



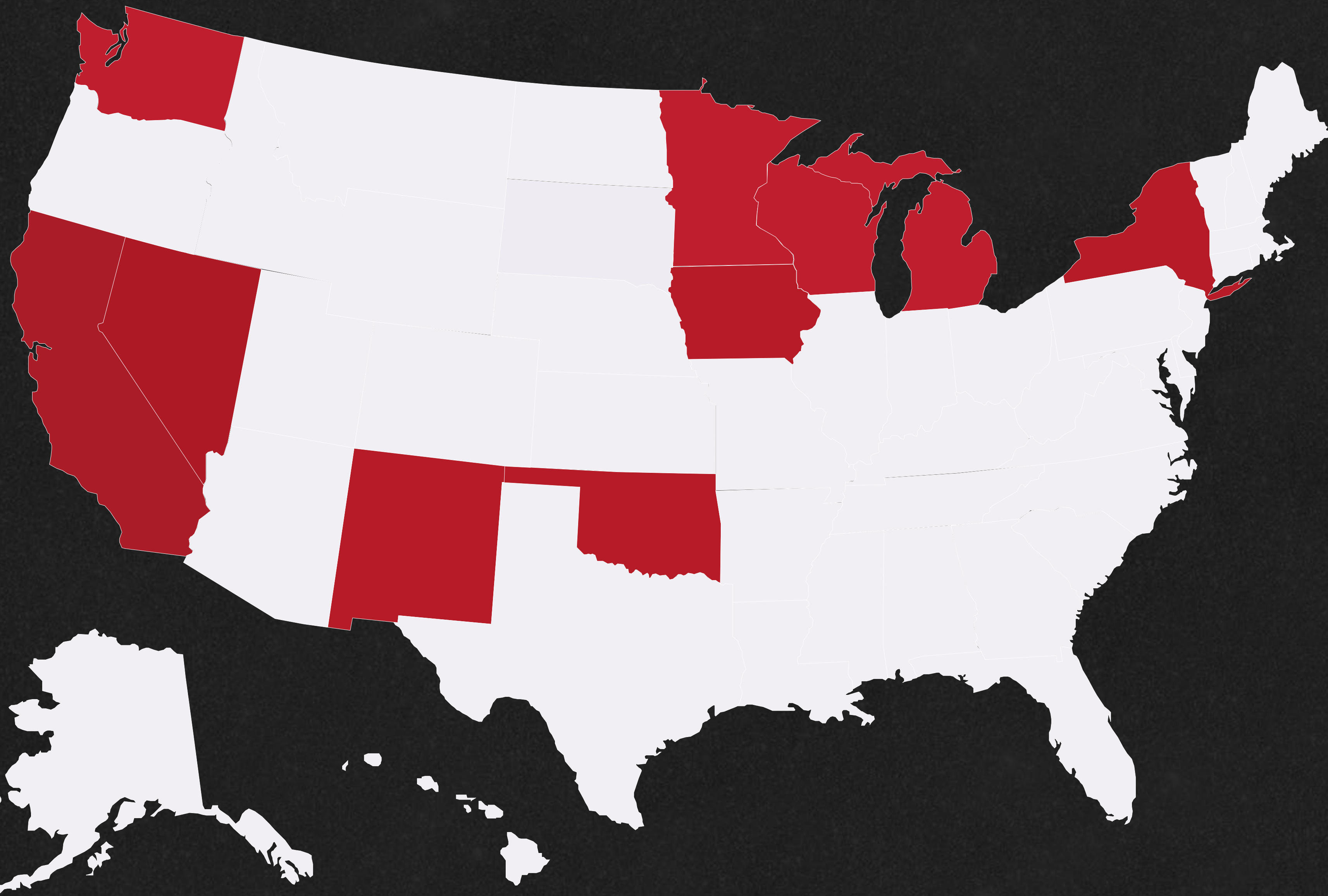
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Feb 1 - 28, 2021



Mission: To provide a source of continually updated, player behavior information and trending in the light of CV-19's ongoing industry impact. Made possible by Red Circle's RECON casino intelligence software system.



Data Sample Set:

- ▶ 10 States
- ▶ 19 Casinos
- ▶ 232,800 Players
- ▶ 623,500 Visits
- ▶ \$69,800,000 Theo Win



Executive Summary

—

Across all aggregated data:

In **December** we saw a **loss of 18.8% of revenue** and a **39.7% decline in players**.

January looked better with a **25.7% decline in players and revenue flat to prior year**. This was the first time since June 2020 in which we have seen a flat year-over-year comparison.

As we moved into **February**, we saw a backslide to near December levels with a **loss of 20% in revenue** and a **36% decline in players**.

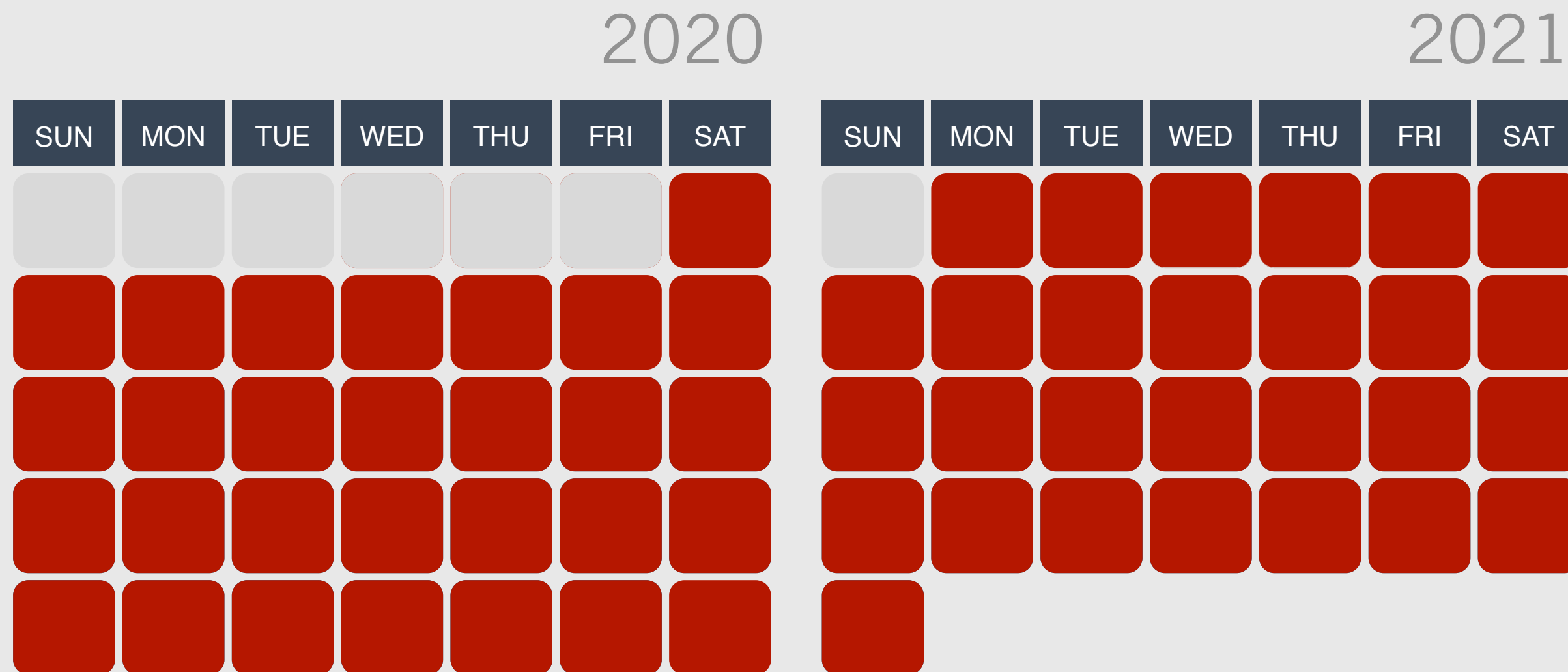
It is important to remember that February of 2020 was a leap year.



**How does calendar layout
impact revenue?**



Calendar Layout



The 2020 leap year gifted February an extra day. That extra day was a Saturday.

If we apply the average day performance of 2020 to the calendar of February 2021, the results would have been a 6% increase in revenue.

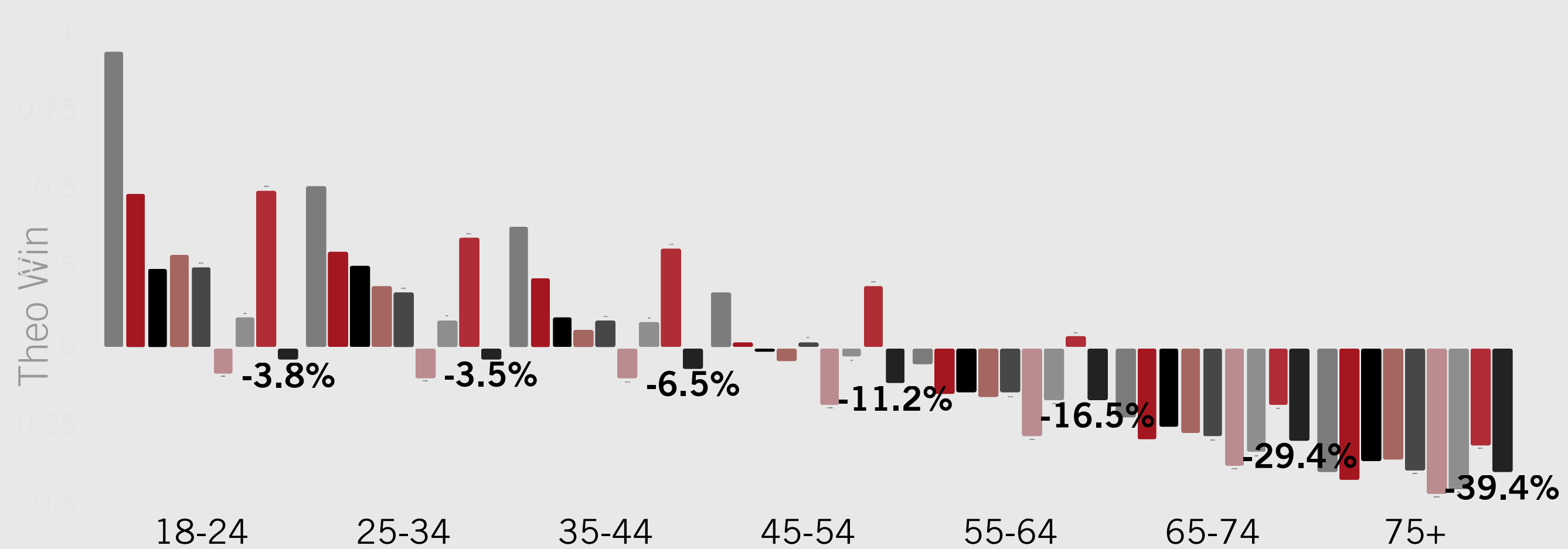
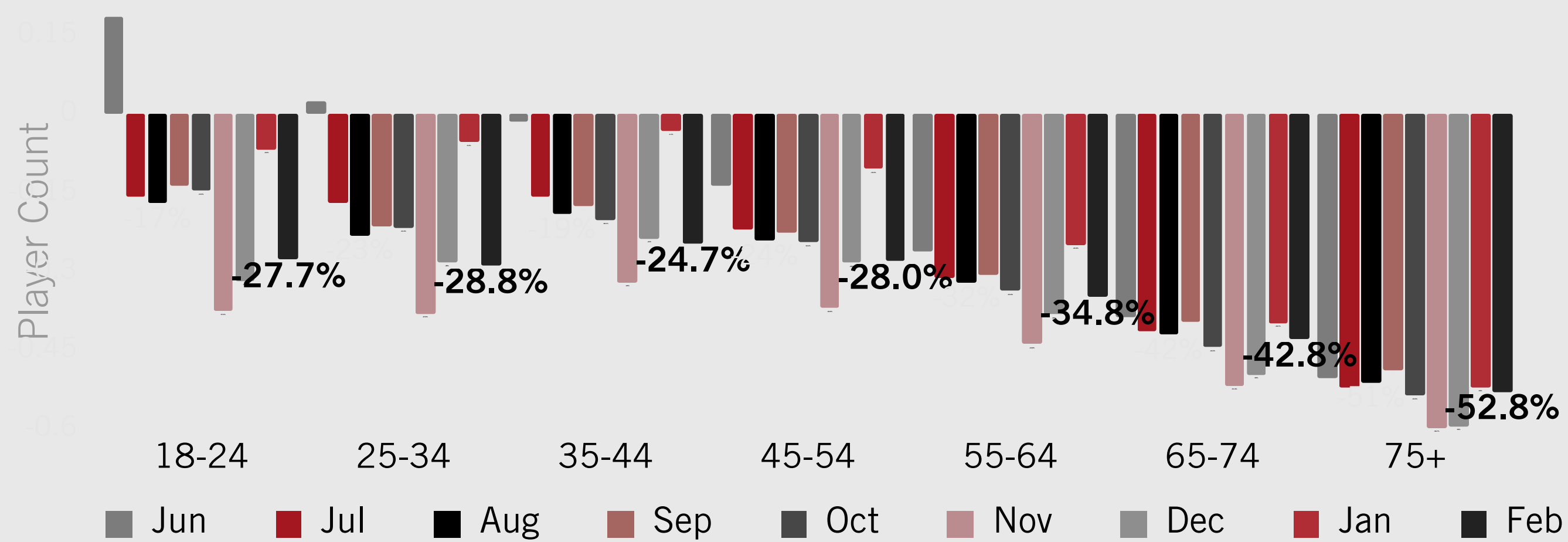
Applying the 2021 calendar to the 2020 layout, shows us at a 14% decline in revenue vs the straight year over year comparison that results in a 20% decline.



Player analysis, demographics and revenue impact



Age



While January was a big step forward, in February we saw a decline in the players under 55 visiting the properties.

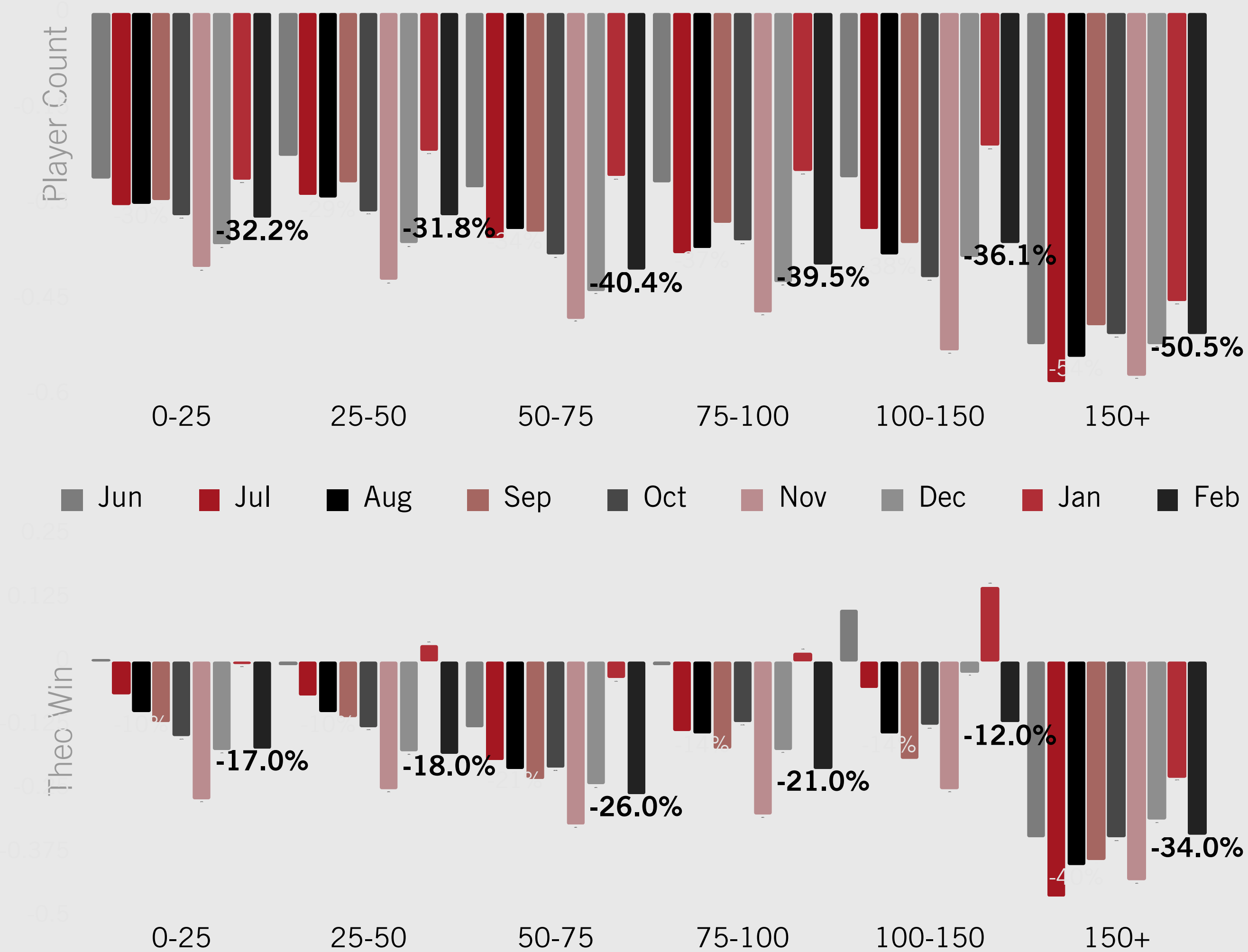
In **December** players **over age 55** were down **\$15,900,000** (28% decline). Players **under age 55** were up **\$550,000** (2% increase).

As we look at **January** players **over age 65** are down **\$7,100,000**. Players **under age 65** are up **\$7,200,000**.

In February players **over 55** are down **\$15,200,000**. Players **under 55** are down **\$2,400,000**.



Distance

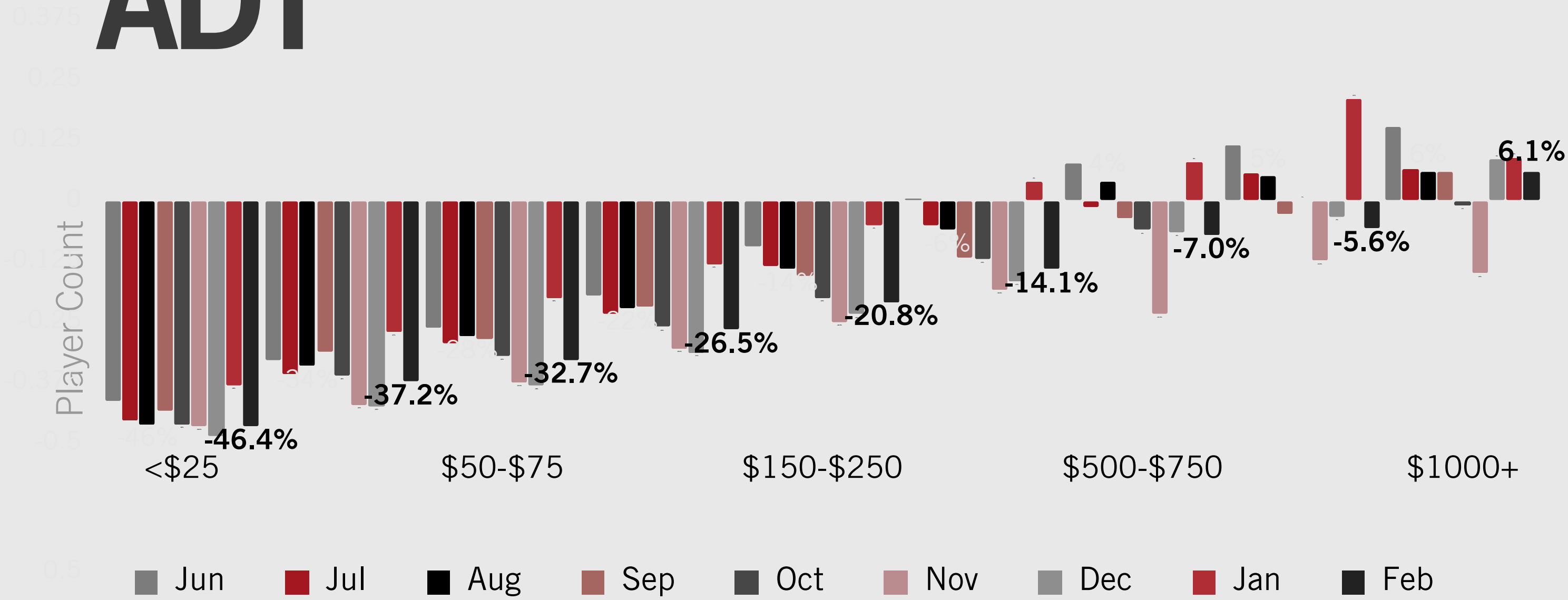


Every distance range was impacted in February. The most significant decline month over month is in players traveling over 75 miles.

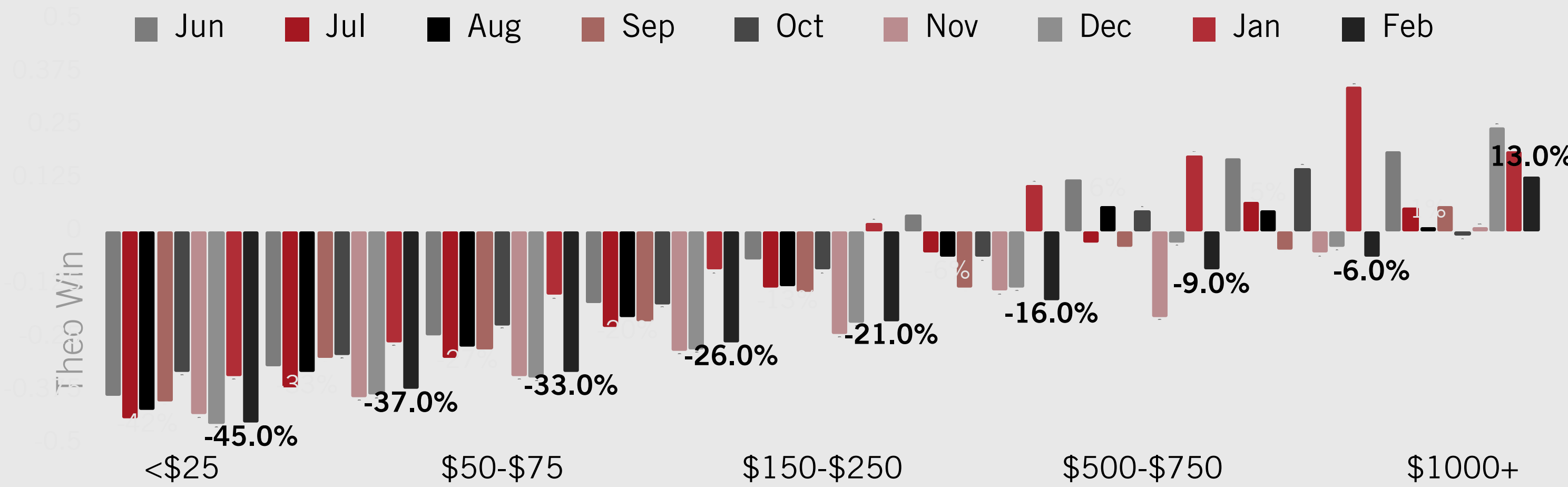
Markets within a 50 mile radius of properties contribute 62% of the total revenue. The decline in these markets are driving the negative performance we are seeing in February.



ADT



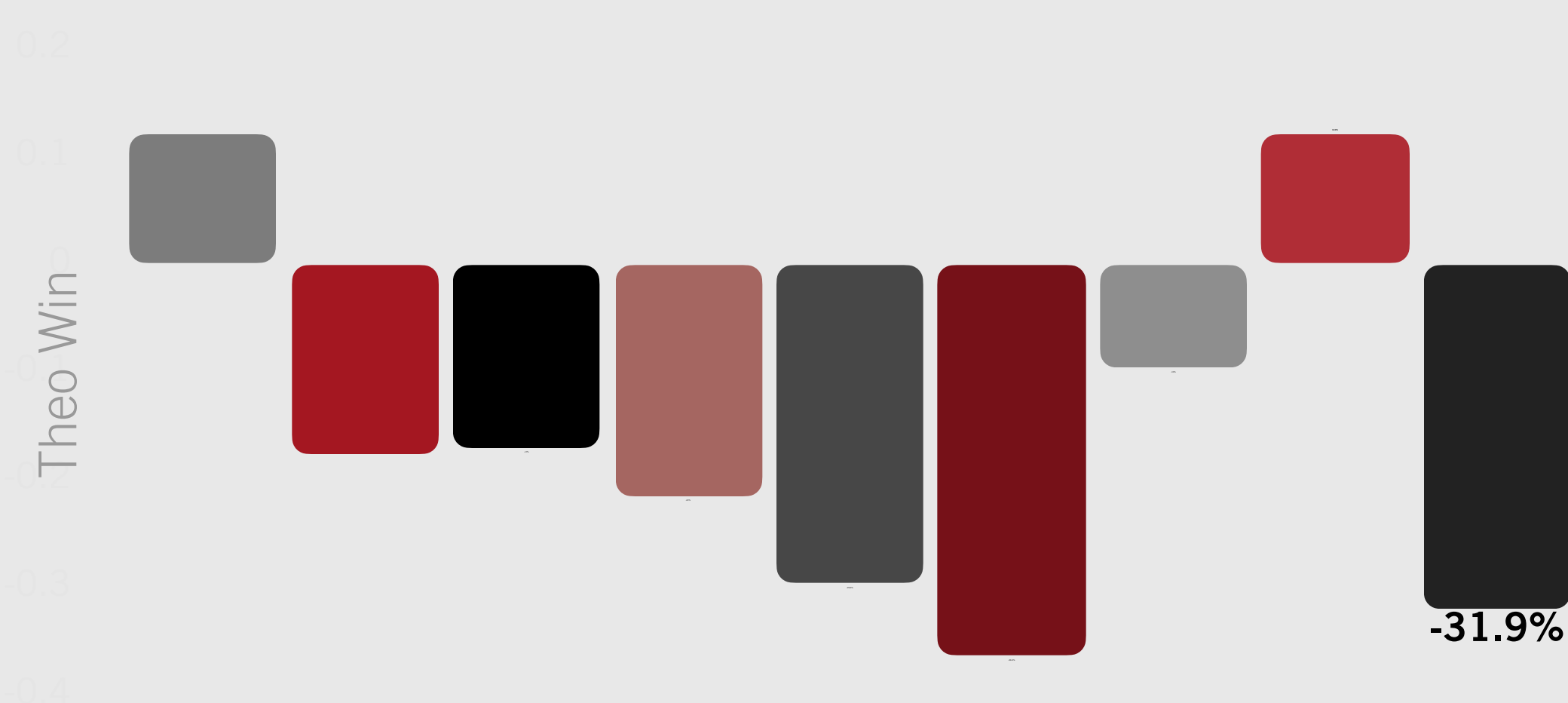
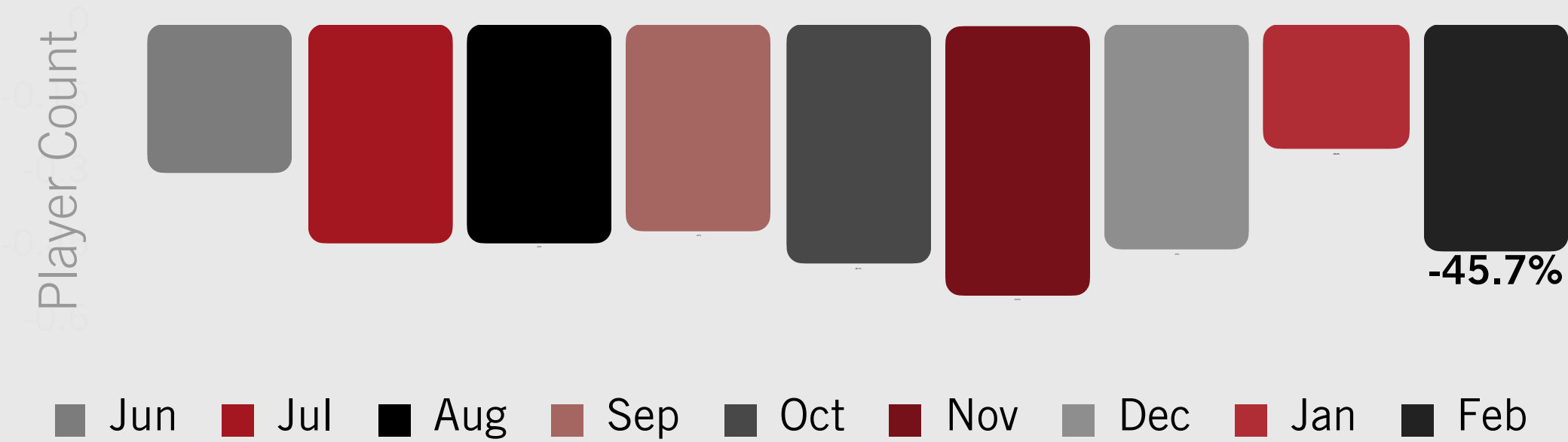
In February we had **132,000 fewer players** visit a property than in 2020. Just over 55% of the total decline in players comes from those who spend less than \$25 per visit.



The **mid-level gamer** who spends between **\$75 - \$150** per visit has consistently shown the most significant decline during the reporting period. In February this group had a **\$4,800,000 decline** in revenue.



New Players



Are new players coming into properties?

New members are down 45.7% in February. The long term impact of a decline in the player life cycle will be significant.

We continue to report a **considerable increase in ADT for new players**. In 2020 new members had a **\$42 ADT** and in 2021 post-CV19 new players are spending **\$54** on average.



With a variance range of 35% loss to 24% gain in theo win, **who is doing well right now?**



< or > 1,000 Machines

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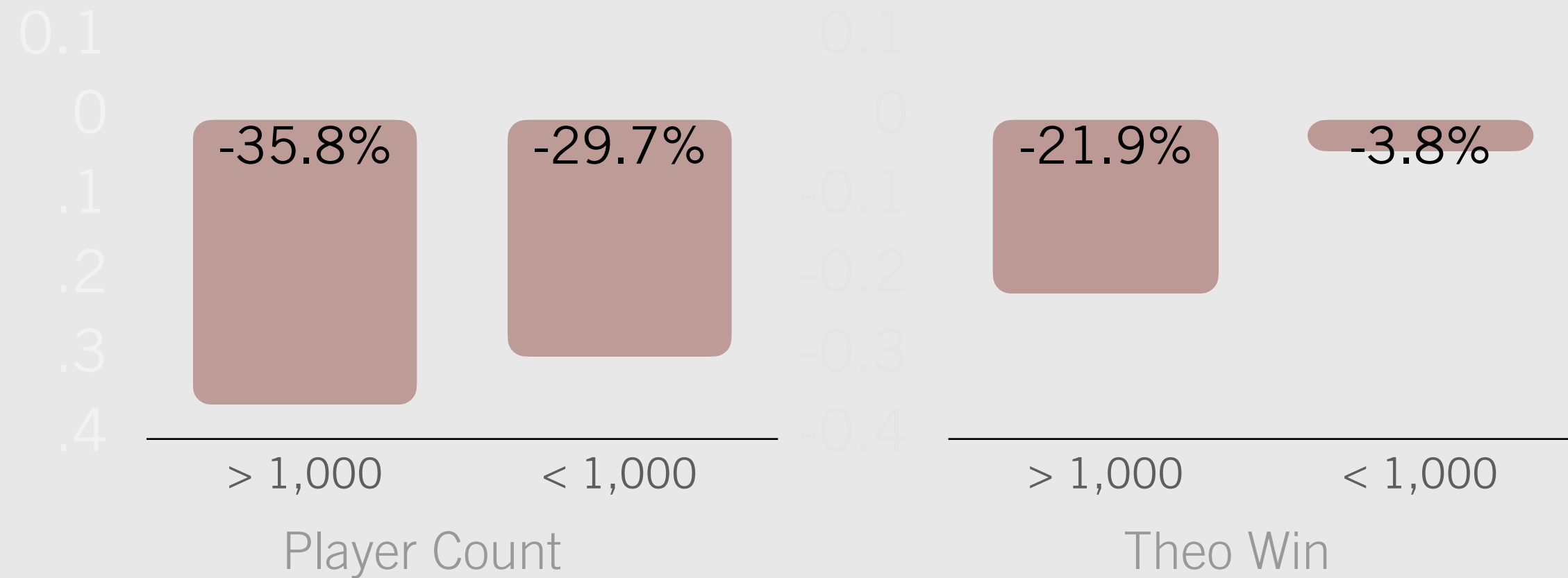
As with all casino data, there are many ways segment the information. One of the trends we discovered lead us to organizing the properties into two categories; **those with more and less than 1,000 machines.**

Machine count provides an indication or overall size and offering of a property.

Let's look at the results.



< or > 1,000 Machines



Properties with less than 1,000 machines out paced revenue from December 2019, experiencing just a 2.2% increase year over year. In January that number increased to 13% year over year. Now looking at **February** these properties experienced a decline, although not as significant at 3.8%.

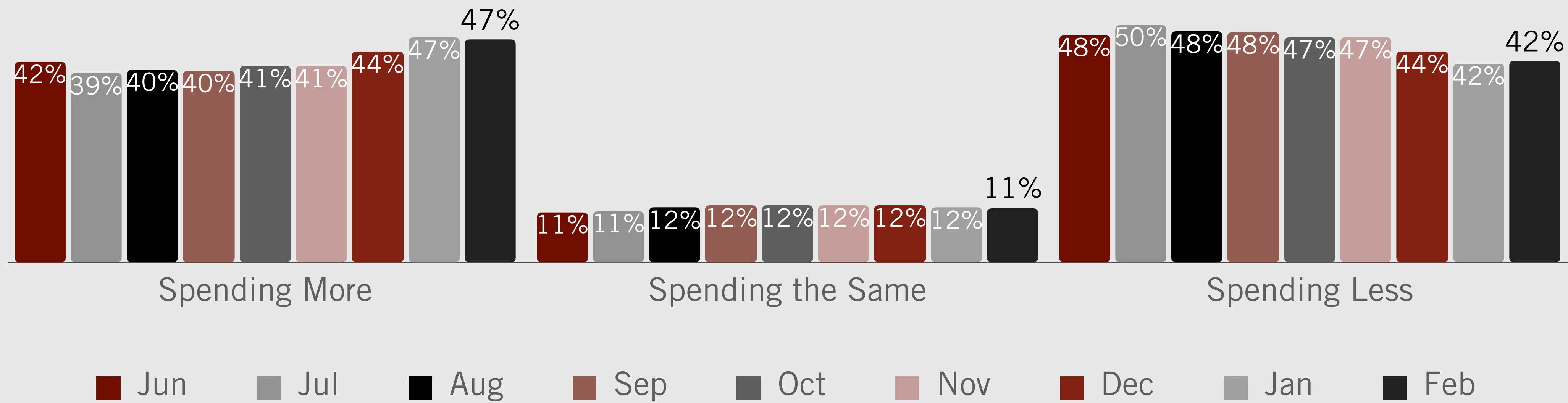
Properties with more than 1,000 machines made substantial increases in January. In December's 24.7% decline in revenue year over year was followed by just 1% decline in January. **February's** results look similar to December, coming in at down **21.9%**.



**Player Behavior, Less, more or
the same?**



Spending Patterns





Some Players Are Spending More

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46.51% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **66.44% of casino revenue.**

Short-term programs should be utilized to capitalize on this opportunity, as their behavior will likely change.



Some Players Are Spending The Same

—
11.5% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **12.4% of casino revenue**. The contribution from these players has remained consistent for the last 4-months.

Direct mail reinvestment levels should be closely monitored as this suggests that only **11.5% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—
42.0% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **21.2% of casino revenue.**

A return to pre-COVID normal will take time.
Continuing to monitor and adjust will be key to maximizing revenue.




What Next?

For the first time in recent memory historical player data may **not be the best predictor** of a players future worth.

Moving into 2021, with an ever changing landscape, what will revenue look like? There are so many unknown variables as we look to the future. We hope that the trends we are starting to see building in this report assist with planning for the future.

As we look at the future of player life cycles, the 45% decline in new members will take its toll in the future. New players are spending more than ever before, this is the time for an aggressive new member campaign.





**Now more than ever, nothing should
be “Set it and forget it.”**



Look for this Red Circle player behavior study each month. Adjust your business practices as each report reveals new trends.



Red Circle's Mission & Purpose

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We want to advantage our clients in the marketplace, to help them make **data-driven decisions that are more efficient, more effective.**

- ▶ Casino-experienced staff
- ▶ Proprietary casino marketing software systems



Red Circle, Built To Deliver Value

—
Casino-only, full-service creative + media specialists, 9 former in-casino marketing staff in full-time positions

Unique value-driving casino marketing technology

19 years, 50 people, offices in Minneapolis, MN,

125+ casinos

Native-owned

CHAD GERMANN

**FOUNDER
OWNER / CEO**

—

MILLE LACS
BAND OF
OJIBWE

—

*CASINO
MARKETING
DIRECTOR
4 YRS*

—

*CASINO
MARKETING
25 YRS*



chad@redcircleagency.com

(c) 612-670-1606

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Thank You

