

**Date:** April 25, 2008  
**To:** Todd Gillins  
R&R Partners  
  
Kevin Bagger  
Las Vegas Convention and Visitors Authority  
**From:** Gary L. Stieger  
**Re.:** Cost Estimates for Conversion Study Options

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*Declined*

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This memorandum presents several options for conducting a “conversion study” of visitors to Las Vegas to estimate the impact of various marketing and advertising initiatives. Cost estimates are also provided for these options.

Our approach under any of these options is to survey Las Vegas leisure visitors and ascertain whether or not any of the LVCVA’s marketing and/or advertising initiatives had an impact of their decision to visit and/or engage in certain activities. Estimates of the proportion of visitors who were impacted could then be used to develop estimates of the value of these initiatives.

### **Option 1: Appending Questions to the Ongoing Travel Consumer Study**

The current ongoing semi-annual travel consumer tracking study identifies individuals who have visited Las Vegas within the past year. The most recent study (Fall of 2007) found about 700 such individuals. However, based on the nature of the sampling plan (800 per region) and the subsequent weighting scheme devised to make the sample representative, the analytical pool of individuals was reduced to 443 respondents. If these proportions are relatively stable over time, and screening for leisure visitors only does not eliminate an inordinate number of respondents, we will obtain samples that meet commonly accepted standards for statistical precision during each interviewing wave. However, it is doubtful that crosstabulations could yield many insights. We will also need to rely on respondents memories if their most recent trip to Las Vegas was several months ago.

I expect that we would need to ask an additional 10 +/- questions to get the information we need to determine the “conversion status” of each eligible respondent and how they were impacted by the initiatives, if at all. We would report these results after each wave of interviewing and could develop trending information over time.

The estimated additional cost per wave of interviewing including data analysis and reporting is \$12,000.

### **Option 2: Ongoing New Conversion Study**

We could develop an ongoing survey of current Las Vegas leisure visitors using an in-person intercept technique at various locations in the Las Vegas area. Specifically, we could interview 150 individuals each month and report the data on a quarterly basis (450 respondents). This would provide for sufficient quarterly samples to yield meaningful results and would permit any effects to be estimated over any combination of three or more months. Since the respondents would be interviewed during their visit the decision-making process and the factors affecting the decision to visit Las Vegas would likely be fresh in their minds.

I expect that the number of questions needed would be 15 +/- as we would want to collect some demographic information as well as determining their conversion status and how they were impacted by any marketing/advertising initiatives. We would report these results on a quarterly basis and could develop trending data over time.

The estimated annual cost for implementing this conversion study option is \$48,500.

### **Option 3: Semi-annual New Conversion Study**

Similar to the ongoing study option #2 we could implement a study of current Las Vegas leisure visitors twice a year, interviewing either 800 or 1,000 individuals. The same techniques would be implemented, however, the results would represent point-in-time estimates rather than "blended" estimates derived over several time periods.

Similarly, I expect the number of questions needed would be 15 +/- and we would report the results after each wave of interviewing.

The estimated annual costs for implementing this conversion study option are:

1,600 respondents (800 per wave)	\$38,000
2,000 respondents (1,000 per wave)	44,000

Please give me a call to discuss these options at your earliest convenience.