

1-1-2008

Formula for success: How Las Vegas became the entertainment capital of the world

Scott M Pruett
University of Nevada, Las Vegas

Follow this and additional works at: <https://digitalscholarship.unlv.edu/rtds>

Repository Citation

Pruett, Scott M, "Formula for success: How Las Vegas became the entertainment capital of the world" (2008). *UNLV Retrospective Theses & Dissertations*. 2425.
<http://dx.doi.org/10.25669/dvey-ipx2>

This Thesis is protected by copyright and/or related rights. It has been brought to you by Digital Scholarship@UNLV with permission from the rights-holder(s). You are free to use this Thesis in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself.

This Thesis has been accepted for inclusion in UNLV Retrospective Theses & Dissertations by an authorized administrator of Digital Scholarship@UNLV. For more information, please contact digitalscholarship@unlv.edu.

FORMULA FOR SUCCESS: HOW LAS VEGAS
BECAME THE ENTERTAINMENT
CAPITAL OF THE WORLD

by

Scott M. Pruett

Bachelor of Science
University of the State of New York
1985

A thesis submitted in partial fulfillment
of the requirements for the

**Master of Arts Degree in Theatre
Department of Theatre
College of Fine Arts**

**Graduate College
University of Nevada, Las Vegas
December 2008**

UMI Number: 1463528

Copyright 2008 by
Pruett, Scott M.

All rights reserved.

INFORMATION TO USERS

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleed-through, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

UMI[®]

UMI Microform 1463528

Copyright 2009 by ProQuest LLC.

All rights reserved. This microform edition is protected against unauthorized copying under Title 17, United States Code.

ProQuest LLC
789 E. Eisenhower Parkway
PO Box 1346
Ann Arbor, MI 48106-1346

Copyright by Scott M. Pruett 2008
All Rights Reserved



Thesis Approval
The Graduate College
University of Nevada, Las Vegas

October 28, 2008

The Thesis prepared by

Scott Pruett

Entitled

Formula for Success: How Las Vegas Became the Entertainment Capital
of the World

is approved in partial fulfillment of the requirements for the degree of

Master of Arts in Theatre

Examination Committee Chair

Dean of the Graduate College

Examination Committee Member

Examination Committee Member

Graduate College Faculty Representative

ABSTRACT

**Formula for Success: How Las Vegas
Became the Entertainment
Capital of the World**

by

Scott M. Pruett

Mr. Robert Brewer, Examination Committee Chair
Graduate Coordinator, Department of Theatre
University of Nevada, Las Vegas

This paper will espouse the theory that Las Vegas was able to evolve into the entertainment capital of the world by establishing itself as an island of controlled social deviance. That is to say that the city became an area of regulatory exception—one with distinct legal differences in a limited geographical area—and allowed a degree of social deviance by permitting behaviors that would be illegal in nearly any other American city. My research will show that when such an environment enables its visitors to experience extended periods of pleasurable sensory stimulation, whether the inducement be physical, psychological, or chemical, this ability strongly supports that environment's economic viability. The results of this research will include the listing of several crucial elements that interact synergistically and account for the success of Las Vegas as a world-class entertainment destination.

TABLE OF CONTENTS

ABSTRACT	iii
LIST OF TABLES.....	vi
LIST OF FIGURES.....	vii
ACKNOWLEDGMENTS	viii
CHAPTER1 INTRODUCTION	1
Overview	2
Scope of Study	3
Purpose of Study	5
CHAPTER 2 ISLAND OF CONTROLLED SOCIAL DEVIANCE.....	7
Establish a Unique Regulatory Structure.....	7
Understanding Deviance and Stigma	9
Vice in Historical Context	9
Beating Back the Stigma	11
Relative or Universal Wrongs.....	12
Deviance as a Label	14
CHAPTER 3 ECONOMIC CONCERNS OF A CASINO TOWN	17
Historical Context of Gaming.....	17
Evolutionary Access to Capital.....	19
Resources and Infrastructure.....	22
LVCVA: Going All In	23
Utility Model Explains Gambling Behavior.....	26
Management	28
Labor Relations.....	29
Pay Scale Flatness	30
Skilled Labor Force.....	34
Debate Over the Gaming Sector.....	36
CHAPTER 4 PSYCHOLOGY OF DESIGN	40
Slot Machines	42
Resort Architecture	44
Interview with Brent Lovett	44
Friedman Design Principles™	45
Juxtaposition.....	47
Actual Treasure	49

Security Blanket	50
Designing Women.	53
CHAPTER 5 NEUROCHEMISTRY	57
Dopamine: The Neurochemistry of Pleasure	57
Alcohol.	60
Why We Like to Drink	60
Sensation Seeking and Alcohol Use.	61
CHAPTER 6 PSYCHOLOGY OF ENTERTAINMENT.	63
Mood Management.	63
Excuses, Excuses.	64
What's Hot!	66
Propelling the Myth.	68
Section Summary	71
CHAPTER 7 ECONOMIC ASPECTS OF ENTERTAINMENT	73
Inflation in the Performing Arts	73
Contract Negotiation	77
Broadway—West	80
Learning from New York.	81
Who Goes to a Broadway Show.	84
Who Goes to a Touring Broadway Show.	84
Who Goes to a Broadway Show in Las Vegas.	85
She's got legs! or Show Longevity	87
Considerations for Investors	89
CHAPTER 8 LAS VEGAS' FORMULA FOR SUCCESS	92
CHAPTER 9 FORTUNE COOKIE	99
Recent Declines in Las Vegas Gaming Revenue	99
Locate the Missing Millions	102
Evidence Tracking Millions to Macao.	103
Concerns for the Future.	104
REFERENCES	107
VITA	112

LIST OF TABLES

Table 1	Historic Las Vegas Visitor Statistics	23
Table 2	Local Trade Union Organizations in Las Vegas	36
Table 3	List of Films and TV Shows Featuring Las Vegas.	69
Table 4	Characteristics of a Major Hit Musical versus a Major Hit Movie.	87
Table 5	List of Formula Ingredients.	98
Table 6	LVCVA Visitor and International Visitor Comparison 2007 to 2008. . .	101

LIST OF FIGURES

Figure 1	Visitor Volume as a Ratio to Visitor Contribution.	24
Figure 2	Room Inventory from 1970 to 2007.	25
Figure 3	Revenue Generated per Room per Year.	26
Figure 4	Types of Entertainment.	86
Figure 5	Percent Change from 2007 to 2008 in three Visitor Categories.	101

ACKNOWLEDGEMENTS

First, I offer my sincerest gratitude to my thesis committee members, Robert Brewer, Shannon Sumpter, Dr. Jeffrey Koep, and Dr. Bernard Malamud. Their assistance enabled this project and my years at UNLV reach this conclusion. As I pause to thank them, my thoughts drift off to another professor no longer with us, Davey Marlin-Jones, who taught me so much about play writing and structure. He is missed.

Special appreciation goes out to other dear souls whose support made this effort possible. People like Kim Hobbs, and Julieta Elliott. I greatly appreciate the individual contributions of Sabrina Fu, Dr. Elaine Hull, Governor Bob Miller, and my anonymous Paramedic friend. Lastly, I offer my deep gratitude for the time and consideration granted by those who were interviewed, Brent Lovett, and Lynn Fitzpatrick.

Thank you all for your support.

CHAPTER 1

INTRODUCTION

Much of Las Vegas' economic success over the years has been attributed to star-powered entertainment when it should rightfully be attributed to industrious businesspersons who intuitively knew how to exploit human psychology and neuroscience. Articles that discuss Las Vegas' prominence as a present-day entertainment capital usually focus on the various popular figures that performed in the past, leaving it up to the reader to assume that the momentum created by the Rat Pack and Elvis Presley is responsible for the success seen today.

This common misperception became apparent during the recent visit by a group of foreign marketing students who wanted to understand precisely how Las Vegas developed into the "Entertainment Capital of the World." An initial review of the subject matter, revealed that in many sources, writers and commentators seem to have been somewhat blinded by the glare of the glitz (Koch), distracted by the macabre of the mob, or completely hooked by the hype. Las Vegas history is indeed brimming with star-studded luminaries that paraded across the showrooms on the Strip, as well as mob bosses that paid them handsomely, however, these facts fall short in explaining the full story. To be thorough, this study will include information about these iconic figures, as well as others insofar as they contributed to the overall scene, but there has always been something deeper, something more primal going on in Las Vegas. The purpose of this

paper is to unveil these illusory forces that pulsate through the city, and to prove that the entertainment phenomenon cannot be duplicated merely by erecting shiny new buildings in far-away lands.

Overview

This paper will support an argument stating that the secret of Las Vegas does not consist of discount air fares, free room upgrades, and two-for-one show tickets, but rather in its ability to supply its visitors with an endless dose of pleasurable sensory stimuli through a variety of delivery systems. For the purpose of establishing a common nomenclature, this ability will be referred to as the “Formula for Success.” To gain a complete picture, several major disciplines will contribute to the understanding of this topic; these subjects include history, sociology, economics, psychology, neurochemistry, and entertainment. The combined information from these disciplines will reveal the evolution and causation of how this secret Formula came to be. Furthermore, the Formula is dependant upon the synergy of the various components as they resonate in harmony; the importance of this point cannot be overstressed.

One of the exciting things about this study is just *how* interrelated all of the topics can be. For instance, when a convicted bootlegger from Texas is on the run for murder, and he decides to open a gambling hall in 1940’s Nevada with no-limit betting and free liquor, he is not scorned as a fugitive from justice, but is welcomed as an innovative entrepreneur with valuable expertise (Ferrari 104). This story of Benny Binion, the illustrious owner of the fabled Horseshoe Casino—which was the original home of the World Series

of Poker—crosses all six academic boundaries of history, sociology, economics, neurochemistry, psychology, and entertainment.

This study is not meant to be comprehensive in any one area. That fact is especially true regarding economic modeling, tax structure, or regulatory systems. There are far better resources available for complete insights into those areas, and one is encouraged to review the work of various professionals who contributed to this paper. The general idea with this study is to provide an overview of the influences that continually impact and shape a city that, by all rights, never should have existed—a statement that is not made flippantly. After all, how far out in the middle of nowhere does a city have to be to for the military to decide that its back yard is the perfect place to test nuclear weapons? Nevertheless, the city has grown and developed to an amazing degree. Not only does the city stare down fate in the dry desert wind, but it dares to be duplicated in the restless hearts of people all over the world.

Scope of Study

The Formula for Success was identified through an interdisciplinary approach to the topic. One discipline that speaks most directly to the subject matter is the history of Nevada, and more specifically, Las Vegas. Equally important is a study concerning the sociology of deviance and stigma in American culture. With this foundation, one can better understand the sociology of law and the effects of labeling. The history of gaming will also be examined in context with how it relates to the long-standing regulatory exceptions that were unique to Nevada and resulted in Las Vegas functioning as an island of controlled social deviance.

Economics and psychology are impacted through architecture, especially regarding the arrangement of interior elements. These design elements have always played an important role in Las Vegas; therefore, this study will look into certain architectural secrets and expose many hidden intents within the art form. Even some employees will be examined, for the cocktail waitresses themselves are part of the grand Psychology of Design. Behind the scenes, Las Vegas possesses the management expertise, massive infrastructure, and ample resources, both natural and human, to control the environment. These features make for an organized and consistently safe adult playground; one could think of it as a security blanket that allows visitors to maintain a buzz. Once inside the casino, visitors are immersed in a false world, and their senses are overwhelmed by the beauty, spectacle, and the alcohol. To understand the natural human response to these stimuli, this study will include the most current research on brain neurochemistry, and will explain how normal defense mechanisms are weakened to make customers more responsive to sales messages.

Next, the study will examine mood management theory in a section on the Psychology of Entertainment. The various forms of entertainment available in Las Vegas will be examined in terms of why variety itself is stimulating, as well as why Americans have a collective consciousness about the city that stimulates visitors even before they arrive. Anticipation of great entertainment is one of the reasons stars are paid as well as they are. This fact makes the history of performance inflation applicable to this study, as well as certain aspects of contract negotiation. As Broadway shows become more common in Las Vegas, an examination of comparative demographic studies is warranted

to determine whether traditional Broadway theatre is a sound investment in a city famous for unbridled spectacle.

In summation, the entire Formula for Success will be presented as a list of ingredients that, having been kneaded together and left out in the Mojave sun, have risen into something devilishly divine. In the final section, some current events that threaten to impact the city economically will be analyzed.

Purpose of Study

This study will prove useful and informative to certain groups of individuals. Most generally, it will be useful to any student studying the practical and commercial applications to science. It will also be helpful to community organizers or city council members that may be considering establishing, adding, or improving the profitability of a gaming establishment in their own town. Visitors who tend lose themselves too much in Las Vegas will benefit from a thorough understanding of how the system works; on their next visit, they might be better prepared to limit their exposure to specific stimuli, or moderate their behavior when necessary. Business and marketing professionals will be able to take away some Vegas-styled inspiration with a thorough understanding of *why* sex sells. Most importantly, this study sounds a warning: the magic of Las Vegas exists in a formula that can and is being duplicated. As cities like Macao follow the Las Vegas model, they draw more tourists to their new mega-resorts, resulting in fewer traveling to Las Vegas. When Singapore and possibly other Asian tigers, such as Taiwan and South Korea, follow suit, Las Vegas' growth potential will be stunted.

Pointing out this trend, which appears prominently in the headlines of the international business press, is one of the main purposes of this paper. After 70 years of research and development, the Las Vegas experiment is being exported around the globe. Macao, next-door neighbor to Hong Kong, is rising out of the sea in direct competition for the world's limited number of high-rollers, not to mention over a billion potential tourists all within a five-hour plane ride. This paper asks whether the fathers of modern-day Las Vegas are not only siring offspring elsewhere, but possibly favoring their new children. More research should be done to follow this trend, and examine whether the gaming industry giants (Las Vegas Sands, Wynn, and MGM/Mirage) are actually harming Las Vegas as they capitalize on the burgeoning Asian market.

CHAPTER 2

ISLAND OF CONTROLLED SOCIAL DEVIANCE

Establish a Unique Regulatory Structure

Nineteen thirty-one was a time period that sounds increasingly like the present day. The world economy had lost its fragile balance. The domestic market for durable goods was nearly saturated, and the industrial sector was weighed down with huge inventories, lowering consumer demand. An overly speculative stock market, fundamentally flawed due to its appetite for stocks purchased on margin, had exposed the commercial banking system to the ups and downs of the New York Stock Exchange. As more and more layoffs increased the ranks of the unemployed, consumer confidence plummeted and investment all but dried up. The increasing inability of the public to purchase goods and services wreaked havoc on industries reliant on discretionary spending—luxury automobiles, fine dining restaurants, travel and tourism. The automobile industry was particularly hard hit, forcing companies to slash production as well as employment rolls. The Federal Reserve Board was unable to restore international credit markets, housing starts dropped off dramatically, and all over the country, hundreds of banks failed (Unger 780-4).

In those days, not every sector of the economy suffered to such a degree. As if to counter a seemingly ominous atmosphere of despair, industries providing diversion and escape held up relatively well and even prospered. Theatrical shows based on political

satire and Scandals became the biggest hits of the Broadway season. Looking for that silver lining, these musicals pointed out that since people could afford to do little else, *love* had become the national pastime (*Of Thee I Sing*). Using what little money they had, seventy percent of Americans visited a movie theater each week for months on end, encouraging Hollywood salaries to reach astrological heights. In the face of such contrasts, the overly stressed fan base did not complain, but rather demonstrated their happiness for the pleasant distraction (Unger 785).

Under such dire circumstances, the nation struggled to stay on its feet. With little help from the federal government and ever declining tax revenues, most state legislators were forced to take aggressive and controversial measures to avoid bankruptcy. The situation in Nevada, however, was different. Federal money had the economy booming, and as other states found the courage to legalize horse racing, the battle-born, rough-n-tumble crew in Carson City trumped them all by re-legalizing gambling of *all* types.

In those relative boom times of federal investment, and with thousands of dam workers due to arrive, the Nevada legislators intended to take full advantage of their good fortune. Suddenly, they were the only state in the Union with full-fledged casinos, and six-week divorces to boot (Ferrari 34). Prostitution was not legal, but neither was it illegal, and in 1931, no one felt the need to change the situation (Miller).

As history has proved, their strategy paid off, literally. State legislators had successfully created an island of controlled social deviance, although no one would have called it that. The term “deviance” would not come into vogue in academic circles for another twenty years (Best 10), but the stigma that prevailed in the collective consciousness of that period was strong enough for those same lawmakers to plan on banning gambling

once again when the dam workers left. Over the five years it took to construct the Hoover Dam, workers would sprint north on Boulder Highway each weekend escaping the strict confines of their federal reserve worksite to revel in the many pleasures that awaited them on Fremont Street and Block 16 (the red-light district). After slaving away all week under grueling conditions, the men could not wait to relax with some whisky, women, and wagering (Ferrari 29). The problem was that as soon as the dam was completed, all those workers would return to their homes in other states. Las Vegas would once again be without a consistent source of revenue and vulnerable to being swallowed up by the desert like so many ghost towns scattered around the Mojave. Obviously, it would have been imprudent to cut off a major revenue stream, so the independent-minded Nevada legislature wore their label of deviance alone until the rest of the country came along.

Understanding Deviance and Stigma

Vice in Historical Context

“The mob didn’t create this place. Steve Wynn didn’t create this place. Longing created this place—fundamental human longing” (The Real Las Vegas).

There has always been a market for the so-called *vices* that were legalized in Las Vegas. Gambling has been part of the human condition for as far back as we know. Ancient Hebrews, Chinese, Japanese, Germans, Romans, and Greeks all left evidence of gambling. The first New World gambling regulations were drafted by the Puritans and reflected a staunch sense of protection for the Protestant ethic. They believed gambling gave rise to idleness, and that if one were able to gain wealth without work, the value of

work itself would be undermined (Preston 187). As for the vice of imbibing, by 1800 alcohol consumption in the United States was approximately 6 gallons for each American over 15 years of age, well over twice the amount consumed today. This trend might have continued had it not been for a book written by Benjamin Rush, the well-respected Surgeon General and signer of the Declaration of Independence. His publication entitled, "An Inquiry into the Effects of Ardent Spirits on the Human Mind and Body," supplied a medical foundation that eventually fueled the temperance movement (Goode 13-14).

Another surprise to some students of American history is the fact that from the middle of the eighteenth century and for a hundred years thereafter, a long list of American lotteries were authorized for the benefit of some rather prominent American universities. Harvard, Yale, Princeton, William and Mary, Kings College, Rutgers, Dartmouth, and the University of Pennsylvania all gained funds through lotteries. Also, there were enough public infrastructure projects funded through gambling revenues that anyone opposing the practice fell silent. On one hand, gambling was perceived as an unholy and dangerous practice that could erode the foundations of American morality. Yet, under the right circumstances, exceptions could be, and were often made (Preston 187).

This dichotomy has tended to swing the pendulum of public opinion back and forth throughout American history with the anti-gambling forces prevailing around 1860, effectively abolishing the practice nationally. It took the confusion of post-Civil War Southern reconstruction and fast-paced westward expansion for gambling to make a comeback, that is until reformers caught up with them again in 1910 (Preston 188). It was only when a headstrong Nevada legislature in 1931 took hold of that pendulum and stopped it from swinging that America would move gradually more and more in line with

Nevada such that, by the early 1990's, there was exponential growth of an industry based on the Las Vegas model (Miller).

Beating Back the Stigma

It is relatively easy to see how Nevada was able to re-legalize gambling under the economic pressures of the Great Depression, but what is more impressive is how it has managed over the decades to keep it legalized. To understand how this happened, one must study conflict theory, which explains how laws are established through one group exercising its political power over another. Preston Frederick, et al., helps us understand the tactics used specifically in Nevada in his article, "Gambling as Stigmatized Behavior." There he points out that it is common for the legislature to hear pleas for more taxation on the tourism industry. On one side, you have those who see the gaming industry as a rich uncle with pockets full of money. On the other side of the conflict, all the uncle sees is that his pocket is constantly being picked (189-90).

The persistent wrangling gets its impetus from the myriad of social pressures common to most big cities. Even though the citizens, for the most part, enjoy the privilege of gaming as an entertaining pastime, there remains a prevailing need for justification. Some individuals go through mental gymnastics called "stigma neutralization" (Preston 191), rationalizing their gambling with statements such as: "I'm not gambling. I'm supporting my favorite charity," or "Give me a break, I had a really rough day," and "Hey, you can't judge me. You do it, too!" To combat an undercurrent of distrust and disappointment that over time emboldens forces opposed to gaming, Nevada has adopted a regulatory system composed of the Gaming Commission and the Gaming Control Board. Their coordinated system of licensing and oversight enable

checks and balances for purposes of transparency. Today, after decades of fine-tuning, the Nevada model of gaming legislation and control has been widely duplicated and customized in states across the nation, partly due to its success in dealing with social issues, and partly because it was the only model around. Yet, after nearly 80 years, the gambling stigma is so pervasive that the following statement, which seems perfectly supportive of Nevada's favorite pastime, is *actually* a typical paradigm that attempts to neutralize the persistent stigma: "Even though gambling represents a problem for significant numbers of people, it is the backbone of the economy" (192-5).

The idea of stigma neutralization is consistent with areas of grayness that sociologists contend with in modern society, as contrasted with a fundamentalist's viewpoint in which questions of morality tend to be rather black and white. After 1900, alcohol consumption was an unmixed evil for the Prohibitionists, but it was not the realization of damage to one's health that allowed the political change. The change was made possible as a direct result of the silent majority of alcohol consumers permitting their will to be subjugated by a very vocal minority of evangelicals. One reason they kept relatively quiet was the fact that many breweries were owned by German's. With the United States involvement in World War I in 1917, it became problematic for the pro-alcohol lobby to defend businesses that where easily linked to the enemy (Goode 16). In the end, the desire for a consumer good did not diminish: the new laws merely drove the industry underground, reminding us of the "fundamental human longing" that created Las Vegas.

Relative or Universal Wrongs

The previous example illustrates how morality can be taken as absolute or relative; one either has a fixed construct of which acts are considered right and wrong, or one

looks at the situation in which the act took place. Drinking is either altogether wrong, or drinking German beer during WWI is wrong. Those who take the approach that morality is relative admit that what is right or wrong for one person may not be right or wrong for everyone. To state it in a manner that directly applies to the decisions made on the ground in Carson City as well as Las Vegas, “designating certain behaviors and individuals as deviant is problematic, not commonsensical, and it is the members of the society who decide, not the external observer” (Goode 67).

These member-based decisions are at the heart of Las Vegas’ success over time. Early twentieth-century Nevada was not the wild west, nor was it rife with lawlessness. Even today, not all the laws in Las Vegas are liberalized. Drugs are not legal, and becoming drunk and disorderly will still result in a ride downtown. Lawmakers have been flexible over the years, even cooperative. For instance, when federal troops were to be stationed at the Gunnery Range northeast of town, *that* is when the girls from the red-light district were sent packing, but not a minute before (The Real Las Vegas). Las Vegas has carefully constructed a balance of pleasure, promiscuity, and punishment that gives revelers the sense of safety in this adult playground.

Not everything is relative, however. There are certain, albeit few, universal *wrongs* that every society prohibits, and an understanding of them will lead us to an understanding of deviance and labeling theory. This is important in explaining not merely *that* Las Vegas was labeled Sin City, but *how* that label ultimately put the city on the psychological map of every restless heart in America. The universal wrongs are: in-group murder, in-group robbery, and rape/incest (Goode 69). The “in-group” aspect is apparent when considered in an anthropological sense; these are the actions of enemy

forces. Every other law is either common law or statutory law. Common laws are judicial decisions from fourteenth-century England that established equitable treatment regarding property and one's own person. Statutory law is based entirely on litigation passed by those in majority power at the time; as such, these laws are awash in paper, ink, red tape, *and* therefore, are subject to change. As in the previous examples (national prohibition, gambling in Nevada, or prostitution on Block 16), prevailing winds will determine when to label something or someone as deviant. One of the top scholars on deviance, Erich Goode, explains this process in Morale Panics: "Deviance is not an either-or proposition; "deviantness" is a matter of degree... defined not by the quality of the act, but by the nature of the reaction that the act engenders." One has achieved deviance in the eyes of a sociologist not due to the act committed, but by attracting "widespread public scorn" (70).

Deviance as a Label

Did the label "Sin City" represent a public sentiment of moral outrage and disgust? Did it represent a fear that Nevadan's collective morality would be sucked into a black hole in the desert? Was the nickname used more as a term of endearment, or in the manner of a middle-school tease, equivalent to someone snickering at a dirty little joke? Whichever the case, in order to understand the significance of that title, the relationship between deviance and labeling must be examined.

Deviance, as a concept, appeared on the national radar in the 1950's when sociologists were concentrating on the rule-breaking of juvenile delinquents, but it was not until Congress started a campaign to roust out mobsters that it caught the attention of

pop culture. In a short period of time, colorful shady characters became household names due to their prevalence in the media, and the public was fascinated (Best 12).

It was the 1950's—with happy days, rock-around-the-clock, and wide open highways during a post-war economic boom. In Nevada, the boom came from nuclear bombs that were exploding every few weeks and putting Las Vegas in the headlines (Las Vegas: Unconventional History). Meanwhile, the Kinsey reports on human sexuality of 1948 and 1953 produced concussion waves that obliterated the naive worldview of puritanical America. Also, there was the fallout from a series of new psychotropic drugs used to treat mental illness. The result for patients was a drastic reduction in hospitalizations, but for society, “the results were more profound. For the first time in history, the line between sane and insane was blurred” (Best 13). Suddenly, *they* were us. The abolition of stereotype was plausible. For many, these sociological revelations removed a veil of naïveté and resulted in the graying of their simplistic black-and-white reality.

In the 1960's, amidst a backdrop of civil disobedience and peaceful demonstrations (usually anti-war, pro marijuana, or pro segregation), labeling theory “offered a framework for understanding these developments,” often painting a picture in which “the cops were the bad guys and crooks might be the innocent victims or even the heroes” (Best 26). Within that decade in Las Vegas, the confluence of cool hit critical mass. In a time when hoods were hip and the control mechanisms were viewed as maniacal, it was only natural for a group of mobbed-up street punks to become the hottest ticket in town. Although Sinatra called them The Summit, they were advertised and loved like the rowdy, unconventional, raucous band of heart-stealing thieves they were—The Rat Pack (Ferrari 152).

As this chapter has shown, Las Vegas evolved into an island of social deviance by introducing a unique regulatory structure founded upon member-based decisions, which at all times protected the interests of those within the social group. Any public opposition to these decisions was countered by economic necessity and stigma neutralization. Moreover, various labels of deviance applied to the city by deep-rooted puritanical beliefs actually functioned to popularize the city in a period when concepts about sexuality and psychology were expanding. Over the first half of the twentieth century, the collective perception regarding deviance had shifted enough to make Las Vegas' assortment of vices appear hip to the American public.

CHAPTER 3

ECONOMIC CONCERNS OF A CASINO TOWN

Historical Context of Gaming

One of the most influential businessmen in Las Vegas is Steve Wynn. He has been known to give entertaining interviews that grab one's attention. The following quotation from the documentary Las Vegas: An Unconventional History will serve as an example:

Las Vegas is probably the greatest example on the planet, including New York City, of 24-hour, seven-day-a-week violent commercial hand-to-hand combat. Here, in this city, the players are lined-up along the rialto up there, teeth bared, lips curled back, fists clenched saying, 'Stay in my place. Don't go in that one. Look at what I've got for ya. Isn't this great?' Carnival midway. 'Step right up. See the girl turn into a gorilla! See the chicken dance! Come in here!'

The result of all that competitive capitalism is that Wynn has been dominating innovative development on the Strip since he invented the mega-resort in 1989.

Over the period of Steve Wynn's career, and due in large part to his leadership, the city has grown, and the stigma over gambling has eroded. Gaming is now widely perceived to be just one of many pastimes to be enjoyed during a visit to Las Vegas. Due to this shift in the national paradigm, gaming as entertainment spread all over the country, lotteries became commonplace (again), and horse racing "has been legalized in over 40

states.... Consumers spend more in the aggregate on gaming than for any other forms of entertainment.... more than on movies and recorded music combined” (Vogel 267, 273, 295).

According to Harold Vogel, men have been enjoying the pastime of gaming for eons. The Egyptian pharaoh Tutankhamen had an ivory gaming board with him when he was discovered. The historically recent changes in attitude about gambling can be attributed to the Puritans who wielded influence over the legal system in colonial Boston. They passed legislation in 1630 disallowing cards, dice, or tables to remain inside the home. Virginia also had laws against gambling at that time, but in spite of those laws and after 200 years, there were several gaming establishments scattered around the country. New Orleans (in 1827) and Washington, D.C. (in 1832) were first to open extravagant twenty-four-hour casinos, nicknamed rug-joints for their more cultured interior design. By 1850, the 49’ers of San Francisco had over 1,000 gambling halls, and New York boasted over 6,000. Other gambling centers of the day included Chicago and Miami (268). One can imagine how the demographics of these cities, which included a rowdy workforce of miners and longshoremen, played a hand in allowing them to evolve into the young nation’s early gambling centers. As it follows, these were the cities that later proved to be the training grounds for many of the influential crime bosses who built Las Vegas.

The similarity between San Francisco and Nevada mining communities is evident. Hard labor in the mines led to hard living on the surface. During the latter half of the nineteenth century, it was common in America for workers who endured such conditions to establish a leisure culture that included gambling, alcohol, and prostitution. Once the gaming industry gained momentum in Nevada, the state used it consistently as a survival

tactic. Benefiting from the burgeoning population of Los Angeles in conjunction with low-cost air travel, and owing to a post-WWII economic boom, as well as direct government investment in the region, Las Vegas had survived the worst, and the impetus fell upon the city to make something of the opportunity (Vogel 269-70).

Evolutionary Access to Capital

Throughout Las Vegas history, access to business-expanding capital was fundamental to the city's survival. It was incorporated in 1905 when Senator William Clark of Montana recognized that the tiny oasis had enough mining activity to justify a railroad that would connect Salt Lake City with Los Angeles. After WWI ended in 1917 and demand for minerals fell off, he sold out to Union Pacific. The fledgling community had seen multiple layoffs as people throughout the country tightened their belts, and when the townspeople joined a nationwide strike, the railroad pulled out, leaving Las Vegas exposed to economic collapse. In the mid-1920's, all they could do was hold out and wait, hoping the rumors of a massive government project would lift the town from its impending doom. Clearly, it was federal investment in the Boulder Dam (later to be called Hoover Dam) that saved Las Vegas during the Great Depression (Ferrari 18-27).

Construction of the dam was not the only time federal money brought significant changes to Las Vegas. After the dam workers left, and with the country still in severe economic peril, in 1937 a New Deal-funded project was begun to complete the paving and widening of Highway 91, making travel from Los Angeles much safer and convenient. Then again in 1941, as U.S. involvement in WWII became imminent, the government opened the Las Vegas Gunnery School (later Nellis Air Force Base) as a training facility, and it established Basic Magnesium, Inc. to supply the factories in L.A.

with materials for airplane ordinance. Combined, these two government installations supplied 12,000 new residents to the city (Ferrari 65).

Simultaneously, the city was marketing itself for tourism and using tax inducements to attract businesses as well as workers. In the 1940's, these tax breaks included no corporation tax, no sales tax, no inheritance tax, and no state income tax. In 1983, there was a lowering of the federal tax on Nevada sports betting, which made Sports Book the newest gaming explosion in the state (The Real Las Vegas).

Some of the businessmen that came to town may have had a checkered past, but they were still looked upon as qualified professionals. More importantly, they were making the city wealthy for the first time in its wind-swept history. Over time, the investments outgrew what the Syndicate's casino bosses could gather together in "shoe-box" money (those private stashes of cash from unreported business revenue). Consequently, when Jay Sarno needed cash to build Caesars Palace in 1965, he obtained it from Teamsters Union pension funds out of Chicago. Although controversial at the time, the first project financed by the teamsters in Las Vegas was Sunrise Hospital, a move that ultimately placed the mobsters in a better light, thus opening the door to further investments including the Desert Inn, Stardust, and Dunes casinos (Ferrari 56, 64, 103, 180-3).

The sea change that allowed Las Vegas to continue on its ever-upward quest was "passage in 1969 of the Corporate Gaming Act, which allowed companies with publically traded shares to own and operate casinos in the state of Nevada" (Vogel 270). Before this law was passed access to the kind of capital necessary to build a first-class resort casino was extremely limited. Each owner of the business had to submit to a background investigation by the Nevada Gaming Commission, but in the case of publicly owned

corporations, this requirement was untenable. Howard Hughes finally convinced the gaming authorities that it was in everyone's best interest to amend the policy, requiring only officers of the corporation to be checked (Ferrari 194). After Hughes got his way, it opened the door for large corporations to invest in Las Vegas, freeing up the financing for casino expansions. Byproducts of the new policy included the ability to attract conservative middle-class convention customers, and to recruit professional managers from other industries (Vogel 270).

With the changing national attitude toward gaming, there was the aforementioned expansion of gaming activities across the country. The best example of this is in Atlantic City, New Jersey. Those outside the industry might assume that Atlantic City is but a reflection of Las Vegas, but this is hardly the case. Atlantic City only came into the picture when it passed a city ordinance limiting casino operations to a small patch of beachfront property in 1976. As an island of controlled social deviance, it qualifies, but the similarity ends soon thereafter. Vogel explains by stating that, "While Las Vegas truly became an entertainment capital – a citywide theme park in itself – Atlantic City casinos remained largely as a collection of slot-machine malls attracting primarily day-trip visitors" (271). By 1984, Atlantic City had 28.5 million visitors while Las Vegas had only 12.8 million. The competition for gaming revenues, however, was still won by Las Vegas, but by a slim margin of 2 percent. Vogel adds that the key difference was that New Jersey's regulatory structure would not allow their casinos to compete with the scope and variety available in Las Vegas (271). The regulatory climate may have changed since the time of Vogel's writing. It is evidenced by the fact that one of the

giants in the industry (e.g. MGM/Mirage) will soon finalize construction of a Las Vegas-styled mega-resort in Atlantic City.

Resources and Infrastructure

When the federal government chose to build the Hoover Dam less than thirty miles from a tiny gambling town in the middle of the Mojave, they gave it something it had never had before—potential. In terms of power, the dam sends 4 billion kilowatt-hours per year down the lines, which is enough to serve 1.3 million people and light up the sky with neon. Additionally, the area benefits from Lake Mead, which “is one of America's most popular recreation areas, with a 12-month season that attracts more than 9 million visitors each year for swimming, boating, skiing, and fishing” (Bureau of Reclamation).

Two more infrastructural items are worth mentioning in terms of preparing the city for success. The first is McCarran International Airport. From its humble beginnings in 1942, it has matured into the sixth busiest airport in the world (McCarran). As a true team player, the airport helped to push the city toward that magical point of critical mass when in September 1960—the same year the original Rat Pack movie Ocean's 11 hit theaters—United Airlines started landing non-stop flights from the East Coast, reducing travel time from nine to four hours (Ferrari 178). The organization that would have taken advantage of that timing was the Las Vegas Convention and Visitors Authority (LVCVA), essentially the city's marketing and PR firm, which has the simply-stated mission to attract “an ever-increasing number of visitors to Southern Nevada” (LVCVA). They physically manage the Las Vegas Convention Center and Cashman Center, but most

significantly draw people from all over the world into the city's combined 9.7 million square feet of convention space, as well as its 136,000 hotel rooms (LVCVA).

LVCVA: Going All In

Nevada's re-legalization of gambling in 1931 was intended to be a temporary fix addressing short-term problems, but Las Vegas went *all in* and has never looked back. If one wants to see how this decision has effected the local economy in recent decades, the best resource of information is the LVCVA, undeniably one of the most successful public-private cooperatives in the country. A very few clicks into their website will lead one to detailed reports on every year from 1970 to present. Below, in Table 1, are just a few of the impressive stats that have overcome the social stigma attached to gaming and swayed local governments across America to adjust their thinking.

Table 1 Historical Las Vegas Visitor Statistics*

*numbers are in millions

	1970	2007
Visitor Volume	6.8	39.2
Visitor Dollar Contribution	\$1,182.5	\$41,578.1
Clark County Gaming Revenue	\$369.3	\$10,868.0
Room Tax Revenue	\$3.8	\$219.7

Unlike most of its membership-based sister agencies, the LVCVA is a quasi-governmental agency. It was established by a state law in 1955 and is funded through taxes on hotel rooms throughout Clark County. Its 14-member Board of Directors is split between public and private representatives who operate autonomously on behalf of the entire region. Room Tax Revenue, as seen above, is quite substantial; they use 53 percent to fund projects such as schools, parks, and roads, and use the other 43 percent to

accomplish their mission—attracting visitors (LVCVA.com). Looking at Figure 1, one can better visualize the success of the LVCVA over time.

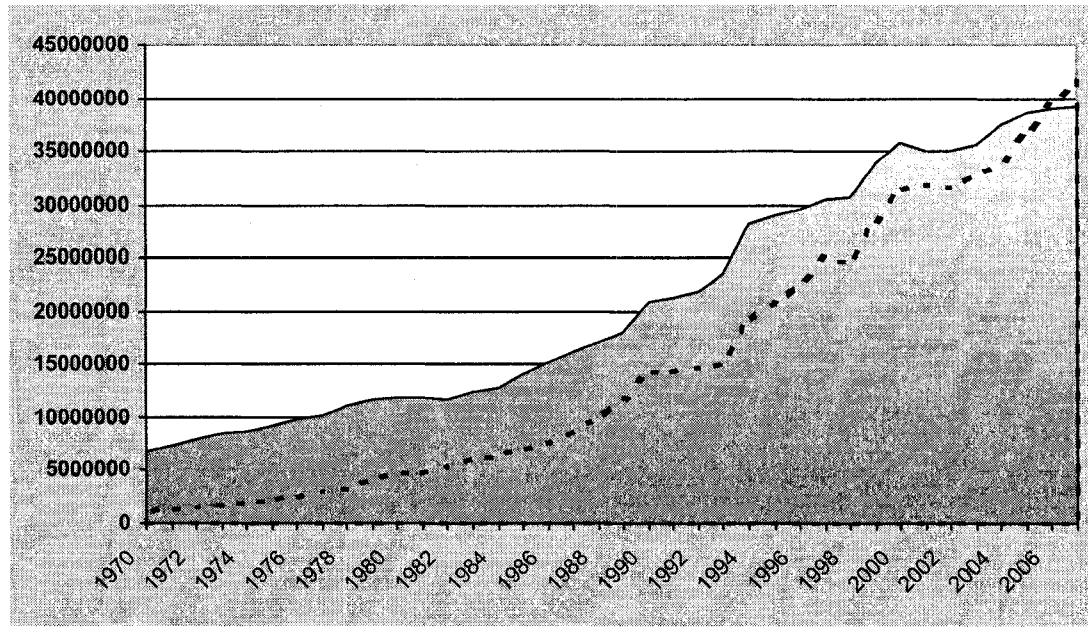


Figure 1. Visitor Volume (solid line) as a ratio to Visitor Contribution* (dotted line)
*in thousands

The graph above illustrates the bankable ability of the LVCVA to draw tourists and conventioners into the region. As can be determined from the graph, they have helped the city overcome economic and competitive pressures throughout the decades. Moreover, the quality of visitor has improved over time as is indicated by the ratio of Visitor Volume to Visitor Contribution. Notice how the dotted line gradually encroaches upon the mountain representing Visitor Volume, to finally outpace volume growth. In 1970, the contribution of the average visitor was \$174, which in 2007 would have been \$931. And in 2007 the average amount each visitor contributed was \$1,060.

As the LVCVA continually attracted more and more business, casino operators expanded their facilities to accommodate the teeming masses. Figure 2 illustrates the constant wave of construction flowing from Fremont Street to the south end of the Strip. Notice the steep increase during the building boom of the 1990's.

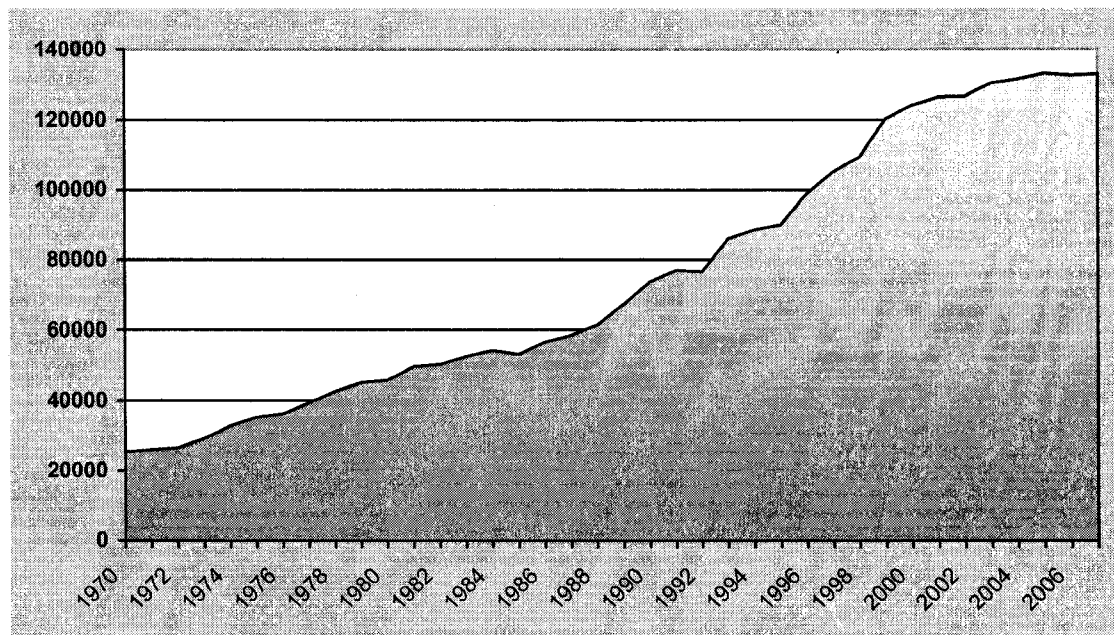


Figure 2. Room Inventory from 1970 to 2007

Using these same Historical Las Vegas Visitor Statistics from 1970 to 2007, the annual dollar contribution per hotel room was calculated by dividing the Visitor Dollar Contribution by the Room Inventory and adjusting for inflation. The resulting graph allows one to see the relative value of each hotel room over time. There is a straightforward increase in Room Inventory from 1970 to 2007 (with three exceptions; 1985, 1992, and 2006), and there is a strong corresponding Visitor Dollar Contribution increase over time. Figure 3 below shows the rising trend in per room revenue, yet reveals that

this trend is by no means consistently climbing. As casino developers push inventory upwards, opening three to five thousand rooms at once, they alter the balance of supply and demand. The clearest example of this imbalance occurred in 1993 when Kirk Kirkorian opened the 5000-room MGM Grand.

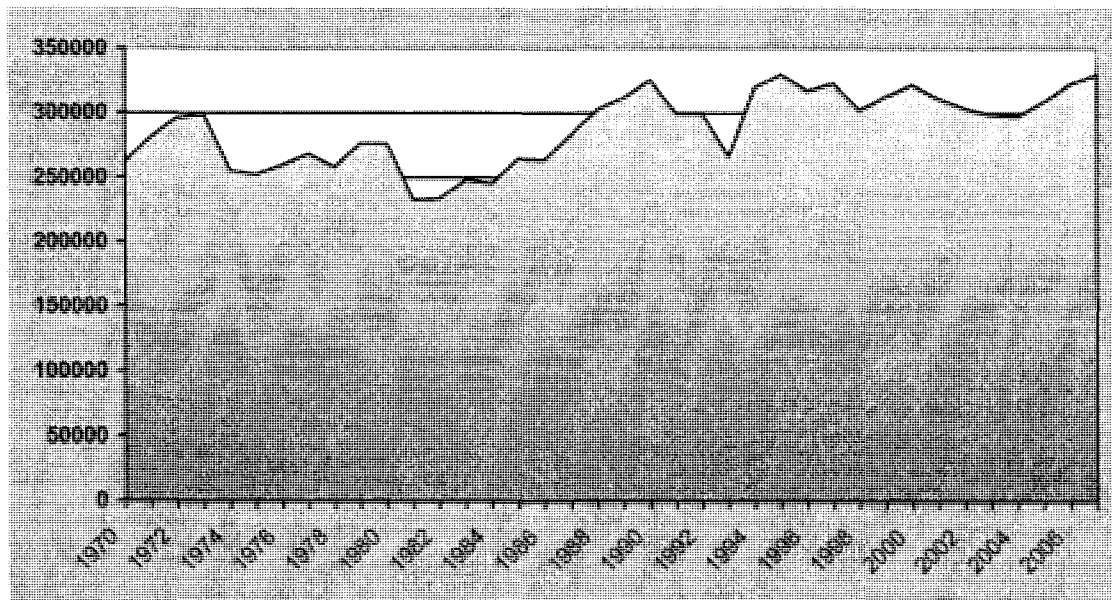


Figure 3 Revenue generated per room per year and adjusted for inflation. Results are in 2008 dollars.

To their credit, the combined marketing efforts of casino operators and the LVCVA eventually pay off over time. Eventually, occupancy percentages as well as revenues generated per room have consistently returned to previously established levels.

Utility Model Explains Gambling Behavior

As laudable as the city's marketing efforts are, experts remain unable to say conclusively *why* people gamble. Is it a neurotic compulsion, kinetic diversion, or

harmless pastime? It is certainly not the same thing to all people. At least now, however, economists can examine the question practically rather than philosophically. They consider gamblers to be consumers who “express their preferences by making purchases according to the utility they expect to derive from the goods or services bought” (Vogel 293). This is known as a utility-function model, which rejects maximum monetary returns as a motivator in favor of a *perceived* notion of expected utility. Utility models take into account the personal usefulness the wager may have to the player. Economists have also designed econometric models to mathematically predict the optimal mix of games on a casino floor, as well as the correct balance for comp and credit policies. As mysterious as the individual motivations may be, when considering economies of scale, the science is now available to budget for profitability (294-5).

As is explained later in the chapter on neurochemistry, a male’s *perception* of a receptive female triggers the release of dopamine. Gambling is similar in that perception is the more important reality when *consuming* pleasure. The purchase becomes entirely relevant to time and place. One could say that the calculus in the gambler’s mind constantly adjusts the wager according to what is gained by the risk, rather than what might be purchased with the proceeds. That is to say, the *risk* has monetary value to the player, and the determining factors vary according to time, place, circumstances, who sits across the table, or who’s attention you want to attract. The prize to be won is as diverse as the individual, and it changes moment to moment. Psychologists may not know *why* people gamble, but fortunately for casino operators, tools are now available to empirically predict what conditions will maintain the house advantage.

Management

Find someone who has been doing it for a long time, and heed the advice of experts—whether it is the mob or Walt Disney. This statement sums up the Formula ingredient that has placed an endless chain of talented professionals and innovative thinkers at the helm of Las Vegas’ gaming corporations. Consolidation of expertise has been the key from the outset. When crooked cops from L.A. were bounced out of town in the 1940’s by a crusading Chief of Police, they went to Las Vegas. When Senator Estes Kefauver convened a Senate investigation in 1950 to root out organized crime in the U.S., the results in Las Vegas were to make the city, as one resident said, “home to more socially prominent hoodlums per square foot than any other community in the world” (Ferrari 112). By closing illegal gambling operations all around the country, Kefauver managed to concentrate and legitimize those operators. One operator said, “He made me a respectable, law-abiding citizen, and a millionaire!” (112).

Tax laws are what will bring the really big money to a city. It was Nevada’s tax system that motivated Howard Hughes to move to Las Vegas when he sold TWA for \$546 million; California law would have taken half his proceeds. The Hughes effect served to consolidate an even more prominent Mormon constituency in Las Vegas, but his most significant impact was to make Nevada gaming a legitimate investment for corporate money. To this end, he led by example, spending \$65 million in just one calendar year (Ferrari 193).

Consolidation is useful, but there must also be innovators, and Las Vegas has had no shortage of those. Beginning in 1940, Thomas Hull of California brought the newest resort in his popular El Rancho chain to a lonely patch of desert three miles south of

town—just outside the reach of city taxation, and on Highway 91 from L.A. (Ferrari 65). It was the first themed resort of its kind, and he decided to build it only after doing his research; his wife says he paid someone to stand on the corner and count the cars (Las Vegas: Then and Now). The LVCVA still counts cars to this day (LVCVA.com).

Other innovators include Billy Wilkerson and Benjamin “Bugsy” Siegel. They both deserve credit for their innovations at the Flamingo Hotel in 1946, even though history has always favored Bugsy’s mobbed-up story (Modern Marvels). Kirk Kirkorian and Bill Bennett teamed up with the International Hotel, which in 1969 at 1500 rooms was the biggest hotel anywhere. His real innovation, however, was not the hotel, but rather the fact that he sold it to the Hilton Hotel chain, meaning that corporate America had landed in Las Vegas. With access to corporate capital, the sky was the limit, and when Steve Wynn made a connection with Howard Hughes through some Mormon friends, that was how high he reached. Wynn used junk bonds to finance The Mirage, and in doing so, reinvented stupefying spectacle on the strip and reestablished the city’s mid-century reputation as an entertainment capital (Ferrari 215, 228-30).

Labor Relations

Kirkorian and Wynn developments created thousands of good jobs. As a result, Las Vegas became the fastest growing city in America throughout the 1990’s. Although the tourism industry had managed to grow steadily since the late 1940’s, labor relations in the city were often a contentious issue. Even today, there are social inequities that cause one to question whether corporations are doing all they can for their employees. The first noteworthy labor problem in Las Vegas’ history came when there was the strike against

Union Pacific, resulting in that company pulling up stakes and moving up the track to a more congenial locale. Later, when government inspectors were preparing for the arrival of dam workers, they hoped to see a ready-made home for the inbound crew. What they saw was a veiled effort to give the appearance of respectability, and so promptly established a federal reserve in Boulder City to house the workers. During WWII, when thousands of jobs were at stake at the Gunnery Range, Las Vegas had to finally agree to outlaw prostitution, which it did, but only within Clark County (Las Vegas: An Unconventional History).

Racial discrimination, which exceeded Southern standards, began to cause the city genuine embarrassment in the 1950's as white Hollywood stars strolled down the Strip together with black stars in quiet solidarity out of disgust for the treatment of black workers, as well as entertainers. The black performers were not permitted to stay at the hotel in which they performed—or even enter through the front door. Decades passed, but as pressures continued to build, there was a Culinary Union strike in 1976; it was the first strike in over fifty years (Ferrari 18-218). Other strikes followed as corporations put the screws to their employees. Service suffered greatly as a result, and the town lost its luster. Steve Wynn went out of his way, wisely, to smooth things over with the unions before building the Mirage (Las Vegas: An Unconventional History). Still, the workers are feeling the pinch, and there may yet be cause for concern.

Pay Scale Flatness

Every casino operation has two sets of stakeholders, some have three. One set is the guests who enter through the front door with expectations of ecstasy. Another set, if they are a publically-traded company, is the stockholders. The last group of stakeholders

includes the people who enter through the back door, the employees. There are issues of social justice that tend to get swept away in the heat of the action at the tables, and should be considered, as they have a powerful effect on ground-level economics in the city.

Surly service by disgruntled employees does not support the idea of sustained pleasurable stimuli, and runs counter to the overall Formula for Success. Yet, throughout America, corporations have gradually driven down wages for the working class resulting in a growing pool of disgruntled employees. One of the key ingredients to the profitability of employers such as MGM/Mirage, Caesars, and the other players on the strip, is to extract the maximum work from their workers for the minimum pay. This is not a criticism as much as it is an acknowledgement of a strategic, money-saving corporate policy.

The people who have moved from all over North America to Las Vegas in search of low-skilled labor jobs would be considered migrant workers in any other country. In China, where millions have left the countryside to work in urban centers dotted with factories, the phenomenon is known as the great migration. In Las Vegas, the city proudly boasts that it was the fastest growing city in America for a decade. The working-class residents poured in at a rate of 6,000 people per month for several years at the start of the twenty-first century, and the growth continues at 4,000 per month in 2008. They come for the jobs—whether displaced from New Orleans, third-generation Dust Bowl descendents from California, or Michigan auto plant buy-outs—they come to try their luck in Las Vegas. With hard times everywhere, the Vegas neon still shines as a beacon of hope. And their competition? Immigrants. Asian, East-European, and of course Hispanic workers fill the vast majority of entry-level positions at the casinos on the Strip.

The competition for pay and benefits does not stop with the glut of applicants. The corporations have become expert at the science of shaving pennies. As a result, the overwhelming corporate culture makes casino employees feel generally expendable. This observation was noted by sociologist Donald Bartlett who has written that American workers “are forced to live in fear—fear of losing their jobs and benefits, fear of the inability to pay for their children’s education, fear of what will happen to their aging parents, fear of losing everything they’ve struggled to achieve” (46).

The corporations perform a nimble balancing act paying employees just enough to get by, with benefit packages including health insurance, childcare services, and pay incentives based on seniority rather than merit. This strategy builds stability into a labor force when they otherwise might be tempted to job-hop when the next big property opens up farther down the strip advertising its 4000 new jobs at slightly higher wages. The workers who have seniority take considerable risk if they leave for a few pennies more. If their department must cut hours, they will be first to go.

Those who witnessed the dramatic drop in tourism after 9/11 may recall how the MGM Grand laid off approximately 2000 employees shortly after the attacks. The Strip saw massive layoffs and with MGM being the largest hotel, locals felt sorry for all the victims, even corporate ones. Three months later, once it was clear that the economic impact was not going to cut as deeply as originally feared, the MGM re-hired over 600 of those who had been let go. This was encouraging news to a beleaguered city—until it became common knowledge that the 600 returning employees were hired back at entry-level wages, with part-time or on-call status, and no benefits. What recourse did these workers have? All they could do was bite a lip, clock in, and place their nose firmly upon

the grindstone. Even though this example of poor treatment happened seven years ago, it continues to haunt the back passageways of the MGM Grand due to ongoing exploitation; yet, these workers understand that their plight would be no different at any other Strip property. Under duress, the workers stay in their positions. This example illustrates the lopsided balance of power between corporate executives and the working-class, a situation that still dominates labor relations in Las Vegas.

The 1950's American dream of typical working-class families living comfortably on the income of just one breadwinner has long been a thing of the past. The lesser known truth is that this current and increasingly obvious class division is no accident. It takes structure, planning, and Congressional approval. To understand more about the balancing act performed by casinos to pay the lowest possible wages and provide just enough benefits to employees, analysis is provided on national trends regarding average income during the time within which Las Vegas became a leading entertainment destination. After World War II, the rising American middle-class enjoyed a stable job climate and personal tax exemptions that protected 54 percent of an average family's income. By 1995, that exemption only covered 25 percent. Tax rates were also restructured throughout that period narrowing the gap between the higher and lower percentages. These changes gradually applied a higher tax burden upon middle-income wage earners. Social Security, as well as state and local tax structures also trended toward squeezing the middle-income earners. As proportionate tax rates dropped for the top one percent of all tax filers between 1980 and 1992, their income increased *215 percent*, compared to a *67 percent* rise in income for the bottom 90 percent of tax filers. To put a fine head on the disparity, salaries and bonuses for some of these executives during the period from 1975

to 1995, reported an average increase of 951 percent, which was *five times* the rate of inflation. Conversely, white- and blue-collar income went up a mere 142 percent while the rate of inflation throughout that period rose 183 percent, proving that workers are being paid less over time (Bartlett 46-7).

The salary structure universally administered on the Las Vegas Strip is an extremely wide-based pyramidal type and reflects national trends. First-tier, salaried supervisors are paid nickels more per hour than their subordinates, but when one includes the various spiffs or overtime pay, the hourly subordinates often fair better. Also, frontline customer service employees can make much more than their department managers simply by taking advantage of the tipping structure. An educated professional with a degree in Hotel Management and five-plus years of hospitality experience earns a salary in the low thirties. The Hotel Manager earns less than a thousand dollars per week, while a high-school student can take home six-hundred dollars on a weekend parking cars. Voluptuous cocktail waitresses can earn thousands during that same weekend if there is a prizefight in town. The tips cost the corporation nothing, but save them a fortune. By allowing, encouraging, and even structuring their operations around the tipping culture, corporations guarantee themselves a line of applicants outside the HR department door, and well-behaved workers who know they can easily be replaced.

Skilled Labor Force

Of course, not every job is low-skilled, entry-level, and obtainable simply by making the move to Southern Nevada. The support industries that make the business sector possible have salary structures comparable to other major cities throughout the country. Take for instance the behind-the-scenes work performed by Las Vegas' own

men in black, the stage technicians. These skilled workers and their employers form the infrastructure that allows so much in Las Vegas to take shape, dazzle, and then disappear. Whether it is a complicated illusion, a rotating elevator for a quick set change, or a breath-taking martial arts battle that takes place up and down a vertical stage, these men and women are as much a part of any show as the performers themselves. The meetings throughout thousands of conference rooms simply could not take place without the army of skilled technicians who daily stand by at the ready. Companies like Encore, Rhino Staging, and the International Alliance of Theatrical Stage Employees (IATSE) all make events in Las Vegas run seamlessly. Just as it is critical to have natural resources as the foundation to building a city, if the idea is to build a resort destination, one must have a talented pool of technicians to design, build, and maintain high quality, state-of-the-art productions.

The professional stagehand represents a resource that intuitively relates to the entertainment industry, yet there is obviously an infinite array of skills necessary to design, construct, maintain, and manage a city. As for Las Vegas, a decades-long class migration has resulted in an accumulation of skills precisely in tune with the city's burgeoning construction needs. There are at least 32 Labor Organizations and Unions with local chapters in Las Vegas (Embarq). Many of them have multiple chapters, and apprenticeship programs that form a vital component to the health and stability of all the skilled trades. Following their example, the entertainment sector will soon have its own training center to ensure a steady stream of talent; Live Performance Institute will begin classes this year to systematically train more of these critical specialists.

These various organizations open a small window into the nature and variety of the city's labor force, and call to mind the years of intense effort that were required to build a world-class destination. Furthermore, it takes the kind of community activism and ongoing effort that labor unions perform to keep a city like Las Vegas running smoothly. Some of these organizations have had their power checked in recent years (Mishak), but if circumstances hit just right, they may become strong again. The important thing to keep in mind is that these institutions, in many ways, form the backbone of the working class. Without the empowerment that these organizations instill in the hearts and minds of their members, the net decrease in purchasing power for chronically stagnant wages might eventually ignite a rebellion in the ranks.

Table 2 Local Trade Union Organizations in Las Vegas (Embarq)

Bartender's & Beverage Local 165	Carpenters Union	Culinary Workers Local
I A T S E Local 720	Int'l Brotherhood of Electrical Workers Local 396 & 357	Int'l Union of Gaming Employees
Int'l Union of Operating Engineers Local 12 & 501	Laborers' International Union Local 702 & 872	Nevada Roofers JATC
Painters Local 159	Plumbers & Pipefitters Local 525	Roofers Local 162
Sheet Metal Workers Union Local 88	Teamsters Local 14, 631, & 995	United Steel Workers of America Local 711 & 4856

Debate Over the Gaming Sector

As casino profits rise and the gaming industry continues to outpace other entertainment sectors, the question arises whether this is a good thing. In any other industry, this debate would hardly be necessary, but since there are many voices shouting in opposition to gaming's expansion, it is appropriate for their voices to be heard.

Ricardo Gazel has studied “The Economic Impacts of Casino Gambling at the State and Local Levels.” The article suggests that monopolistic and oligopolistic market structures are the major reasons certain communities experience economic losses in their state and local economies when they legalize casino gambling. Gazel criticizes the few studies that have been done to analyze the impact of the industry on society, complaining that these studies concentrate on state and local impact rather than national trends, and that they are funded by the gambling industry itself and “tend to emphasize the positive side, completely ignoring or minimizing any negative effects” (66-7).

Gazel acknowledges that gambling has spread throughout the U.S. by becoming an acceptable form of entertainment, thus concurring with the previous discussion on deviance and labeling. One can now go to a church to see friends and enjoy "Las Vegas nights." Recognizing that investment by corporate America helped to legitimize the industry, Gazel also identifies budget shortfalls of the late 1990's as one of the symptoms driving the trend. As politicians clamored to find ways to raise revenue without raising taxes, gambling suddenly took on a much more inviting appearance (67). Echoing the history of 1931, this statement reveals a cyclical repetition of how economic pressures consistently override moral impingements.

In a biting critique of the industry entitled “Casinos and Economics,” archeologist Michael Shanks of Stanford University said, “Upon learning the multitude of deceitful strategies that casinos use to improve their business, it is nearly impossible not to feel as though one is being almost forced to spend money the moment one sets foot in a casino.” Is this not precisely the idea behind casino design? Ultimately, however, it is clear that

Shanks is concerned about the psychological assault of the senses financed by multinational conglomerates as they faceoff against Joe Six-pack.

The issue Shanks raises is regarding how much and what type of government regulation is best for society. His expertise is design, and he is genuinely concerned about the intentional psychological manipulation that is built into every casino property in the state. The trend he justifiably takes issue with concerns the problem “of materialism in human beings. Is our desire for money and material wealth something innate that every person is born with, as part of their psychology? Or, perhaps, is materialism a desire conditioned by our capitalist society?” (Shanks, Casinos). If the problem runs that deeply, why single out the gaming industry? In a capitalist system, industry is allowed to compete openly while trying to maintain government oversight without too much interference. The significant difference with the gaming industry, however, is that because it employs scientifically developed shock-and-awe tactics to overwhelm its target, Joe Six-pack is completely outgunned, as will be discussed in the section on Psychology of Design.

With significant animosity in certain circles toward gambling, people need some scientific way to measure the before-and-after effects of becoming a casino town. Impact projections or computer modeling in the gaming industry is far from an exact science according to Gazel, but theoretically, it is possible to estimate the economic impact of a casino in a defined area (69). The list of variables one must measure in order to approach some semblance of accuracy is extensive and will not be discussed here. Suffice it to say that the kind of statistical information monitored by the LVCVA includes the necessary parameters. However, in a purely economic sense, some casinos actually prey on their

communities, rather than funnel vital economic fluidity back into them. It all depends on their immediate, local competition. A single, stand-alone casino with no commitment to the community can have a parasitic effect, whereas more competitive markets, like Las Vegas, Atlantic City, and Southern Mississippi, are more likely to have positive impact on their host communities (70). Gazel advises policymakers to be mindful of what market structure they adopt. “It is better to concentrate casinos in one specific area, creating competition between them (forcing them to attract outside gamblers), than to establish several local monopolies” (83).

The last of the darker aspects of gaming to be considered here is heavy price paid by a minority of individuals whose lives can be destroyed by a gambling addiction when a casino becomes available. There is no avoiding a certain amount of this, and the best, most responsible companies deal with it proactively using all manner of educational programs involving community advocacy, or employee awareness training to minimize the impact.

When the economic concerns of a casino town, as discussed throughout this chapter, are vigorously and judiciously addressed, the regulatory exceptions fostered will invigorate the economy. To maintain the city’s growth and momentum, casino operators must take a proactive stance on promoting fair labor relations and responsible gaming.

CHAPTER 4

PSYCHOLOGY OF DESIGN

Joel Bergman, architect for Treasure Island, Steve Wynn's second major casino property, said, "Caesars was perfect. It was the ideal casino. It had all of the elements in the right place" (Modern Marvels). In describing the original Caesars floor plan, Bergman recalled that it required guests to go through the casino to get to any of the other areas that surrounded it: rooms, restaurants, showroom, pool, etc. Also, Caesars management understood, as did the Romans, that there was a great public demand for spectacle, and although boxing had long been part of the Las Vegas gambling scene, Caesars made it an event on a grand scale. "When Evil Knievel drove his motorcycle over the elaborate fountain in the front of the hotel, Las Vegas was catapulted into a new era" (Modern Marvels).

In designing a casino, the only thing architects leave to chance is whether you will win. The placement of each table game in relation to the slot machines, how *tight* or *loose* those slot machines are, the angle of the aisles, the placement of theatres, restaurants, and hotel rooms in relation to the casino floor—it is all designed, right down to the carpet, to maximize the profits of the casino (Shanks, Analysis). Casino operators know the competition is intense, and the best way to gain profit from customers, rather than let it slip away to the competition, is to keep them inside for as long as possible, to isolate them in a world within a world.

Isolation is accomplished in many ways and all at once. As soon as one enters the main entrance, seemingly natural flow patterns channel foot-traffic to the core of the casino, removing guests from direct access to the outside world. The carpet often assists in this task by having traffic lanes in their design that guide you to the action. Some say the carpets are “purposefully jarring to the eyes,” which may cause guests to lift their gaze up to the machines (Shanks, Analysis). That may be the case, but the carpets are extremely colorful and function to brighten the atmosphere while effectively masking stains. Once inside, there are no clocks, and the lighting provides artificial daylight to keep customers alert. Ambient music is generally upbeat yet unobtrusive and played in an endless loop. It is carefully selected to target a specific demographic and can vary from section to section (Shanks, Analysis). Also, for several years, cell phone users complained of dead zones upon entering a casino. This isolation tactic only drove customers outside; now, although reception still may not be ideal, at least intentional signal interference is a thing of the past, especially in the conference centers.

If the casino is able to keep someone inside for even a short while, that guest will typically have a couple of drinks. This benefits the casino greatly, as we will see in the Neurochemistry chapter, but the risk for the casino is that the customer may become drowsy. That is where air quality can help. Air flow in a casino is extremely efficient. Huge volumes of air are pumped through an industrial apparatus that filters and humidifies it. The significant capital investment is worth it for the sake of providing fresh, clean, breathable air even in predominantly smoking sections, the idea again being to keep customers inside and alert. Rumors of supercharging the air with additional oxygen are just that, rumors, and would prove prohibitively expensive (Lovett). Another

way to build a fantasy world in isolation, while simultaneously fighting off sleep, is to paint a beautiful blue sky on the ceiling as Paris and the Venetian have done.

Slot Machines

After one has spent more than a few hours in a Las Vegas casino, they are forced to navigate a maze of slot machines just to find the restroom. That maze is no mistake, and it means big money for the casino. Their intension is to place visitors in close proximity to their number-one revenue generator. Slot machines were invented in 1895, by Charles Fey, who had been apprentice to a scientific instrument maker as a teen in Bavaria (Ferrari 48). Now, the machines generate 75 percent of gambling revenue in the U.S., and one slot machine can make 500 dollars a day for the casino. Anthony Curtis, a gaming expert and advisor to casinos in Las Vegas said, "Slot machine manufactures are really big on noise. They even make trays where the coins come out that make more noise than they need to" (The Real Las Vegas). Of course, all those bells and whistles have a purpose. The maze layout mentioned above places *loose* machines (those that pay out more frequently) on the ends of the aisle where they can be seen and heard by other players and anyone passing by. The sounds of winning have a huge influence on surrounding players. Conversely, *tight* machines (those that pay out less frequently) are more likely to be those placed near table games, for two reasons. First, table game players are disturbed by too much noise, so these machines run quieter. Also, the spouse or date who prefers slots over blackjack will sit close to her partner no matter what, so from a casino management point of view, these machines might as well be tight (Shanks, Analysis).

The physical layout is really only a small factor leading to the dominance now held by slot machines throughout the industry. Slot machines provide gamblers with the opportunity to win significant sums with a small investment, minimal effort, and almost no thought process. The question becomes, why does anyone sit for hours completely focused on these machines? The following information will soon convince a casino novice to see them not as a sparkling, noisy, mechanical toy, but as a form of legalized narcotic.

Two scientific factors explain the fascination people have with slot machines: dopamine and operant conditioning. These two mechanisms exploit human physiology and psychology to drive a player forward. First, dopamine is the powerful neurotransmitter that triggers the pleasure centers of the human brain. Furthermore, “studies have shown that playing a slot machine activates dopaminergic neural pathways traditionally associated with pleasure or risk-taking” (Shanks, Psychology). This chemical will be discussed at length in the following chapter. Second, slot machines employ a system of operant conditioning, using small irregular payouts as reinforcement. Frequency of these payouts, which are merely the *primary* conditioning mechanism, have been adjusted and optimized through experimentation over decades in order to maximize casino profits. There are also *secondary* conditioning mechanisms built into the machines. These include features such as noisy coin trays, bells, beeping sounds, theme music, or flashing lights, all meant to provide reinforcement and a celebratory atmosphere for the player as well as others nearby. The most powerful secondary mechanism is the inclusion of a system “that yields a high frequency of near misses” in which two out of three symbols will match (Shanks, Psychology).

Resort Architecture

Interview with Brent Lovett

In an attempt to learn what considerations go into designing a major casino resort before the first blueprint is made, an interview was conducted with Mr. Brent Lovett. He has played a significant role in the development of the Las Vegas skyline for over 25 years. He can be thanked for the Statue of Liberty at New York New York, the statues in front of the Monte Carlo, the Arc de Triomphe and the replica of the famous fountain at Place de la Concorde at the Paris Casino, and the prominent bell tower at the Venetian. His proudest accomplishment, however, was his involvement at Mandalay Bay. There, he was responsible for the interior work of the main casino floor, the hotel lobby, as well as the famous wave pool that includes a sandy beach.

Upon asking Mr. Lovett about what concerns are addressed before design concepts are drawn, he replied, "It's all about flow patterns. We all go back to what Walt Disney did." Disney could imagine how various features would appear before plans were drawn up, and how one could move masses of people from one area to another. The idea is to get people inside and keep them there.

Mr. Lovett made two other strong points during our conversation that are appropriate to this chapter. The first was about pushing the envelope. He stressed that a design must be on the cutting edge and beyond to keep it from becoming obsolete by the time it is built. That was the idea with the pool and the aquarium at Mandalay Bay. The juxtaposition created by putting a beach and an ocean in the heart of the Mojave is alluring. "The idea," he said, "is to build an attraction that people *have* to come see."

The other main point Mr. Lovett made concerned the ability of a place to make people feel like insiders, or members of an exclusive club. Using the Wynn casino as an example, Mr. Lovett pointed out that the water features are reversed from buildings of the past. Instead of being visible from the street, they are partially obstructed, insisting that one enter the building to get a clear view. Once inside and surrounded by all the opulence, a visitor might say, "I belong here. I'm better than everybody else. I'm not gonna go to Circus Circus; I'm not gonna go to that old Mirage. I'm not going to go to these other places. I belong at the Wynn. If I'm gonna waist my money, it's gonna be here!" Mr. Lovett even emphasized the importance of building this kind of exclusivity within a single establishment, such as a night club that has increasingly expensive price points for bottle service at various sections or floors of the lounge. To the unindoctrinated, these differences may seem like mere cosmetic design elements, but to the management team they mean enormous profits from high-rollers.

Friedman Design Principles™

There is a casino design manual on the market that contains so much detail, it has become the gold standard. The book is by Bill Friedman of the Institute for the Study of Gambling and Commercial Gaming at the University of Nevada, Reno, and it is called Designing Casinos to Dominate the Competition. He tells readers that casinos that follow his principles always have the highest player count and dominate the competition, and that good management or marketing does not overcome design flaws. He states, "No megaresort casino has begun to reach its actual financial potential, because all of them violate the Friedman Design Principles™." He determines potential by counting the number of hotel rooms, vehicle or pedestrian traffic, as well as taking local demographics

into consideration (12). Then he completely discounts the people who are only there to do some shopping, enjoy a show, or experience a gourmet meal. In fact, nothing in his 629 page tome devotes any analysis to the non-gaming crowd and their spending habits. This omission calls his principles into question since the non-gaming sector accounts for more than 60 percent of all revenue at these mega-resorts.

Freidman claims that in every era of Nevada gambling, the most popular and busiest casinos have been those that incorporated the following four principles: 1. segmented gambling areas; 2. short pathways and lines of sight; 3. compact and crammed with equipment; 4. low ceilings. Furthermore, he notes that everything since 1990 (that is, everything since the Mirage) has featured the primary *losing* principles: openness; long, straight pathways and slot seas; spacious floor layout; high ceilings (72). Freidman's opinions would be justified if his volume had been written before 1989, but the evidence throughout the 1990's has taught that Steve Wynn's marketing research and focus groups paid off much more accurately than body counts on the casino floor. By doing proper research and attracting women as well as men, Wynn created a demand where before there had been none. Friedman quotes Wynn at a 1996 speech at the Lake Tahoe Chamber of Commerce: "It's more than gambling, it's a spectacle. Las Vegas has become unforgettable experiences and unforgettable hotel-casino resorts." Friedman says Wynn's "comments illustrate how Strip management has lost sight of the importance of gambling to a casino resort. Wynn's philosophy led to the creation of extremely popular tourist attractions, but none of the fantasies the megaresorts created relate to gambling. Thus, even though some of these spectacles bring in droves of visitors, they also cause the vast majority of them to pass right through without stopping to gamble" (103).

The success of Wynn's resort designs speak for themselves, and however behind the times Friedman may be regarding the evolution of the mega-resort concept and its impact on overall tourist dollars spent in Las Vegas, his suggestions on lighting, signage, and sound can greatly enhance and lengthen the enjoyment of a player's gaming experience. For example: "Task bulbs should be concentrated on the table layout and the chip rack. The action on brightly illuminated playing surfaces should be the only thing to command visitor attention in the pit areas. This is a powerful sight for gamblers. No other light source or reflecting surface should vie with it. To avoid causing players visual fatigue, the table layout and the rim cover should be non-glare materials" (128). Attention to detail at this degree should make the potential gambler both thankful for the enjoyable ambiance, and cautious as to what else might keep him planted in that chair.

Juxtaposition

As Brent Lovett noted, creating juxtaposition by placing exotic environments in clear contrast to their geographical location is a powerful architectural feature. The Wynn's lush golf course with its waterfall at the 18th hole is a perfect example. The same design feature is in force when the exotic element is an animal. At the Flamingo pool, not only will you find flamingos, but penguins in the desert. The Mirage boasts a Secret Garden which includes a dolphin habitat and an area that houses lions, tigers, and elephants. The great white is no longer at the Shark Reef at Mandalay Bay, but they currently advertise a kimono dragon.

The allure of this design principle cannot be overemphasized, for it has the power to subconsciously impact the most casual observer. Totally unrelated items and conditions create a kind of surrealism along the Las Vegas Boulevard. The air becomes electrified

when one sees Manhattan lightened up next to the Eiffel Tower, or a water-soaked Venice in the middle of the Mojave desert. In his book Desert of Desire, the art critic, William L. Fox, said, “Las Vegas is all about making you feel as if you’re God, which in our imaginations we more often than not compare to being the director in our own movie. You’re provided the illusion that you’re in control of the climate, the time of day, and—with the dice in your hands—even your own destiny” (119).

Fox also provides a quote from the Sicilian historian Diodorus Siculus who wrote this statement around 200 BC regarding the Hanging Gardens of Babylon: “The approach to the Garden sloped like a hillside and the several parts of the structure rose from one another tier on tier.... On all this, the earth had been piled... and was thickly planted with trees of every kind that, by their great size and other charm, gave pleasure to the beholder.... The water machines raised the water in great abundance from the river, although no one outside could see it” (105). In a modern version of the Hanging Gardens, Steve Wynn has erected a similar scene in which a “mountain 144 feet tall peaks above the resort’s sprawling 192 acres. Seven waterfalls and five lakes holding 2 million gallons of water have also helped transform this desert land into a modern-day oasis” (Klemenc). Wynn’s mountain was built by Rock & Waterscape International. “Each of the falls is equipped with underwater lights that light up the stones at night,” according to the project’s general superintendent, Fred Lokken. The project took 25 men working over one year to install a system of “Mechanically Stabilized Earth” retaining walls (Klemenc). Is Steve Wynn a student of history, imitating this juxtaposition of transplanting an environment with full knowledge of Nebuchadnezzar in Mesopotamia, or is it that men with insight into human nature can anticipate what wonders will most astound

the public? Architect Joel Bergman said the Wynn projects share the following philosophy: “When people are in your space, they never have a moment of disappointment” (Modern Marvels). Perhaps this philosophy is why the Wynn is the only resort in Las Vegas to earn the highest possible ratings from Mobile, AAA, and even Michelin.

Actual Treasure

There is another aspect of design that resonates deeper within people than can be detected on the surface. Again, art critic William L. Fox writes, “There are connections among the exhibitions of art, lions and tigers, and the dancers in Las Vegas, all of which relate to the worship of exoticism, the creation of social status, and the codification of moral values via aesthetics in politics. And all of it is centered around the desire to place ourselves near immortality” (18). Is Fox’s observation accurate? Are the tourists, conventioners, and all-night partiers searching for Shangri-La and the fountain of youth, or is it that they are the cultural expression of youth coming to the one place where reckless abandon is celebrated at any age? For whatever reason, putting actual treasures on display creates a visual spectacle that can only be accomplished with originals and not imitations. Items themselves range from priceless works of art to jewels, exotic animals, Ferraris, costumed showgirls, a Rolex watch, or a Gucci handbag. In this information age, the audience wants to see and experience the real thing. Imitations might be good for a laugh, or they might be so good that they also amaze (like at a wax museum), but on the whole, people want an authentic connection.

Applying an elitist psychological layer to the economic realities of the gaming industry, treasures are often used to keep high-rollers coming back. Anthony Marnell is Chairman of Marnell Carrao, the Las Vegas construction firm that built the Mirage and

the Wynn resorts. He revealed that each of the ultra-luxurious suites, “which are reserved for “whales,” is decorated with an extensive backstory underlying its decoration, which is then illustrated with art to match: excellent eighteenth-century landscape paintings, rare jade pieces, small works by Renoir, Picasso, Hockney—whatever it takes to create not the illusion of luxury, but the actuality” (Fox 65-66).

Security Blanket

Anyone who has seen Ocean’s 11, the 2001 motion picture starring George Clooney, has a fairly good understanding of how tight security is in a casino. A potent combination of ever-watchful cameras that could be looking anywhere at any time, and the multiple layers of casino employee security provides a level of heightened relaxation for the non-criminal casino guests. The vast majority of guests are there to have a good time, and constant watchful eyes remove the temptation to commit opportunity crime, and more importantly, keeps out the riffraff. This way, visitors can have a few drinks, leaving all troubles behind, feeling very well protected. One researcher worked as a cocktail waitress to collect her data. She revealed that because it is impossible for gamblers or employees to know exactly when they are being monitored and by whom, *both* groups tend to monitor themselves. Also, some mechanisms are extremely subtle. “One-way mirrors are tastefully arranged as part of the decor; cameras are placed unobtrusively, even undetectably.” Even Pit Bosses and Casino Hosts, who are hired partly for their charm, are actually responsible for monitoring the floor (Bayard 368).

Beyond the uniformed hotel security, Las Vegas has two police forces out on patrol. Most obviously, there is ‘Metro’—Las Vegas Metropolitan Police Department (LVMPD).

They appear to be a combination of a city cop and a sheriff's deputy, because in fact, they are. The county and city forces merged in 1973 and have maintained a firm regard for citizen and tourist safety. Their steadfastness was validated somewhat in a Gallup Poll taken in 2006. In a social series survey investigating public perception of crime, the pollsters asked, "Now thinking about some large cities, both those you have visited and those you have never visited, from what you know and have read, do you consider each of the following cities to be safe to live in or visit, or not?" Las Vegas scored a rating of 58 percent "safe," which was significantly better than Chicago (47%), Miami (38%), or New York (40%), and nearly twice that of Los Angeles, which ranked near the bottom on the survey at 32%. Las Vegas still has some PR work to do if it wants to score in the range of Seattle, which topped the survey with an 80 percent safety rating. Perhaps some of that old mobster stigma is still impacting the city's image.

There is another much less known police force that allows Las Vegas tourists to enjoy their stay, the Las Vegas Taxicab Authority (TA). This organization keeps tabs on the 3,000 taxis that shuttle visitors up and down the Strip, as well as back and forth to the airport. The McCarran airport taxi line may seem long and slow when if one is waiting in it, but due to the vigilance of the TA, it is actually known as the fastest and most efficient taxi line in the country. Thanks to the millions of tourists who use the cabs, statistically Las Vegas is the safest city in North America to drive a cab. In fact, the only place in the world safer for a driver is London.

Metro and the TA are bound together in one particular way that is very important to the average tourist and the ideas presented in this thesis, namely, the *open-container law*. One of the unique regulatory features in Las Vegas is a Municipal Code that allows the

public to consume alcoholic beverages on the Las Vegas Strip. This includes sidewalks or the back seat of cabs, thereby allowing the party to travel, as it were.

There is another layer of security that produces great word-of-mouth advertising and return visits to the city, and that is the emergency medical services. Hundreds of well-trained Emergency Medical Technicians (EMT) risk their lives every day helping to save the lives of the city's residents and visitors. A story told directly to this researcher by a Las Vegas Paramedic illustrated the effectiveness of the city's robust emphasis on this less visible layer of security. In brief, a man developed chest pains while gambling in a casino. He was first cared for by hotel security before being transferred into the care of the Paramedics. In a matter of minutes, the man who was indeed having a heart attack, had been stabilized and taken to Sunrise Hospital—the same hospital that was funded through controversial means. In the Emergency Room, the doctor leaned in over the man and said in a clear, strong voice, “Sir, you are having a heart attack. But you came to the right place, and we’re gonna take real good care of you.” And they did, and they are, and the scenario gets repeated every day.

America has an amazing emergency medical services infrastructure, and yet, amidst all that competency, Las Vegas is exceptional. Security personnel throughout Las Vegas have at least a current CPR certification, and many casinos hire EMT's who double as security officers. This practice adds an additional layer of qualified medical care, and *most importantly*, reduces the response time in treating sudden cardiac arrest with an AED (automated external defibrillator). This is why a Las Vegas casino is statistically the safest place in America to have a heart attack according to the New England Journal of Medicine (Valenzuela 1206).

Designing Women

The heart attack victim survived ‘the big one’ after getting a shot of adrenaline, but there many other things in Las Vegas that could give him a similar jolt. Cocktail waitresses are, by design, employed as casino attractions, as well as a means for delivering alcohol. If any area of this study crosses academic disciplines, this is it. An attractive casino cocktail waitress is part psychology of design, psychology of entertainment, and neurochemistry, all in one. The first thing a typical guest will notice is her physical appearance in a revealing uniform, which is a key element in evoking the expected feelings in customers. Add a touch of personality and some manipulative behavior, and she has a powerful cocktail of her own. If she is wearing perfume and steadily delivering drinks to a customer, she has them in a double-jeopardy of neurochemical subjugation. She will keep that customer in her section with plenty of booze and flirtatious behavior, as long as they are tipping appropriately (Bayard 347).

Why does the casino set up this comfort zone for its guests? They would rather keep them focused on their game than have them leave to get a drink. Even if a guest wants “coffee to stay awake, water with which to swallow their pills, or even cigarettes, the cocktail waitress will deliver. Even for customers who are winning, odds are that if the casino can keep them gambling, they will eventually leave with less money” (Bayard 352). Meanwhile, they will be employing secondary operant conditioning on their neighbors.

Daniel Linz, et al., wrote an article for the journal Law and Human Behavior entitled “Testing Legal Assumptions Regarding the Effects of Dancer Nudity and Proximity to Patron on Erotic Expression.” Linz set out to prove, using empirical methods, whether

coverage of certain body parts meant a shift in the erotic message, and if so, at what distance. His research proved that there really is a difference when a barrier exists between the dancer and the patron. For instance, Shadow Bar at Caesars Palace shows “nude” dancers in silhouette behind an opaque screen. The fact that the dancers are wearing a body stocking with sewn-in fake nipples to maintain a perma-perk look is never revealed to the ogling audience. The anticipated level of arousal is high due to the assumption of nudity, yet because of the barrier, it is well within Caesars’ boundaries of what is socially acceptable, as this venue can be seen from the main casino floor. Furthermore, the research proved that *whatever* a nude girl is posed next to, or whatever she is advertising (pool, spa, ultra-lounge, or nightclub), will get a better reception by the men in the group, thereby proving that sex, or at least nudity, really does sell. Also, while men are visually aroused, they are less inclined to become agitated. One new trend on the Strip that capitalizes on this fact can be seen at Planet Hollywood’s Pleasure Pit where the dealers are all attractive females wearing costumes as provocative as any cocktail waitress’. Gamblers should keep in mind, however, that these ladies are as professionally trained and qualified as any other dealer on the Strip, and they will take a player’s money just as fast. The crucial difference, as the research indicates, is that the men in the group will not be as agitated when they lose (512).

Another part of Linz’s research explains how certain distances between *interactants* result in different messages being received. The first of four zones is the *intimate* zone, a distance anywhere between 0 to 1½ feet. This zone, which can include touching, maximizes sensory involvement. The second zone, 1½ to 4 feet between participants, is termed *personal* distance. This is the distance for conversations among

friends and relatives. The third or *social* zone has a distance of 4 to 10 feet. This distance is used when greeting a visitor from a desk or when you ask for directions from a stranger on the street. In the fourth or public zone, the interactants are positioned 10 to 25 feet apart. "This zone is used primarily for formal presentations, plays, speeches, and other means of public communication. At this level, sensory involvement is greatly reduced and other objects and people compete for the interactants' attention" (Linz 513-4). If one considers these distances while picturing a casino environment, one can easily justify the success of certain interactions between guests and workers there. Also, the intimate zone is achieved at nightclubs, bars, etc. where audio interference requires the face of a customer and a cocktail waitress to be extremely close for placing drink orders. In this scenario, the appearance of the person providing customer service is critical to both customer satisfaction and maximizing purchases, not to mention tips.

There was a show called Showgirls of Magic that played for several years at the San Remo Casino (now called Hooters) just east of the Strip on Tropicana. The show was performed in a tiny theatre that would hold no more than 60 people. This created an intimate setting, and occasionally during the performance, the scantily-clad showgirls would come out into the audience, sometimes brushing past those seated. These girls were so vivacious, talented, and attractive, it was easy to enjoy the show. Had they maintained a traditional performance distance (10 to 25 feet), it would have been easy to make light of the cheap production value and amuse one's date with acerbic critique. In contrast, by entering the *intimate* zone, the audience was quickly charmed by the girls, and even intimidated by their confidence, power, and sex appeal.

Given what has been revealed here about how cocktail waitresses and dancers can project interest or receptiveness, whether feigned or genuine, a progressive casino operator might want to include training about zones and touching as part of customer service skills. If touching comes into play, the attractiveness of the violator is evaluated the same as proximity, but the type of touch matters greatly. A pat is the most playful, while a stroke is the most “loving, pleasant, and sexual” (Lenz 514). Closer distances in combination with an attractive employee will communicate a more intimate message. And if a customer feels their space has been violated, attractive people can usually get away with more (515).

Perhaps, the combined impact of the various topics discussed to expose casinos’ psychology of design will give one pause at the porte cochere upon any future visit. The science is advanced indeed, and whether it is the song of a slot machine, the surprise of sighting a lion, an actual Picasso hanging on the wall, the comfort attributed to multi-layered security, or the sweet perfume of a cocktail waitress, each element in the design supports the city’s ability to provide extended periods of pleasurable sensory stimulation.

CHAPTER 5

NEUROCHEMISTRY

Anthony Curtis is a gaming expert and advisor in Las Vegas. He said, “I’ve even heard stories about putting scent and aromas into the air. They’ve tried that. Certain aromas that are supposed to attract you” (The Real Las Vegas). Michael Shanks says the aroma therapy might actually include pheromones to relax as they arouse. There is no proof, however, and casino operators vehemently deny it. Nevertheless he claims, “companies marketing these technologies do exist and do make sales to casinos” (Shanks, Analysis). This particular design aspect may be in question, but arousing interest or creating a mood through the use of room-filling aromas are not news on the Strip. In fact, if the wind is right, one can smell the Venetian/Palazzo perfume while sitting in traffic.

What casino operators realize is that stimulating the brain’s olfactory center is the number one, most direct route to human emotions and memory. Cosmetically, a pleasant aroma will serve to cover non-pleasant ones. Additionally, if a guest begins to associate the aroma in the casino with having fun, then that emotion is immediately accessed upon that guest’s return, whether that is tomorrow or ten years later.

Dopamine: the Neurochemistry of Pleasure

In any of the after-hours clubs on the Las Vegas Strip, it would not be uncommon for one to see some young people experimenting with some form of controlled substance.

One popular choice is amyl nitrite, known on the street as *poppers* and usually comes as a powder in a glass vile. Late night partiers often *do* poppers to get a rush and stay awake. This recreational drug is commonly used to create a peak when under the influence of other drugs such as cocaine or ecstasy. Other than the down side of the peak, it has a reputation for being relatively free of side-effects, thus its popularity. What these partiers are enjoying is a fairly direct way to manually tweak their pleasure center. In the brain, amyl nitrite functions as a source for nitrous oxide (NO), which is not to be confused with nitrous *dioxide*, the ‘laughing gas’ used at a dentist’s office. Nitrous *oxide* is a remarkably simple compound that functions to stimulate the release of dopamine (Dominguez 356). Dopamine is the chemical one’s brain is missing when agitated; it is the chemical one is enjoying when on the dance floor; it is the chemical one’s brain is drenched in during the throws of passion.

The following is the precise description of what happens in mammalian brains when a male desires a female. Dr. Elaine M. Hull is with the Department of Psychology and Program in Neuroscience at Florida State University, and is one of the leading experts in this field. With her own wit present in the title of the article, she calls this process, “Getting His Act Together”:

Extracellular dopamine in the medial preoptic area (MPOA) rises as soon as a male rat detects the presence of an estrous female and remains high during copulation (68)... In summary, chemosensory information is processed by the main and accessory olfactory systems and relayed to the medial amygdala (MeA), which in turn processes and relays it to the MPOA, both directly and via the bed nucleus of the stria terminalis

(BNST). Genitosensory information is also relayed to the MeA and the MPOA from the central tegmental field (CTF). At least some of the input from the MeA and BNST is glutamatergic. Glutamate may increase MPOA dopamine release directly by increasing dopamine cell firing and/or exocytosis from terminals. (73)

This chain reaction is not likely to be understood by recreational drug users at an ultra-lounge with the pulsating music blaring and the crush of gyrating 20-something-year-old bodies. Nor is it likely to be important to Dr. Hull while she is watching Thunder from Down Under. Nevertheless, with the chemical chain reaction described above, men cannot always be assured that their interests will be mutually reciprocated but if there are no precluding factors, he will be at least physiologically prepared to play the game of love.

As a novice biologist, it seemed necessary and prudent to confirm my interpretation of the data found in Dr. Hull's articles. The question to be answered was essentially, is this dopamanergic pathway triggered in a persons brain while enjoying a dancer, exotic or otherwise? Is a proverbial I.V. drip of dopamine on the brain the reason a customer can sit contently for hours, but instantly feel bored when the selected stimulus (the girl he had his eye on) goes on break. Is dopamine, in fact, the key ingredient to the sexually-charged success of Las Vegas? Upon communicating directly with Dr. Hull, she clarified the issue by applying her accumulated knowledge of the subject to the specific environments in Las Vegas saying:

There has, indeed, been a lot of research showing that dopamine release in the nucleus accumbens energizes numerous kinds of motivated behaviors,

including eating, drinking, sex, drug abuse, and escaping from stressful situations. There has been much less research on the MPOA; however, it is critical for male sexual behavior in all vertebrate species that have been studied, and, except for some birds, dopamine in the MPOA facilitates sexual motivation, genital reflexes, and motor patterns. I view the mesolimbic dopamine tract (which ends in the nucleus accumbens) to be analogous to an engine driving a motivational "car," with the MPOA (and other hypothalamic nuclei) providing the steering wheel to choose which behavior to pursue. You are right that it's probably dopamine (and glutamate) in the MPOA that drives a lot of the behavior in certain quarters of Las Vegas!

As was shown in the study on dancer nudity, even if the dancer, cocktail waitress, or showgirl is partially covered, the male response is entirely contextual. If the male interprets the female to be receptive—she could be doing her grocery list in her head for all he knows—but if he wants to believe that there is a chance, the neurochemical response is the same, and his brain fills up with dopamine.

Alcohol

Why We Like to Drink

As a rule, people imbibe the fermented fruit occasionally to induce euphoria or reduce anxiety, with healthy folks usually preferring to drink in social settings. In spite of the personal research most individuals engage in during their youth, Jodi Gilman, who conducts clinical research at the National Institute of Health, claims that there has not

been a corresponding amount in scientific circles. In an effort to balance that equation, she “administered alcohol intravenously to social drinkers while brain response to visual threatening and nonthreatening facial stimuli was measured using functional magnetic resonance imaging. Alcohol robustly activated striatal reward circuits while attenuating response to fearful stimuli in visual and limbic regions” (i). Essentially, under the influence of alcohol, people feel terrific even in the face of danger.

Another group of studies set out to determine how alcohol affects mood. *Mood*, in this usage, is contrasted to *emotion* in that the former is of far longer duration and not as easily altered. An analogy might be that mood is like a car going down a city street; negative emotions are potholes, and positive emotions are favorite songs on the radio. As one drives down the street, the general direction of the car does not change. In one study, it was determined that “alcohol attenuates the processing of fearful stimuli in the limbic system” (Hammersley 1), which is essentially the same conclusion as Gilman above. Another study proved that alcohol can induce euphoria in humans. And still another proved there can be drowsiness associated with the ingestion of alcohol. Lastly, one study showed that drinking alcohol helps to muffle unwanted feelings (Hammersley 1-43). In summary, one can use alcohol to be brave, get excited, go to sleep, or drown sorrows.

Sensation Seeking and Alcohol Use

This next study starts with alcohol, but has more in common with the neurochemistry of dopamine. Also, the findings are applicable to marketing professionals. The source for the information is a meta-study, which looks at all the studies on a given topic to identify trends—very much like accumulating demographic data to look for patterns. The

researchers were studying a particular personality type, the “sensation seeker” (Hittner 1383). These are the individuals who want to see the Grand Canyon by plane and skydive on the way back. These people have other traits too: they study foreign cultures, alternative philosophies, or unusual politics; often they do not fit into sociological norms concerning lifestyle or sexual practices. Also, they get bored easily (1383).

This chapter has discussed how aromas, visual or chemical stimulants, and alcohol can be used to maintain prolonged sequences of pleasurable stimuli for anyone. Why, then, focus on sensation seekers in particular? High sensation seekers are associated with high alcohol use. High alcohol use lowers an individual’s monoamine oxidase (MAO) levels. MAO allows for reuptake of dopamine and norepinephrine (a hormone associated with the fight-or-flight response). Therefore, if someone’s MAO is low from drinking alcohol, the result is higher levels of dopamine and norepinephrine. If they are a high-level sensation seeker, their baseline dopamine levels are already higher than average, and an elevated dopamine level “might lead high sensation seekers to become heavier consumers of alcohol because (a) dopamine motivates appetitive reward seeking behavior, especially when the rewards are biologically reinforcing and (b) alcohol and other drug use stimulate dopamine release in the central area of the brain’s reward system. The released dopamine, in turn, is thought to be biologically rewarding thereby further reinforcing future substance use behavior” (Hittner 1385). Essentially, if a high sensation seeking tourist comes to Las Vegas, *and* they are drinking at the tables, they are much more likely than the average person to take higher risks, such as doubling-down or letting it ride. Given this knowledge, it would behoove marketing departments to actively pursue this demographic through targeted ad placement.

CHAPTER 6

PSYCHOLOGY OF ENTERTAINMENT

Mood Management

In the neuropsychological studies of the previous chapter, it was shown that individuals ingest chemicals to alter their mood. Reasons such as legality, convenience, affordability, etc. have steered most people toward alcohol, caffeine, and nicotine. Even chocolate shows up regularly in studies questioning whether it is food or drug. Through the process of self-experimentation, people develop preferences for one stimulant or another—hard liquor over wine, reading over television, thrillers over romance, ice-cream over all else. Sometimes, preferences are made simply to avoid nausea, or withdrawal (Hammersley 19, 27).

Often, an individual's mood altering selections have to do with the desire to combine the *ingestion* of auditory, visual, and intellectual stimuli in order to create environmental emersion. These are the considerations that influence personal choices regarding entertainment. “Excitatory Potential is the first thing to consider when you want to impact mood,” according to Silvia Knobloch-Westerwick, who wrote an article on “Mood Management Theory, Evidence, and Advancements” for the journal Psychology of Entertainment. Her experiments prove that “up-tempo music combined with intense contrasts in lighting and motion will increase arousal, whereas a slow selection in a softly lit setting will calm things down.” Of course, lighting designers must bear in mind the

tolerance levels of the human animal under these circumstances. Recall being exposed to a strobe light for an extended period, and it is clear that something can begin as visually stimulating then quickly become stress inducing. Excitatory potential is maintained through the variety of type, or subtle differences within sources of stimulation. Content, as well, will influence excitatory potential “because violent or erotic depictions tend to be more exciting than a classical music concert” (240). The myth of Las Vegas is built on providing excitement. This fact explains why Las Vegas is known for lacking culture (a debatable issue), but is famous as the leading promoter of elite sporting events that offer a form of controlled violence, as well as why it is home to enough erotic diversions to fill a phone book. In the case of Las Vegas, this is not a figure of speech.

The best part about mood management is that it can, and usually does, happen on a subconscious level. The worst thing is that scientists seem to be allowing market forces to do the experimenting. In Knobloch’s words, “The core prediction of mood management theory claims that individuals seek out media content that they *expect* to improve their mood” (240) (emphasis added). This statement invites marketing professionals to exploit the idea of expectation, to do as Steve Wynn did with the Mirage—build a demand where before there had been none.

Excuses, Excuses

“I think this notion that Vegas is a place where the underside of American psyche can express itself a little more, could come out from under the rock, as it were, has been there for a long time. Las Vegas is created as this place in which good people could be bad and yet not lose any points for doing so. That whatever happens here doesn’t count.” – Paul Goldberger, architecture critic (Las Vegas: Unconventional History).

When good people go to Las Vegas to be bad, which they do at a rate of over three million per month, they still have some remnants of stigma attached as they head to the airport. Ronald Smith conducted a study in 1984 that may need to be updated, but his findings revealed something very telling about human nature and the tendency to internally justify one's own actions. When 233 respondents were asked why they gambled, by far the most popular response was "play, leisure, and recreation" with "avoid boredom and find excitement" ranking a distant second. When asked why they thought *others* gambled, they felt free to say whatever they wanted without any degree of shame. This time, the respondents said that others were motivated by desire for monetary gain as much as recreation. The respondents often would not interpret their own activities as involving the loss of money. They employed various neutralization techniques to rationalize those losses, including a belief (consistent with the Utility model) that they had actually made an entertainment purchase, and therefore had not *lost* money (338-42).

In the end, a study meant to discover why people gamble actually revealed how people protect themselves from gambling's stigma, even when answering questions anonymously. People care a great deal about what others think, and unnecessarily burden themselves with guilt. Perhaps the most useful information for casino operators is not *why* people gamble, but that they successfully make up excuses to justify those losses before leaving town (Smith 343). It follows, therefore, that if this kind of rationalization is occurring with regard to gambling, then it is also happening with regard to other forms of stigmatized Las Vegas-styled entertainment. The ability of individuals to justify their behavior in "America's playground" is reflected in the sheer number of return visits to the city, which is reported by the LVCVA to be over 80 percent. The following section

will take at closer look at some of the entertainment being rationalized during the flight home due to its excitatory potential.

What's Hot!

Las Vegas entertainment is synonymous with *what's hot!* The showrooms, lounges, concerts, and comedy acts must all keep up with the times, and entertainment directors must collectively provide variety and surprise. Beyond the large-scale productions and Broadway selections available lies an astounding assortment of diversions that could justify anyone's return visit. In the adult category, where all the dopamine of anticipation and excitatory potential are directly correlated, there is Bite, Chippendales the Show, Crazy Horse Paris, Fantasy, and several others. Variety many people may not be aware of includes Ice: Direct from Russia, Gregory Popovich's Comedy Pet Theater, and Stomp Out Loud. As always, there are several headliners and magic shows. Tribute shows of stars such as the Rat Pack or Elvis have been around for years, and Las Vegas still has a good selection. Comedy is king, as they say, and with Carrot Top, Louis Anderson, and Rita Rudner as permanent residents, long live the king. Siphoning off some sex-appeal from the adult genre, there are a handful of sexed-up hypnosis and psychic shows that rely heavily on audience participation, but result in side-splitting hilarity (Vegas.com). The Price is Right – Live! at Bally's is another participation-based show, representing a trend that seems set to dominant the development of future shows. Comedian Paul Rodriguez was recently named as host for the new project at Palazzo, The Real Deal!, "the first ever live, interactive poker-themed stage-show" (VegasAuditions).

This snapshot of the Las Vegas entertainment scene is representative of the pattern the city has maintained since the Hoover Dam was completed. Due to Las Vegas' proximity to Los Angeles, the city has had access to celebrities who otherwise might not have made the trip. Random star sightings were, and are, commonplace. In the past, this gave the fledgling resort town a competitive advantage over other cities. Of course, the stars could have stayed in L.A., but in Vegas they could be bad, and get paid 'real good.' Enormous weekly salaries kept the hottest talent evenly dispersed from Glitter Gulch to the Hacienda. In the 40's, the crowds came to drive across the "eighth wonder of the world" and husbands enjoyed treating their wives to a Henny Youngman, Nat King Cole, or Louis Armstrong show, as long as those performers were surrounded by showgirls (The Real Las Vegas). In the 50's, Louise Prima and Keely Smith started a sensation in the lounges, while the showgirls in the main room "took it off" (Las Vegas: An Unconventional History). With the Sin City label firmly affixed in the 60's, the showgirls were imported from Paris, and the lounge act reached "The Summit" (Ferrari 152). In the 70's, Elvis had five years of sold-out performances, setting a record that still stands today. There was a dry spell while the corporations were trying to learn the business, but finally in the 90's, Siegfried & Roy reenergized "America's Playground" as Las Vegas began to entertain the entire family (230). Then with the dawn of a new century, just as it had been with every decade prior, Las Vegas reinvented itself, ushering in an era dominated by Cirque du Soleil, and stockpiling more adult-themed venues than ever, including over forty gentlemen's clubs and an Exotic Heritage Museum.

At each interval, entertainment directors had to invent something new, repackage something old, or push the production elements to the edge of cost, size, and decency in

order to build anticipation and generate excitatory potential. Dina Titus, the Nevada State Senator for the district that includes the Strip said in 2005, “Las Vegas is well known for reinventing itself. We are very good at adapting. I mean, how else could we have survived out here in the middle of this desert? We reinvent ourselves to accommodate whatever comes along” (Las Vegas: An Unconventional History).

Propelling the Myth

One of the Formula ingredients at which Las Vegas is particularly adept is propelling its own myth. The LVCVA is the organization most responsible for this practice now, and the famous slogan, “What happens here, stays here” is a testament to their success. But city branding is nothing new. A 1950’s brochure from the Las Vegas Chamber of Commerce showed pictures of a dozen activities tourists could participate in while visiting the city, and not one of them involved gambling. Only a circular motif alluded to the familiar image of a roulette wheel. Even back then, Las Vegas was branding itself as “Broadway in the Desert,” and Fremont Street was the “Gay White Way of the West.” Las Vegas Boulevard was described as the “world renowned Strip with its multi-million dollar hotels and entertainment.” The bottom caption named Las Vegas the “FUN AND ENTERTAINMENT CAPITOL OF THE WORLD!” (Ferrari 141). This brochure shows that the city’s mystique and attraction has been essentially the same for over 60 years.

Las Vegas’ greatest ally in the creation and propagation of this mythology has been Hollywood. With a seemingly endless stream of TV programs and movies depicting, spotlighting, or deriding Las Vegas, the visceral magnetism of the city grows ever stronger. Over the years, Hollywood churned out movies and TV shows that were either

set in, or passing through the neon jungle. Complete lists are available online (List of films; List of TV), but below are some examples that bring the point home:

Table 3 List of Films and TV Shows Featuring Las Vegas

Release Date	Title	Comments
1960	Ocean's 11	The Rat Pack plans elaborate heist
1964	Viva Las Vegas	Elvis Presley and Ann Margaret star
1971	Diamonds are Forever	Sean Connery as James Bond
1978-81	Vega\$	ABC TV show starring Robert Urich
1988	Rain Man	Dustin Hoffman counts cards for Tom Cruise
1991	Bugsy	Barry Levinson directs Warren Beatty
1992	Honeymoon in Vegas	Nicholas Cage & James Caan connect with LV
1995	Casino	De Niro & Pesci in a true LV mobster story
1995	Showgirls	Filmed at the Stardust
1996	Swingers	Vince Vaughn is "So money!"
1997	Con Air	Cage crashes prison transport plane on Strip
1997	Austin Powers	Filmed on Strip, at Riviera, & Imperial Palace
2000-present	CSI	CBS: the one that started them all
2001	Ocean's 11	Remake with Clooney, Pitt, Roberts, et al.
2001	Cris Angel Mindfreak	A&E program linking the magician with LV
2002-3	Real World: Las Vegas	MTV's famous 'reality' series
2004	Dodgeball	Ben Stiller brings Vince Vaughn back to Vegas
2005-6	Las Vegas	James Caan is head of casino security

In the 1940's, public attention was directed toward Hoover Dam, and motorists made the drive to see it for themselves. In the 1950's, nuclear bomb testing made headlines every few weeks, so people came to see them detonate. Since the original Ocean's 11 movie in 1960, the constant stream of attention-seeking publicity has been non-stop. Over that time, certain shows have created more of a stir than others, particularly, MTV's Real World: Las Vegas in 2002 & 2003. The show introduced a whole generation of future conventioners to a level of sexuality that had previously only been known to the really worldly. Another new market has been developed with the growing popularity of

the World Series of Poker as broadcast on ESPN. The evidence shows that the LVCVA has successfully cast a wide net to attract gamblers and continues to develop future generations of visitors. Proof of the organization's direct influence was seen at theaters in the summer of 2008. In yet another romantic comedy set in Las Vegas, Cameron Diaz and Ashton Kutcher said that, What happens in Vegas..., stays in Vegas.

No expression of sentiment heard in any of these artist renderings encapsulates the visceral magnetism that draws people to Las Vegas better than this quote from the 2008 film 21: "The best thing about Vegas, is you can become *anyone* you want." In a sense, visitors are invited to perform their own disappearing act—shedding the confines of a routine existence to take on an alternative self, or better yet, to reveal the true inner self.

It was mentioned previously that entertainment directors must invent, repackage, or push the envelope in order to build anticipation and generate excitatory potential for the attractions in their specific venues. Often, this task is accomplished by exploiting the timing of events and cyclical patterns of stardom. The Rat Pack made Ocean's 11 in 1960 and thrust the city, as well as their careers, into hyper drive. Elvis performed his first live show in nine years in front of a television audience in 1969 just when Kirk Kirkorian was completing construction of the International Hotel. The largest hotel in the world would prove to be an ideal setting to forever secure Elvis as the King of Rock and Roll. More recent examples of star power in mind-boggling proportion included a five-year run for Celine Deon at Caesars palace that was followed by none other than Cher.

The pattern of invention, repackaging, and pushing the envelope is clear. Cris Angel's Cirque du Soleil show, Believe, will open this Fall at the Luxor. The show has multiple influences based on at least twenty years of Las Vegas innovation. It has magic:

a powerhouse for audience development since Siegfried & Roy in 1989. It has Cirque-styled acrobatics: the dominant innovative force on the Strip for a decade. It has an aspect of horror: the excitement induced by depicting violence as was mentioned earlier in Knobloch's study. *And* it has Cris Angel, a celebrity made famous on a TV program based in Las Vegas. Believe represents the synergy possible when one combines classic elements that have always worked (magic) with the strongest drawing card (celebrity) and the most modern artistic innovators anywhere (Cirque). Collectively, these components cannot fail to surprise, dazzle, and thrill while creating wonder, shock, and desire throughout every performance.

Section Summary

Several points have been made in this chapter, and some elucidation may be in order to clarify the interconnectedness of each issue and how it relates to the Psychology of Entertainment. The following generic scenario may assist in the explanation.

A typical Las Vegas tourist or conventioner will only stay in the city for three or four days, but will want to see and do as much as possible within that timeframe. To maximize his enjoyment, the guest will manage his mood and energy level by alternating between food and chemical stimulants, using primarily those things he has tested over years of self-experimentation to avoid becoming sick. Also, the guest will choose environments that move him closer to his desired mood. Since moods are infinitely variable, the guest requires many choices and price points for entertainment. If the guest has foreknowledge of certain entertainment options and can anticipate a good time, he is more likely to choose those over ones with which he is unfamiliar. Choices are often

based on type alone; therefore, entertainment venues can imbue a production with excitatory potential simply by indentifying it with a familiar genre. The guest in this scenario will continue to ingest chemical substances that prepare his body for whatever he has in mind, whether that be to relax or party all night. As long as this guest experiences extended periods of pleasurable sensory stimulation he will be more receptive to all sorts of sales messages, be they gaming, socializing, shopping, food, or sex. It is, therefore, in the casino's best interest to do *all* it can to keep the guest in this receptive state, to keep him from becoming agitated. As the Smith study alluded, even if the guest behaves in a way they would normally find embarrassing, he will blame it on the environment, or the anxiety-reducing, pleasure-enhancing chemicals flooding his brain. And as the images from Hollywood have taught him, if he does something really untoward, it will just be that guest's own personal little secret.

This above scenario stresses to a casino operator the importance of providing exceptional customer service. Customers must be keep from becoming agitated by offering a vast array of entertainment forms, and at price points that match the desired clientele. The scenario also confirms to the marketing team that their emphasis on mass media outlets such as TV and movies has produced great dividends.

CHAPTER 7

ECONOMIC ASPECTS OF ENTERTAINMENT

Inflation in the Performing Arts

As presented thus far, entertainment in Las Vegas extends far beyond the proscenium stage. Atmospheric opera singers, a costumed Cleopatra, animatronic installations, convention booth spokesmodels, even indoor thunderstorms all compete for attention. Gambling itself is officially a form of entertainment as defined here. In fact, gambling is the true American pastime, with people heading to the casino three times more often than the baseball stadium (American Gaming). For this chapter, however, the discussion will be limited to the non-gaming forms of entertainment, placing emphasis on staged production shows.

The economics of Las Vegas entertainment cannot be understood without taking its history into account. A former UNLV professor of Hotel Management, and all-around insider in the Las Vegas entertainment scene was Joe Delaney. At a symposium in 1981, he gave a talk that provided a journalistic insight to the behind-the-scenes goings-on of an evolving entertainment marketplace. The premise of his speech was to say that Las Vegas had produced a cycle of vanity and one-upmanship and was the primary catalyst that caused production costs to inflate astronomically from the 1950's to the 1980's all over America (25).

It is not hard to imagine the personalities who were involved in the one-upmanship. Casino operators in that period were not the corporate moguls of today, driving costs down and flattening pay scales. By contrast, the mob bosses of the 1950's had a flair for entertainers. They enjoyed being seen with the stars and associating with the high-class clientele. Their money and the high paychecks could get them close to celebrities who normally would not have given them the time of day. They *bought* access to celebrity, and ultimately what they purchased was bragging rights. In 1950, according to Delaney, the casino bosses had a friendly agreement that headliners at their hotels would get no more than \$25,000 per week. Over the years, competition for top acts pushed the weekly contracts up and up. When the Riviera recruited Liberace in 1955, he demanded and got a contract for \$50,000 per week (27). But Liberace was not the only performer cashing in. In the documentary The Real Las Vegas, comedian Red Buttons said, "During those years, for the price of only a drink, guests could be entertained by some of the best and brightest that show business has ever known.... And the money was enormous. I mean it was out of sight. Four weeks in Vegas, you coulda' bought a third-world country."

To maintain constant access to the best in entertainment, casino bosses started hiring entertainment directors from some of the nation's top venues. In 1955, for example, the Sahara hired Bill Miller, from New Jersey's Riviera Club. Miller, who is credited with inventing the Las Vegas lounge scene, had a long and influential career all over Las Vegas (The Real Las Vegas). When Miller was Entertainment Director for Caesars Palace in 1967, the salary cap was \$100,000 per week. By the time he booked Elvis in 1969 at the International, now the Las Vegas Hilton, it had grown to \$125,000 per week. The next big property to open was the MGM Grand at Las Vegas Boulevard and

Flamingo Road in 1973, now Bally's and the home of Don Arden's Jubilee! Headliners at their Celebrity Room included such luminaries as Dean Martin. Naturally, for that kind of star power, and following the natural trend, the cost escalated again to somewhere around \$200,000 per week (Delany 27-8).

In 1981, at the time Delany reported on these events, a now infamous transition had finally slipped into the abyss. Old-school gut instincts based on an understanding of human nature had been replaced by wallet-raping, service-sacrificing, corporate strategy. Headliner salaries had outpaced what a typical thousand-seat theatre could recoup. Ticket prices were adjusted to accommodate, but the price points forced a decline in attendance. Pressure began to mount on performers, and stars such as Dolly Parton were required to perform a dinner show and a late show seven nights a week in order to get their full contract paid. Dolly's contract was reported to be \$350,000 per week, but with all the maneuvering at the Riviera at that time, it is unclear what she ultimately received. In any case, the situation on the Strip had reached a pain threshold, and something had to give. At the Sahara, the solution chosen by the Del Webb Corporation was to eliminate big stars altogether, and transition to lower-cost live revue shows. Delany reports that the move was a disaster for the Sahara, adding that "it is possible to "save" yourself out of business in Las Vegas" (29-30).

As the corporations struggled to operate entertainment venues in the black, showroom managers began raising ticket prices and removing the previously included amenities such as alcohol. Regulars, accustomed to being treated with panache, sought out establishments that still offered value for their dollar. Attendance declined at many showrooms, and casino drops reflected the lack of traffic. Despite well-made arguments

to fill the seats “even if you have to give them away,” corporate policy required every sector to show a profit (Delaney 34-5).

Delaney gave his speech before the boom in entertainment of the 1990’s, but much of the corporate strategy he revealed continues to influence business as usual today. Casino managers have long insisted that shows run no more than 90 minutes. Delaney quotes the former casino operator of the Fremont, Riviera, and Aladdin hotels, Mr. Ed Torres, who would tell each of his performers:

The showroom is my room and these people are my customers. I am employing you to work in my room. I expect you to do enough business so the salary I am paying you will make sense.

I will tell you how loud the show will be and how long it can run. If you are too loud you will drive my customers out of the room, and possibly, out of the hotel. If you run ten minutes over, it could cost me as much as \$100,000 in the casino.

If you wear people out, they will not want to gamble, they will go to their rooms instead.

I will not tell you what to do artistically; it is to your benefit to do the best show possible each time out. You may have ten minutes extra, for acknowledgements, on opening night; otherwise, one hour and thirty minutes is the limit, an hour and twenty would be better. (36)

In the old-school business model of 1981 Las Vegas, the anticipated *cost* from the showroom, lounges, and high-end restaurants was no more than \$5 to \$10 per person (Delaney 33), which would be \$12 to \$24 in 2008 money. These “losses” were

experienced at nearly every showroom, every night for decades, no matter who the headliner was—from Liberace to Sinatra, with the possible exception of Elvis. Yet, the city grew throughout the twenty years between Sinatra’s Rat-Pack heyday and his less illustrious time at Caesars. Obviously, the casinos were more than offsetting the red ink of the showroom. Included in that business model was the delivery of top notch customer service, exotic motifs, gourmet dining, every imaginable beverage, and honest-to-Pete top-drawer household-name celebrity entertainment—all for a very affordable price. It was the cosmic perfection of the loss leader.

Delaney concludes that “Las Vegas’ formula for success” came when its gaming foundation added “entertainment, food, beverage, and very special service” (39). His statements are in complete agreement with this thesis insofar as his statements reach. In 1981, his expressed concerns for the future were well justified: “Our problem in years to come will not be the proliferation of gaming in other states, but what we have done to ourselves in Las Vegas in departing from our original successful formula” (39).

Contract Negotiation

Ed Torres provided a perfect synopsis of the business arrangements commonly made between producers and talent. To go beyond that synopsis, this section will examine aspects of contract negotiation to better understand how these agreements are made, and how they can vary from one production to the next. To understand the details, an interview was conducted with Ms. Lynn Fitzpatrick who has been a Contract Representative for Actors’ Equity Association, as well as a Producer and General Manager for shows in Las Vegas. Upon inquiring as to how the show Mama Mia! had

continued running for so long (7 years) at Mandalay Bay, she replied, “They have a very forgiving contract. The casino had so much trouble with shows in there like Storm, and wanted *something* going on in there.” Apparently, the management team at Mandalay Bay is willing to take a hit on the show as long as it builds traffic in the casino.

Ms. Fitzpatrick emphasized that the exact relationship between show producers and casino entertainment departments can be very difficult to ascertain if you are not part of the negotiating team. Unless the producer is flush with cash and simply rents the performance space for a fixed weekly fee, contracts can become extremely complicated. Nevertheless, generalizations can be made. A marketing package has to be hammered out. Advertising can be coordinated in-house, or fall completely within the purview of the casino. If the show is an already-famous touring Broadway hit, it might pay for its own advertising campaign.

The profit or loss for any given performance is determined by the “take” at the box office, and the negotiated contract determines what the “split” will be between the show producers and the casino according to Ms. Fitzpatrick. Some producers will allow the casino to divide the proceeds, because it saves them money, but in many cases, a third party such as All State Ticketing is brought in to provide some checks and balances. Nightly box office reports are produced by the ticketing agency and are reviewed by the Producer, or General Manager for the show. Next, the reports are reviewed by the casino usually by their finance and marketing team. The proceeds are tallied and divided up according to a pre-fixed split. If occasionally the show sells poorly, there might be provisions in the contract for “cut weeks.” On a cut week, both sides agree to take less money, hoping the following week will improve. If the show is required to pay royalties

to a publisher, on cut weeks, payments are deferred; everybody involved takes less money, sometimes even the cast. What Ms. Fitzpatrick makes clear is that the abyss, the one reached at the time of Delaney's 1981 address, has since been ascended:

Entertainment Directors are no longer boxed in, forced to show a profit with every performance.

A casino could demand payment after a bad week, but at the end of the day, the casino just wants to draw in customers, so it is in their best interest to be flexible. If the show sees a period of weak box office reports, rather than use the axe, they may have enough faith in the production to step up advertising. According to Ms. Fitzpatrick, advertising is one area with nearly infinite opportunities for variation, and in the case of a hit Broadway show, they "can pull out the big guns."

"The deeper the commitment of the show to the casino, the more, what they call "walls" are involved," explained Ms. Fitzpatrick. The concept of walls for theatrical production is essentially the division of labor. A producer will select the play, determine the skill level appropriate to the conditions and budget, raise the money, hire a director and cast, maybe a stage manager and technicians as well, setup payroll, then develop a show budget including costumes, scenery, and consumables, such as dry ice. Sometimes, the producer will be involved in marketing, but marketing is infinitely variable. The theatre owner will typically supply front-of-house personnel for box office, merchandising, and ushers, as well as stagehands, and musicians if needed. He will make the final decision on marketing, set the ticket pricing structure, and arrange for participation by third-party ticket brokerage agencies. Based on this traditional arrangement, they share a "two-wall" agreement.

The other most common types of contracts negotiated between producers and casinos today include:

Guarantee = The casino pays all expenses, but they pay less if the show value is diminished by the absence of regular performers. If the contract calls for 10 dancers, but only 9 perform, remuneration for that performance is only 90 percent.

One-wall = The hotel/casino permits use of the venue, but splits the front-of-house expenses or marketing costs with producers.

Two-wall = As described above, the hotel takes front-of-house and marketing.

Four wall = The producer supplies everything, including marketing, front-of-house, show expenses, etc. In most cases, the hotel will charge rent for the theatre and take half of box office proceeds.

Broadway—West

Traditional Broadway production have grown gradually more common in Las Vegas in recent years. However, the truth about the causes for show closings is often obscured by the spin placed on the incoming replacement. For instance, when Danny Gans moves out of his long-time residence at the Mirage (Steve Wynn's original Strip property), to replace Spamalot at the Wynn, (Steve Wynn's only current Strip property), is it really a type of homecoming for Gans as has been reported, and is Spamalot really going on tour as *originally* planned? (Vegas Auditions). Outward appearances indicate that these shows are considered hits, nevertheless, even their fiscal soundness is called into question when show longevity does not match the marketing hype. In tough economic times, entertainment directors are increasingly challenged to avoid disasters such as the one-

month run of Hairspray at the Luxor in 2007. The following sections address these challenges and offer suggestions on how to select demographically suitable entertainment options.

Learning from New York

In an article written by Jeffrey Jenkins in 2006 about “The Death and Life of Broadway,” one’s focus is directed toward New York as the cosmic center of the entertainment universe, at least as far as Broadway theatre is concerned. Jenkins warns would-be producers that nostalgia does not sell. He continues by providing a list of the now infamous flops from 2001 to 2003 that, at first pass, would have made even a conservative producer exceedingly optimistic: Gypsy, Little Shop of Horrors, Man of La Mancha, Oklahoma!, Into the Woods, Bells Are Ringing, 42nd Street (204). For theatre fans, this list is shocking. For marketing executives, perhaps a little less so.

The entertainment directors up and down Las Vegas Boulevard know that they must either invent or circumvent. They want to predict the next big thing and bring it to life in dazzling splendor. Short of that, as has been demonstrated over the years, they will take something old and repackage it in a way that excites the fan base and entices the unindoctrinated. In either case, they build anticipation and excitatory potential.

With an obvious eye on the New York scene, casino executives gave shape to Broadway-West including the same significant drift toward nostalgia. As a result, the health of their productions has reflected, to a large extent, “their audiences’ knowledge of subject matter or underlying material” (Jenkins 206). This is evidenced in the shows they chose: Mamma Mia!, Avenue Q, The Producers, Phantom of the Opera, Hairspray, Monty Python’s Spamalot. “Each of these “new” musicals had a ready-made audience

that reasonably could be expected to help generate substantial initial sales, repeat business, and enthusiastic word-of-mouth” (206).

Susan Bennett is another scholar who often writes about the history and business of theatre. Whereas Jenkins bemoans what he calls the “Disneyfication” of Broadway, Bennett fully grasps the engines of popular culture that have resulted in 20 productions of Mama Mia! scattered around the globe, and Cirque du Soleil’s scant 20-year rise from street performances in Quebec to a multinational conglomerate worth hundreds of millions. She also knows enough to distinguish the serious theatre audience from throngs of tourists (407-9).

Las Vegas is not alone in its efforts to project an image and attract those throngs. With intense competition for the international tourist segment, city branding has become increasingly widespread as the tourism industry flourishes. Researchers in Singapore found “for every tourist dollar spent on a theatre ticket, another \$2.80 is spent on ancillary services” (Bennett 412). In New York, this fact was capitalized on by Disney Theatricals, which adapted its system, “vertical integration,” for show development, marketing, and real estate acquisition (412). The inventor of Disney’s successful system was founder and CEO of Livent (Live Entertainment Corp. of Canada), Garth Drabinsky. His most significant achievement was actually “the wider integration of theatrical business in the diversified productive economies of transnational capital, by bringing to the theatre the systems of corporate partnerships and sponsorships that had developed in the film industry” (413). This is how a show like The Phantom of the Opera can become sponsored by companies as diverse as American Express and Pepsi. Mr. Drabinsky’s models are now the gold standard in marketing for the entertainment industry due to

previously unimaginable returns on investment that were realized with The Lion King. Using his principles, the retail sector can “assume rates of consumption that not only exceed local potentials, but also those of a single major tourist destination, even if that happens to be New York City” (414).

What New Yorkers learned from Disneyfication (otherwise known as Times Square redevelopment) was that theatre plays a dynamic role in revitalizing a stale market. Bennett describes this as a “complex ecological system” in which to appeal to tourists, “cities must be consciously molded to create a physical landscape that tourists wish to inhabit. No city can afford to be still for a moment, no matter how much it has recently done or how much money it has spent doing it” (415).

This statement is perfectly illustrated by Steve Wynn in the centennial documentary of 2005, Las Vegas: An Unconventional History, where he is seen in an interview with Bryant Gumble just before the historical implosion of the Dunes Hotel. Mr. Gumble asks, “Your decision to blow up the Dunes, is this part of a larger effort to do away with the old Las Vegas and reshape Vegas as something else?” Mr. Wynn replied:

It’s part of Las Vegas doing what everybody else is doing in the entertainment business in the world today, and that is keeping up with the changing tastes of the public. Everybody has become more and more highly expectant, and things that would have gotten a “wow” or a jazz ten years ago draw a yawn today. And if Las Vegas doesn’t move along like the movie industry and everything else, Las Vegas is not going to be the exciting place that it has been in the past. And it is, as you can see, it is moving along.

Moments later, the canons on the Britannia docked in front of Treasure Island blasted southward, signaling the Dunes demolition.

Who Goes to a Broadway Show

The LVCVA does an outstanding job at keeping up with the demographics of the Las Vegas market, but in recent years, some casino executives may have chosen to ignore their findings. The demographic patterns for Las Vegas tourists are significantly inconsistent with those that show a tendency to watch musical theatre. This difference is noticed when one compares statistics from another organization, The Broadway League, which is also in the business of conducting marketing studies.

According to The Broadway League, from 2006 to 2007, tourists accounted for 65 percent of tickets that were purchased to Broadway shows in New York City, the largest percentage in the past two decades. Sixty-four percent of the audience was female. The average age was 41. Caucasians made up the vast majority, 74 percent, and 75 percent held college degrees; half of those also had graduate degrees. Their average annual household income was \$98,900. Most of them had seen five shows in the past year, and chose them based on word-of-mouth recommendations.

Who Goes to a Touring Broadway Show?

The Broadway League also looks at those who attend touring Broadway shows. This group is significant because they are scattered throughout the country, much like the people that visit Las Vegas. Furthermore, the statistics reflect mostly Broadway musicals which is the only kind of theatre a Las Vegas casino would consider hosting. These audiences have some distinct characteristics that distinguish them from New York audiences.

The statistics were obtained during the 2005-2006 season, and indicate the following. Women made the purchase 73 percent of the time. The average age was forty-six. The vast majority Caucasian; 69 percent held a college degree and, 28 percent held a graduate degree. Annual household income of more than \$100,000 was reported by 38 percent compared to only 15 percent of Americans overall. Television commercials were the most effective form of advertisement, but newspapers are still relied upon. Also, the internet is increasingly important for finding information and purchasing tickets. On average, this group attended six shows in the past year, and 22 percent had gone to New York to see a show as well.

Who Goes to See a Broadway Show in Vegas

According to the LVCVA, the people most likely to attend a Production & Broadway show are package purchasers. In this category, 52 percent said they had seen at least one production show. Moreover, due to their organized management, this classification of visitors collectively attended more entertainment venues across all five types than any other subgroup. These statistics are depicted clearly in Figure 4 on the following page.

As one analyzes Figure 4, it can be seen that controlled groups of tourists, that is those who purchased a package that includes tickets or discount coupons to specific productions, are the only category attending Magic and Impersonator shows in significant numbers. Another item to note is that Lounge Acts are often free, and thus one expects this number to be high. Thus, the attendance of Production & Broadway shows is revealed to be even more significant. Unfortunately, nothing in the LVCVA statistics isolates the Broadway shows, but the demographic information about the Package subgroup does provide useful information.

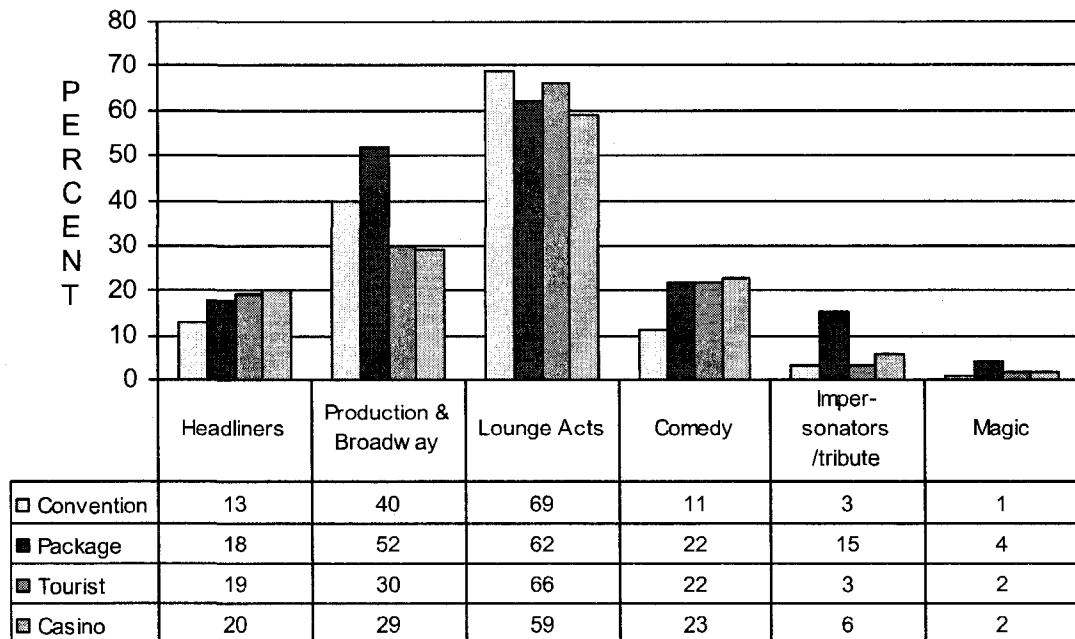


Figure 4 Types of Entertainment*

(Among those who Attended Some Form of Entertainment)

Base Sizes: Convention=216, Package=365, Tourists=1302, Casino=376, TOTAL=2259

*Multiple responses permitted.

According to LVCVA Visitor Profile for 2007 the Package crowds consists essentially of white married couples around 50 years old with jobs, although a quarter of them are retired. They are not well educated, half of them make less than \$80,000 per year, and a significant number of them are foreign, about 36 percent in fact. The Package group does not reflect the “Broadway” demographic and calls into question the value of marketing Broadway shows to this group.

In reviewing closely the LVCVA demographics, there is one group that looks more like a “Broadway” audience—convention attendees. This group is only 54 percent men, less than might be assumed. As a group, the vast majority are married, in their mid-

forties, employed, college educated, *and* three-quarters of them earn over \$80,000 per year. If casino operators want to promote Broadway shows in Las Vegas, perhaps this demographic subgroup should be the target audience.

She’s got legs! or, Show Longevity

Table 4 Characteristics of a major hit musical versus a major hit movie (Vogel 323).

	Musical: <i>Phantom of the Opera</i>	Motion picture: <i>Jurassic Park</i>
Global box office	\$2 billion	\$913 million
Average production & premarketing cost	\$9 million	\$70 million
Length of run	10+ years	20 weeks

As the numbers in Table 4 above exemplify, enormous profits can be generated by a production that has *legs*. It follows that an entertainment director would strive to secure a known commodity that still has staying power for a major casino property. As noted, the Venetian is currently running the “Vegas Spectacular” version of Phantom of the Opera in a truly stunning theatre that is a modern take on the traditional Italian opera house. Just the right venue for the typical theatre audience, which is “highly educated with usually higher incomes, as well” (Vogel 317). To make the 3-hour Andrew Lloyd-Weber composition more palatable to casino operators, the show’s original Broadway director, Hal Prince, was brought in along with Lloyd-Weber to cut the show back to a more casino-friendly running time, which as discussed earlier is 90 minutes. To their credit,

they managed to present the heart-wrenching romance complete with comedy, opulence, emotional range, special effects, and breathtaking pageantry all in around 100 minutes.

A show like Phantom will attract the kind of clientele one would expect at a high-end casino on the Strip—those that tend to follow the Broadway demographic mentioned earlier, with their higher education and corresponding incomes. Meanwhile, the Venetian is also home to the more accessible Blue Man Group, the popular percussionists presently promoting Pentium products. In fact, the Venetian shines as an example of near perfection in their ability to provide a variety of quality entertainment with something for everyone and at *all* price points, everything from free to thousand-dollar bottle service at Tao nightclub. Taking for granted all the usual variety in gaming and the two shows mentioned above, they also have: Jersey Boys, Wayne Brady; activities like Madame Tussauds Wax Museum, and gondola rides with singing gondoliers; night clubs including V Bar, Tao, and Tao Beach; a world-class spa; plentiful shopping; and finally, atmospheric entertainment—that is *free* entertainment—via living statues and Artiste del Arte, which entails a band of wandering minstrels and opera singers accompanied by jugglers and a stilt walker. Until recently, there was even the Guggenheim-Hermitage art museum. This full spectrum of entertainment is not duplicated at any other casino in Las Vegas, which is curious considering the global success of Las Vegas Sands Corporation.

Some properties do what they can to rise to the Venetian's standard. The Rio has its Show In the Sky, which has been voted “Best Free Show” by the Las Vegas Review Journal, and “bevertainers” that sing and dance in between serving drinks to gamblers. These free programs generally keep the atmosphere festive. Also, the casino has maintained a variety of legitimate theatre along with Vegas-style review shows for

audiences to experience, not to mention their headline act, Penn & Teller. They have had afternoon shows, family shows, dinner shows, girly shows; they even have a boy-toy show, the ever popular Chip-n-Dales. Despite mammoth capital outlay for floats that float (along tracks in the ceiling), the innovative approach to cocktail waitressing, and the periodic star power of their well-intended long-term productions, the Rio appears to continually struggle. The short-lived Prince and Friends (as in “artist formerly known as”) offers a prime example. Advertizing for this production featured the familiar Prince symbol displayed prominently, covering a third of the east side of the Rio’s 52-story curved tower, making it clearly visible from the Strip and Interstate 15. The show only ran for five months, and the sudden disappearance of the colossal banner signaled another in a long line of disappointments for the Rio.

With no voodoo magic powerful enough to guide the Rio and her competitors, how does a casino know when to close a show, or even where the breakeven points are? What is the percentage at which a show has lost its legs? One thing is certain; it is different with each production. As mentioned earlier, the producer develops the show’s budget. It will include operating costs for a weekly run, as well as initial start-up costs. The start-up capital is recouped over time when the breakeven point is surpassed. One strives to select a show that has the staying power to make it to that magical breakeven point (Vogel 317).

Considerations for Investors

Consolidation of expertise required to run Las Vegas is not exclusive to the gaming industry, but is critical to the entertainment sector as well. In the 1950’s, entertainment directors were hired who knew how to attract stars. In the current decade, decisions

about show selection are made with a thorough understanding of the concepts basic to theatre management. Harold Vogel, author of Entertainment Industry Economics, cautions, “prospective investors should have a solid grasp of labor union contract stipulations. Relationships with the Actor’s Equity Association, the Dramatists’ Guild, the Society of Stage Directors and Choreographers, and the International Alliance of Theatrical State Employees may have important financial ramifications on performing arts productions” (331).

Below is a paraphrased version of Vogel’s list of organizational features inherent to a theatrical enterprise:

1. Public acceptance cannot be determined precisely in advance.
2. Artists/performers/creative types do not do it for the money.
3. The product requires highly qualified specialists with a vast array of skills.
4. Creative products are differentiated both vertically (A is better than B) and horizontally (A is same genre as B but different story/actors/etc.).
5. No two creative products are identical.
6. Creative products, especially events, are concerned with timeliness and require great coordination among contributors.
7. Remuneration to the creator is spread out over time in the form of royalties or rent payments (Vogel 331-3).

Vogel continues by explaining the concept of Elasticities. The price inelastic nature of attendance to performing arts events indicates that demand for the product exceeds a raising of the ticket price. Those who truly want to attend, will pay the higher price subject to the rarity of the event. This concept explains why scores of individuals paid

several thousand dollars to sit ring-side at 2007's La Hoya vs. Mayweather bout at the MGM Grand. "Empirical studies suggest that...overall demand for the performing arts and for cultural events will probably grow at about the same rate as that of the domestic economy" (Vogel 333).

Other more complicated economic formulas are explained as well, including externalities, price discrimination, and inelasticity which has its limits within a particular consumer group and can be exploited by determining the customer surplus. Consumer surplus is described as the price difference "between what customers actually pay and what they would be willing to pay" (334). It should not be surprising that such detailed mathematical calculations go into determining how much one will have to pay to attend the next Rolling Stones concert at the MGM Grand Garden Arena. Shows in modern times are produced by vast corporate conglomerates and include multinational sponsors. The performances are merely commodities "consumed at the point of production" (334).

The economic considerations discussed in the preceding sections indicate the necessity to consolidate expertise within the specialty of entertainment management. The guests who visit Las Vegas' island of controlled social deviance have a certain expectation of excellence before they arrive. That reputation is sustained through consistency over time. Access to famous celebrities must be guaranteed, which means ever-increasing costs; yet to satisfy the Formula, pleasurable sensory stimuli can only be continuous when ticket prices are reasonable and customer service exceptional. Thus, negotiations between producers and casino operators must be conducted carefully and competently to maximize profits. Despite the efforts of top professionals in this field, the anticipated results often prove elusive.

CHAPTER 8

LAS VEGAS' FORMULA FOR SUCCESS

The preceding chapters have examined topics from a interdisciplinary perspective to understand the forces that shape and color the landscape of Las Vegas entertainment. The twelve sections below are intended to summarize that content and present the ideas in a way that assists the reader in viewing the elements in light of their synchronicity. These elements are compiled as *actions* that the city has taken and still continues to perform. Working in synergy, these elements form Las Vegas' Formula for Success.

Acquire Natural Resources

Every city requires basic natural resources to operate; primarily water and power. Las Vegas started at a disadvantage in this regard due to its desert geography; however, engineers have overcome these hurdles. With massive power streaming from the Hoover Dam, the city is able to cool vast public spaces in the heat of a Mojave summer, then light up like sparkling jewels every night. As a result, the city takes advantage of over 300 days of sunshine per year. The city is also known for consuming more water per capita than anywhere else in the country, in spite of only averaging six inches of rainfall per year. As with nearly all western cities, the search for more water is constant, and may become a growth-limiting factor, but what the city has overcome up to this point is impressive.

Attract Human Resources

For several decades, workers have migrated to Las Vegas in search of a better life. Many found that life in the form of stable employment and affordable housing. As the city continued to grow, a concentration of skilled labor arrived from all over the country, and changed the skyline forever. At times, differences between labor and management have slowed progress, but empowering unions helped to pull opposing forces together, getting things back on track. The current national housing crisis has hit Las Vegas particularly hard, exposing a trend of overextension by some workers as they pursue their idea of the American dream. Hard times may be ahead for many people, but even with corporate pressures to flatten wages, the jobs that remain are mostly stable.

Establish Transportation Routes

In a desert, the implied imperative is to transport whatever is needed, from food and water to construction equipment. In 1905, the region's mineral exports justified putting a railway station in Las Vegas. The track made supplying the city much more convenient. A railroad spur to Boulder City allowed the dam project to proceed. A federally-funded widening of Highway 91 made it safe and convenient for L.A. motorists to see the dam and establish Las Vegas' tourism industry. Years later, direct flights from the East Coast boosted visitor stats. To this day, Las Vegas has relied on efficient road, rail, and air transport to bring in everything from the Italian marble that Bugsy imported for the Flamingo (Modern Marvels) to the fresh lobster served for dinner.

Establish a Unique Regulatory Structure

Nevada always had a libertarian view of states rights, and liberal laws had been passed even before making headlines in 1931. When legislators legalized casino-styled

gambling throughout the state, they effectively created a refuge for a nationally suppressed pastime. The stigma associated with gambling has not been fully overcome despite its ubiquitous expansion, yet the state, and especially Las Vegas, has managed to capitalize on the visceral magnetism this situation creates.

Through the state's unique tax code, businesses and workers were encouraged to make the trek to the desert. That same tax code that eventually brought Howard Hughes to the desert, launching a corporate armada. Those ships are still sailing the sandy sea.

All gambling towns will periodically be pressured to change the laws, extracting more taxes from casinos, etc., especially if communities perceive social degradation. This pressure is best dealt with proactively through constant employee training and support for recovery programs.

Adapt and Expand Access to Capital

Flexibility is the key to maintaining a steady stream of life-giving capital. In the private sector, Las Vegas began with mining, which led to Clark's railroad. He sold to Union Pacific, and when they left, a stranded town bet on tourism. Saved by Uncle Sam when the dam, and later, the military came to town, diversification proved essential. As bigger hotels required bigger budgets, private money came from organized crime syndicates, then the Teamsters, followed by Hughes, Kirkorian, publically owned corporations, and finally junk bonds with which Steve Wynn financed the Mirage (Ferrari 227). Publically traded multinational conglomerates are still the rule today, but recently, Caesars (formerly Harrah's Corp.) was purchased and is now privately owned. Throughout these changes, the LVCVA kept the statistics that allowed developers to know precisely when it was time to expand.

Buy Access to Celebrity

As far away from civilization as Las Vegas started, the relative proximity of Los Angeles has improved its access to celebrity. As casino operators competed with one another paying outrageous sums for the biggest stars, the hip and relaxed atmosphere enticed all sorts of celebrities to join the party. With so many non-performers spending their spare time at Strip resorts, it became well advertised that a tourist might casually bump into just about anyone, from Edward G. Robinson in the lounge to Rock Hudson out by the pool (Ferrari 144). Today, sports figures, rap video stars, and the like, often make unannounced invasions with an entourage in tow. And they are likely to be followed by Paris Hilton, or Nicholas Cage. The tabloid press goes into a feeding frenzy every time Britney Spears comes to town; her recent two-day marriage gifted the city with several days of free press.

Exploit Human Nature

In the early days of Las Vegas, local bar owners took advantage of the fact that miners and railroad workers liked to relax at the end of a hard day. When government projects boosted the population, more businessmen followed suit. A unique regulatory structure made gambling legal, but intuitive casino owners like Benny Binion stepped it up a notch by providing free booze and great customer service. The style has been refined over time, but what America's mobsters knew was how to satisfy the suppressed desires of human nature. They converged upon the city in the 40's and 50's, and today the results of their accumulated insights are evident. They may not have understood about dopamine or MAO, but they intuitively knew it would help their cause to hire dancing girls and provide free whisky, giving their guests the courage to double-down.

Consolidate Expertise

Find someone who has been doing it for a long time, and heed the advice of experts. This Formula rule first proved notable when inexperienced gambling hall owners were gradually replaced by organized crime syndicates. Though not an endorsement of all their business practices, the crime bosses experience in regard to running a casino operation cannot be emphasized enough. When Kefauver forced many of them out of home towns throughout America, it resulted in a consolidation of experience that was critical in elevating Las Vegas to the next level.

Provide Variety of Entertainment

Individual entertainment directors must consider their own casino first and target a specific demographic creating anticipation and excitatory potential. However, for the city to have a complete line-up of entertainment selections, it must collectively provide everything imaginable, and many things that the consumer cannot imagine. A creative idea or genre must be spread over price points through casting and production value. Consider the budget-conscious, as well as the exclusive-seeking consumer. Entertainment directors do not assemble to coordinate efforts across the city. Each must have a thorough understanding of theatre management principles and pricing strategy. They should exploit the retail options if possible, but whatever they do, they must view the competition, and study the demographic statistical data before deciding in which production to invest.

Propel the Myth

Love it or hate it, one can hardly avoid hearing about Las Vegas. The city's booster organizations, the Chamber of Commerce and the LVCVA, may not deserve all the credit,

but they have certainly played a hand in keeping the scandals of Sin City in the headlines. After tourism was securely established, the city benefited from its sensationally short 42-day divorces. Leading the publicity campaign were stories about “Ria Langham—better known as Mrs. Clark Gable” (Ferrari 60). This story was so popular, it made the area’s non-gaming activities just as famous as gambling. In the 50’s, the nuclear tests kept them in the news. Since 1960, Hollywood has been the city’s greatest ally.

Make the Experience Genuine

Rather than serving up a series of imitations, a certain portion of the encounters experienced during a visit to Las Vegas must be genuine. This sense of *real* can occur in many ways. Fine art, for example, represents the concept of *treasure*. Seeing a superstar in a live show is a treasure. Juxtaposition of environmental elements puts a surreal twist on *genuine*. A genuine *risk* will intensify someone’s experience. Gambling risks are readily available, but for variety, one could have a glass floor in the penthouse nightclub, or a rollercoaster on property. There is even one rollercoaster on top of a penthouse-nightclub! Sky-diving, ballooning, or helicopter tours all have this genuine quality of an experience that will be remembered and treasured. Add the retail sector, and guests will buy a small treasure to take home, too.

Control the Environment

Surround guests with a Security Blanket. Police, casino security, surveillance systems, and transportation security combine to decrease the number of incidents that occur, thus, allowing the other guests to maintain their buzz. EMS adds another layer when medical needs arise. Behind these surface layers of security remains a layer of

regulatory oversight and managerial expertise that has allowed the Nevada model to become the national standard.

This study is merely an overview of elements necessary for Las Vegas to achieve its status as Entertainment Capital of the World. Others are encouraged to continue evaluating Las Vegas in an interdisciplinary fashion. Such research may lead to the discovery of other crucial elements and to a further understanding of the ones covered here.

Table 5 List of Formula Ingredients

LAS VEGAS' FORMULA FOR SUCCESS

Acquire Natural Resources

Attract Human Resources

Establish Transportation Routes

Establish a Unique Regulatory Structure

Adapt and Expand Access to Capital

Buy Access to Celebrity

Exploit Human Nature

Consolidate Expertise

Provide Variety of Entertainment

Propel the Myth

Make the Experience Genuine

Control the Environment

CHAPTER 9

FORTUNE COOKIE

Recent Declines in Las Vegas Gaming Revenue

What is in store for Las Vegas, now that the rest of the world has seen the Formula for Success in action? Is the proverbial economic pie increasing in size, or is the slice allocated to Las Vegas going to be smaller? According to recent monthly statistics reported by the LVCVA, gaming revenues have seen some of the worst declines in the organization's history. By July 2008, year-to-date revenue had dropped 6.6 percent compared to 2007, or \$420.7 million. Most analysis has linked the decline with the current domestic economy; however, some data points to a trend beyond our shores.

In Las Vegas, there are essentially three sources of gaming revenue to consider: locals, motorists from Southern California, and airline passengers. As for the first category, revenue generated at casinos usually associated with local patronage has declined 9.4 percent so far in 2008. This drop may seem significant, but the number of dollars it represents is \$44 million, which is only about one-tenth of the shortfall.

Using LVCVA's published statistics, analysis of traffic across the Nevada/California border indicates that every 1,000 cars entering from California represents roughly \$1 million in casino revenue. This admittedly round figure is determined by assuming that since most rooms contain two guests, then most vehicles will contain two passengers. Also, the LVCVA calculates an average individual's gaming budget to be \$550.

Therefore, it follows that the average car from Southern California represents \$1,000 in gaming revenue. By the end of July 2008, there had been 14,998 fewer cars across the NV/CA border, showing a 5.4 percent decline. The amount of lost gaming revenue those vehicles represent equals nearly \$15 million, not a significant amount when compared to the \$420 million shortfall.

After accounting for \$44 million less from locals, and \$15 million less from California motorists, one is still looking for the other \$361 million. Could it be spread across airline passengers? Convention attendance was relatively flat compared to last year, although it is evident that those people are spending around 4 percent less—about \$20 less per trip. Occupancy levels were down about 2.5 percent in hotels, so rates naturally adjusted downward. With visitor volume in 2008 down a mere 1.1 percent, something more significant is happening to result in the 6.6 percent decline in revenue on the Strip.

In a Las Vegas Review-Journal article from 12 August 2008, Benjamin Spillman cited several of these LVCVA statistics and painted a picture of economic gloom focusing on the domestic economy. Admittedly, there was a 16 percent decrease in July room rates, but that merely indicates that hotel executives adapted to conditions and changed to *summer* rates a few weeks early. Rising fuel costs, plummeting housing values, and tight credit markets were all blamed in the brief article. Spillman also quoted an LVCVA official who mentioned the “charter and direct international service” category, stating that it is “considered a potential source of revenue” that helps prop up a weak domestic climate. This market segment is significant, so it will be examined more closely.

The table below compares the changes in percentage of total visitor volume as well as international passenger volume for the first seven months of 2007 and 2008 as reported by the LVCVA. A negative number means there was a decline in visitors from 2007 to 2008 for the corresponding month; a positive number means there was an increase.

Table 6 LVCVA Visitor and Int'l Passenger Comparison from 2007 to 2008

	January	February	March	April	May	June	July
Total Visitors	- 0.6%	3.1%	- 1.0%	- 1.5%	0.4%	- 3.1%	-4.6%
Int'l Air Passengers	0.5%	7.8%	0.5%	- 10.6%	- 6.4%	- 7.2%	- 13.1%

The following graph illustrates the numbers above along with a middle category, Domestic Visitors, produced by extracting international visitors from the total number of visitors. What is evident is a much more volatile proportional change in the International Air Passenger category.

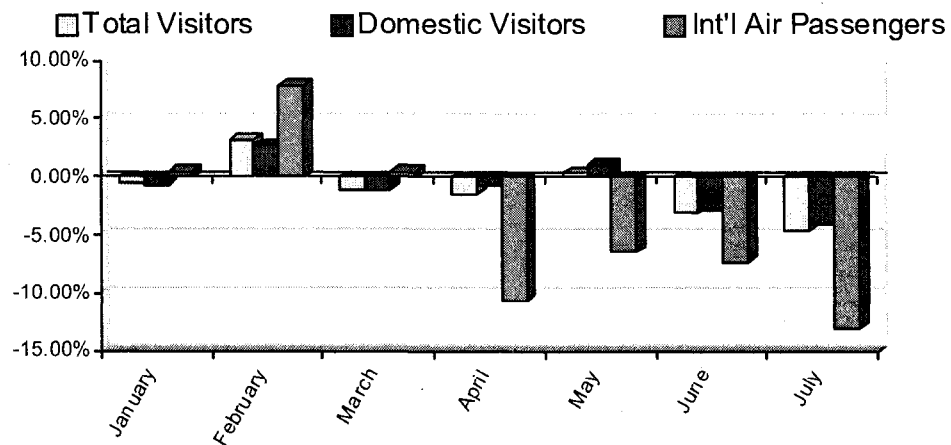


Figure 5 Percent change from 2007 to 2008 in three visitor categories.

What can be gleaned from the above statistics is that there has been a somewhat flat domestic trend in visitation, contrasted with dramatic changes in international travel. It seems likely that the weak dollar encouraged about 16,000 more Asians to celebrate Chinese New Years in Las Vegas in February of 2008. However, since then, they have not been taking advantage of favorable exchange rates. So, where are the international visitors? One theory is that these numbers point to Asia, particularly Macao.

It would be convenient to prove a corresponding increase in visitation to Macao, but actually, the number of visitors heading to Macao has gone down over the past two years due to ever-changing visa restrictions placed on local Chinese. Although an article in Forbes called, "Macao beefs up visa restrictions on mainland visitors," claims that the measures are aimed at preventing money laundering and social growing pains, it is possible officials are also erecting barriers to prevent the special economic zone from developing like Atlantic City; they want quality, not quantity—something they learned from Las Vegas.

Locate the Missing Millions

If Macao is attempting to increase the quality of its players, evidence is needed about player migration in the VIP and high-roller categories. A small number of these players can make a significant impact. By spending from 4 to 5 million dollars each visit, one high-roller represents over 9,000 average tourists in money spent per visit. Considering how a high-roller travels, they are also more likely than anyone to arrive in Las Vegas via charter or direct international flights. Perhaps the significant decline in this demographic is where gaming revenue is being impacted.

This analysis will focus on data from July 2008. In that month, there was a 15 percent decline in passengers through chartered and international airlines, a number that represents about 31,000 people. On the Strip, which is where these visitors would have stayed, declines in revenue exceeded \$87 million for the month. If only one out of a thousand of these international travelers was a high-roller, that is a potential revenue drop of over \$100 million. As noted earlier, this group is considered a potential source of revenue, and with such a steep drop in the number of international passengers arriving through McCarran, this demographic could more than account for the decline in revenue.

Evidence Tracking Millions to Macao

Meanwhile, 2nd quarter reports for 2008 by the Wynn Corporation and Las Vegas Sands Corporation (LVS: operates the Venetian in Macao and Las Vegas) expose another trend. The Wynn report shows that net income for the quarter rose dramatically from \$89.6 million in 2007 to \$272.0 million in 2008, and explained the growth by stating, “The increase resulted from higher earnings from Wynn Macao and a \$140.7 million deferred tax benefit recorded during the quarter” (Wynn). Wynn Las Vegas, on the other hand, saw revenues for the same period *decline* from \$115.3 million in 2007 to \$81.8 million in 2008, a 29 percent drop.

Despite sharp declines in Las Vegas, the Wynn Corporation is doing well. One statistic in particular may account for the profits in Macao. As the 2nd quarter report said, “In Macao, table games turnover in the VIP segment increased 74.9 percent to \$16.3 billion for the period, compared to \$9.3 billion for the second quarter of 2007” (Wynn). Even with gamblers fairing well at the tables, the Wynn enjoyed nearly normal margins with a

three-quarter increase in volume, and this staggering sum is the result of the VIP segment (Wynn).

LVS is the other big player in Macao. Performance at the Venetian is actually off from 2007 according to William P. Weidner, President and COO of LVS. Nevertheless, the company remains poised to dominate the industry on a global scale. Weidner stated, “While the results of the Sands Macao clearly reflect the increasingly competitive environment on the Macao peninsula, we remain pleased with the long-term market positioning of the Sands” (PR Newswire). Proof of this fact can be found in the combined EBITDA (earnings before income tax, depreciation, and amortization) for Wynn and LVS in Macao. In 2nd Qtr. 2007, reported earnings for the Wynn (\$92.7) and LVS Macao (\$116.6) added up to \$209.3 million. Almost eerily, 2nd Qtr. 2008 was: Wynn \$155.2 million and LVS Macao \$54.1 million, also totaling \$209.3 million (Wynn; Las Vegas Sands). Apparently, once the Wynn Macao opened, many Venetian patrons shifted their play to the newer resort, which is a mere two miles north. It is common for customers to flow toward the newest, most exciting entertainments available, and with all the building LVS is currently doing, Wynn Macao will in turn see its own decline in the months to come. What can be seen from the combination of reports is that data from Wynn and LVS show a growing concentration of high-quality players and tremendous profits for the same period in which the LVCVA shows a steep decline in international passengers.

Concerns for the Future

The purpose of this investigation is not merely to locate the money missing from cashier cages in Las Vegas, but also to ask whether the city’s corporate saviors from the

1990's have turned their attention elsewhere. Perhaps this statement from Mr. Weidner will answer that question: "We remain focused on the fundamental goal and commitment we share with the people of Macao—the transformation of Macao into Asia's premier business and leisure destination" (Las Vegas Sands). To be fair, LVS did recently open the Palazzo in Las Vegas, combining with the Venetian to now boast the largest room inventory on the Strip for a 'single' property. But what exactly does this transformation in Macao entail?

The Cotai Strip™ is the ongoing development project by LVS that will turn one mile of Macao's south island into a concentrated area of nothing less than the most spectacular resort destinations ever designed. Along with the eight hotels, construction includes a separate airport and ferry boat facilities (Lovett). The purpose of the massive investment in transportation infrastructure for the Cotai strip is to attract "new customers with high discretionary incomes from around the region to visit the market for the first time" (Las Vegas Sands). Additionally, LVS investments do not stop in Macao; they are also building a "multi-use site" at the Marina Bay Sands™ in Singapore (Las Vegas Sands).

The architect who placed so many iconic features on the Las Vegas Strip, Brent Lovett, is involved in LVS projects for both Macao and Singapore. He is currently designing and constructing nightclubs at these locations that will indeed fulfill the fantasies of the most hard-core and exclusive partiers in the world. One will be the largest nightclub in the world, and the other will have an underwater entrance. These developments will truly be on the cutting edge in terms of design, as well as marketing concepts. As an insider to the development process occurring now on Macao and particularly with LVS, Mr. Lovett had some thoughts that point to a vastly different

future for Las Vegas. With his entrepreneurial talents and expansive world view, this paper will conclude with a comment, or more accurately, a warning he shared.

Toward the end of the interview with Mr. Lovett, it was mentioned that in light of the burgeoning economies of Asia, including cities like Macao and Dubai, Las Vegas would have to “step it up” in order to maintain its title as Entertainment Capital of the World.

Mr. Lovett replied:

Yeah, and I think the chances of us holding onto that are slim to none. I think we have finally hit our wall. We taught the world how to do it, and now, people who have a lot more money to burn than we do are doing it.... You’ve got half the world’s population within a 5-hour flight. You take Macao and draw a radius around there, that is the future of the world.... if you want to succeed in it, the best thing to do is go play in their garden.

REFERENCES

- “21.” Dir. Robert Luketic. Perf. Kevin Spacey. Columbia Pictures. 2008.
- AmericanGaming.org. 2003. American Gaming Association. 16 September 2008
<<http://www.americangaming.org/>>.
- Bartlett, Donald L., and James B. Steele. “The Have-Mores and the Have-Lesses.” Social Problems: Readings with Four Questions. Ed. Joel M. Charon. Belmont, CA: Wadsworth, 2002. 46-47.
- Bayard de Volo, Lorraine. “Service and Surveillance: Infrapolitics at Work among Casino Cocktail Waitresses.” Social Politics 10.3 (2003): 346-76. Project Muse. 22 July 2008 <<http://muse.jhu.edu>>.
- Bennett, Susan. “Theatre/Tourism.” Theatre Journal 57 (2005): 407–428. Project Muse. 22 July 2008 <<http://muse.jhu.edu>>.
- Best, Joel. Deviance: Career of a Concept. Wadsworth: Thomson Learning, Inc., 2004.
- Bureau of Reclamation. 2008. U.S. Department of the Interior. 21 September 2008
<<http://www.usbr.gov/lc/hooverdam/service/index.html>>.
- Delaney, Joe. “The Performing Arts in Las Vegas: The Impressions of a Journalist.” Inflation and the Performing Arts. Ed. Hilda Baumol and William J. Baumol. New York: NYU Press, 1984. 25-42.
- Dominguez, Juan M., and Elaine M. Hull. “Dopamine, the medial preoptic area, and male sexual behavior.” Psychology and Behavior 86 (2005): 356-8.
- Embarq Phone Directory. Jan – July 2008. Las Vegas, NV: R. H. Donnelley, 2008. 1208.
- EMT-Paramedic (anonymous). Personal interview. 7 September 2008.
- Ferrari, Michelle, and Stephen Ives. Las Vegas: An Unconventional History. New York: Time Warner Book Group, 2005.
- Fitzpatrick, Lynn. Personal interview. 25 & 27 July 2008.
- Fox, William L. In The Desert of Desire: Las Vegas and the Culture of Spectacle. Reno, NV: University of Nevada Press, 2005.

- Friedman, Bill. Designing Casinos to Dominate the Competition. Reno, NV: University of Nevada, 2000.
- “Gallup Poll Social Series Crime.” Gallup Brain. 9 Oct. 2006. Gallup Poll News Service. 15 July 2008 < http://institution.gallup.com.ezproxy.library.unlv.edu/documents/questionnaire.aspx?STUDY=P0610042_1>.
- Gazel, Ricardo. “The Economic Impacts of Casino Gambling at the State and Local Levels.” Annals of the American Academy of Political and Social Science 556 (1998): 66-84. JSTOR. 22 Jul. 2008 < <http://www.jstor.org/stable/1049330>>.
- Gillman, Jodi, et al. “Why We Like to Drink: A Functional Magnetic Resonance Imaging Study of the Rewarding and Anxiolytic Effects of Alcohol.” The Journal of Neuroscience 28.18 (2008):4583-4591. 19 Sept. 2008 <doi:10.1523/JNEUROSCI.0086-08.2008>.
- Goode, Erich, and Nachman Ben-Yehuda. Moral Panics: The Social Construction of Deviance. Cambridge, MA: Blackwell Publishers, 1994.
- Hammersley, R., Reid, M. “Theorizing Transient Mood after Ingestion.” Neuroscience and Biobehavioral Reviews Accepted Manuscript (2007): 1-43. 19 September 2008 <doi:10.1016/j.neubiorev.2008.07.010>.
- Hittner, James B., Rhonda Swickert. “Sensation seeking and alcohol use: A meta-analytic review.” Addictive Behaviors 31 (2006): 1383–1401. 19 September 2008 <<http://www.sciencedirect.com>>.
- Hull, Elaine M., and Juan M. Dominguez. “Getting his act together: Roles of glutamate, nitric oxide, and dopamine in the medial preoptic area.” Brain Research 1126 (2006): 66-75.
- Jenkins, Jeffrey Eric. “Through a Glass, Nostalgically: The Death and Life of Broadway.” Journal of American Literary History. Adv. Access Pub. 23 Nov. 2006: 190-210. Oxford University Press. Project Muse. 22 Jul. 2008 <<http://muse.jhu.edu>>.
- Koch, Ed, Mary Manning, and Dave Toplikar. “Showtime: How Sin City evolved into ‘The Entertainment Capital of the World.’” Las Vegas Sun. 15 May 2008. 24 June 2008 < <http://www.lasvegassun.com/news/2008/may/15/evolution-worlds-entertainment-capital/>>.
- Klemenc, Stacey Enesey. “Project Profile: The Waterfalls at Wynn, Las Vegas.” Concrete Decor Magazine Online 7.5 (2007). 10 July 2008 <http://www.concretedecor.net/All_Access/705/CD705-Project_Profile.cfm>.

Knobloch-Westerwick, Silvia. "Mood Management Theory, Evidence, and Advancements." Psychology of Entertainment. Ed. Jennings Bryant and Peter Vorderer. Mahwah, NJ: Lawrence Erlbaum Assoc., 2006. 240-51.

Las Vegas: An Unconventional History. Dir. Steven Ives, WGBH Educational Foundation and Insignia Films, DVD, PBS Home Video, 2005.

Las Vegas Convention and Visitors Authority. Las Vegas Visitor Profile: 2007. By GLS Research. Dec. 2007. 11 Sep. 2008 <<http://lvcva.com/>>.

"Las Vegas Sands Corp. Reports Second Quarter 2008 Results." P R Newswire 30 July 2008. 30 Aug. 2008 <<http://www.prnewswire.com/>>.

Las Vegas: Then and Now. Prod. Dir. Steve Gerbson. Prod. Co. Andrew Solt Productions. 2001. DVD. Travel Channel, 2001.

Linz, Daniel, et. al. "Testing Legal Assumptions regarding the Effects of Dancer Nudity and Proximity to Patron on Erotic Expression." Law and Human Behavior 24 (2000): 507-33.

"List of films set in Las Vegas." Wikipedia. 26 Aug. 2008. Wikimedia Foundation. 6 Sep. 2008 <http://en.wikipedia.org/wiki/List_of_films_set_in_Las_Vegas>.

"List of films shot in Las Vegas." Wikipedia. 26 Aug. 2008. Wikimedia Foundation. 6 Sep. 2008 <<http://en.wikipedia.org/>>.

"List of television shows set in Las Vegas." Wikipedia. 4 April 2008. Wikimedia Foundation. 6 Sep. 2008 <<http://en.wikipedia.org/>>.

Lovett, Brent. Personal interview. 8 July 2008.

LVCVA.com. 2008. Las Vegas Convention and Visitors Authority. 3 July 2008 <<http://lvcva.com/index.jsp>>.

"Macao beefs up visa restrictions on mainland visitors." Forbes.com 17 July 2008. 30 Aug 2008 <<http://www.forbes.com/afxnewslimited/feeds/afx/2008/07/17/afx5223907.html>>.

"McCarran International Airport." Wikipedia. 21 Sep. 2008. Wikimedia Foundation. 21 Sept. 2008 <http://en.wikipedia.org/wiki/Mccarran_airport>.

Miller, Governor Bob. Personal e-mail. 10 September 2008.

Mishak, Michael. "Stagehands sour on union." Las Vegas Sun. 19 Mar. 2008. 2 July 2008 <<http://www.lasvegassun.com/news/2008/mar/19/stagehands-sour-unions-efficacy/>>.

- “Modern Marvels – Las Vegas.” The History Channel. DVD. 1994.
- “Of Thee I Sing.” Musical Heaven. 15 Nov 2006. Meowswr, Inc. 4 Sep. 2008 <<http://www.musicalheaven.com/Detailed/214.html>>.
- Preston, Frederick W., and Bo J. Bernhard, Robert E. Hunter, Shannon L. Bybee. “Gambling as Stigmatized Behavior: Regional Relabeling and the Law.” Annals of the American Academy of Political and Social Science 556 (1998): 186-96.
- Shanks, Michael. “Analysis of Casino Design.” 10 Things 2007 – A class with Michael Shanks about design 22 Mar. 2007. 11 July 2008 <<http://shl.stanford.edu:3455/TenThings/1278>>.
- . “Casinos and Economics.” 10 Things 2007 – A class with Michael Shanks about design 25 Mar. 2007. 6 Sep. 2008 <<http://shl.stanford.edu:3455/TenThings/1310>>.
- . “The Psychology of the Slot Machine.” 10 Things 2007 – A class with Michael Shanks about design 22 Mar. 2007. 11 July 2008 <<http://shl.stanford.edu:3455/TenThings/1277>>.
- Smith, Ronald W., and Frederick W. Preston. “Vocabularies of Motives for Gambling Behavior.” Sociological Perspectives 27 (1984): 325-48. JSTOR. 22 Jul. 2008 <<http://www.jstor.org/stable/1389107>>.
- Spillman, Benjamin. “LV sees fewer visitors in June.” Las Vegas Review-Journal 12 Aug. 2008. 12 Sep. 2008 <<http://www.reviewjournal.com/search/>>.
- “The Audience for Touring Broadway: A Demographic Study 2005-2006.” The Broadway League. 2008. The Broadway League. 3 July 2008 <<http://www.broadwayleague.com/>>. Path: Research & Information; Research Reports.
- “The Demographics of the Broadway Audience 2006-2007.” The Broadway League. 2008. The Broadway League. 3 July 2008 <<http://www.broadwayleague.com/>>. Path: Research & Information; Research Reports.
- “The Real Las Vegas: The Complete Story of America’s Neon Oasis.” The History Channel. Prod. Jim Milio, and Melissa Peltier. DVD. A&E, 2001.
- Unger, Irwin. These United States: The Questions of Our Past. Boston: Little, Brown, 1978.
- Valenzuela, Terrance D., M.D., et. al. “Outcomes of Rapid Defibrillation by Security Officers After Cardiac Arrest in Casinos.” The New England Journal of Medicine 243 (2000): 1206-9. Mass. Medical Society. 21 September 2008 <<http://content.nejm.org.ezproxy.library.unlv.edu/cgi/reprint/343/17/1206.pdf>>.

VegasAuditions.com. 2008. Double Trouble Entertainment, Inc. 5 Sep. 2008 <<http://vegasauditions.com/>>.

Vegas.com. 2008. Vegas.com. 25 June 2008 < <http://www.vegas.com/shows/>>.

Vogel, Harold L. Entertainment Industry Economics: A guide for financial analysis. 5th ed. New York: Cambridge University Press, 2001.

“Wynn Resorts, Limited Posts Record Revenue and EBITDA for the Second Quarter of 2008.” Hotel News Resource 25 July 2008. 7 Sep. 2008 < <http://www.hotelnewsresource.com/article33721.html>>.

VITA

Graduate College
University of Nevada, Las Vegas

Scott M. Pruett

Address:

9825 Fiesta Rose Avenue
Las Vegas, Nevada 89148

Degrees and Certifications:

Bachelor of Science, Liberal Studies, 1985
University of the State of New York, Albany, NY

Associate of Arts, Chinese Mandarin, 1995
Foreign Language Center, Monterey, CA

Emergency Medical Technician—Intermediate, 2006
National College of Technical Instruction, Las Vegas, NV

Special Honors and Awards:

Member, Phi Kappa Phi National Honor Society, 2004

Thesis Title: Formula for Success: How Las Vegas Became the Entertainment Capital of the World

Thesis Examination Committee:

Chairperson, Mr. Robert Brewer, M.F.A.
Committee Member, Ms. Shannon Sumpter, M.F.A.
Committee Member, Dr. Jeffrey Koep, Ph.D.
Graduate Faculty Representative, Dr. Bernard Malamud, Ph.D.