent to purchase the show ticket. However, when considering the other independent variables, the result of multiple linear regression analyses failed to prove any

relationships between variables, which indicated that a more complex investigation of this issue in this study may be warranted. Also, R squares in each multiple linear regression analysis showed low values ranging from .05 to .105, which indicated that the independent variables, the amounts of money spent by a spectator and the various levels of household income, explained only a small part of the variability in the expenditures of respondents. Therefore, it can be suggested that there must be other crucial factors that explain the expenditures of show patrons not considered in this study, which represents a major limitation.

Implications for Management

Previous studies found that a showroom as an amenity had a considerable power in drawing customers into casino floors (Christiansen & Brinkerhoff-Jacobs, 1995; Samuels, 1999; Suh, 2006). It is assumed that showrooms attract more customers to hotels, and that they eventually contribute to casino guest volume. However, it is still questionable for casino operators that all showrooms have the same drawing power in generating additional revenues. In order to identify the difference in effects of showrooms, the amount of money spectators spent for a show was selected as an indicator of expenditures in each outlet. As already mentioned, one of the reasons to have famous headliner shows or Broadway-style shows, in spite of huge investment to build the showroom and operating costs, is commonly thought that these shows are expected to draw more lucrative customers into casino hotels. However, this study suggests that patrons lured to a property by a show with a relatively expensive ticket price did not necessarily generate as much revenues as casino executives hope. Furthermore, it can be

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implied that showrooms should be operated profitably based on ticket sales, not as a loss leader. In other words, even though enormous amounts of money are already invested in a theater, if a showroom does not produce enough profits via ticket sales, casino operator should consider replacing the show or closing the showroom. For example, the theater for "Avenue Q" at Wynn Las Vegas was closed in 2006, since it showed low occupancy rates of less than 50 percent (Padgett, 2006). In March 2007 a new theater for a Broadway style musical, "Monty Python's Spamalot", opened replacing "Avenue Q" (Weatherford, 2006b).

However, when casino executives are making decisions as to whether or not to run a showroom, the decision should be made carefully after thorough investigation. Nearly all Las Vegas Strip casinos are trying to change their properties into full-service resorts, since more people are looking to spend their money and time outside of the casino (Sternthal, 2006). Given the fact that the importance of non-gaming amenities in Las Vegas has increased, a showroom can be an integral component of full-service resorts, even though it may not attract more customers into casino hotels. Finally, casino managers should also consider the value of building a strong brand image via a show and weigh the disadvantage of having a "loss leader" show against the advantage of creating strong brand awareness.

Limitations

In this study there are several limitations that should be discussed. The first limitation was that this study only specified one independent variable that incorporated demographic information, the annual household income. According to the demographic

profile of the respondents, such as gender, nationality, race, and education level, the amount of money they spent for a show and their expenditures in each outlet could vary. Therefore, additional demographic variables should be employed for future research on this topic.

Second, the most obvious limitation was that the research was conducted without considering various indicators of respondents' expenditures. In Las Vegas approximately 100 shows are performed regularly. For that reason, the actual ticket price spectators spent varies depending on several factors such as the type of shows, the characteristics of a property, the time of day, the day of a week, and the season of a year when a show performs. In addition, as mentioned in previous studies (Lucas and Santos, 2003; Lucas and Brewer, 2001), a couple of variables, such as a holiday variable, a special event variable, or a convention variable, showed strong a relationship with casino volumes; however, this study did not include these variables as indicators. Without employing these indicators, the findings may have limitations to explain the hypotheses developed in this study. As the low R-squared values in each multiple linear regression analysis showed, more independent variables should be included to explain the amount of money spectators spent in casino hotels.

Third, some of the survey collection processes may have been biased. Some participants simply and quickly filled out the questionnaires just in order to avoid the interviewer. In addition, since this study was designed to ask personal expenditures, some respondents might consciously or unconsciously exaggerate the amount of money they spent. In this study a souvenir was offered to respondents who completed the questionnaires. Hence, it is also possible that some people who had not seen a show in

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Las Vegas participated in the survey just to get the souvenir incentive.

Finally, there is a possibility that the word of "shopping mall" in the questionnaire may have confused respondents and made them report on expenditures that should not be included in this study. In Las Vegas, some casino hotels are equipped with shopping malls, such as "Via Bellagio" in Bellagio, "Le Boulevard" in Paris, "The Forum Shops" in Caesars Palace, and "The Grand Canal Shoppers" in Venetian. Since some of the shopping malls located in casino hotels are independently operated, the revenues generated in these shopping malls are not related with casino hotel revenues (Shubinsk, 2004). Hence, the word "shopping mall" employed in the questionnaire did not precisely explain this difference.

Recommendations for Future Research

The ideal way for investigating the indirect impacts of a showroom could be to examine as to whether or not hotel revenues increase after a showroom opens. By measuring the range of variation in the revenues of casino hotels before and after the opening of a new showroom, the indirect effects of a showroom will be more accurately identified. For example, a new theater for "Le Reve" opened at Wynn Las Vegas in April 2007 (Weatherford, 2007). Comparing the business volume of Wynn Las Vegas just after a new showroom opened with the business volume before it did, would reveal more clearly the indirect impacts of a new showroom. However, it is a challenging task since access to casino hotel revenue data is very difficult to obtain.

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Also, it would be interesting to examine how a showroom can affect the brand image of a casino hotel. Identifying the relationship between the presence of a showroom and brand awareness could be another valuable research topic.

Roehl (1996) studied the effects of entertainment on gaming volume according to the scale of shows. However, this study categorized shows just into three types: a large scale show; a small scale show; and, lounge act. In addition, the criteria to classify shows are not obvious. Las Vegas has a wide variety of shows, such as a Las Vegas style production show, a Broadway style show, a comedian show, a magic show, an adult entertainment show, and headliner shows. When casino operators are planning to build a new showroom, they always have to investigate its feasibility very carefully. Therefore, examining the indirect impacts of various types of showrooms will be very useful information for casino executives.

QUESTIONNAIRE

1. Did you stay at this casino hotel where the show was performed?
□ Yes   □ No

2. Approximately how much did you spend to see the show? $_____ (*per person*)
(If you take a show ticket as a casino comp, check this box □)

3. How much else did you spend either before or after the show in other outlets of this hotel?

Outlets		Expenditures (*per person*)	
		Before the show	After the show
Casino	Slot machine	$_____	$_____
	Table game	$_____	$_____
	Poker room	$_____	$_____
	Race and Sports book	$_____	$_____
	Other _____	$_____	$_____
Restaurant	Fine dining restaurant	$_____	$_____
	Buffet restaurant	$_____	$_____
	Fast Food restaurant	$_____	$_____
	Other _____	$_____	$_____
Bar in the showroom		$_____	$_____
Bar outside the showroom		$_____	$_____
Show Souvenir store		$_____	$_____
Shopping mall		$_____	$_____
Night club		$_____	$_____
Other (e.g. convenience store)	1) _____	$_____	$_____
	2) _____	$_____	$_____
	3) _____	$_____	$_____

Demographic Information
4. Please provide your state or country of residence. _____

5. If you are a resident of other state or country, what is the purpose of your visit to Las Vegas?
□ Business   □ Pleasure   □ Visiting Acquaintances
□ Other (Please Specify_____)

6. What is your approximate age?
□ Under 20   □ 21-29   □ 30-39   □ 40-49   □ 50-59   □ 60-69   □ over 69

7. What is your annual household income?
□ Less than $19,999   □ $ 20,000 ~ $ 39,999   □ $ 40,000 ~ $ 59,999   □ $ 60,000 ~ $ 79,999
□ $ 80,000 ~ $ 99,999   □ More than $100,000

Thank you for your participation

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