



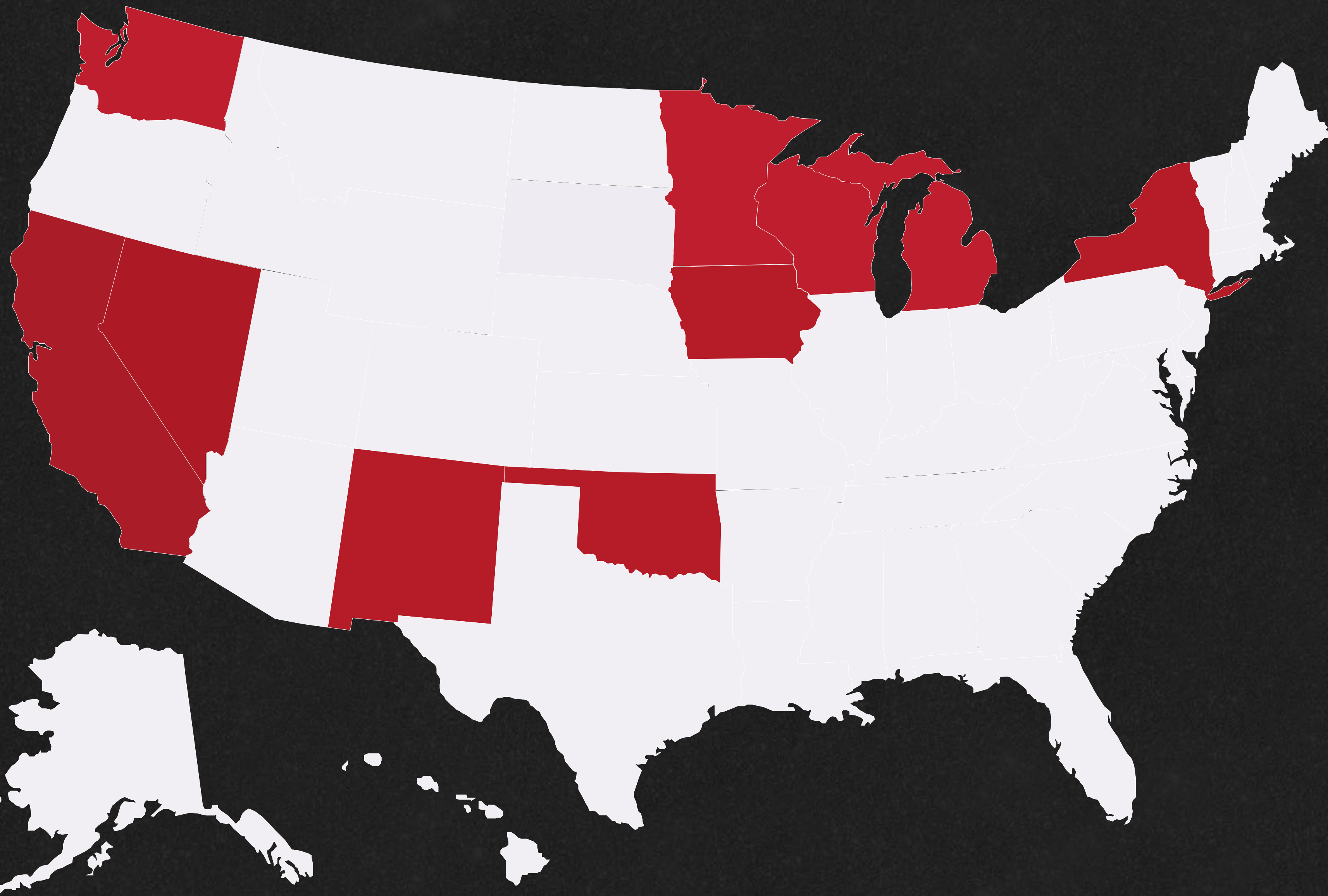
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Jan 1 - 31, 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
- ▶ 18 Casinos
- ▶ 246,600 Players
- ▶ 710,000 Visits
- ▶ \$79,200,000 Theo Win



Executive Summary

—

In **December**, across all aggregated data, we saw a **loss of 18.8% of revenue and a 39.7% decline in players.**

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

In addition to player demographics, this month we investigate year over year the calendar layout and size of property comparisons.

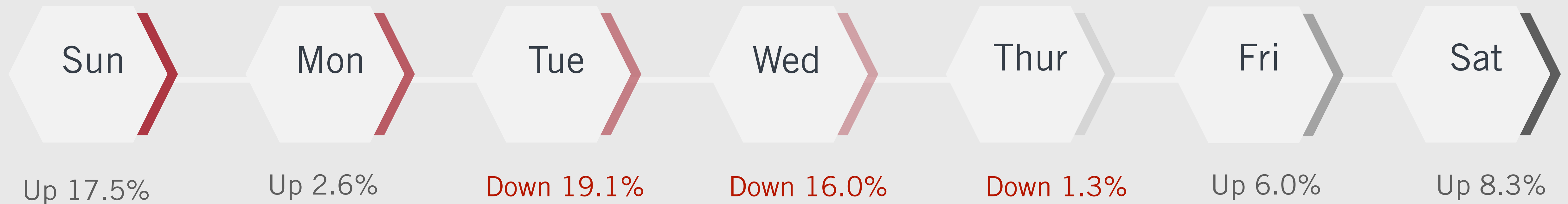
Two additional elements that may be at play but are not included in this report is weather, we know properties in the Mid-West experienced very mild January weather and the effect of January stimulus dollars.



**How does calendar layout
impact revenue?**



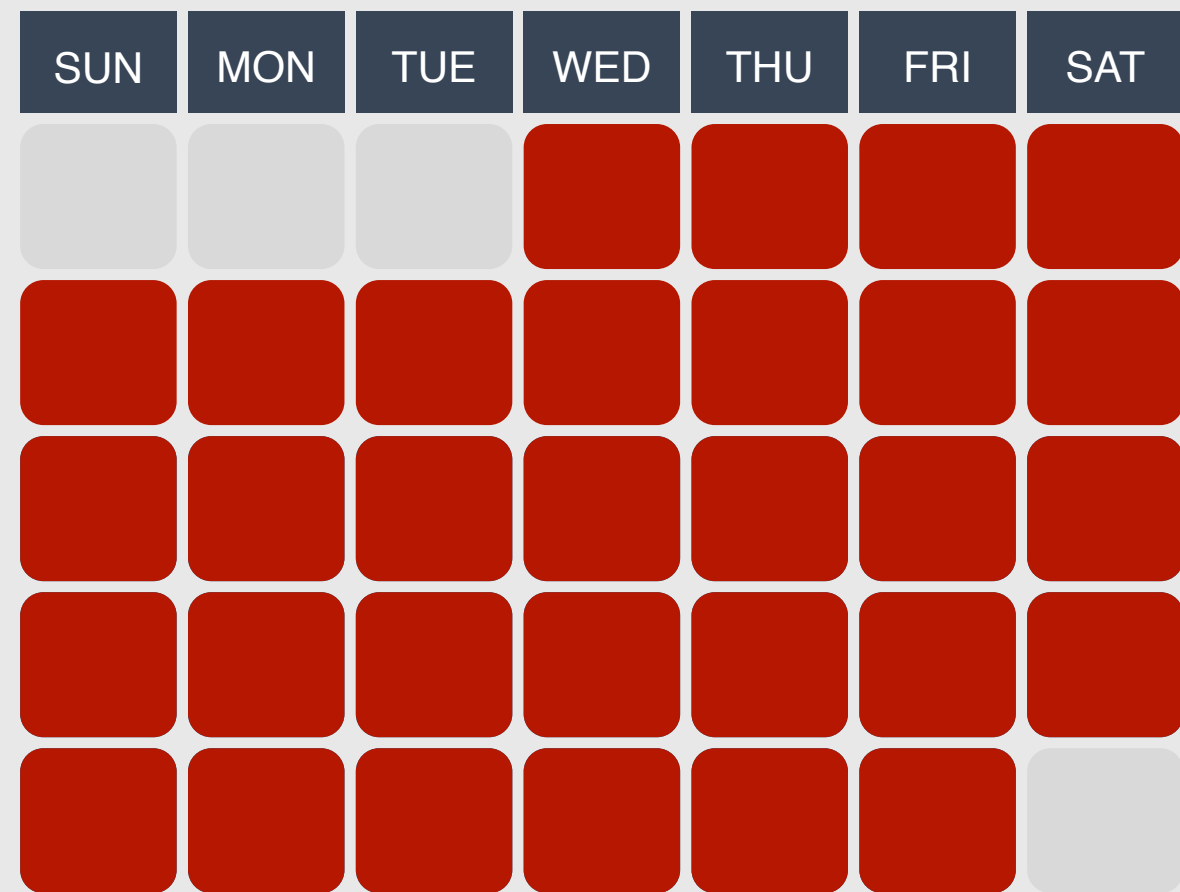
Day of Week YOY Theo Variance



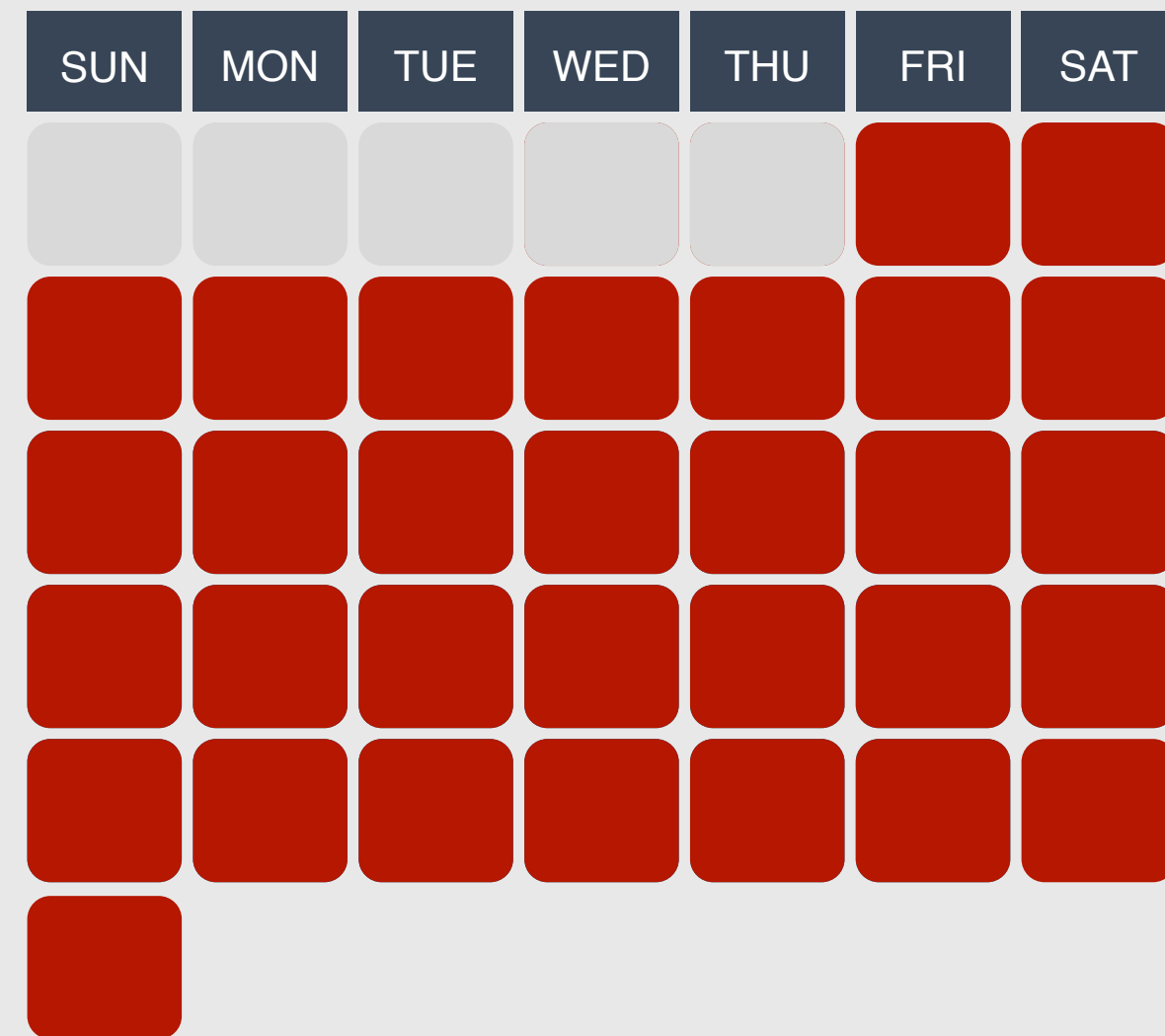


Calendar Layout

2020



2021



January of 2021 had 5 Fridays, Saturdays and Sundays, the ideal calendar for the industry.

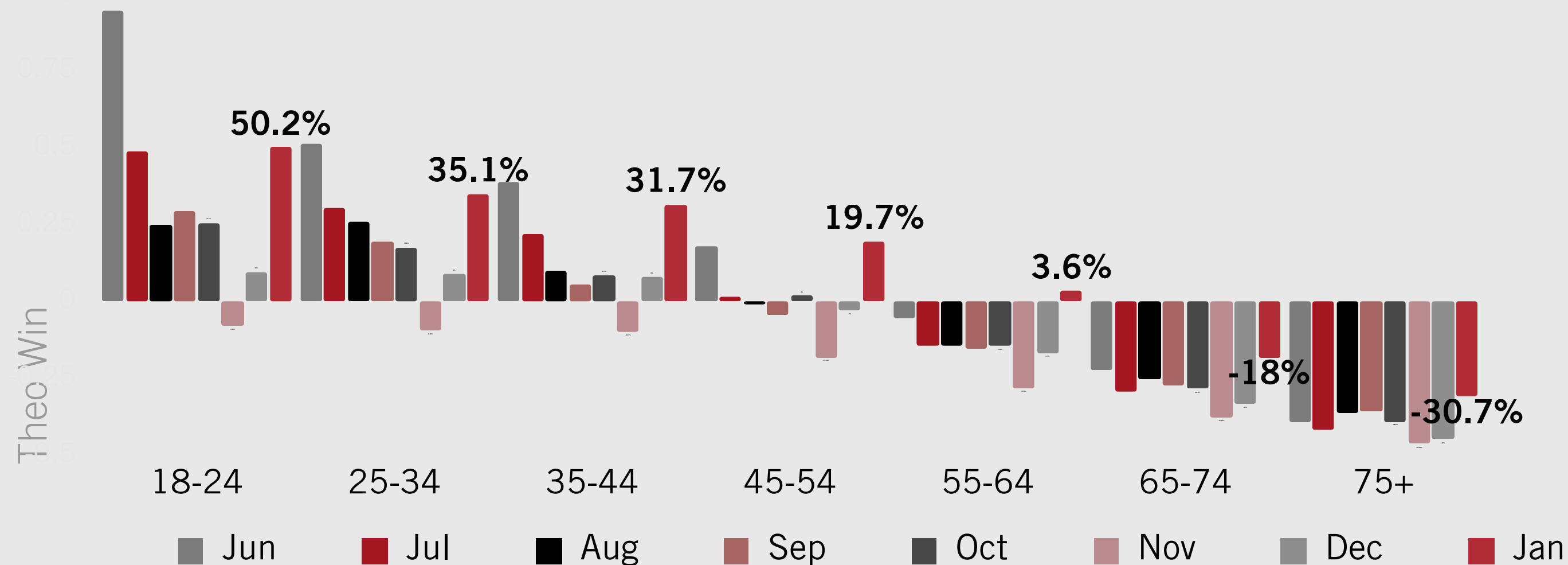
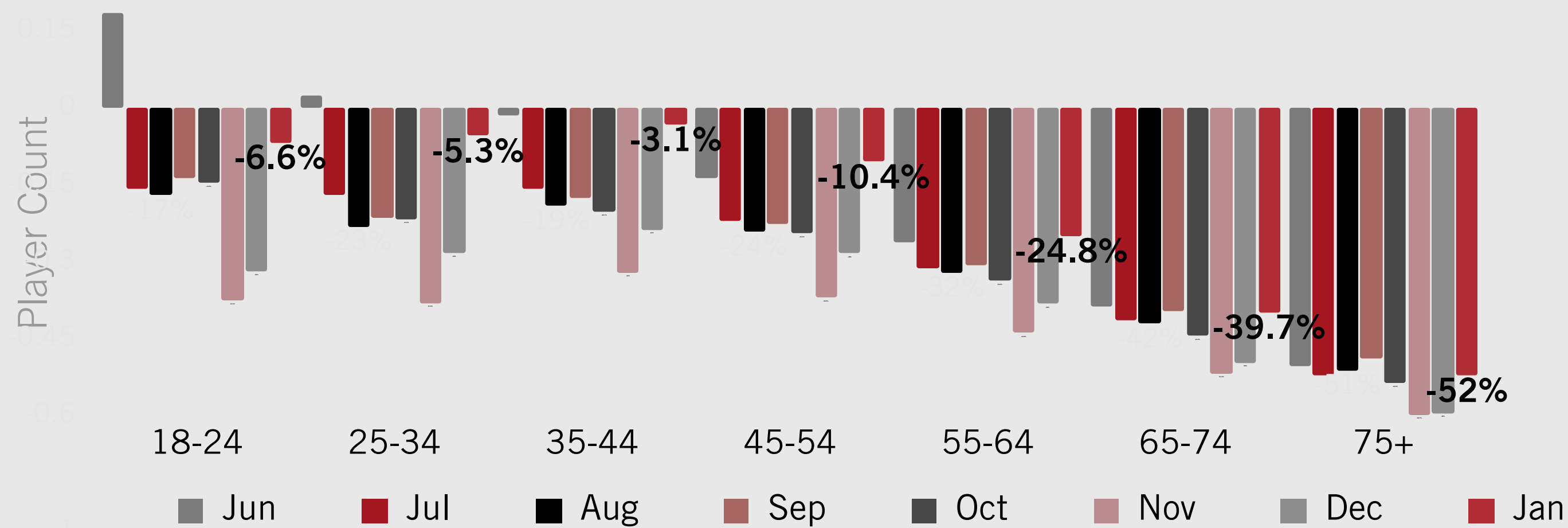
If we apply the average day performance of 2021 to the calendar of January 2020, the results would have been 3% decline in revenue. A portion of the January performance is being driven by the calendar layout, but something else is happening as well.



Player analysis, demographics and revenue impact



Age



While all age groups are still down year over year, January has produced a sizable jump in the return of many players/player groups.

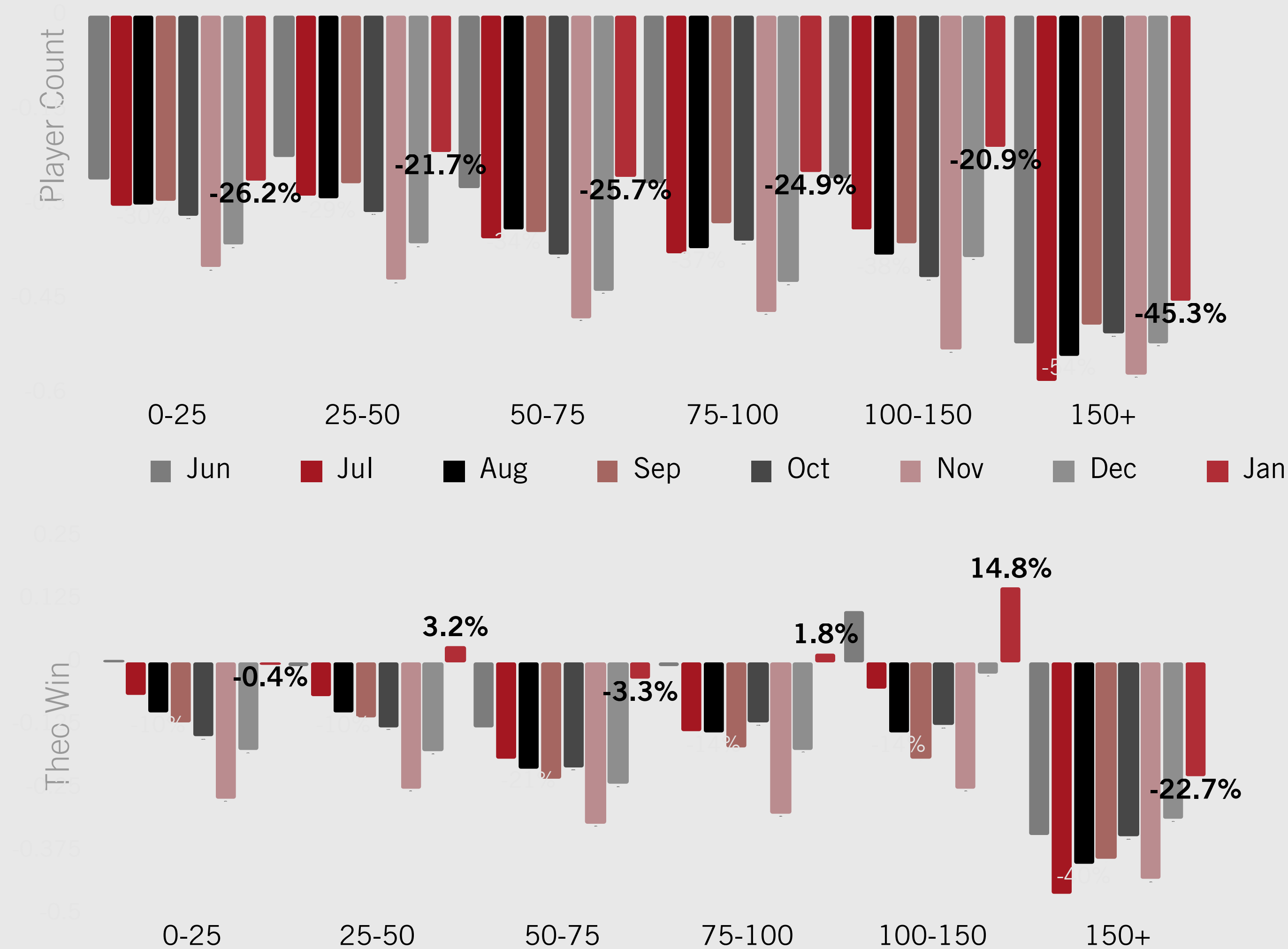
In **December** players **over age 55** were **down \$15,900,000** (28% decline). Players **under age 55** were up **\$550,000** (2% increase).

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

For the first time since June players from 55-64 are spending more than last year.



Distance

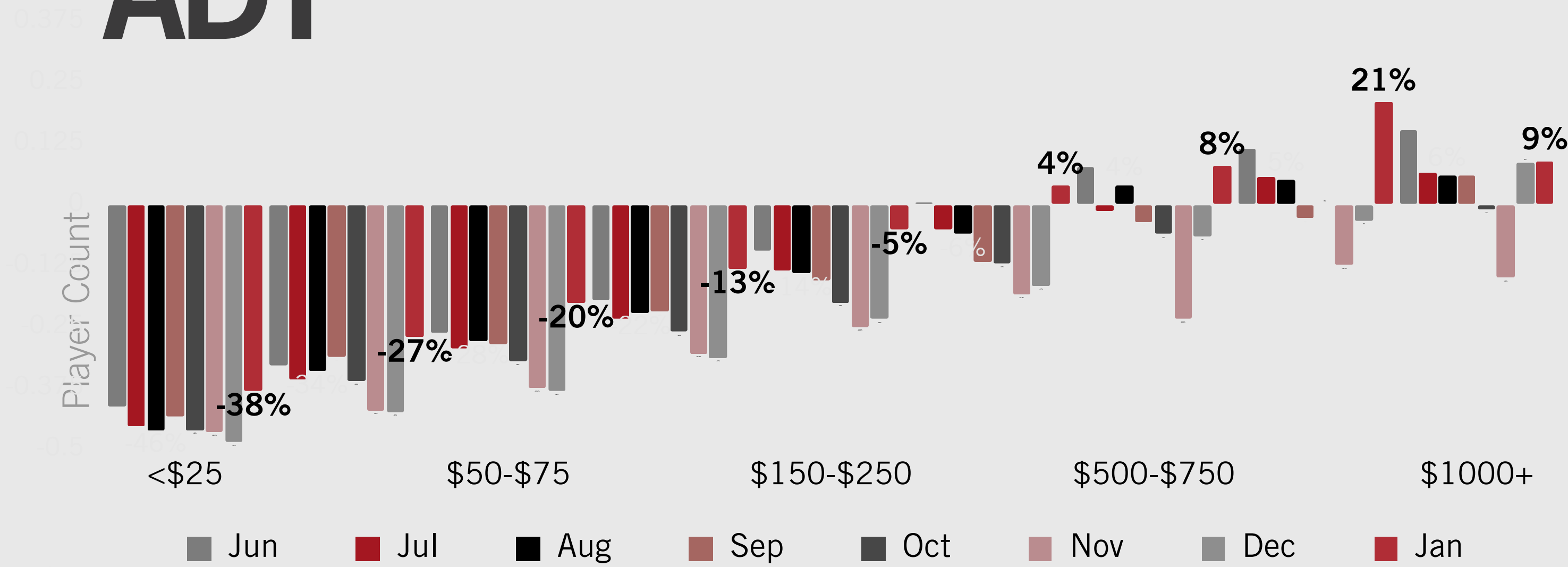


While each distance range shows a positive trend of players returning, the spend from each distance range does not have consistent results. Players traveling greater than 150 miles continues to see the most significant impact.

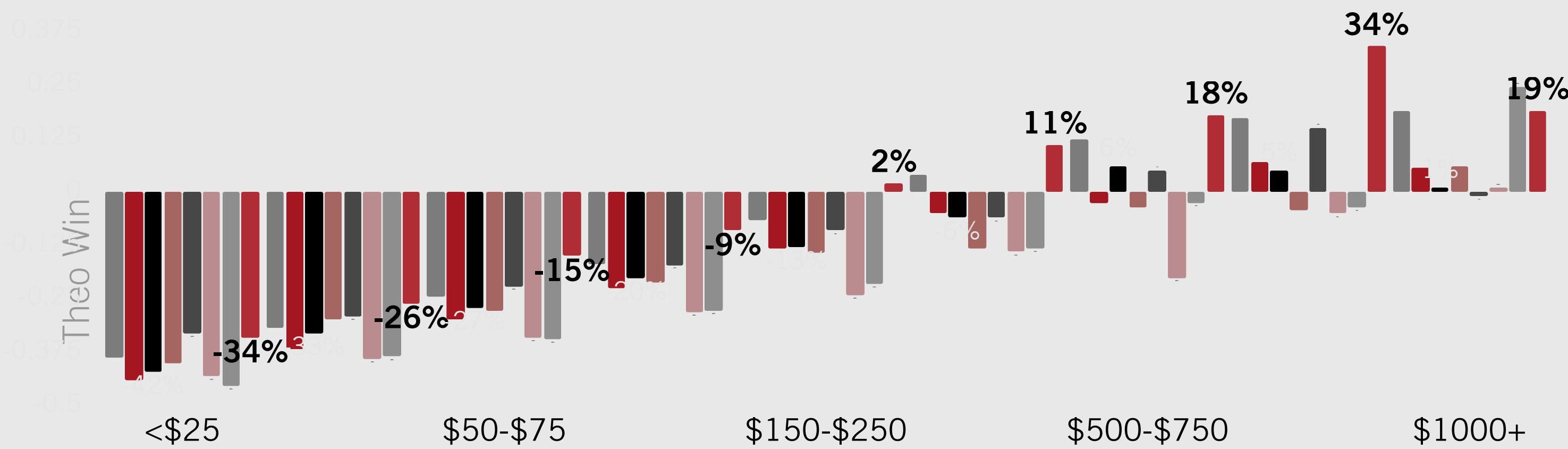
Markets within a 50 mile radius of properties contribute 62% of the total revenue. The gains in these markets are driving the positive performance we are seeing in January.



ADT



In January we had **85,000 fewer players** visit a property than in 2020. Just over 60% of the total decline in players comes from those who historically spend less than \$25 per visit.

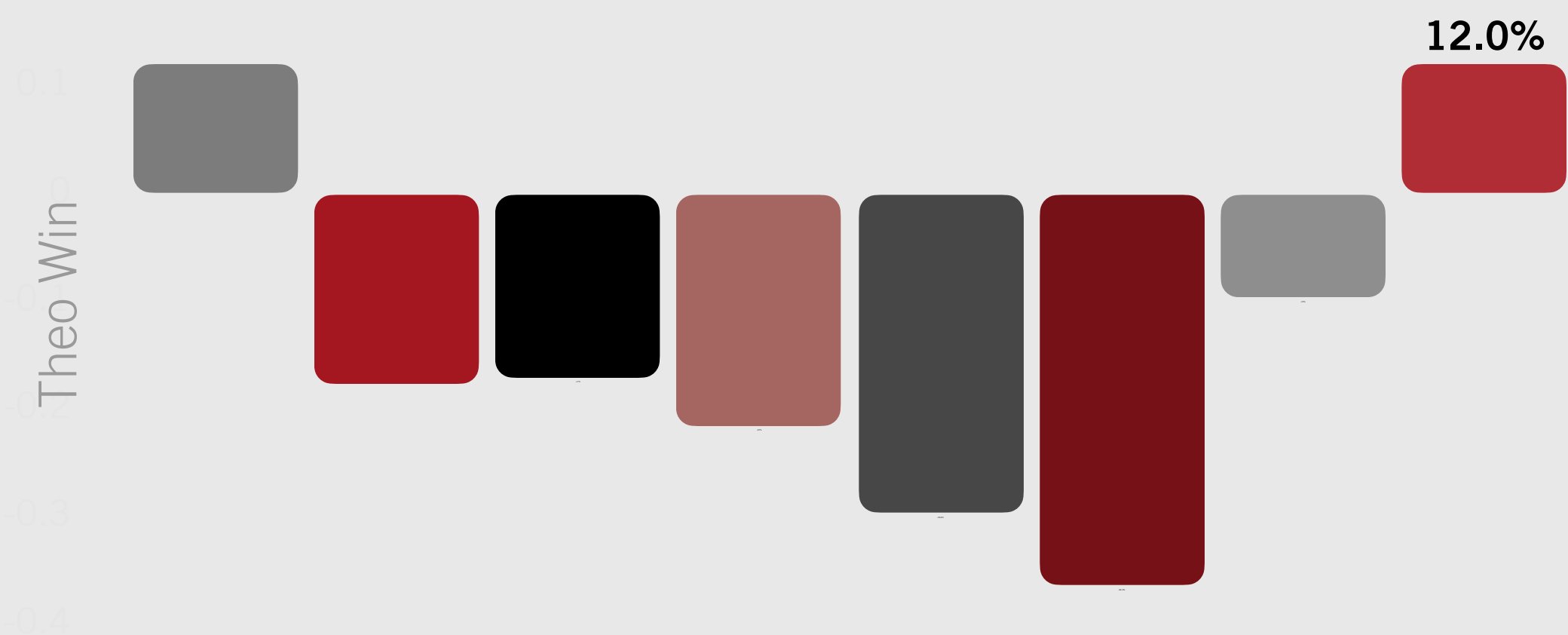
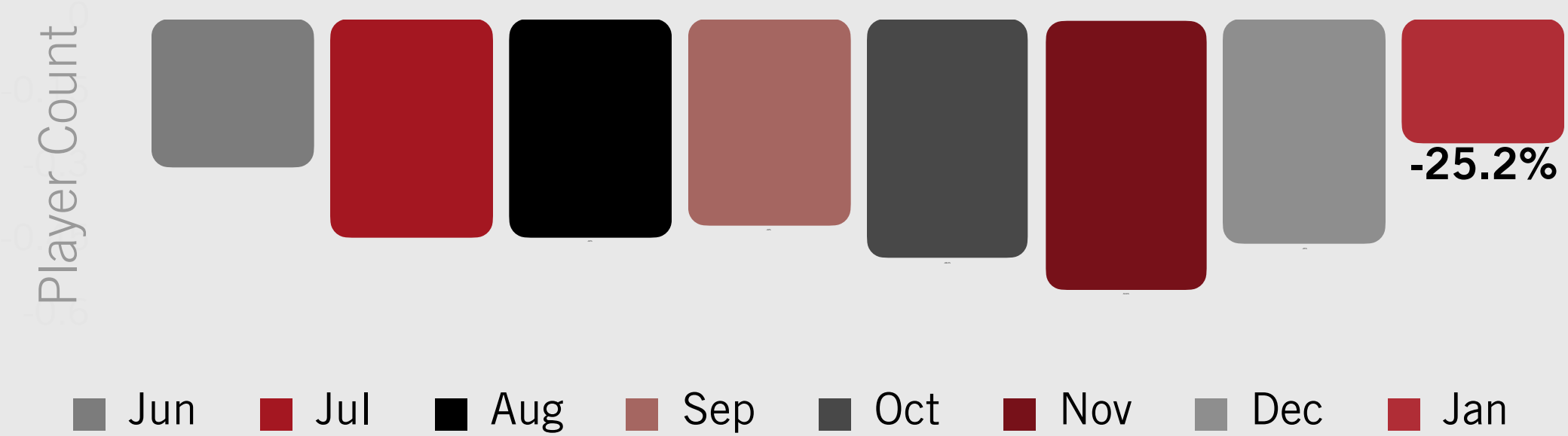


The **mid-level gamer** who spends between **\$75 - \$150** per visit had consistently provided the most significant decline during the reporting periods.

In January this has shifted to the casual gamer who spends **\$25 - \$50** who has the most significant decline at **\$1,500,000** loss year over year.



New Players



Are new players coming into properties?

New members are down 25% in January. 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 **\$37** ADT and in 2021 post-CV19 new players are spending **\$54** on average.

The positive trend in new players signing up combined with the increased spend per player has resulted in a **positive year over year revenue gain** from new players.



With a variance range of 19% loss to 37% gain in theo win, **who is doing well right now?**



< or > 1,000 Machines

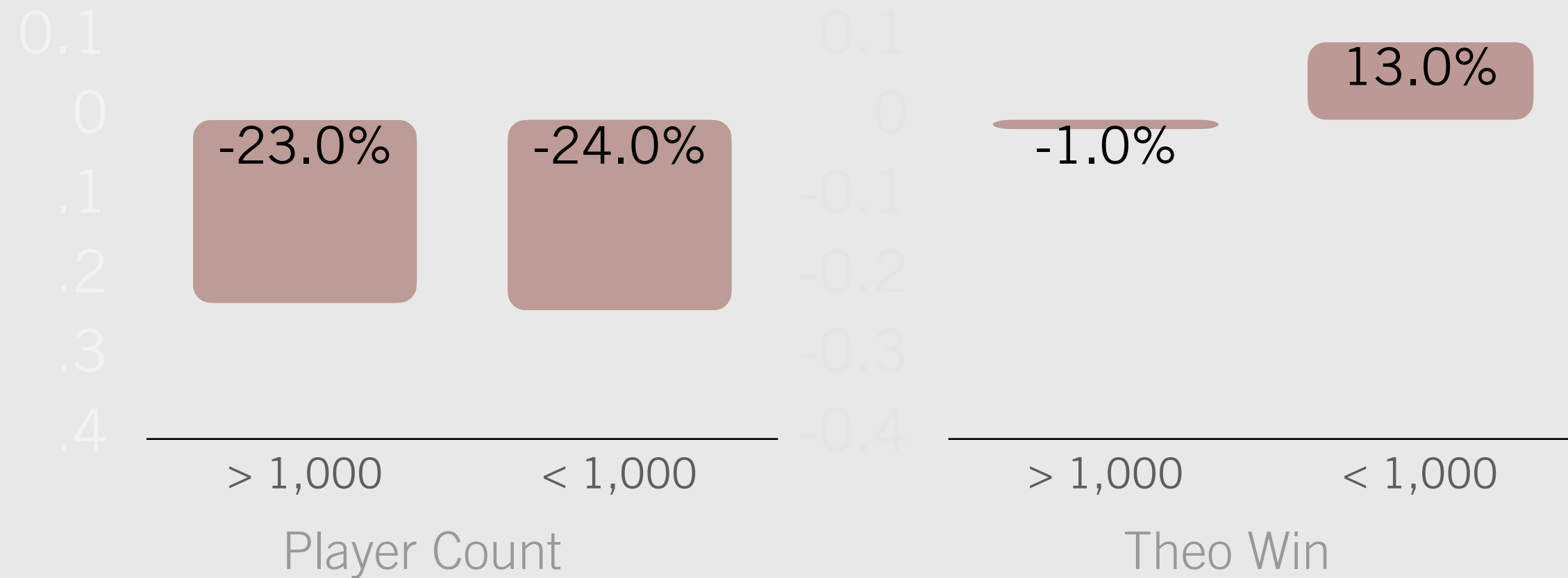
As with all casino data, there are many ways to segment the information. One of the trends we discovered leads us to organizing the properties into two categories; **those with more and less than 1,000 machines.**

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

Let's look at the results.



< or > 1,000 Machines



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 has increased to 13% year over year.**

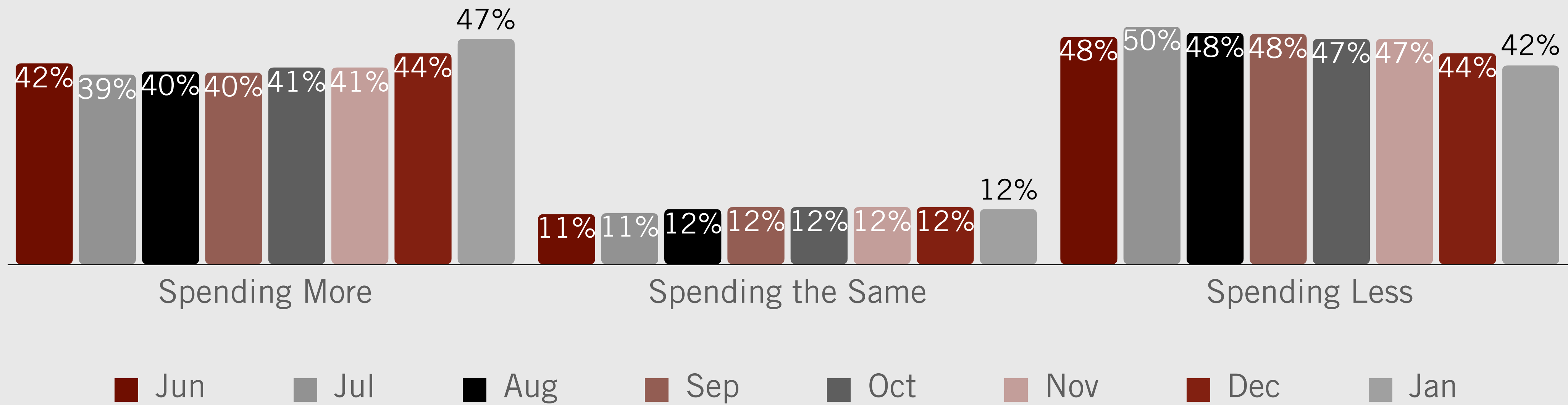
Properties with more than 1,000 machines made substantial increases in January. In December they experienced a 24.7% decline in revenue year over year. **In January that number was reduced to just a 1% decline year over year.**



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



Spending Patterns





Some Players Are Spending More

—

46.92% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **65.89% 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 **12.3% 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

—
41.5% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **21.7% 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.

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 25% 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

—

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



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Thank You

