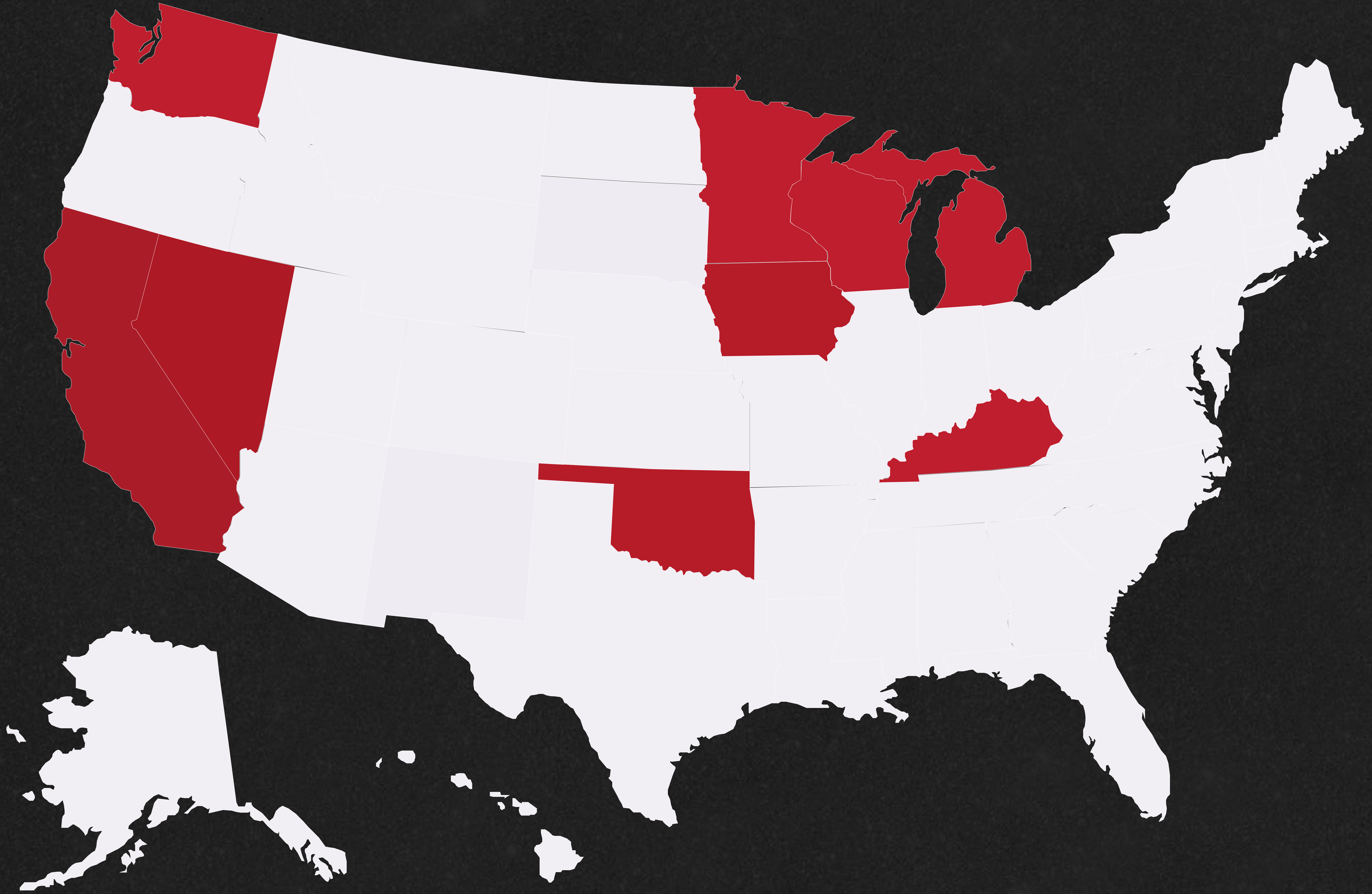
RED CIRCLE

CV-19 Casino Player Behavior Study v.7

Data Sample July 20 - 26, 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
- 20 Casinos
- 110,000 Players
- 161,000 Visits
- $17,800,000 Theo Win

Executive Summary

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

Across all the aggregated data we are seeing a **loss of 10.4% of revenue and 29.0% decline in players.** Individual properties range from being **up 40% to experiencing a 41% decline**.

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

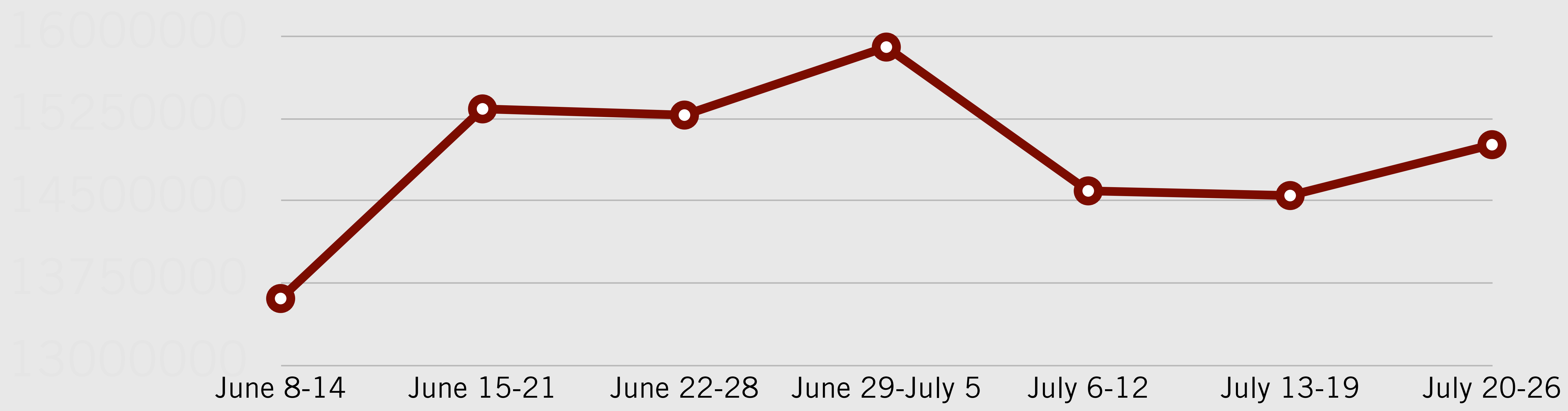
Executive Summary

Specific # 's

The Methodology

We have used year over year data for this report as a way to account for natural seasonality. **The chart below represents total spending over the last seven weeks.**

Week seven shows a **3.2% increase in total spend** over the previous week.



Executive Summary

Specific # 's

By the numbers

Week seven shows a solid rebound from the significant decline in players and revenue that we saw in the two previous weeks. We see a **29% decline in players (up from 36% decline in week six) year over year.**

New Players are **down 40%** year over year, while ADT for a new member is **up 50%**.

During the same time frame we saw player ADT move from $87 in 2019 to $111 in 2020, a **29% increase in spend per visit.**

Currently we are tracking revenue at a 10% decline, up from a 16.7% decline in week six.

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

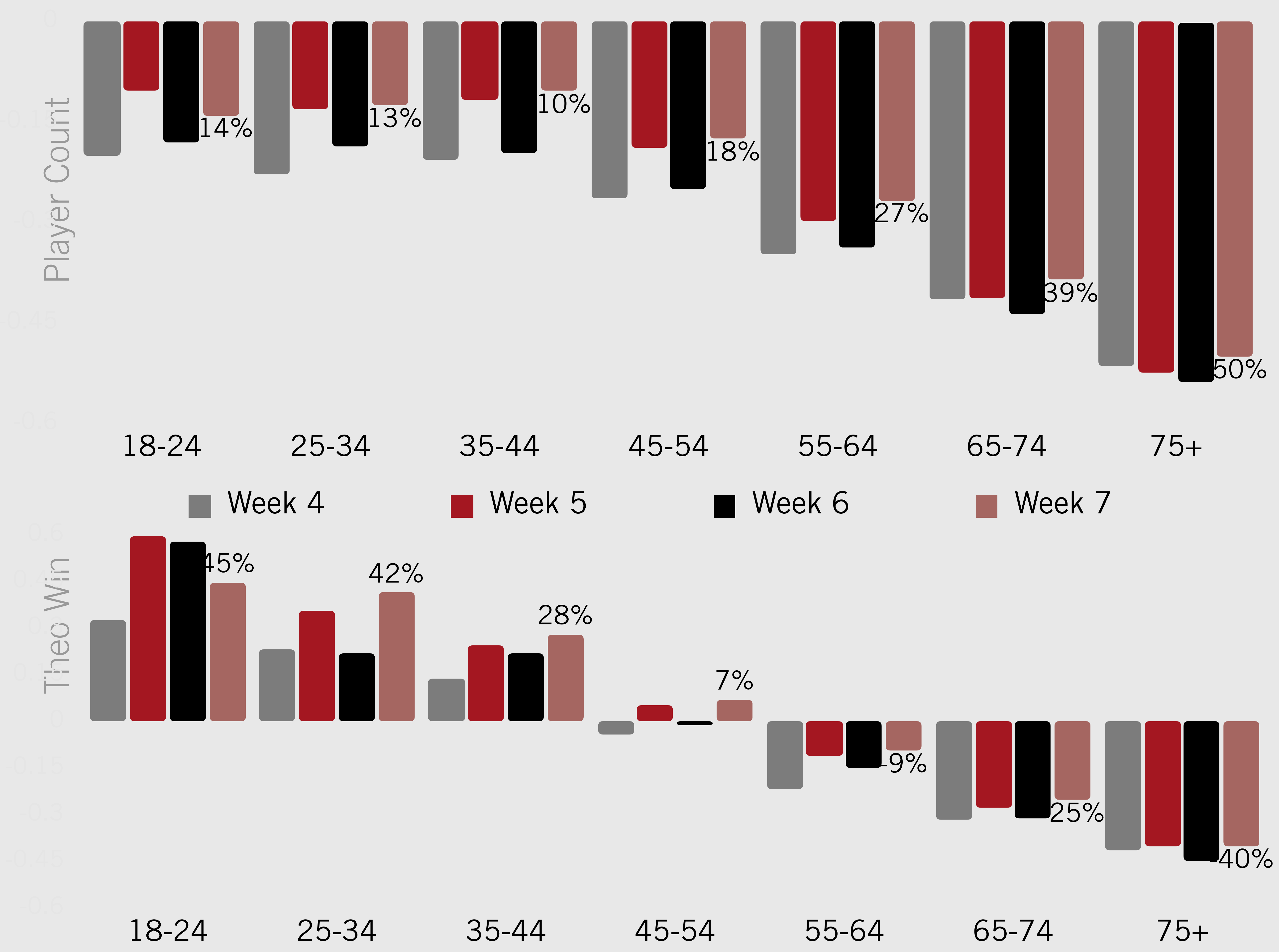
Week 6: July 13 - 19, 2020

Week 7: July 20 - 26, 2020

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

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

Age

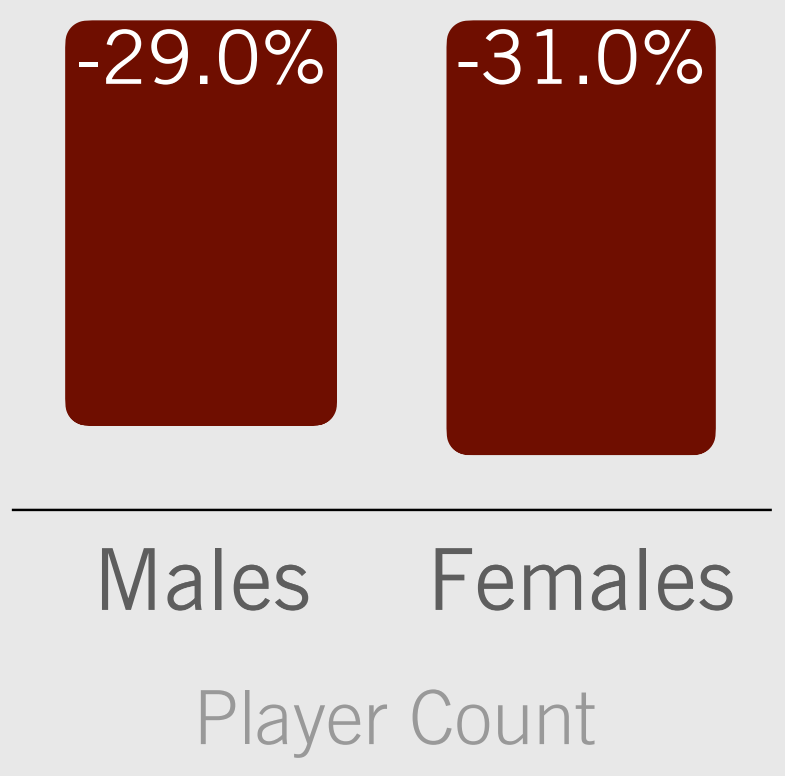


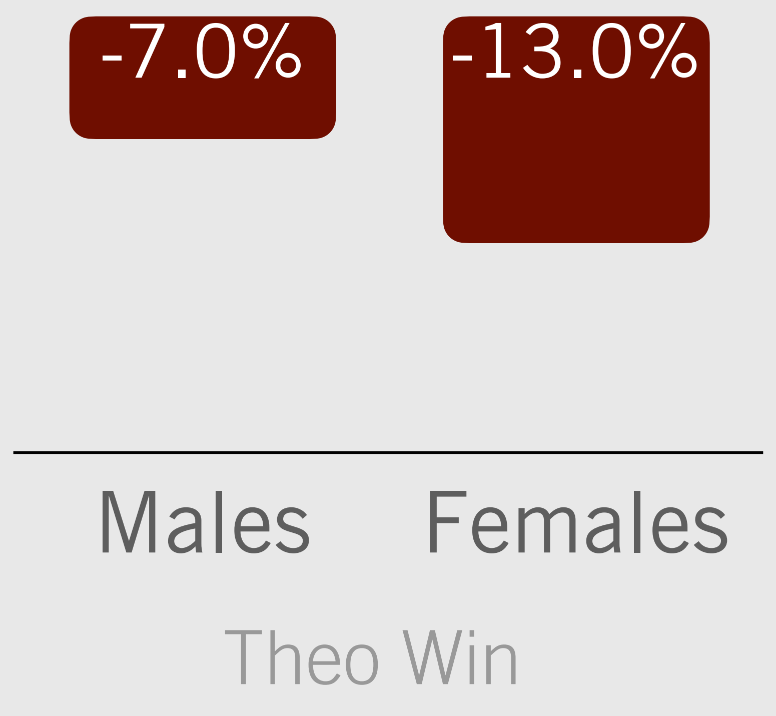
While week seven produced a continued decline in players across all age groups; players under 65 show a volatile trend, alternating high/low performance each week over the last month.

The 55 - 64 age group produces the most significant revenue contribution at 28%.

The **65 - 74** age group contributes **23% of revenue** and is producing the **most significant total decline in revenue.** In week seven alone players ages 65 - 74 spent **$1,300,000 less** than the prior year.

Gender



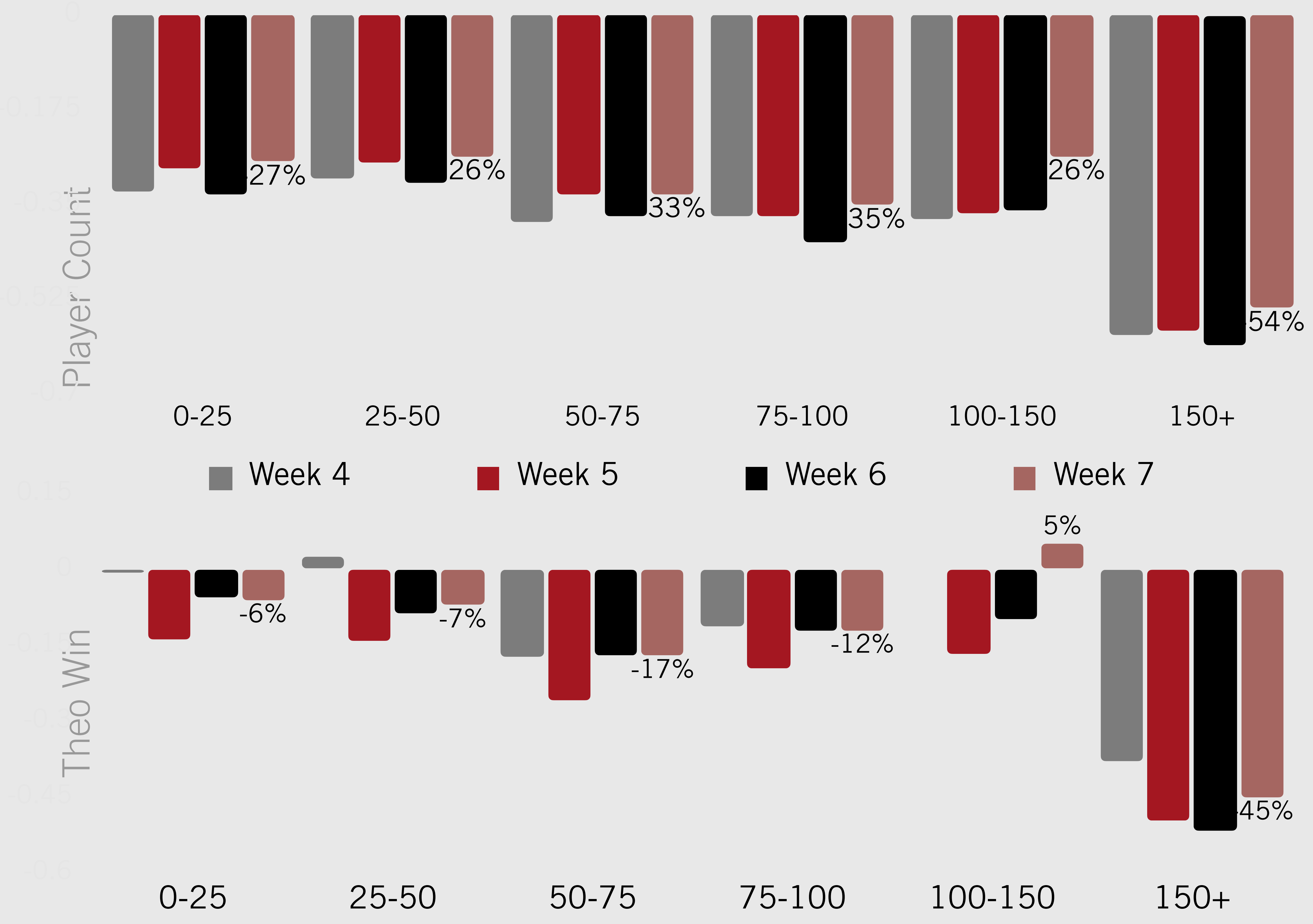


Player databases remain dominated by females. Female players represent **53% of players** and **55% of theo win.**

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 male players.

Week seven shows a continued sense of caution from female players.

Distance

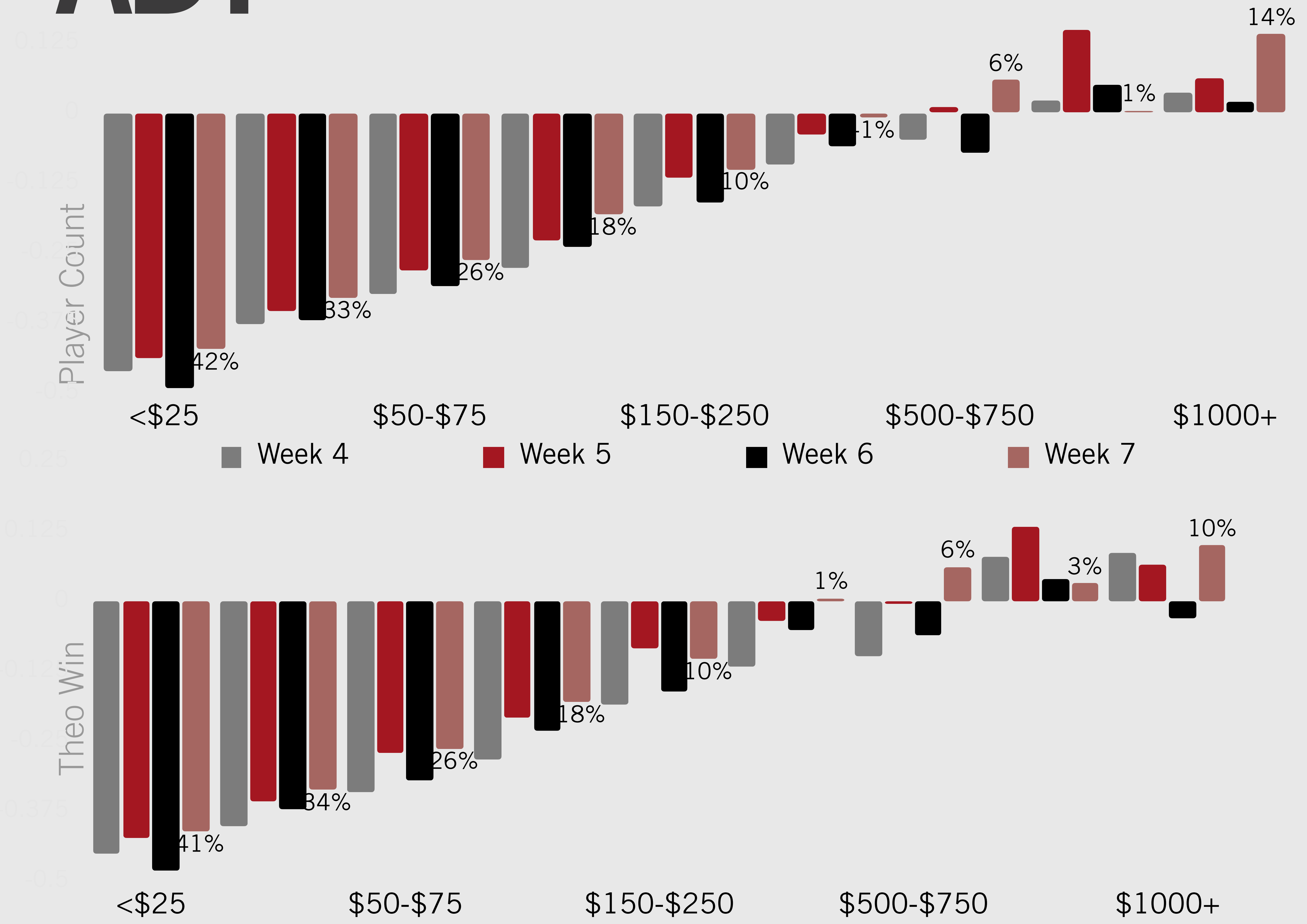


We continue to see an increasing decline in players willing traveling over 150 miles. **Week seven continued the jump in decline that started in week four.**

My properties performance looks very different than this report?

<u>Short answer:</u> Distance is one of the key indicators in determining total performance right now. Small locals 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

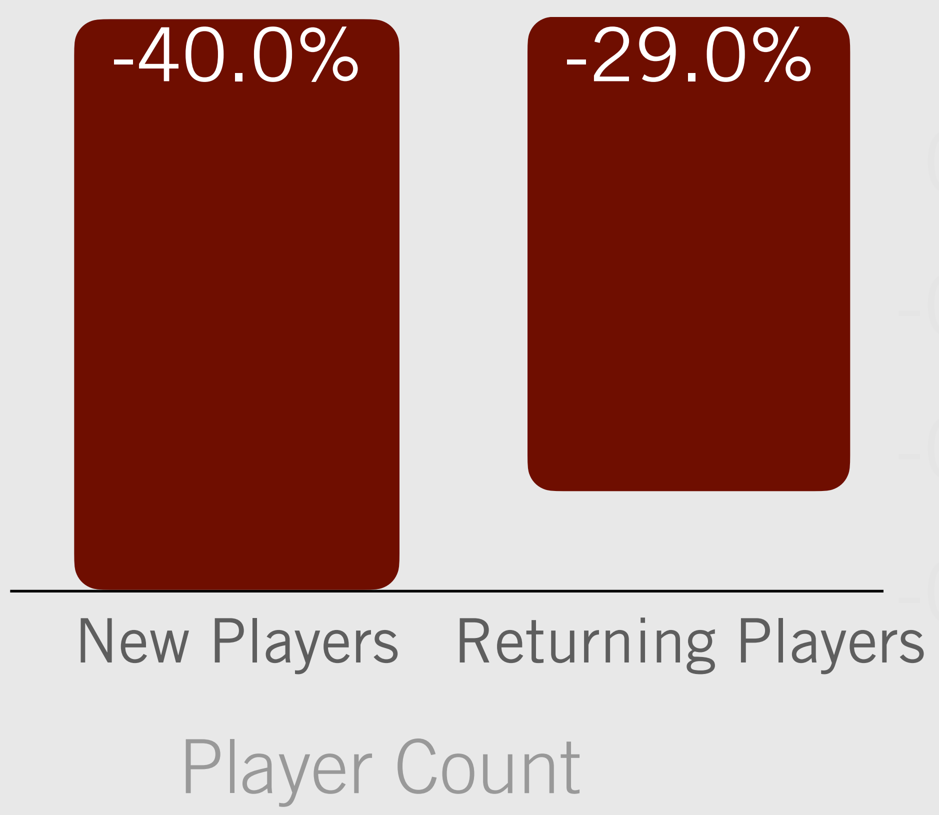


During week seven **47,000 fewer players** visited a property than in 2019. Of these 47,000 players, **28,000 of them previously had an ADT of less than $25**. Another 9,000 spent between $25 and $50.

The **casual gamer** who spends between **$75 - $150** per visit is the profile of player that represents the **most significant decline, a $750,000 loss year over year**.

Week seven showed significant growth in players and revenue from those with a $1,000+ ADT.

New Players



Are new players coming into properties?

New members are down 40% in week seven, recovering a bit from 49% last week. 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 **$61** on average.

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

With a variance range of 41% loss to 40% gain in theo win, who is doing well right now?

Hotel vs
No Hotel

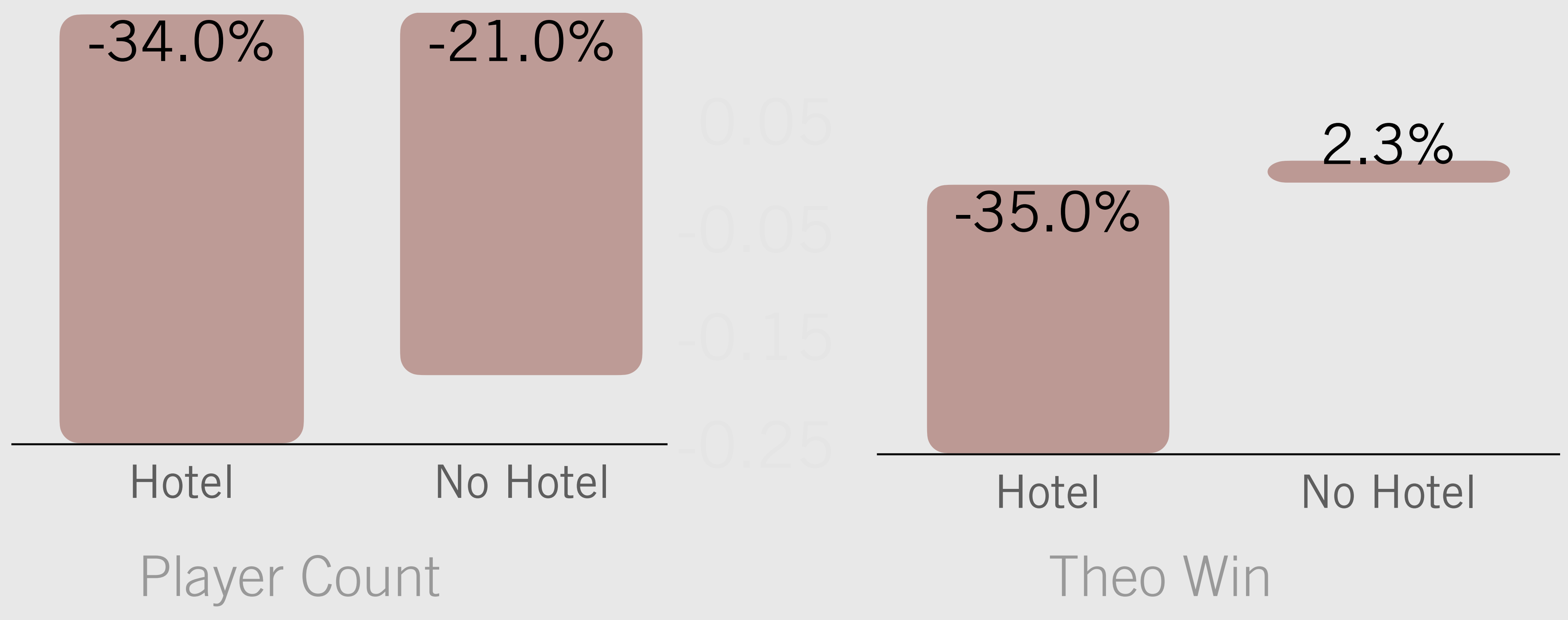
As with all casino data, there are may ways to segment the information. One of the trends we discovered lead us to **organizing the properties into two categories, those with a hotel and those without.**

A hotel indicated an audience that has to drive a little farther and spends a little more time on property each visit.

No hotel is an indicator of a more local based market.

Let’s look at the results.

Hotel vs No Hotel



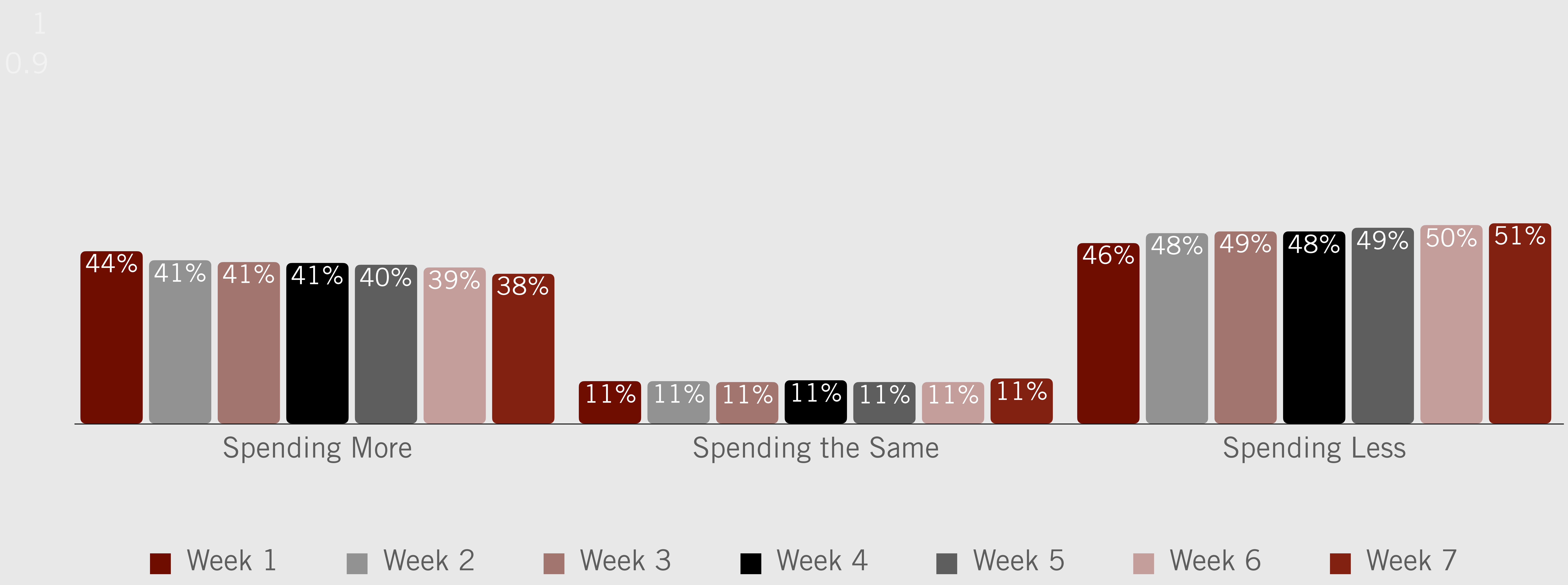
We have a clear winner.

While players visiting properties are down significantly in both cases, properties without a hotel are essentially flat over the same time frame as last year.

Properties with a hotel are averaging a 35% decline year over year in week seven.

Player Behavior, Less, more or the same?

Spending Patterns



Some Players Are Spending More

37.9% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **63.97% of casino revenue.**

Comparing week one to week seven of this study we have seen a **6.0% 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

11.4% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **11.5% of casino revenue.** The contribution from these players has remained consistent for the last seven weeks.

Direct mail reinvestment levels should be closely monitored as this suggests that only **11.4% of players** are currently exhibiting their typical behavior.

Some Players Are Spending Less

50.6% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **24.4% 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 the future of player life cycles, 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 campaign.

Week seven had an increase in weekly spending as well as a reduction in year over year variance, down to 10% under last year.

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

Miigwech

Thank You