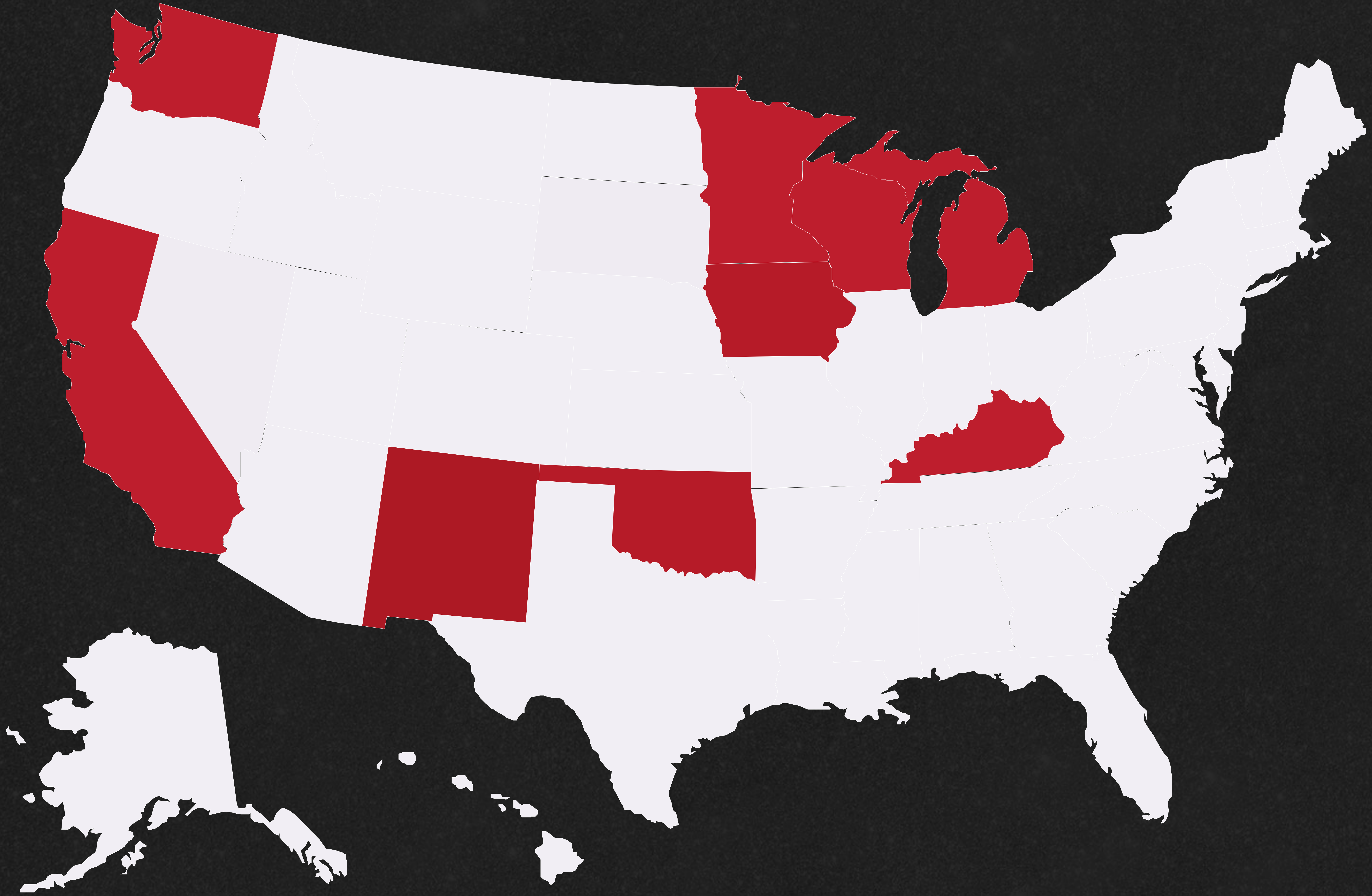
RED CIRCLE

CV-19 Casino Player Behavior Study v.5

Data Sample July 6 - 12, 2020

Minneapolis, MN | Tulsa, OK

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:

- 9 States
- 19 Casinos
- 108,000 Players
- 159,000 Visits
- $17,800,000 Theo Win

Executive Summary

During week five of this study we see volume of guests and revenue continue to be strongly impacted.

Across all aggregated data we are seeing a **loss of 12.2% of revenue and 32.0% decline in players.** Individual properties range from being **up 61% to experiencing a 36% decline**.

A property's distribution based on a distance scale is becoming the most significant metric for categorizing performance. If a property depends on players traveling they are being more significantly impacted, while locals properties are prospering.

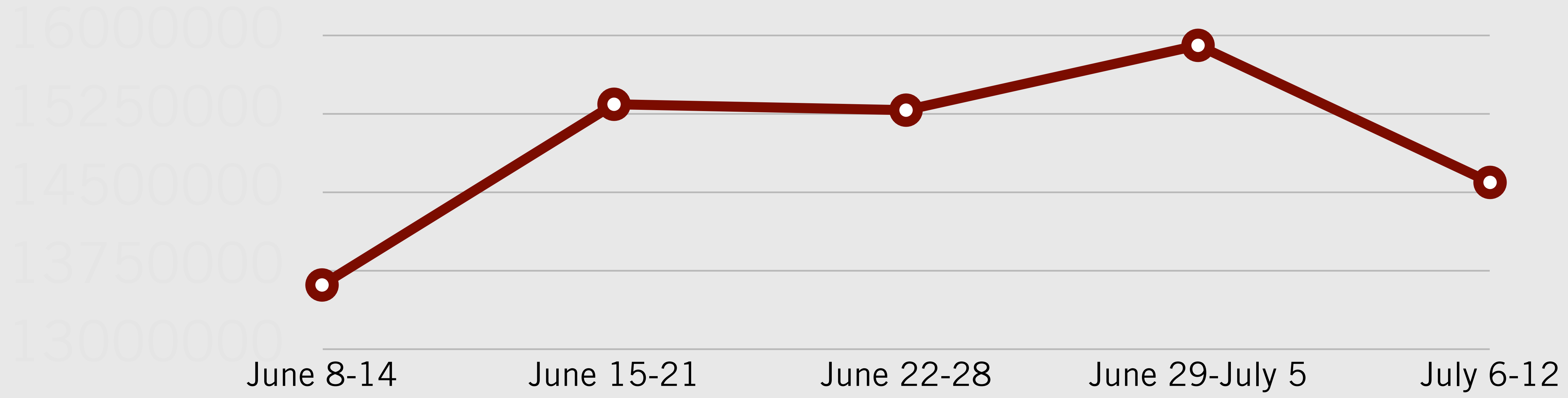
Executive Summary

Specific # 's

The Methodology

We have used year over year data for this report as a way to account for natural seasonality. Week five presented a unique challenge with the holiday weekend hangover.

The chart below represents total spending over the last five weeks. The decline post-holiday weekend is to be expected. Weeks following big holidays (New Year's Eve, Memorial Day, 4th of July, Labor Day) - have historically resulted in a small dip as players recover from additional spending the weekend before.



Executive Summary

Specific # 's

By the numbers

Week five shows slight rebound from the significant decline in players and revenue that we saw in week four. The data shows a **32% decline in players year over year, up from 35% decline last week.**

New Players are **down 40%** year over year, while ADT for a new member is **up 32%**.

During the same time frame we saw player ADT move from $88 in 2019 to $111 in 2020, a **26% increase in spend per visit.**

Currently we are tracking revenue at a 12.2% decline, up from the 18% decline in week four.

Player analysis, demographics and revenue impact

Definitions:

Week 1: June 8 - 14, 2020

Week 2: June 15 - 21, 2020

Week 3: June 22 - 28, 2020

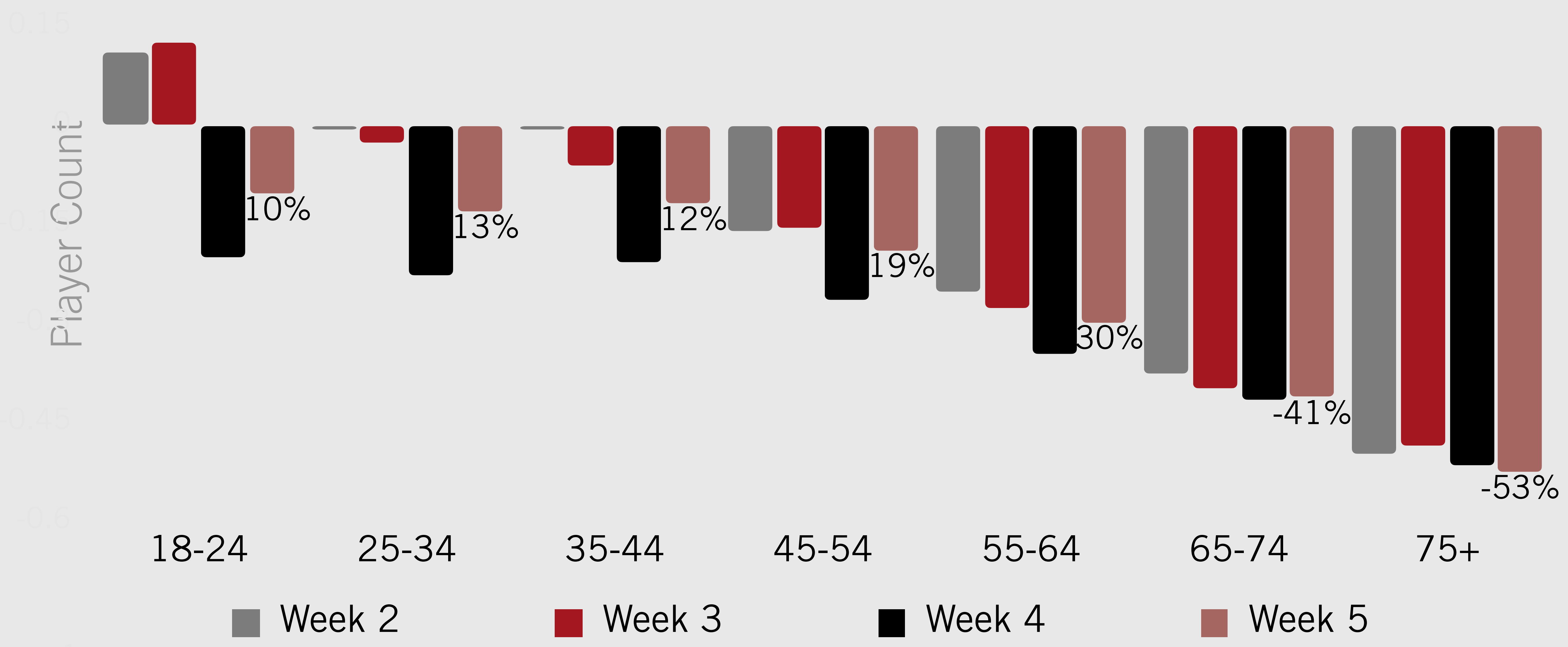
Week 4: June 29 - July 5, 2020

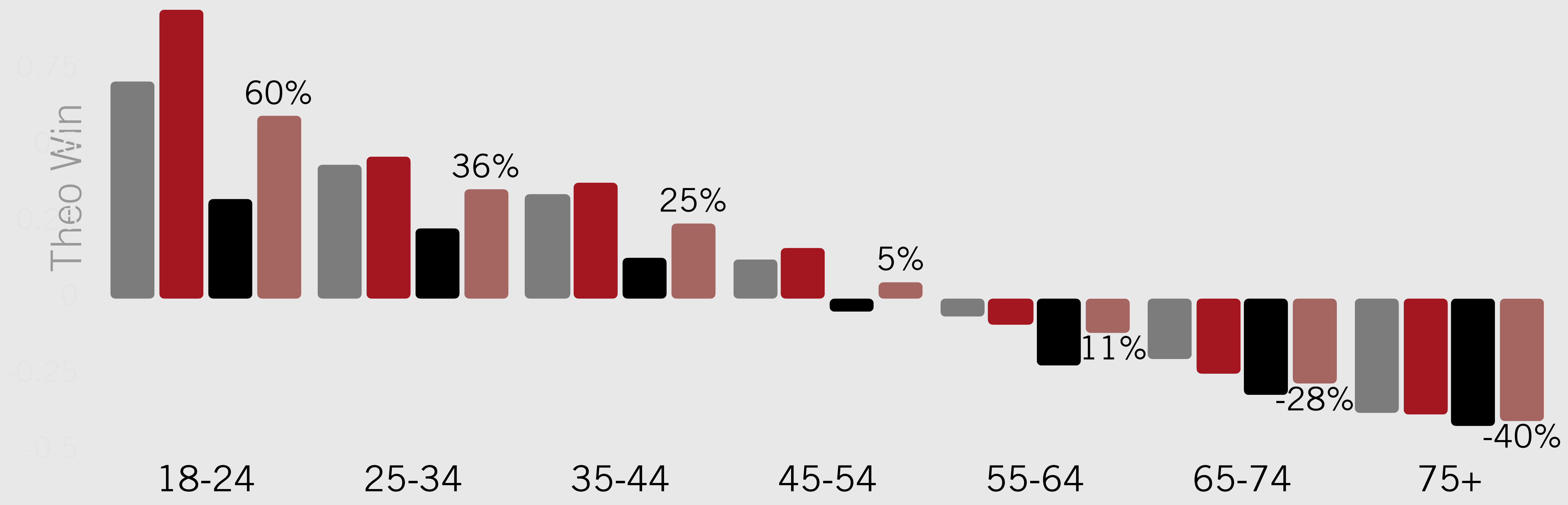
Week 5: July 6 - 12, 2020

Player Analysis: Date Range 2020 vs Same Date Range in 2019

Behavior Analysis: Post COVID Weekly Performance vs Previous Play in 2020

Age

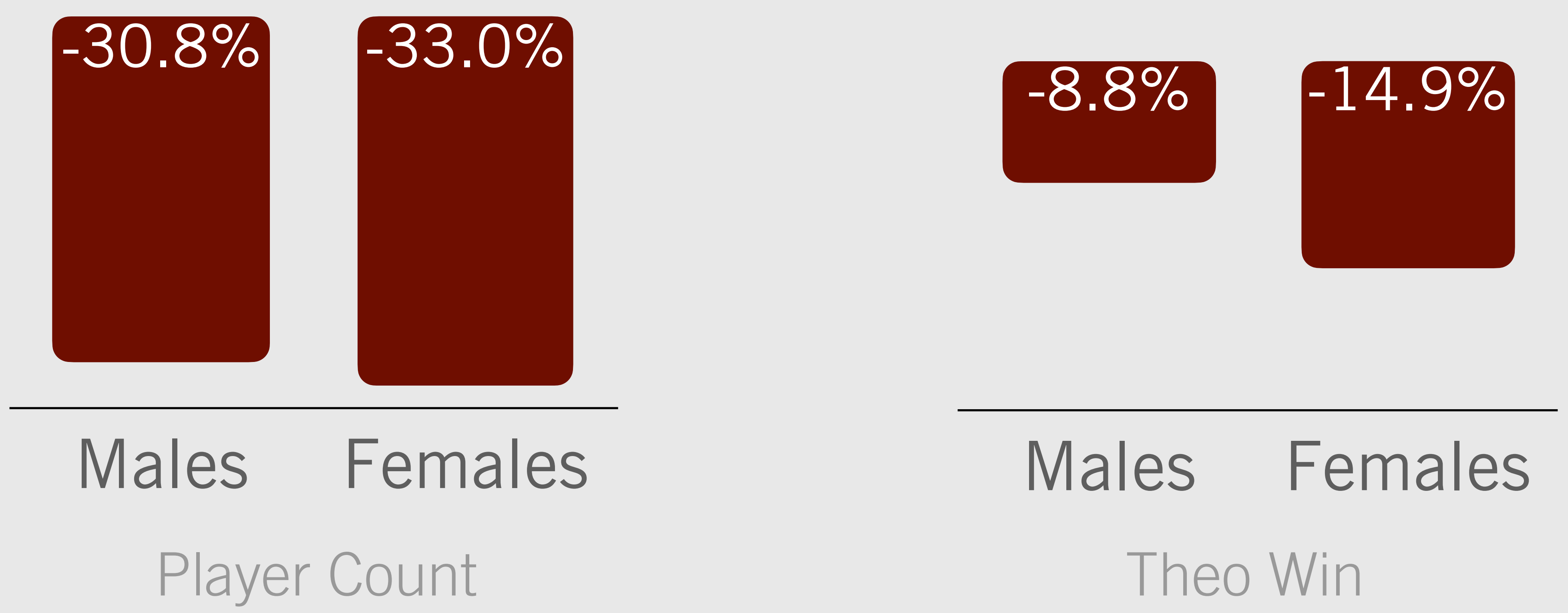




While week five was less dramatic, for the second week in a row we are seeing a decline in players across all age groups. Despite a decline in player count, **players under age 55 continue to spend more.**

The 55-64 age group produces the most significant revenue contribution at 28%. The **65-74** age group contributes **22% of revenue and is responsible for the most significant total decline in revenue.** In week five alone players ages 65-74 spent **$1,500,000 less** than the year before.

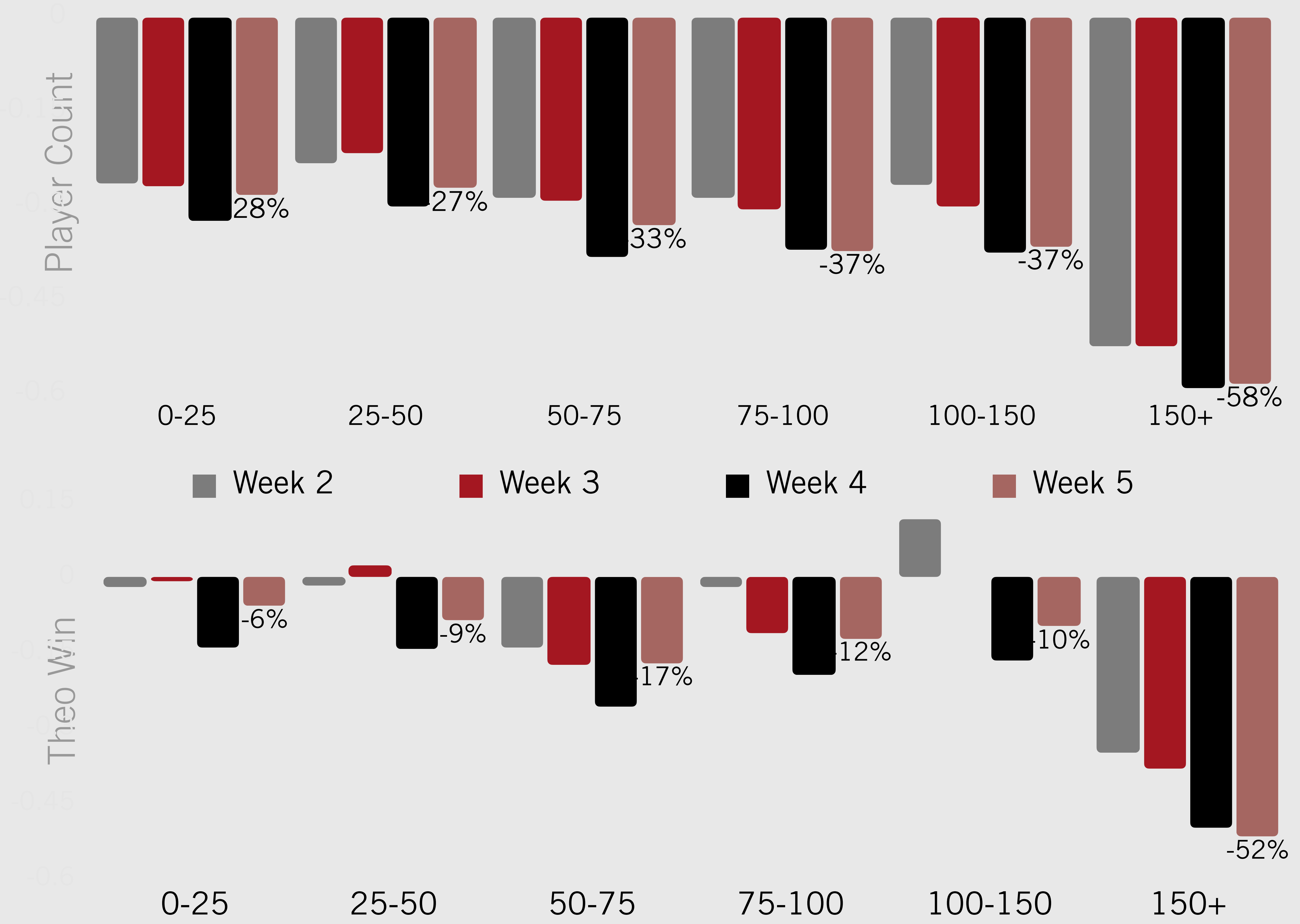
Gender



Player databases remain dominated by females. Female players represent **53% of players** and **54% of theo win.**

Despite the female dominance of the database, they have been slower to return to properties and their spend has been more significantly impacted than spend from their male counterparts. Week after week we are seeing female players exhibit a greater sense of caution.

Distance

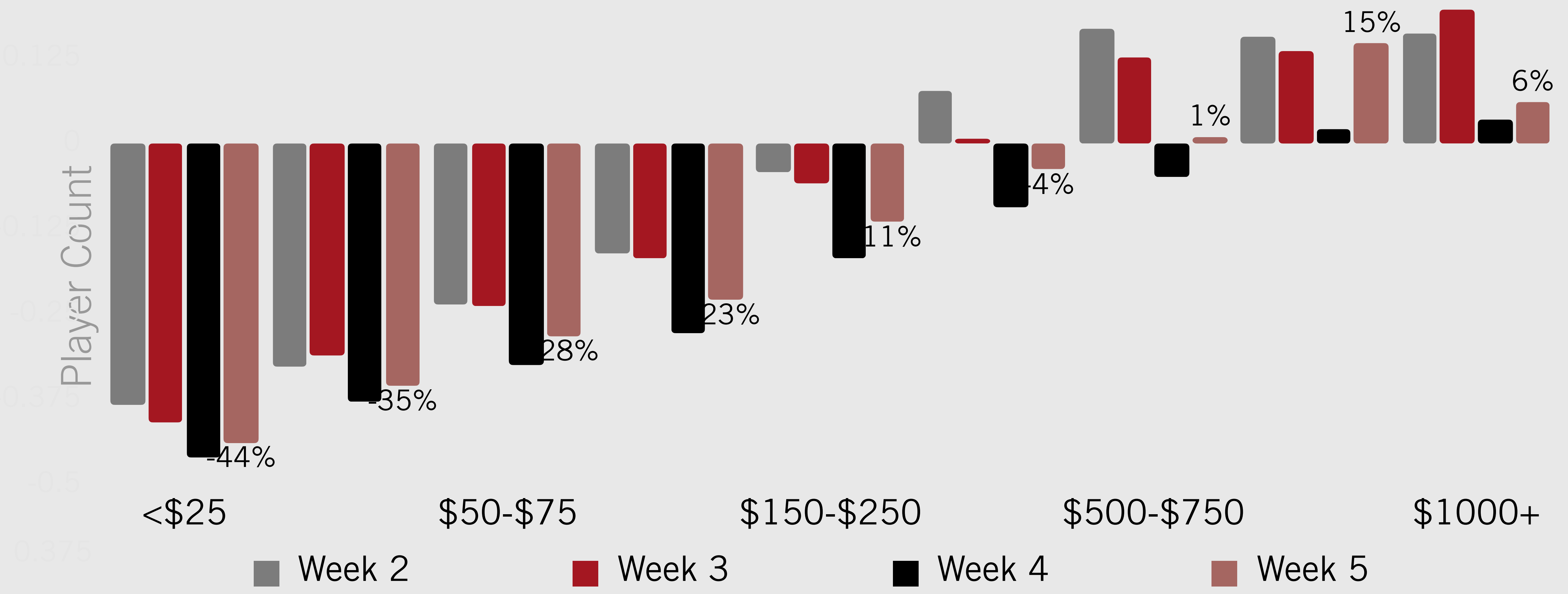


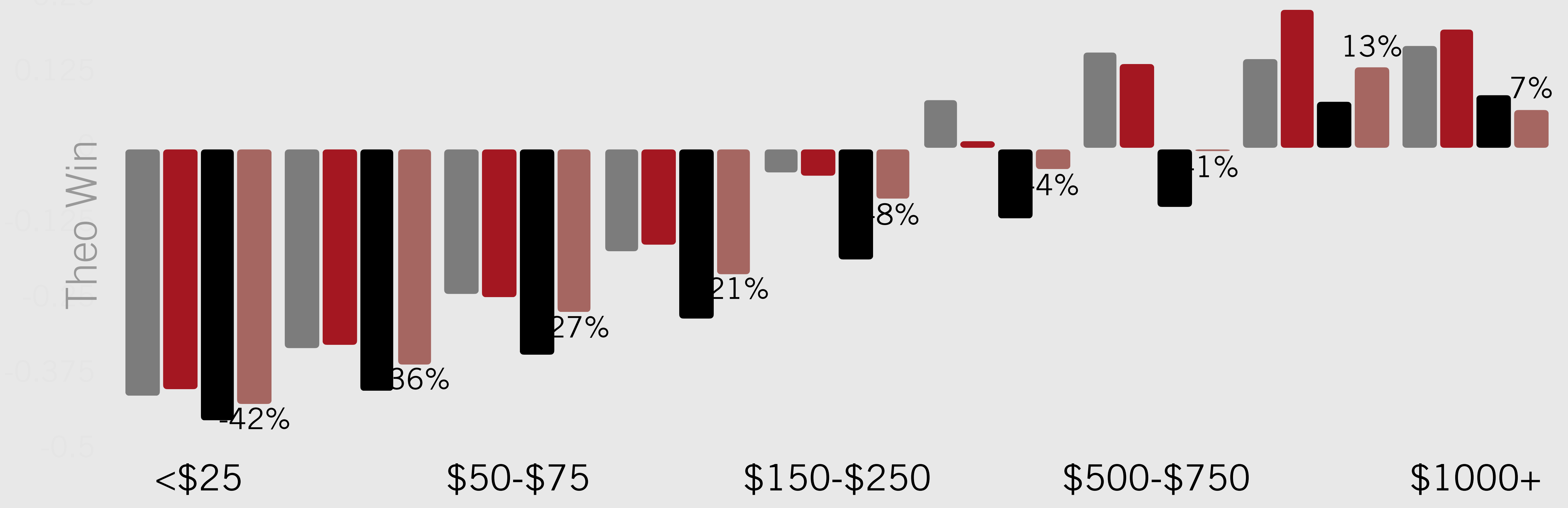
We continue to see an increasing decline in players willing to travel over 150 miles. **Week five continued the jump in decline that started in week four.**

My properties performance looks very different than this report?

Short answer: **Distance is one of the key indicators that is determining total performance right now.** Small local properties are doing very well, while properties that have larger resort footprints and serve markets of players that travel and stay over night are seeing the most significant decline.

ADT



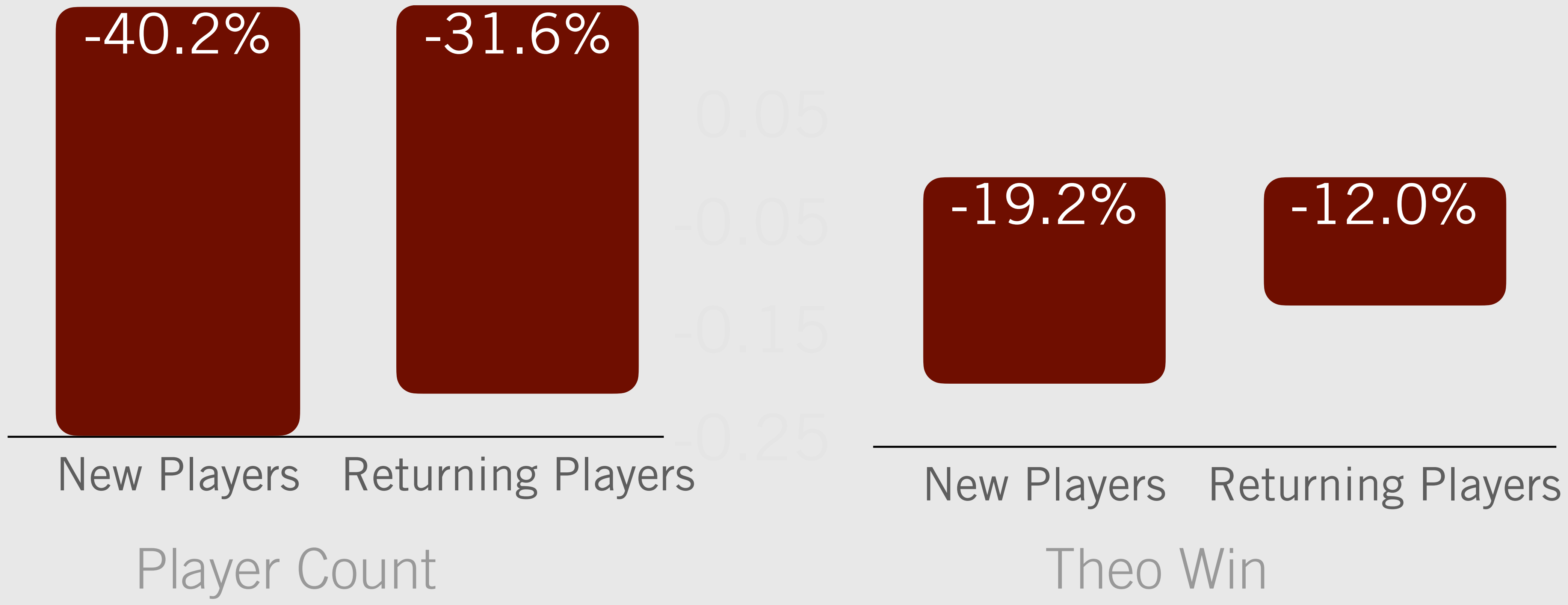


During week five **50,000 fewer players** visited a property than in 2019. Of these 50,000 players, **29,000 previously had an ADT of less than $25**. An additional 10,000 spent between $25 and $50.

The **casual gamer** who spends between **$75 - $150** per visit is the profile of player creating the **most significant decline** in total revenue.

Players with a $750 or greater spend per visit returned to the strong performance we had seen in earlier weeks.

New Players



Are new players coming into properties?

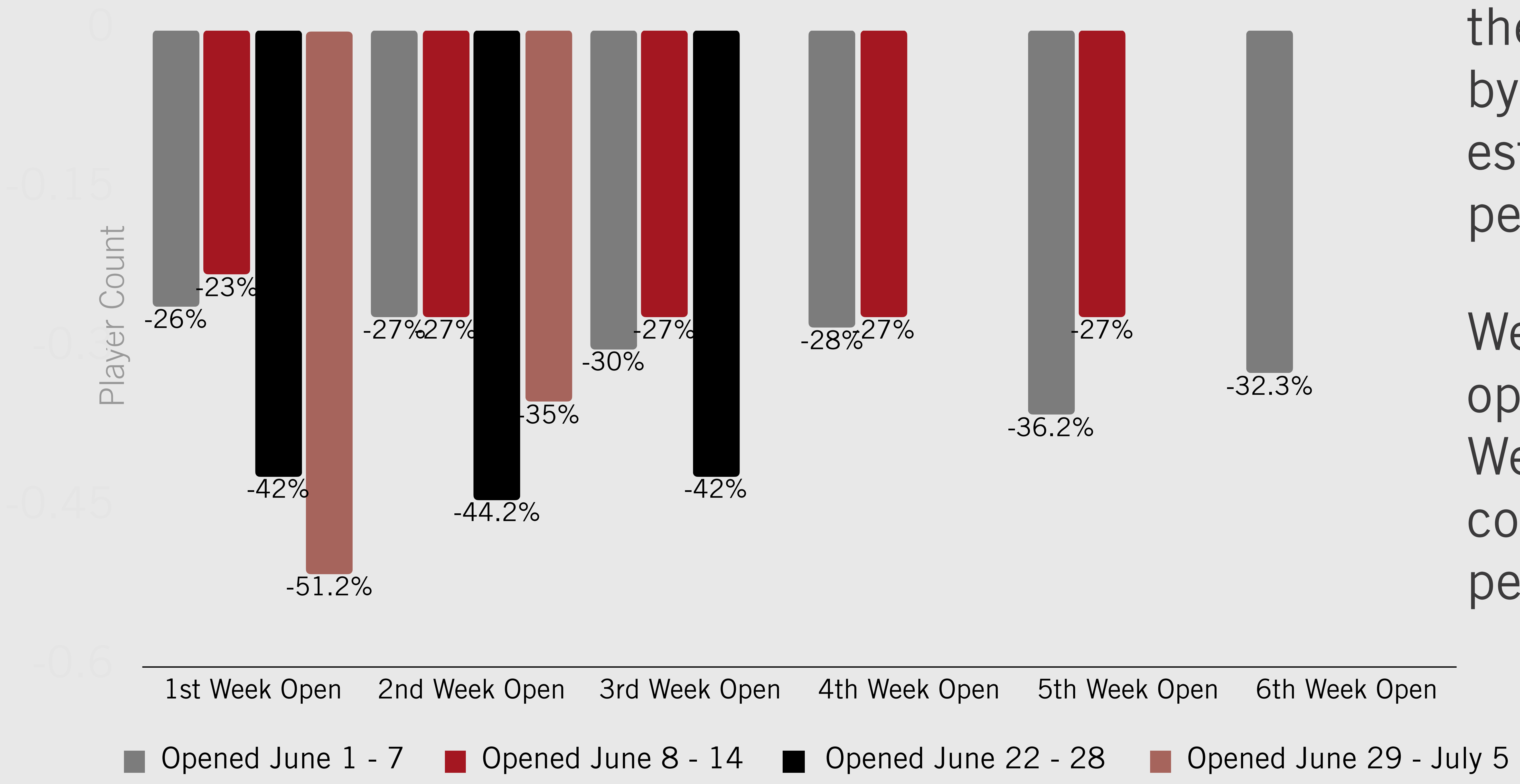
New members are down 40% in week five. **The long term impact of a decline in the player life cycle will be significant.**

We continue to report a **considerable increase in ADT for new players**. In 2019 new members had a **$40** ADT and in 2020 post-CV19 new players are spending **$60** on average.

Now is the time to add a short term, appealing, new member sign-up bonus.

Weekly Performance, Is week 1 always better than week 2? Week 3? Week 4?

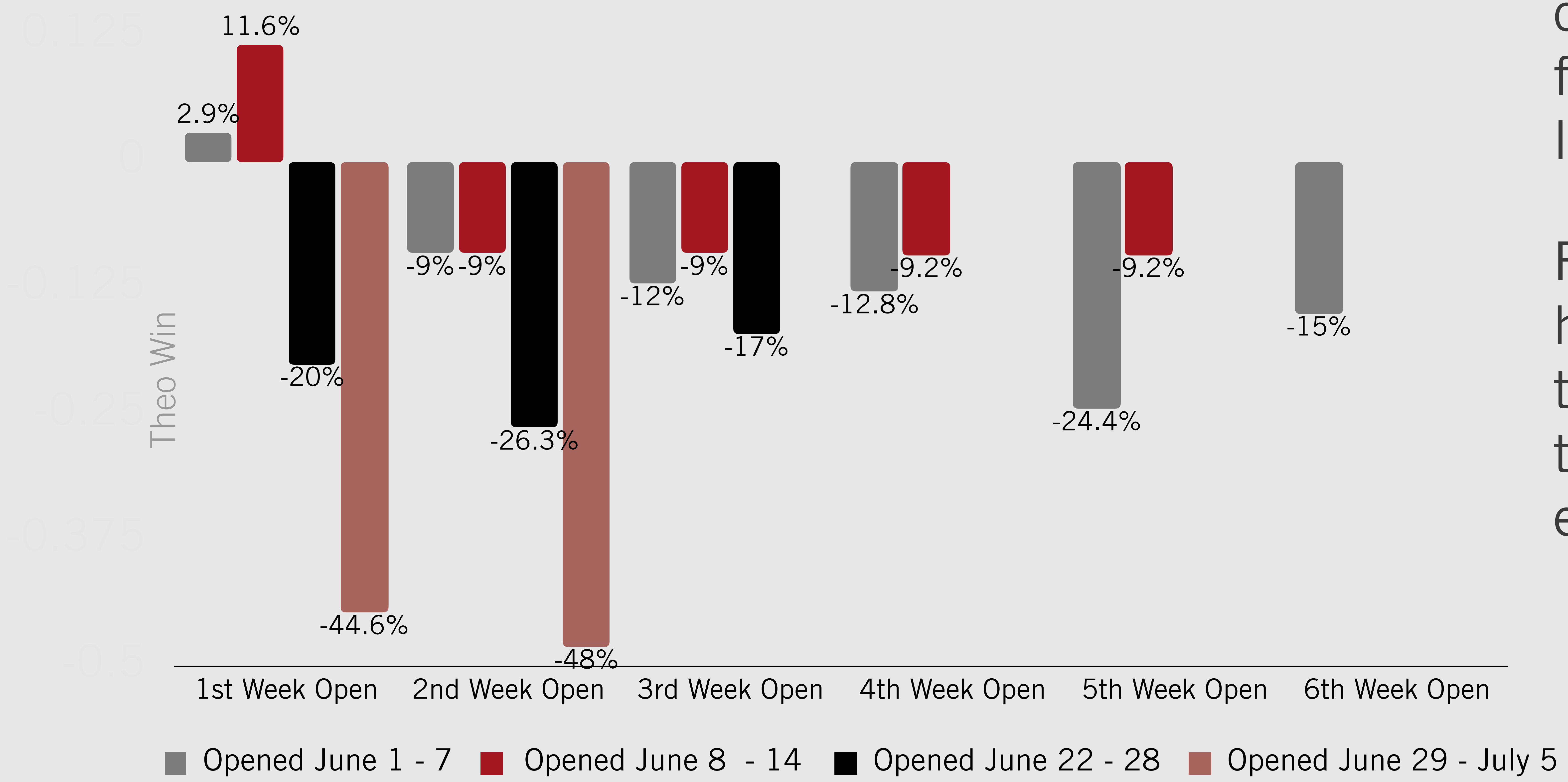
Weekly Performance



Recognizing that pent up demand may play a significant role in the performance of properties when they re-open, we organized the data by **opening date** and **weeks open** to establish a trend of weekly performance post-opening.

We continue to see properties that opened early normalize in behavior. Weekly performance is looking more consistent from a player count perspective.

Weekly Performance

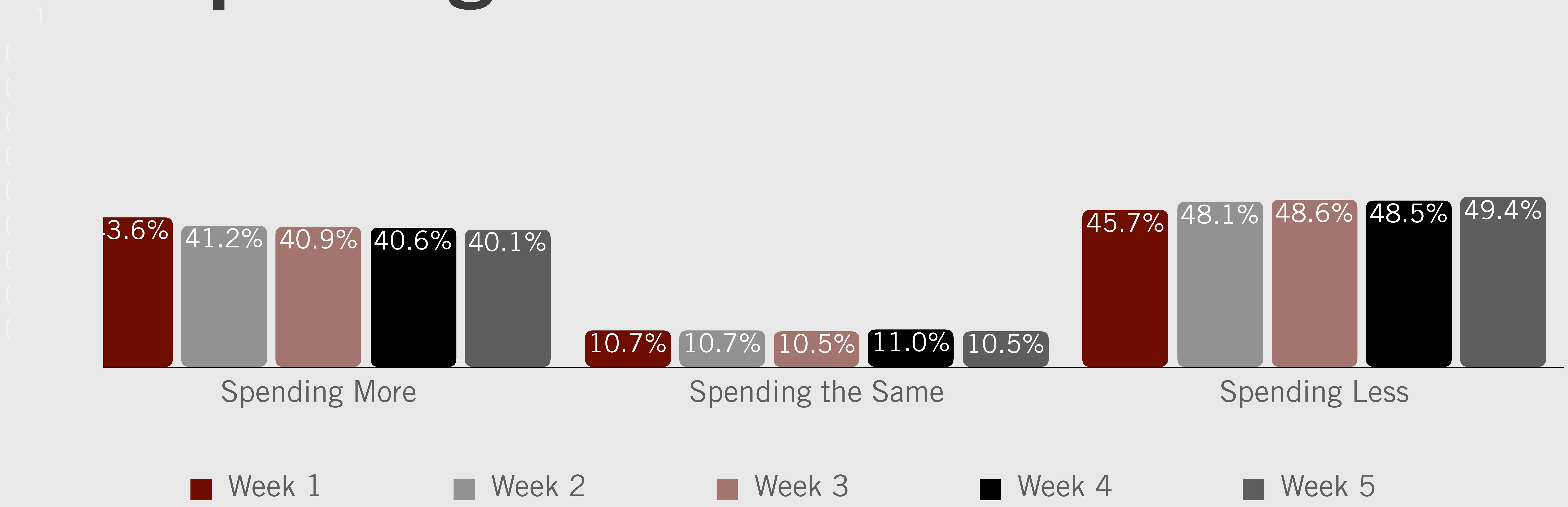


Theo win has failed to develop any consistency as the weeks pass. We continue to have a lot of outside factors impacting performance for a lot of properties.

Factors include: competitors that have remained closed, the state of the virus in each community and the state of business regulations in each market.

Player Behavior, Less, more or the same?

Spending Patterns



Some Players Are Spending More

40.09% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **64.60% of casino revenue.**

Comparing week one to week four of this study we have seen a **3.5% decline** in players who are spending more.

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

Some Players Are Spending The Same

10.5% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **11.13% of casino revenue.** The contribution from these players has remained consistent for the last five weeks.

Direct mail reinvestment levels should be closely monitored as this suggests that only **10.5% of players** are currently exhibiting their typical behavior.

Some Players Are Spending Less

49.4% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **24.3% 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.

As we look at player life cycles, we assert that the 40% 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 initiative.

While week five also had a double digit decline, we know that a holiday weekend hanger over is natural. Stay tuned for week six to see if this trend continues.

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

Look for this Red Circle player behavior study each week. Adjust your business practices as each weeks data reveals new trends.

Red Circle's Mission & Purpose

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


Walter Boyd,
Give him a call.
RED CIRCLE AGENCY
CLIENT ADVOCATE
–
NORMAN, OK
–
CASINO
MARKETING
DIRECTOR
2 YRS
–
BLACKHAWK
CASINO
walter.boyd@redcircleagency.com
(c) 405-585-9028

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Thank You