



From the Last Frontier to the new Cosmopolitan: A history of casino public relations in Las Vegas



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ABSTRACT

This research examines the use of public relations by the casino gaming industry in Las Vegas, NV. Many are familiar with Las Vegas's extraordinary growth into a tourist destination and cultural icon, but few realize that public relations played a significant part in promoting this growth. Based on archival research, this paper identifies ways in which public relations activities – even when not identified by that particular title – played a role in advancing Las Vegas's casinos into the modern era of corporate ownership and international prominence.

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1. Introduction

In the 1995 movie “Casino,” loosely based on the real-life story of Las Vegas casino owner Frank “Lefty” Rosenthal, Robert DeNiro's Ace Rothstein comes to Las Vegas to run the fictional Tangiers casino. There is just one problem: Ace is a noted gambler and bookie who has run afoul of the law on several occasions. Even in the rough-and-tumble heyday of 1970s Las Vegas, Ace knows he would not be given a gambling license. The casino's silent owner, a Chicago mobster, suggests that Ace give himself a fictional job title that won't tie him to the casino's gaming function. And so Ace Rothstein becomes the Director of Public Relations for the Tangiers Casino.

Ace Rothstein's work at the fictional Tangiers bears no resemblance to what we now know as public relations, but this raises the question: What role did public relations play in the promotion of Las Vegas's hotel-casinos and the growth of its unique gaming industry? This research seeks to explore the history of public relations efforts by the gaming industry in Las Vegas. By considering contextual factors such as the history of Las Vegas and the corporatization of casino gaming, this industry-specific history provides an in-depth look at how public relations practices in Las Vegas have influenced the development of this tourist mecca and American cultural icon.

2. Literature review

2.1. The evolution of corporate gaming in Las Vegas

While there is surely no shortage of colorful stories about the development of Las Vegas and its storied gambling industry, this history focuses primarily on the development of the city's casinos as business enterprises. It provides a backdrop and context for the research findings by showing a progression over time concerning casino ownership, an evolution that occurred in three distinct stages: the early days of (often Mob-connected) individual casino owners, the consolidation of several

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properties by privately held companies owned by businessmen like Howard Hughes and Del Webb, and the conglomeration of multiple casinos under the auspices of publicly owned corporations, which is prominent in modern-day Las Vegas.

Las Vegas originally boomed as a haven of legalized gambling for workers on the nearby Hoover Dam project. Once the project was completed, the workers left, but several far-sighted entrepreneurs saw Las Vegas as a potential tourist destination for those drawn by the lure of gambling. Some of these early hoteliers and casino owners were legitimate businessmen, often from the West Coast, but many of them came from places as far away as Chicago, Cleveland, and New York and had ties to those cities' largest Mafia families (Ferrari & Ives, 2005).

Eventually, Mob-connected casino owners wore out their welcome in the city and officials looked to clean up their city's image. In the place of these colorful mobsters rose Las Vegas's next larger-than-life figure – reclusive billionaire Howard Hughes, who purchased the Desert Inn in 1967 (Smith, 2005). This era in casino ownership served as an important transition to later phases of corporatization and conglomeration, as Hughes was among the first to own multiple casino properties in Las Vegas. After Hughes purchased the iconic Desert Inn, he went on to own several other properties including the Frontier, Landmark, and the Silver Slipper (Michel, 2008).

When Hughes departed Las Vegas in 1970, he was followed by a new breed of casino owners: entrepreneurial businessmen looking to cash in on Las Vegas's ability to draw tourists willing to part with their money (Smith, 2005). After Hughes, corporatization of the gaming industry in Las Vegas accelerated quickly. Hilton Hotel owners Barron and Conrad Hilton successfully lobbied the Nevada Gaming Commission to change its rules on casino ownership, allowing for publicly held corporations with multiple stockholders to acquire gaming licenses without requiring background checks for every investor (Ferrari & Ives, 2005).

However, corporate investment in Las Vegas was slow to take off because of the stigma of casino gambling: crime-ridden, mobbed-up, and socially unacceptable to the mainstream. It would be the 1990s before Wall Street investors caught on to the potential for profit in Las Vegas gambling stocks, later sanitized and called “gaming” stocks (Rothman, 2002). Once corporate involvement in the gaming industry became commonplace, the improved access to capital for building and expansion paved the way for the staggering growth among Las Vegas's casinos in the period beginning with the opening of the Mirage in 1989.

Today, three corporations primarily own the casinos that make up Las Vegas's Strip: MGM Mirage, Caesars (formerly Harrah's) Entertainment, and Wynn Resorts (Binkley, 2008). A fourth, Sheldon Adelson's Las Vegas Sands Corporation, owns two of the Strip's largest high-end properties, the Venetian and the Palazzo, in addition to other gambling properties overseas. No longer tied to organized crime, Las Vegas's casinos have evolved into complex and powerful corporate actors with a need for public relations as great as their counterparts in other industries.

2.2. *Public relations: definitions and history*

Scholars have long debated about the definition of “public relations” and the boundaries of the space that it occupies. Harlow (1977a) compiled an aggregate definition based on the myriad of definitions that been generated for public relations:

Public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.

Definitions of public relations continued to mount as the years after Harlow's effort. In the late 1990s, definitions of public relations began to include an element of relationship management (Hutton, 1999). Lamme and Russell (2009) note that academic discussion of public relations often confused the professional practice with the use of public relations tactics, causing complexity in the historiography of public relations.

Although the professional practice of public relations has emerged fairly recently, the use of communicative practices for the purpose of persuasion and the facilitation of organizational goals has been around for over 2000 years (Lamme & Russell, 2009). Some early histories of public relations attempted to portray an evolution of public relations as a practice that evolved from early roots in sensational publicity; however, this oversimplification belies the complex history of public relations (Cutlip, 1994; Lamme & Russell, 2009). Similarly, historiographical research shows that “public relations did not conform to a pattern of increasingly sophisticated or more ethical practices, and no concentration was found among ‘good’ or ‘bad’ public relations within a given time period or particular sector” (Lamme & Russell, 2009, p. 354). In fact, Lamme and Russell found a remarkable amount of similarity in public relations tactics used across time periods. This consistency, among other evidence (see also L'Etang, 2008), suggests that an evolutionary perspective on public relations history is inadequate.

However, it is agreed that developments in the practice of public relations and use of public relations tactics were undeniably connected with contemporaneous events in American society. Social forces, business climate, and technological advances in mass media all contributed to the development of public relations over time (Cutlip, 1994; Ewen, 1998; Harlow, 1977b). The public's perception of PR as an industry was inextricably intertwined with popular perception about the role of business in society. When American society generally felt favorably toward large businesses and their interests, public relations practitioners were seen as vital cogs in the successful machine of capitalism; however, when public sentiment rose

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