

## What Happens Here, Stays Here

*Las Vegas Alibi*: A Campaign to Link the Brand's Benefits with Its Product Attributes

The Southern Nevada visionaries who founded the Las Vegas Convention & Visitors Authority (LVCVA) fifty-one years ago had extraordinary foresight. They established a model that created a “Perpetual Tourism Circle” that would quite literally feed off itself, continually growing and expanding, to the benefit of Las Vegas.<sup>1</sup> This dynamic has helped to fuel the unprecedented success of a destination that now boasts the highest visitor volume, room inventory, and average daily rate in its history. In fact, the marketing of a destination *as a brand* -- as Las Vegas has done -- has been adopted as an approach by other cities. Destination branding is now in vogue and many cities seek to emulate the Vegas branding model described herein.



### A New Need Emerges

The positioning of Las Vegas as the mecca of adult freedom evolved as a result of extensive market research and its “What Happens Here, Stays Here” (also referred to by the acronym WHHSH) manifestation has been the LVCVA’s greatest marketing success on record. Aided by R&R Partners as the advertising agency of record for LVCVA and Harris Interactive as the strategic marketing research consultancy, these two firms have been working in partnership to help the LVCVA achieve its new, long term goals.

With a strong brand positioning initiative in their pocket, the LVCVA and R&R Partners were under pressure to continue to increase visitation to an even higher level and create new demand on an unprecedented scale. Due to the success of the WHHSH marketing strategy, Las Vegas continues to experience explosive investment and physical growth, and is counting on new strategies to further increase tourism from 37 million visitors in 2005 to 43 million visitors by 2009.

### Early Research Learnings<sup>2</sup>

Las Vegas began executing nationally its overall WHHSH brand positioning strategy in 2004. National research conducted by Harris Interactive at the end of that year showed the strength of the Las Vegas brand campaign and the truly remarkable status it had obtained. On an unaided national basis, 67% of travelers said they were aware of and could recall the “What happens here, stays here” Las Vegas ads and of these respondents, 77% of them had a favorable impression of the ads. Further, of those who were aware of the ads, 73% said it made them extremely interested in visiting Las Vegas as a leisure destination and 74% said it made them extremely interested in visiting Las Vegas as a business destination.

On the surface the research data told a strong story that the brand strategy and executions rang true and on the ground in Las Vegas business had never been better. An example of the WHHSH advertising campaign is available for viewing on the attached CD as [1 WHHSH Mistress.mov](#).

### The “Backfill” Strategy

R&R Partners and LVCVA, pressured to continuously grow visitation to support the ongoing investment in the destination, desired a more long term, overarching positioning that would appeal to an even wider audience and in select target markets. Sure, Las Vegas was hot as a gaming destination and even hotter in the clubs. The WHHSH slogan became so iconic that it was uttered from the lips of the rich and famous, from First Lady Laura Bush to Jay Leno. The buzz was underway nationally. But LVCVA wanted Las Vegas to be more than just gaming.

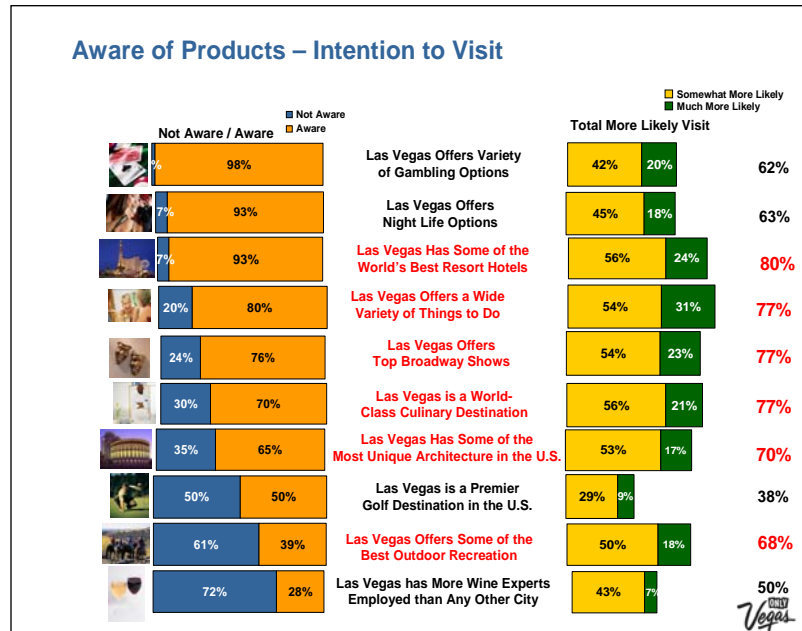
<sup>1</sup> LVCVA, Destination Las Vegas and Beyond 2005

<sup>2</sup> Wave 1 Harris Interactive National and in-Market Benchmarks; June 2005; n=3,945 travelers. Wave 2 Harris Interactive National and in-Market Assessment; March 2006; n=3,420 travelers. W1=Wave 1; W2=Wave 2.

In 2005 R&R had a hypothesis that in markets geographically close to Las Vegas, the destination had a stronger appeal but in those markets further away, it did not. R&R further hypothesized that creating new demand hinged on the knowledge consumers had of what Las Vegas has to offer: world class shopping, dining, entertainment, clubs, golf, etc. – MORE than just gaming. Both hypotheses were proven true through research and this provided the targeted focus the LVCVA and R&R needed to continue to drive visitation and meet its objectives.

To accomplish the goal of generating future demand and growth under the umbrella of the national brand WHHSH coverage, LVCVA would expand its product positioning programs in nineteen new cities across the country. The strategy was to select markets geographically further away and where knowledge of Vegas was lacking so advertising and marketing would educate potential visitors.

Harris Interactive continued to work with R&R Partners and LVCVA to thoroughly examine the current WHHSH campaign, the impact on Las Vegas’s key audiences, and the viability of the expansion strategy. Through this review and by examining research data that showed high awareness of the campaign and high visitation consideration/return nationally, an important gap emerged: actual



knowledge of what Las Vegas had to offer – its products and services -- was lacking. Therefore, it was necessary to “backfill” by linking Vegas’ full set of offerings with their benefits in a way that was still consistent with the national brand image established by the WHHSH positioning. The WHHSH campaign would be used to re-enforce the national image of Vegas, while new executions would backfill to drive product knowledge in select target markets.

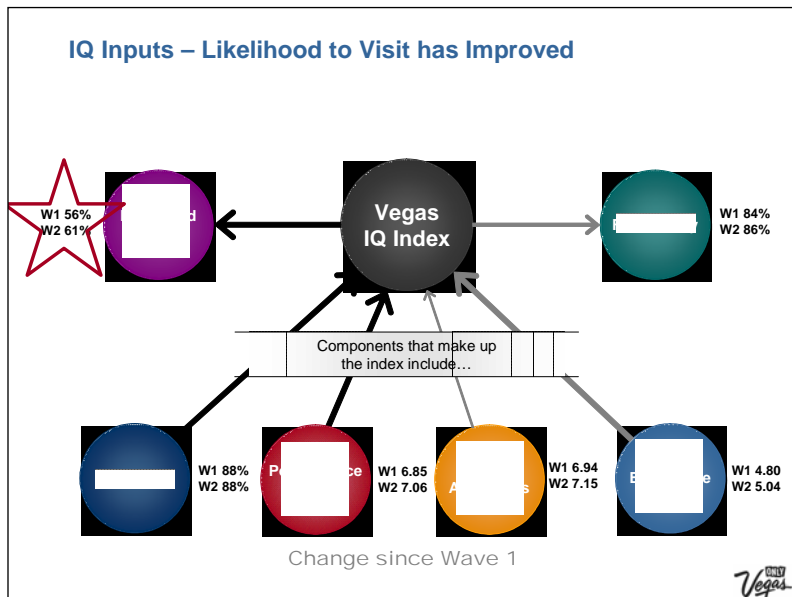
Even in core target markets like Los Angeles, only 24% of travelers were familiar with the updated product offerings Las Vegas had to offer as a destination. But when consumers understood Vegas’ product offering beyond gaming and when linked back to the WHHSH brand positioning, favorability, intent to visit, and even intent to return increased.

It is never enough for a brand like Las Vegas to have only high awareness and high familiarity – although that step in the birth of a brand is critical. Awareness is generally the first step in classic consideration models. Indeed, we have witnessed in many campaigns – even some of those submitted to the ARF for Ogilvy awards – that raising the profile of a brand or industry can have both positive and/or negative effects. Thus, familiarity must progress toward understanding of the brand’s benefits in a way that is personally relevant and emotionally charged. This approach is highly consistent with Harris’ view of communications strategy and its use of the means-end approach to marketing and advertising (see *Understanding Consumer Decision Making*, Thomas Reynolds, 2001).

**Enter the Vegas IQ™**

With a clear need to measure, by market, the level of knowledge consumers held about Las Vegas’ products and services such as world class shopping, fine dining, entertainment, golf, outdoor activity, and even architecture, the Vegas IQ was developed.

The Vegas IQ was a way to measure the “knowledge” or levels of understanding that consumers had in the core and expansion markets for Las Vegas. In some respects, the Vegas IQ can be seen as a classic brand equity model. But Harris adapted its approach to equity measurement to arrive at meeting a unique marketing need for Las Vegas – calculating the “IQ knowledge” scores in select markets for targeting.



The Vegas IQ is a *derived* indexed score compiled from various inputs and follows a critical process. We looked at the Vegas IQ first as a latent variable, meaning we did not presume to identify a priori the inputs that would automatically define the Las Vegas brand experience...although we of course had a hypothesis. Rather, we looked to several constructs around the brand and brand equity that serve to inform and define a brand. Generally these could include Brand/Product Awareness, Brand Performance, Brand Quality, and Brand Loyalty.

Once we know what informs these constructs, we then calculate

statistically the various weighted importance of each element. These constructs then become the inputs that define the Las Vegas brand and market-level understanding of its promise -- this is what we term the Vegas IQ. We look at the various derived importance scores to create an index that arrives at producing an IQ score. Factor analysis, regression analysis, and structural equation modeling are the most common tools we use to aid in these processes of measuring both inputs and outputs of the Vegas IQ. Indeed, this model can also tell us if we improve the IQ score – that is, market-level understanding of the brand and its products – what result that would have on such behavioral outcomes as visitation.

Harris Interactive and R&R went so far as to produce an early version of an IQ “Scorecard” that could be used by the Las Vegas properties. A file regarding this is available for viewing on the attached CD at [6 Vegas IQ Scorecard.ppt](#).

The IQ became a way for R&R Partners and LVCVA not only to target select markets, but it also revealed a need to connect the experiential success of the WHHSH brand image campaign with the underlying product offerings of Las Vegas. This became the research tool that validated the earlier “Backfill” hypothesis and was the most significant learning from the research that helped inform the resulting campaigns.

**A Consumer Benefit Driven Strategy – That Produced Benefits**

Many companies focus on the functional attributes of their service or product hoping to differentiate and gain a measurable advantage over their competition. All too often, a functional difference provides modest gain in consumer attitudes and behavior and usually those differences are quickly eroded as products and industries shift and competition heats up. In the case of Las Vegas, consumers knew of and were excited by the Las Vegas brand image, but were not as familiar with its product offering as revealed in the Harris research. Vegas was MORE than gaming.

As a result of the Harris research, R&R needed a campaign that would not only supplement WHHSH, which would continue to run nationally, but also complement and even boost the brand message educating consumers of the “products” Vegas has to offer. The answer: tell consumers in expansion markets about the relevant Las Vegas products they can use as their alibi when they indulge in the many facets of adult

freedom. Examples of the WHSH Alibi campaign are available for viewing on the attached CD as **2 Alibi Blue Man Group.mov**, **3 Alibi Names.mov**, **4 Alibi Dining Radio Ad.wav**.

The Alibi campaign launched in 2005 with TV, radio, print, and on-line advertising. In addition, it was supported through publicity, branded entertainment, and guerilla marketing tactics. Over the next few years, the LVCVA expanded this new positioning campaign from seven advertising markets to more than a dozen. As a result, wave two market research showed an increase not only in the IQ scores themselves – pre/post –

but also an increase in key measures such as likelihood to visit, intent to return, and favorability.

**Gaps Closing on Important Measures; Data Stable as Well**

	Imp		Perf		GAP	
	W1	W2	W1	W2	W1	W2
<b>Upscale Factor Score</b>	<b>4.6</b>	<b>5.0</b>	<b>7.9</b>	<b>8.0</b>	<b>3.3</b>	<b>3.0</b>
Option to gamble	4.4	4.6	8.8	8.8	4.4	4.2
Wide variety of dining options	7.3	7.3	8.5	8.6	1.2	1.3
Upscale accommodations	5.7	6.0	8.4	8.5	2.7	2.5
Nightlife	4.8	5.1	8.3	8.5	3.5	3.4
Live entertainment	6.0	6.2	8.3	8.3	2.3	2.1
Upscale dining	5.4	5.7	8.1	8.3	2.7	2.6
Where the rich and famous visit	3.0	3.0	7.4	7.5	4.4	4.5
Upscale shopping	4.1	4.3	7.4	7.5	3.3	3.2
Resort lodging	5.8	5.9	7.3	7.4	1.5	1.5
World class convention center	2.9	3.1	6.6	6.7	3.7	3.6
<b>Emotional Benefits Factor Score</b>	<b>7.2</b>	<b>7.4</b>	<b>6.4</b>	<b>6.8</b>	<b>-0.8</b>	<b>-0.6</b>
Let's me get out and play	7.0	7.4	7.5	7.6	0.5	0.2
Is a place where I just let go, be myself	7.8	8.0	7.2	7.5	-0.6	-0.5
Easy to get to/around	7.6	7.7	7.0	7.1	-0.6	-0.6
Recommended by word-of-mouth	6.2	6.4	6.8	7.0	0.6	0.6
Let's me relax	8.1	8.2	6.7	6.8	-1.4	-1.4
Is a safe place	8.2	8.2	6.3	6.4	-1.9	-1.8
Affordable	7.9	8.2	6.2	6.2	-1.7	-2.0
Where friends/family want to go	6.2	6.5	6.1	6.4	-0.1	-0.1
Has a mild climate	6.8	6.9	5.8	6.5	-1.0	-0.4
Is romantic	5.8	5.7	5.7	5.8	-0.1	0.1

Attributes presented in order of loadings from factor analysis

**Upscale Image/Product**

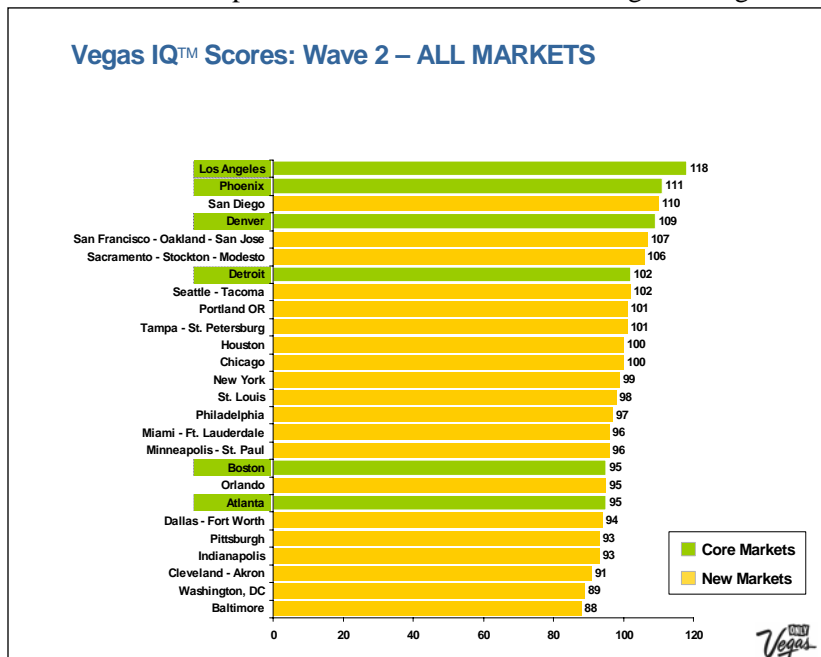
**Emotional Benefits**

The Vegas IQ model and Harris' strategic recommendations drove both media buying and creative strategy – indicating both the markets that should be targeted and the message the consumers needed to hear. A television ad targeted to one of Las Vegas's core expansion markets is attached as an example of the functionally and benefit-based advertising needed to drive a deeper understanding of Las Vegas' products, yet continuing to tie into the WHSH national image positioning.

R&R and LVCVA used the Vegas IQ research to refocus public relations efforts toward Vegas dining and shopping. Prior to the IQ research learnings, Las Vegas had never had significant coverage or been given much credibility as a top dining or shopping destination. Within two years of launching the IQ driven strategy, Vegas received major coverage as a top fashion destination in *NY Times*, *Elle*, *Vogue*, *GQ* and *Lucky* magazines – and *Bon Appetit* magazine declared Las Vegas as one of the nation's top five culinary destinations. The cumulative ad equivalency of this PR exceeded \$7.5 million.

As a continued campaign element that further supported both the WHSH campaign and as part of the Alibi campaign, the LVCVA

and R&R Partners built an online destination that educated consumers about the product offering of Las Vegas. Utilizing the unique emotive bonds that connect consumers with Las Vegas, the site [www.visitlasvegas.com](http://www.visitlasvegas.com) provided a fun focused approach by letting visitors come up with their own alibi. Web traffic to the site increased by nearly 60% one month after Alibi launched and site-driven referrals to hotel partners increased by 62%. This carry-through of the product offering, as well as providing visitors with direct links to book their vacation details proved highly successful at converting knowledge into



measurably increased visitation overall as well as for particular products Vegas has to offer. A file regarding the web site is attached for viewing at [5 Alibi Generator Website Screen Shot.tiff](#) and you may generate your own alibi – and view the ads - by visiting the next generation alibi site at <http://www.visitlasvegas.com/vegas/features/alibi/index.jsp>.

### **Driving Visitation; Growing the Business**

Data gathered in target markets before and after the campaign showed significant movement on key drivers around the upscale image of the Las Vegas product and emotionally charged benefits. Not only did we see improvement from the campaign's impact on the inputs to the IQ scores, but more importantly to the outputs as well. As a result of the Alibi campaign, IQ scores increased in expansion markets, likelihood to visit went up, and favorability of the destination increased.

Web traffic to [www.visitlasvegas.com](http://www.visitlasvegas.com) increased by nearly 60%. By the end of the year, overall visitation to the web site increased by 30%, referrals to hotel partners increased by 62% and the database of potential visitors generated by the site grew by 87%.

Perhaps the most important measure is how many people actually showed up. Year-to-date, the web site has been visited 3.3 million times and has generated 1.8 million referrals. The takeaway from this information is that the Alibi campaign is drawing better qualified visitors to [www.visitlasvegas.com](http://www.visitlasvegas.com) more often which was one of the primary goals of the Alibi program.

But most importantly, 2005 saw the highest level of visitation on record for Las Vegas. Visitor volume increased 3.2%, representing approximately 38.6 million visitors. 2006 data as of this writing is not yet available.

Looking ahead, data indicates several key imperatives that build on the WHSH campaign and the Alibi work:

1. Only 18% of travelers think Las Vegas is past its peak. There is room to grow further.
2. There has been an increase from 38% to 42% in “Word of Mouth” as a source where most people are getting their information regarding Las Vegas. This medium is the only one where we are seeing information source growth. Thus, LVCVA and R&R are investing heavily in web content, social networking, and interactive media with the help of Harris Interactive research.
3. Simulation models – looking ahead 12 years – show that there are three key executions that will drive visitation, all of which link back to the core strategy of ensuring a linkage between product attributes and emotional benefits.

***Grow The Brand Lies Ahead For Las Vegas.*** As stated in its own marketing plan: “The primary business objective of the LVCVA is to motivate visitation to Las Vegas – grow demand – and achieve 43 million visitors by 2009. To make this happen, a single, unifying strategy has been developed that essentially connects the objectives of the plan with all various marketing tactics. All tactics stem from this one strategy: Grow the Brand. Specifically, growing the brand will include increasing awareness in precision targeted expansion markets, informing and educating consumers on the high caliber product offering linked with their personally relevant benefits, and building customer relationships.” With a strategy backed by a solid team of marketers and business partners, the odds are in our favor to help Las Vegas reach its bold business goals.