



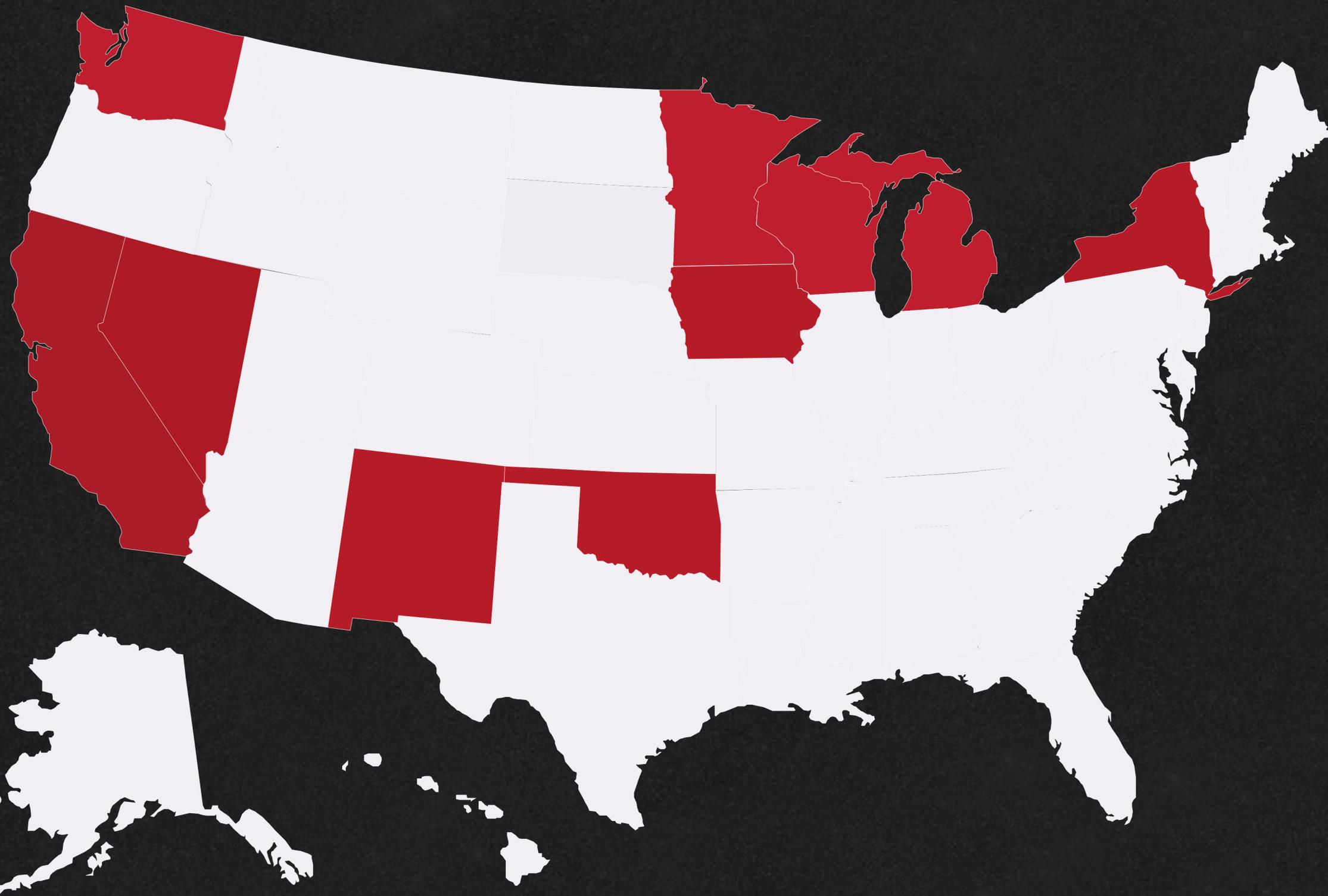
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Apr 1 - 30, 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
- ▶ 285,100 Players
- ▶ 788,300 Visits
- ▶ \$93,400,000 Theo Win



Definitions:

Baseline 1 : April 1 - 30, 2019

Baseline 2: Average performance of Jan - Mar, 2021

Rate of Return: Players who played in April and the month/year of their previous play date



Executive Summary

—

Over the past several months we have been comparing year over year data in this report. In April of 2020 all properties were closed, and we have turned to two different baselines to chart progress.

Using the 2021 over 2019 baseline, when we compare **April of 2021** to **April of 2019**, we saw a **loss of 21.9% in players** and an **increase of 12.7% in theo win**.

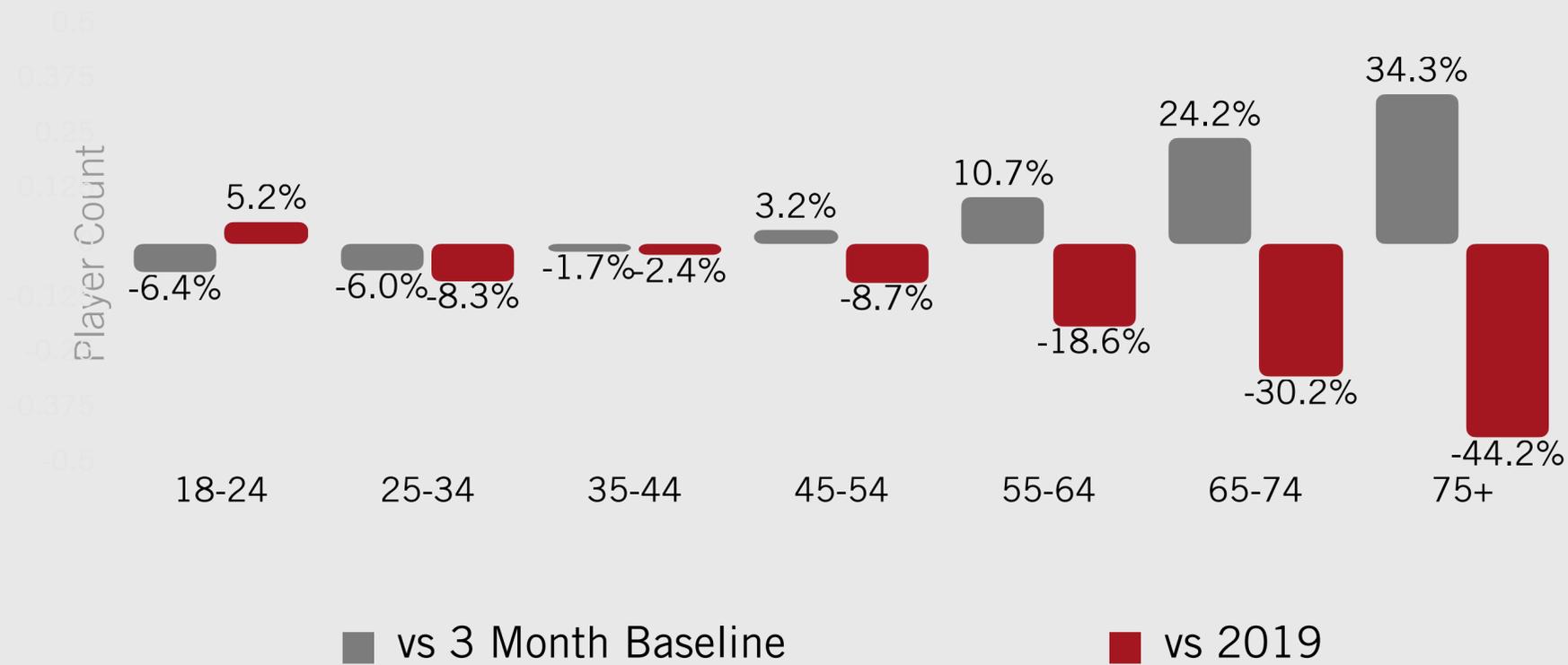
We also created a baseline using the average of the last three operating months, and based on that comparison we see a **10.65% increase in players** and **15.2% increase in theo win**.



Player analysis, demographics and revenue impact



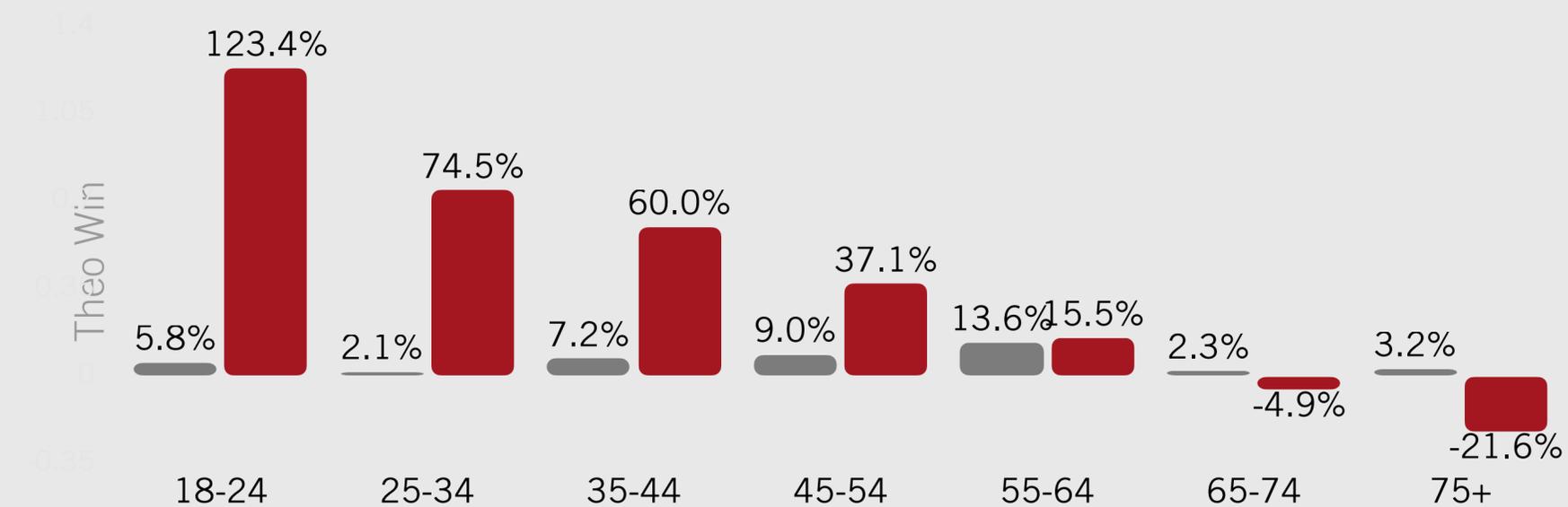
Age



The **increase in players 55+** over the last four months is the **strongest positive indicator we have seen in months.**

In March of 2021 players 55+ represented 56% of players and 62% of the win.

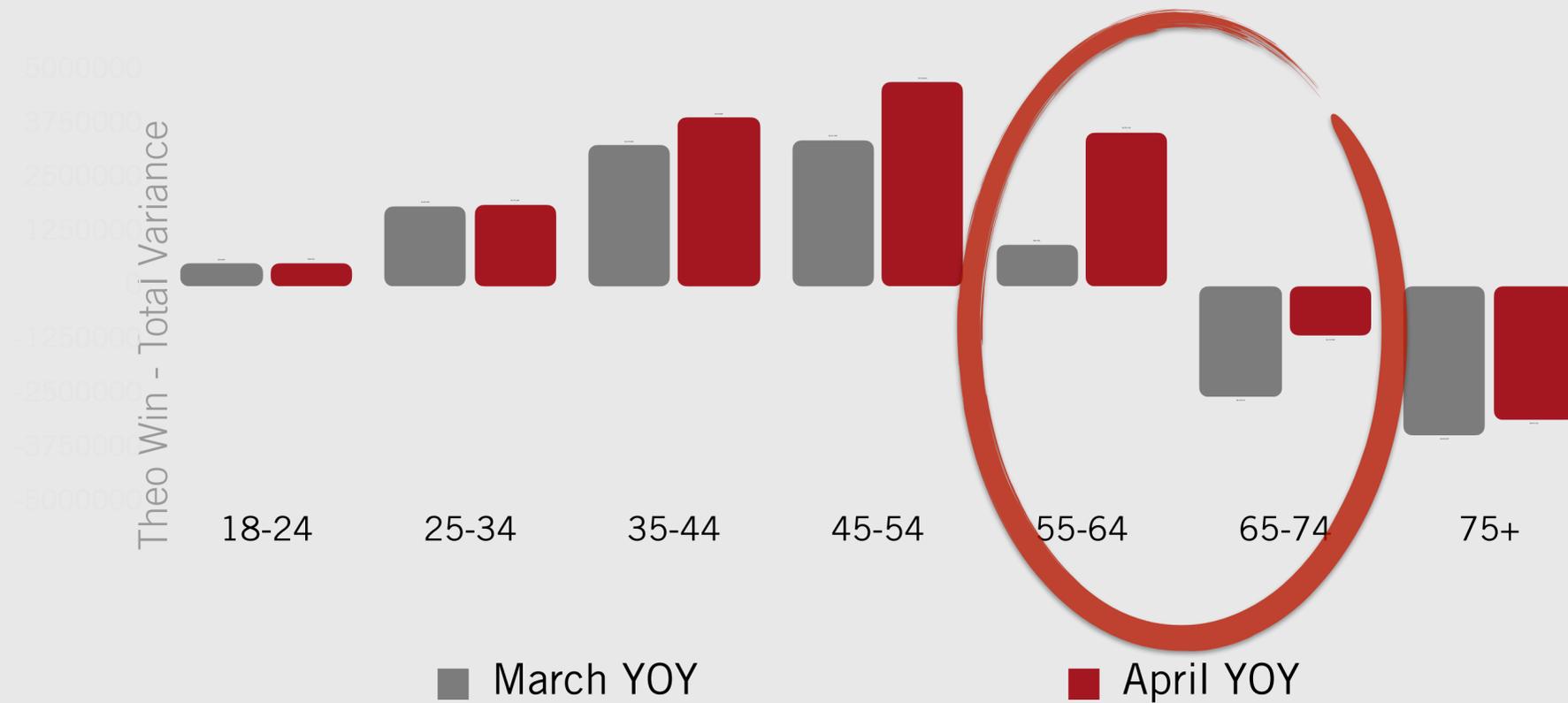
In April of 2021 players 55+ increased to 60% of players and 64% of the win.



As we look at **April of 2021** compared to March of 2019, players **65+** are **down \$600,000**. Players **under age 65** are up **\$11,100,000**.



Age



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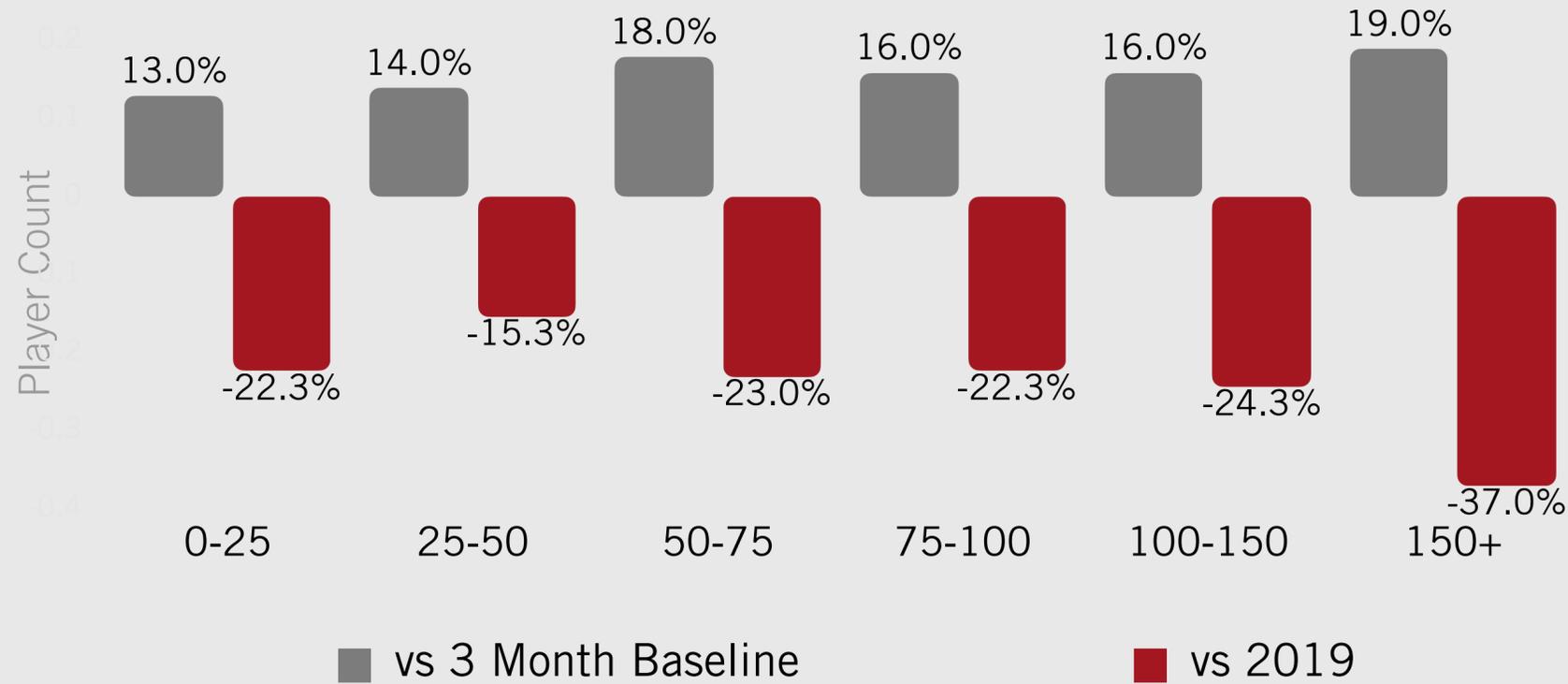
This graphs the variance of 2019 total theo win to total theo win in 2021 across the aggregated data set.

While the decline in play from those 75+ is still lagging, April has made substantial progress in the return of revenue from players 55 - 74.

The return of this group should increase the confidence in the future revenue. It's time to open all the communication tactics for players.

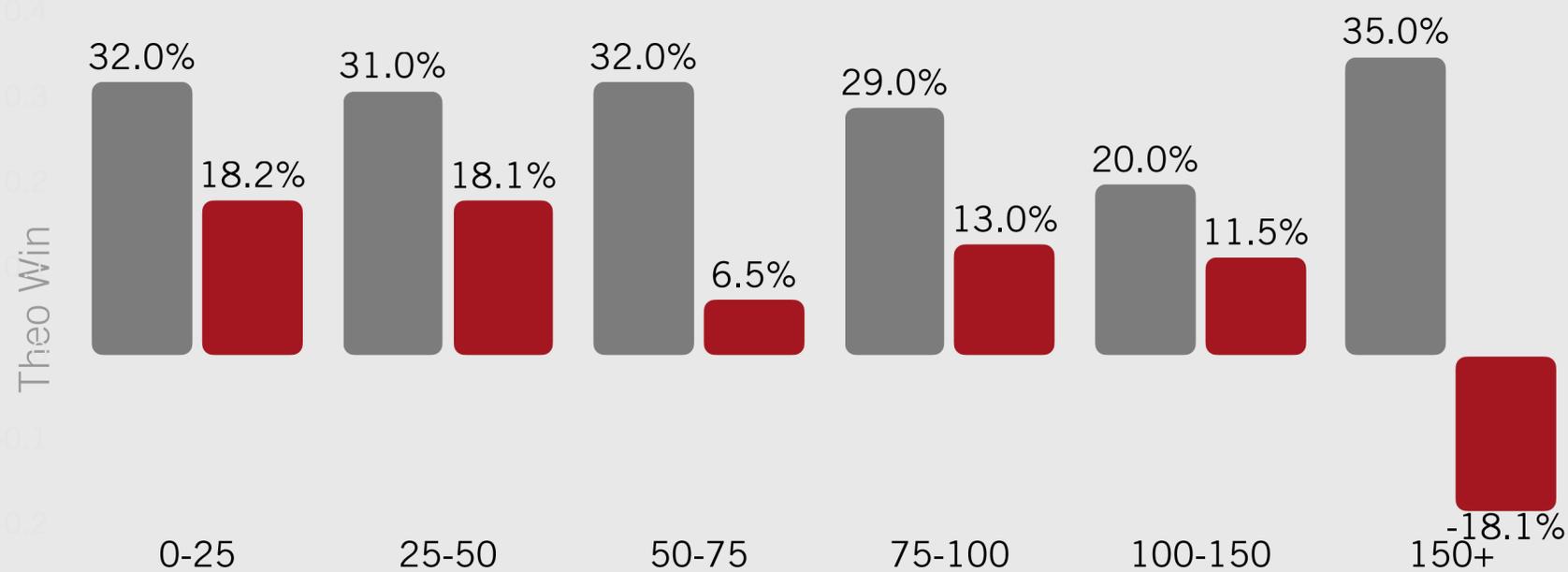


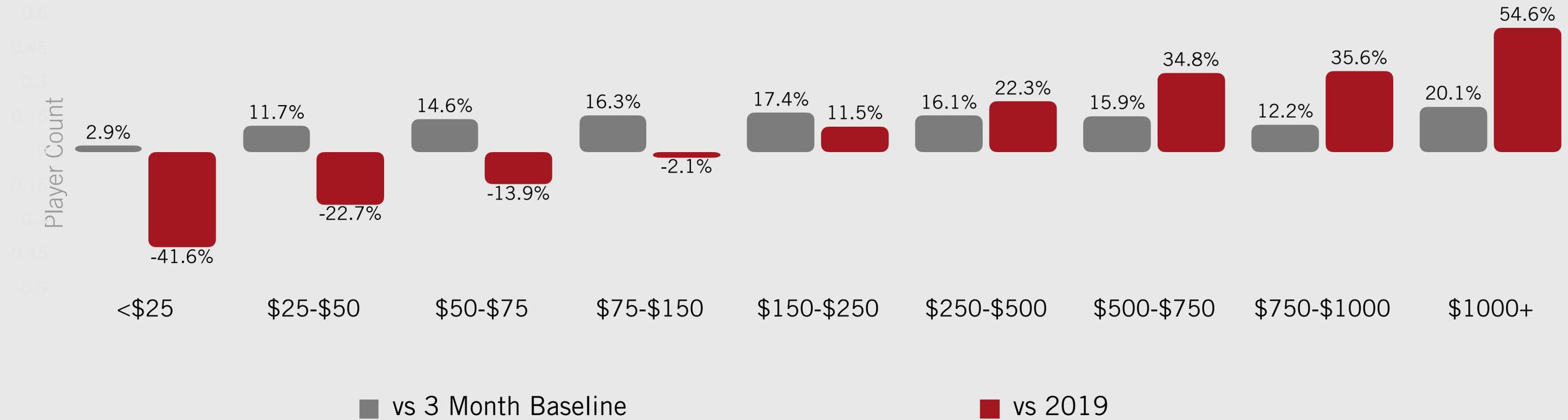
Distance

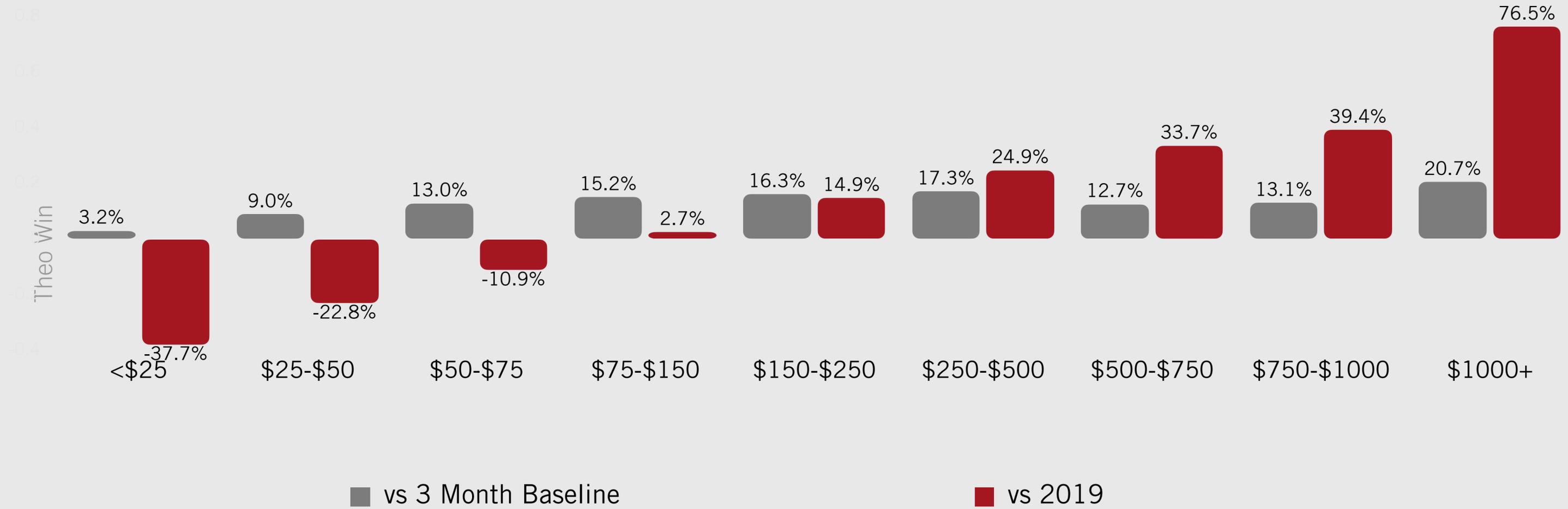


The impact to each distance range is directionally consistent within each baseline comparison.

Markets within a 50 mile radius of properties contribute 62% of the total revenue. The increase in these markets are driving the positive performance we are seeing in April, when compared to either baseline.









New Players



Are new players coming into properties?

Compared the the previous few months, new members are back.

In April new players had an ADT \$4 higher than the average of the last three months. When we compare the ADT to new members in April of 2019 we see a \$21 increase in ADT.



**We know that player count is down, are
players still returning from last March?**



Return of Players

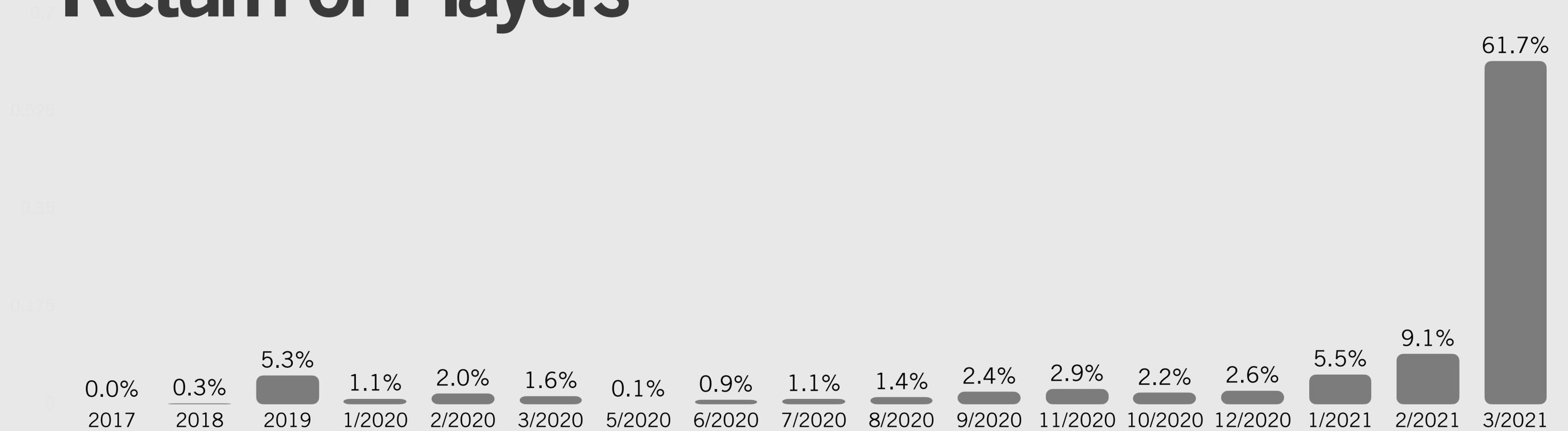
April 2021

Players are returning at their own rate, and we were curious what that looked like. We compared the first gaming day of all players who played in April of 2021 to the timing of their last visit.

The results are somewhat predictable. Players who played in April most likely played in the last 60 days. **But if we dig deeper, we see a spike in players still returning for the first time from February and March 2020.**

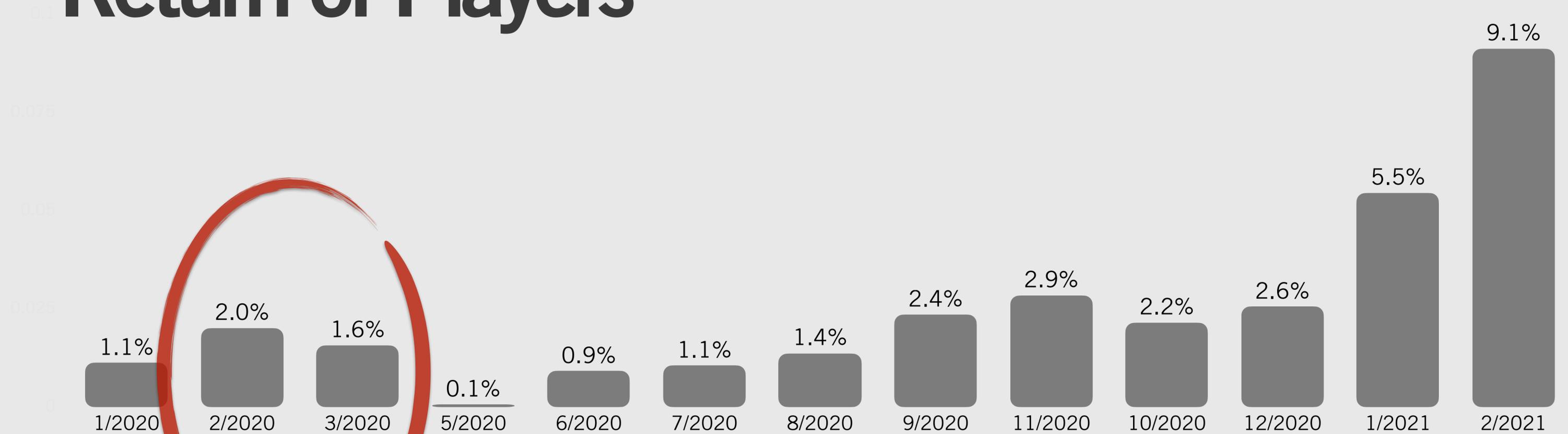


Return of Players





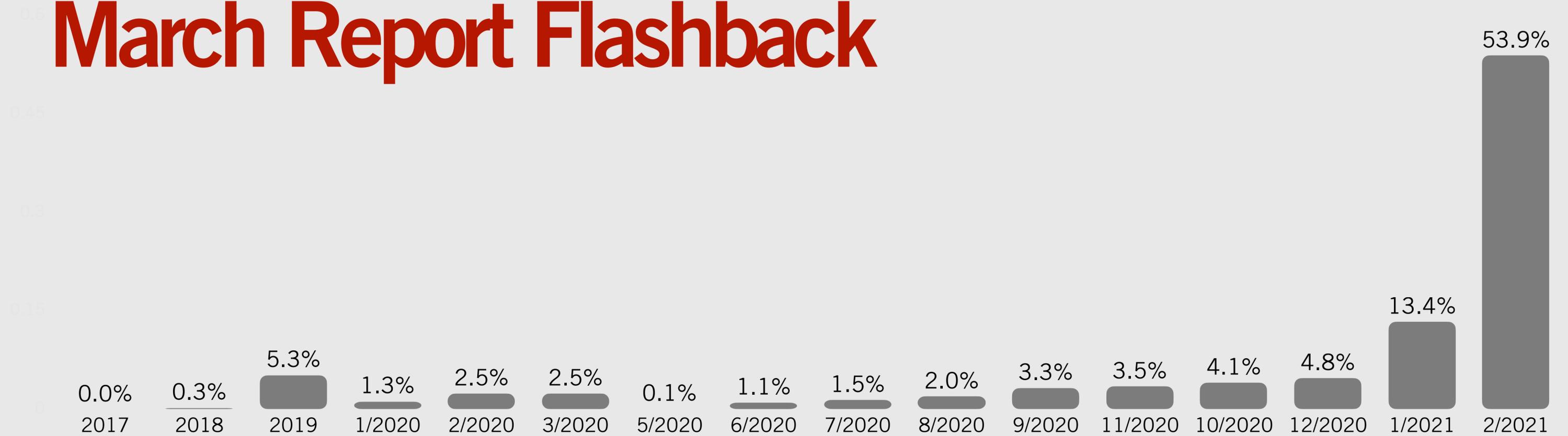
Return of Players





Return of Players

March Report Flashback





With a variance range of a 38% loss to a 84% gain in theo win, **who is doing well right now?**



< or > 1,000 Machines

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

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

Let's look at the results.



< or > 1,000 Machines



For this analysis we are using the **April 2019** as the baseline for comparison.

In April 2021 properties with less than 1,000 machines continued to outperform the baseline with the **strongest gain this month of 49.9%**.

Over the last five months properties with more than 1,000 machines have shown volatile performance. December's 24.7% decline in revenue year over year was followed by just a 1% decline in January. February's results look similar to December, coming in at down 21.9%. **March** is comparable to January with just a **.8% decline**. **April** is back to a positive **5.4% gain** for properties over 1,000 machines.

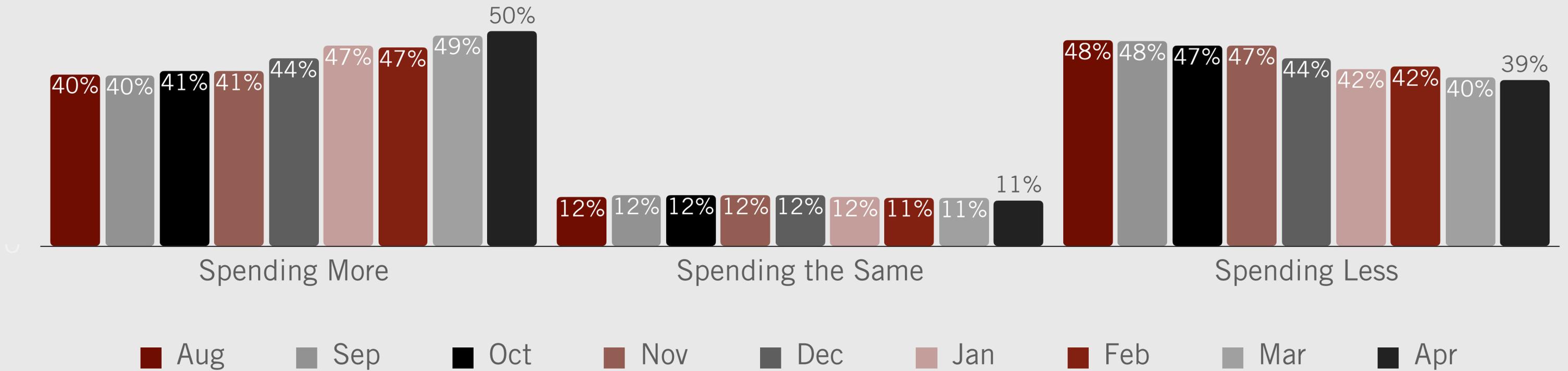


Player Behavior, **Less, more or
the same?**



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Spending Patterns





Some Players Are Spending More

—

50.26% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **70.84% of casino revenue.**

Short-term programs should be utilized to capitalize on this opportunity, as their behavior will likely change. **This is the largest percentage of players to have displayed an increase in spending since this report started.**

We also recognize the impact that the stimulus may have on people's behavior. If this level of play is an outlier, then it should be excluded from future analysis as it doesn't represent predictable future revenue.



Some Players Are Spending The Same

—
10.8% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **10.8% of casino revenue**. The contribution from these players has remained consistent for the last 10-months.

Direct mail reinvestment levels should be closely monitored as this suggests that only **10.8% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—
38.9% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **19.02% 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 player's future worth. In addition, having no year over year data complicates analysis.

Moving into 2021, with an ever changing landscape, what will revenue look like? There are still 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.





**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

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

Celebrating our 20th Anniversary

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*



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Thank You

