

## MGM Resorts Discusses Regional Marketing Alliances to Draw Vegas Visitors - Bloomberg

Written by Administrator  
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MGM Resorts Chief Executive Officer Jim Murren. Photographer: Jonathan Fickies/Bloomberg

[MGM Resorts International](#), the biggest casino owner on the [Las Vegas Strip](#), is negotiating marketing alliances with gaming companies outside [Nevada](#) to draw more visitors as it begins a new customer-loyalty program.

The company is in talks with more than three U.S. operators active outside the Strip in regional markets where MGM doesn't compete, Chief Executive Officer Jim Murren said in an interview in [New York](#) without identifying the parties. Las Vegas-based MGM is also talking to American Indian operators in [California](#), the middle U.S. and the Pacific Northwest as it seeks to add to its customer data and extend its marketing reach, Murren said.

The alliances would help MGM blunt the edge that Caesars Entertainment Corp., the largest casino company, has in tapping regional customers via its Total Rewards program. Caesars, formerly called Harrah's, has led the industry in attracting gamblers to its eight Strip casinos, and has more regional locations than MGM, which owns resorts in [New Jersey](#), [Mississippi](#) and [Michigan](#).

"It's an untapped opportunity for us," Murren said. "Simply building new restaurants, renovating perfectly fine restaurants, expanding, building more hotel towers, theaters, that business model was very successful for many decades, but that is not going to be the business model over the next I think at least two decades."

MGM has partnered with overseas casino companies, hotel groups, cruise lines and retailers to create about 20 marketing deals offering tailored rewards to attract players to Las Vegas, Murren said. The company previously announced loyalty rewards exchanges with Foxwoods Resort Casino in [Connecticut](#), which is owned by the Mashantucket Western Pequot Tribal Nation, and with [SBE Entertainment](#), a Los Angeles nightclub and restaurant group.

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### Maximizing Data

MGM Resorts failed to maximize its database through the old [loyalty program](#), Murren said. The new one, called M Life, will add “tens of millions of dollars to our profit,” he said.

M Life begins tomorrow at the company’s 10 Strip resorts, which include Bellagio, Mandalay Bay and Mirage, and will track customers’ total spending rather than just gambling.

MGM’s 60 million-customer database has been overhauled to track preferences, tailor incentives and make rewards more transparent and tiered.

The company wants to boost loyalty by offering existing customers experiences they cannot buy, such as high-roller treatment and access to celebrities, chefs and backstage events. One aim with the alliances is to attract gamblers who frequent casinos in other states when they travel to [Las Vegas](#), the biggest U.S. gambling center, and who already spend money with the marketing partners.

### CityCenter Debt

“This technology wasn’t available even five years ago,” Murren said. “We could have had a better program 10 years ago and certainly other companies have had better programs than us.”

CityCenter Holdings LLC, MGM Resorts and Dubai World’s Strip joint venture separately today offered \$1.1 billion of senior secured notes to refinance some bank debt in a private placement.

MGM Resorts may issue \$500 million of five-year, first-lien notes as well as \$600 million of six-year, second-lien securities that can pay interest in cash or additional debt, according to a person familiar with the offering. The sale may occur as soon as this week, said the person, who declined to be identified because terms aren’t set.

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Refinancing CityCenter's \$1.8 billion loan to extend maturities with a combination of bonds and longer-term bank debt is likely to be completed early this quarter, Murren said in the Jan. 7 interview.

Hotels, Mall

The \$8.5 billion CityCenter, which opened in Las Vegas in December 2009 after skirting insolvency, includes hotels, condominiums, the Aria casino and Crystals mall. In November, the joint venture's equity value was \$2.6 billion, according to filings.

MGM fell 16 cents to \$16.19 at 10:18 a.m. in New York Stock Exchange composite trading. The shares gained 63 percent last year.

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