



Monday, June 30, 2008

IMPACT OF GASOLINE PRICES ON LAS VEGAS VISITATION FROM SOUTHERN CALIFORNIA AND LAS VEGAS LOCALS

Executive Summary

There is a direct correlation between rising gas prices and reduced Las Vegas visitation and gaming budgets.

Overall, 50% of Southern Californians and 52% of Las Vegans who visit Vegas casinos state that the cost of gasoline is having a “great deal” of impact on their personal budget. The consequence is Las Vegas visitation has been postponed or cancelled by 34% of Southern California gamers who drive to Las Vegas.

In addition, Southern California and local Las Vegas gamers have reduced their gaming budgets. Southern Californians have reduced gaming expenditures by 29% and Las Vegas gamers have cut their gaming budgets in half.

Other forms of entertainment expenditures are also being reduced including movies, concerts and dining out due to the price of gasoline.

The impact of the cost of gasoline and ultimate budget reductions are across the demographic board with both genders and all age groups taking steps to lessen their personal expenditures in order to pay for gasoline.

Sixty-seven percent of those who have not yet stopped driving to Las Vegas stated that there is a price per gallon where they would stop. Of those 67% who would stop driving at a certain point, 70% would stop coming to Vegas altogether while 30% would seek an alternate form of transportation. The average price that was seen as too high where one would stop driving to Las Vegas was placed at \$5.73 per gallon. It should be noted when this identical question was asked in 2005 – 79% stated there was a price where they would stop driving – and 47% would seek an alternate form of transportation. In 2005 84% selected air with 8% selecting bus as their alternate form of transportation. The current June, 2008 study showed the air alternative dropping to 62% of the respondents with bus travel increasing to 18%.

To better understand the impact – it should be noted that during the Southern California screening process, out of 604 respondents who were over the age of 21 and had visited Las Vegas in the past 3-years, 73% did so by automobile while only 16% traveled by air.



THE STUDY

Between June 16 and June 26, 2008, Precision Opinion conducted telephone interviews with 599 Southern California and 302 Las Vegas respondents. To qualify for participation in the Random Digit Dial methodology telephone survey, Southern California residents had to be at least 21 years age, visited Las Vegas in the last 3 years and their mode of transportation to Las Vegas was by automobile. Las Vegas respondents were at least 21 years of age and visited a Las Vegas casino within the past year. For both Las Vegas and Southern California the sample was balanced with 52% female and 48% male participants with distribution across all age groups.

The 599 Southern California sample has a margin of error of +/- 4% at a 95% confidence interval while the 302 Las Vegas sample has a margin of error of +/- 5.64% at a 95% confidence interval.

KEY FINDINGS

1. 34% of Southern California gamers have postponed or cancelled trips to Las Vegas due to the cost of gasoline.
2. 50% of Southern California and 52% of Las Vegas gamers state that the price of gasoline has a great deal of impact on their personal budget.
3. 29% of Southern California gamers have reduced their Las Vegas gaming budget due to the cost of gasoline.
4. 49% of Las Vegas residents who gamble have reduced their gaming budget due to the cost of gasoline.
5. 67% of Southern California gamers who have not stopped driving to Las Vegas due to the cost of gasoline will stop driving if the average price of gasoline hits \$5.73 per gallon.
6. Of the 67% of Southern California gamers who would stop driving to Las Vegas, 87% would postpone their trip entirely until the price of gasoline came down.



OTHER FINDINGS

Both Southern California and Las Vegas resident gamers have taken a series of actions to reduce their personal expenditures to better cover the cost of gasoline. Those actions include:

- Elimination of un-necessary automobile trips (74% CA – 72% LV)
- Elimination or postponement of entertainment expenditures such as going to movies, eating out, going to concerts and such (63% CA- 58% LV)
- Postponement or elimination of Weekend Getaways (44% CA – 48% LV)
- Postponement or elimination of Vacations (43% CA - 45% LV)

REDUCTION OF PERSONAL EXPENDITURES BY DEMOGRAPHICS

1. The reduction in personal expenditures in each category including the elimination or postponement of weekend get-a-ways or vacations was evenly distributed across all age groups. In other words, the cost of gasoline is impacting all age and gender groups equally.
2. Southern California gamers who drive to Las Vegas and have already cancelled or postponed trips to Las Vegas due to the high cost of gasoline are distributed across all age groups including two primary demos – those aged 21-40 (47%) and those aged 51-60 (44%).
3. Southern California gamers who drive to Las Vegas who have not postponed or cancelled visits – across the board by age demographics project that they would stop driving if the price of gasoline rose to an average of \$5.73 per gallon. As of this writing the average price of gasoline in Southern California is \$4.58.
4. When this survey was last conducted in September of 2005 the price per gallon that one projected they would stop driving to Las Vegas was \$3.62 – the average price at which people postponed or cancelled in the current 2008 study was \$4.34.

ABOUT PRECISION OPINION

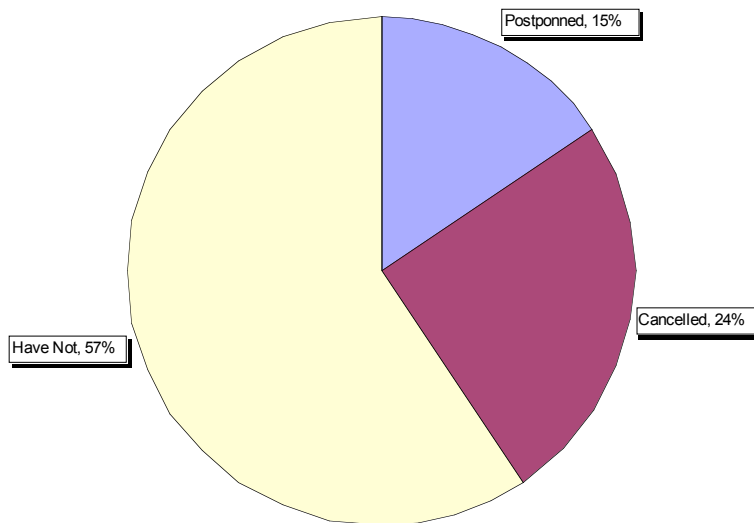
Precision Opinion is a Las Vegas based market research firm. The firm conducts research for national gaming, entertainment and government sectors via an in-house telephone data collection center and the internet. Jim Medick is the founder and may be reached at jtmedick@precisionopinion.com or 702-540-2284.



CHARTS

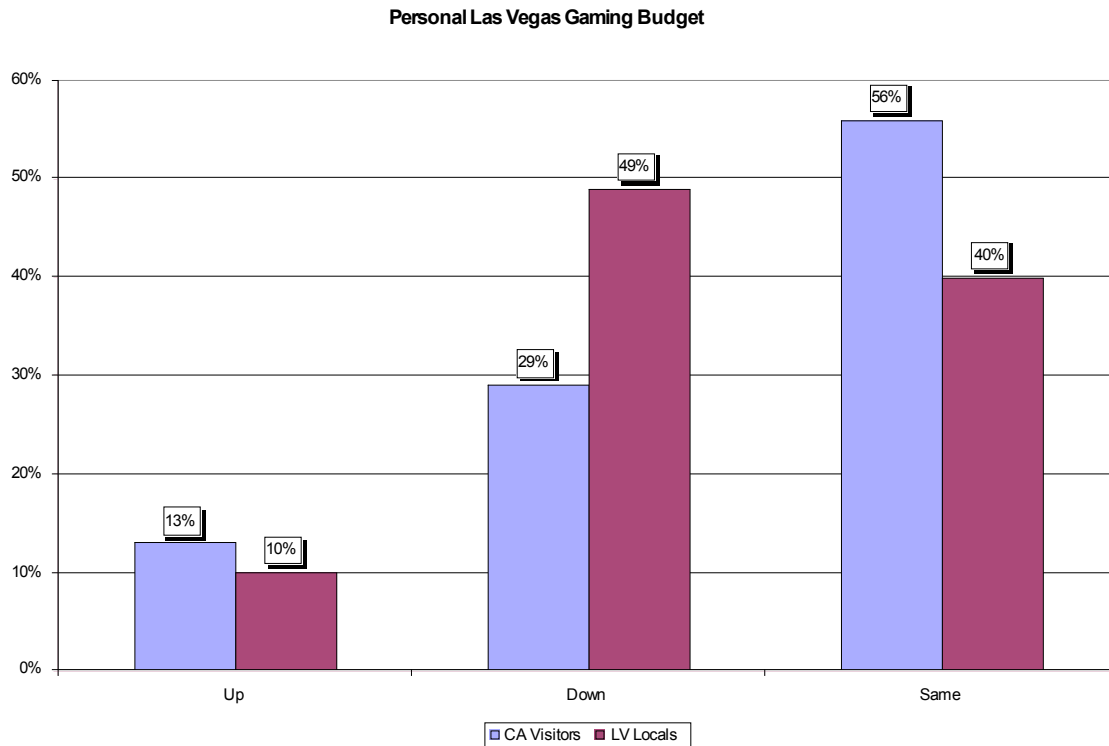
California Gamers Who Have Postponed or Canceled Trips to Las Vegas Due To Cost of Gasoline

CA Postponed or Cancelled Trips to LV Due to Cost of Gasoline





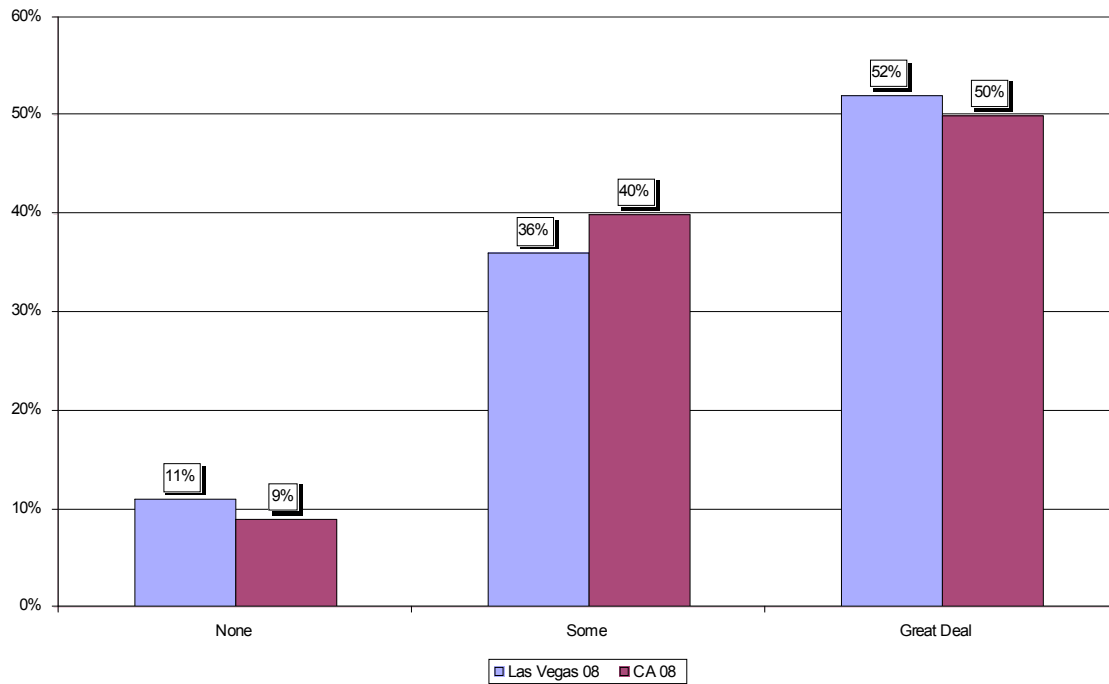
Percentage of Personal Las Vegas Gaming Budgets That Have Gone Up, Down, or Stayed the Same – California and Las Vegas Locals





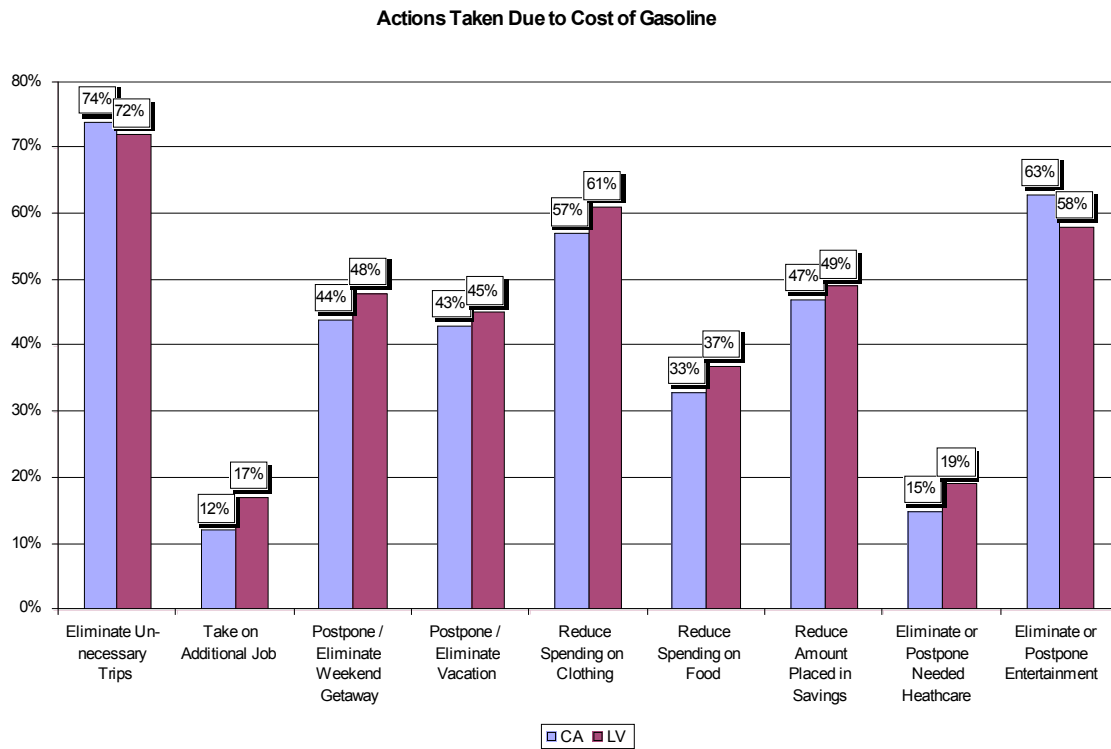
Gasoline Impact on Personal Budgets- California and Las Vegas

California vs Las Vegas - Gasoline Impact on Personal Budget 2008





Personal Budgetary Actions Taken Due To the Cost of Gasoline





Postponement or Cancellation of Trips to Las Vegas by Age Group

Age Groups Postponed Cancelled Trips to Las Vegas

