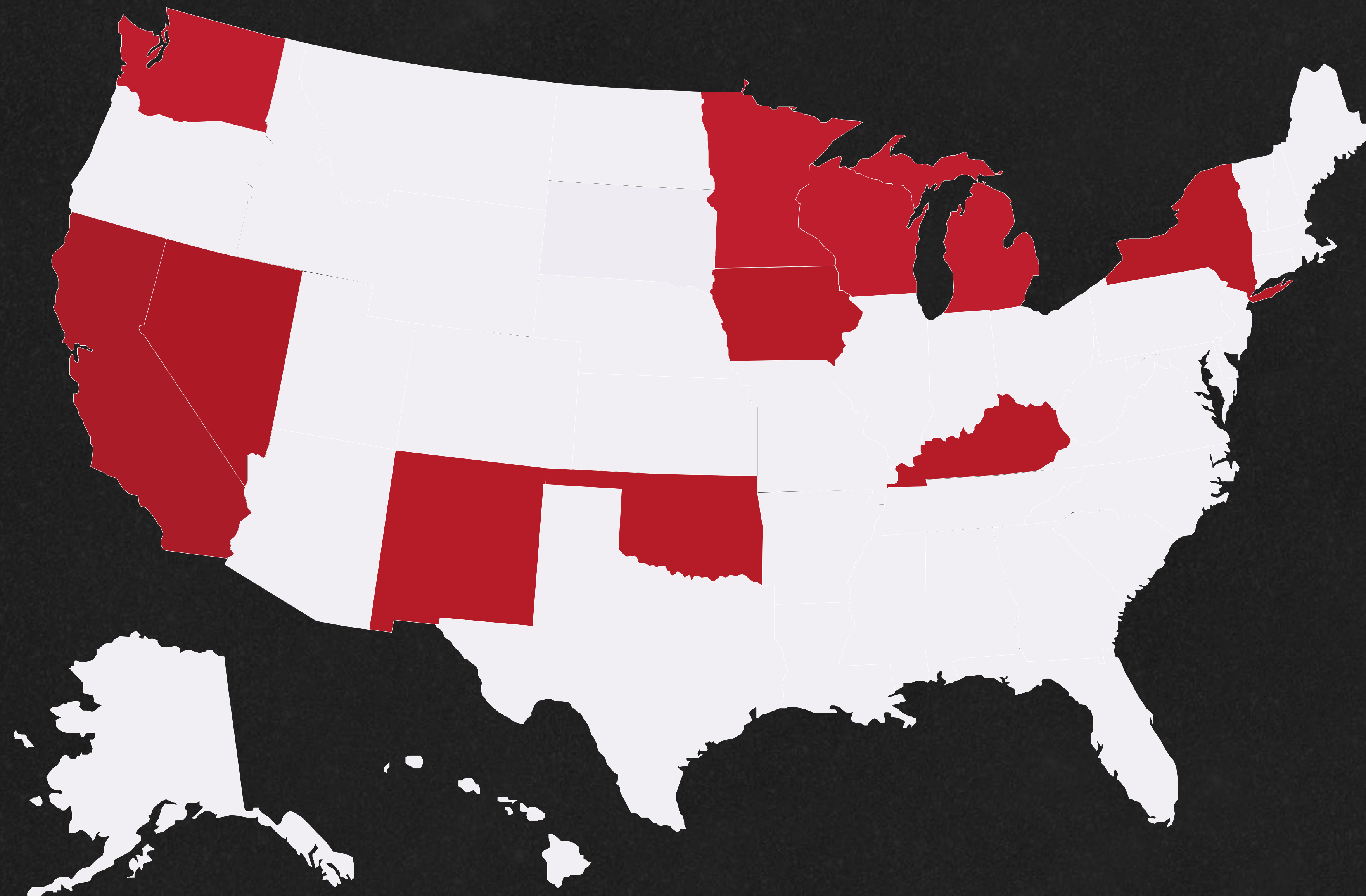# CV-19 Casino Player Behavior Study

Data Sample: Nov 1 - 30, 2020

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:

▸ 11 States

▸ 20 Casinos

▸ 225,300 Players

▸ 632,400 Visits

▸ $69,200,000 Theo Win

Executive Summary

How is this impacting your decisions?

The information in this report, combined with your property reporting should assist with answering the big questions.

- After six months and the renewal of Covid restrictions in many places we see the erosion of some of the small gains we made in October. Will this continue? We will continue to report so stay tuned.

- We know only 12% of players are spending the same as prior to the closure, how has this impacted your direct mail strategy?

- Player count is down, what are we saying to those players who are hesitant to return and how are we reaching them?

- Budget season is here. How are you using the last few months to forecast for 2021?

Executive Summary

Across all aggregated data we are seeing a **loss of 28.2% of revenue and a 44.9% decline in players.** This is a fairly significant decline over last month.

Individual properties range from revenue being **up 26% to experiencing a 71% decline.**
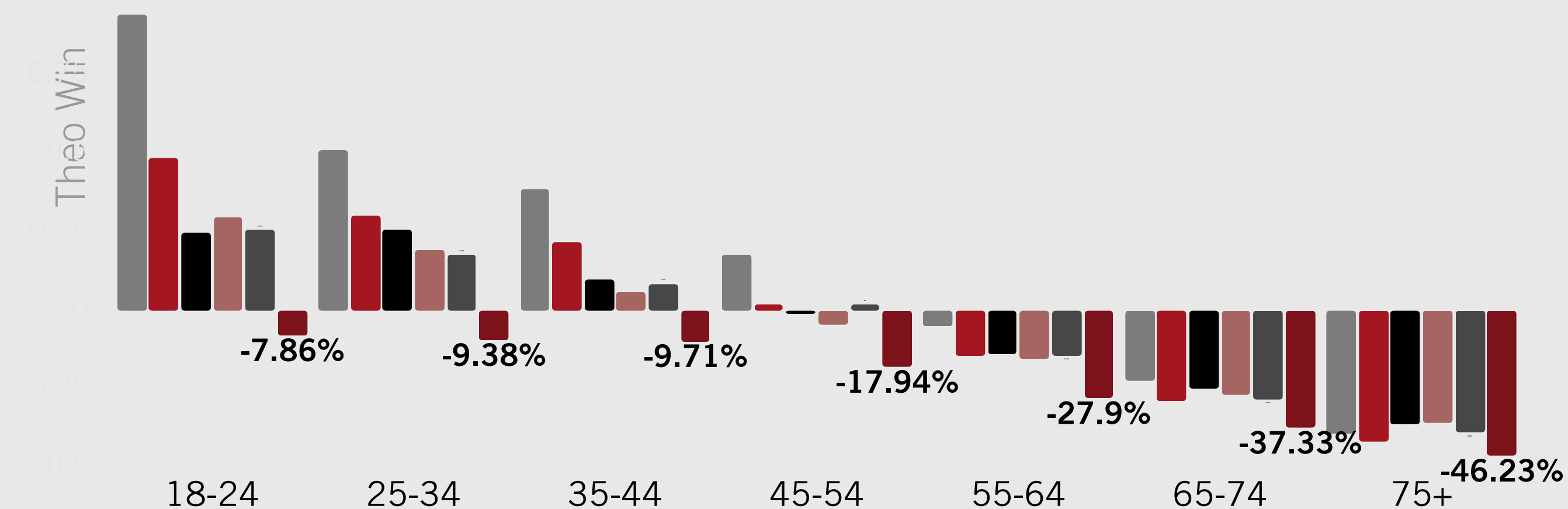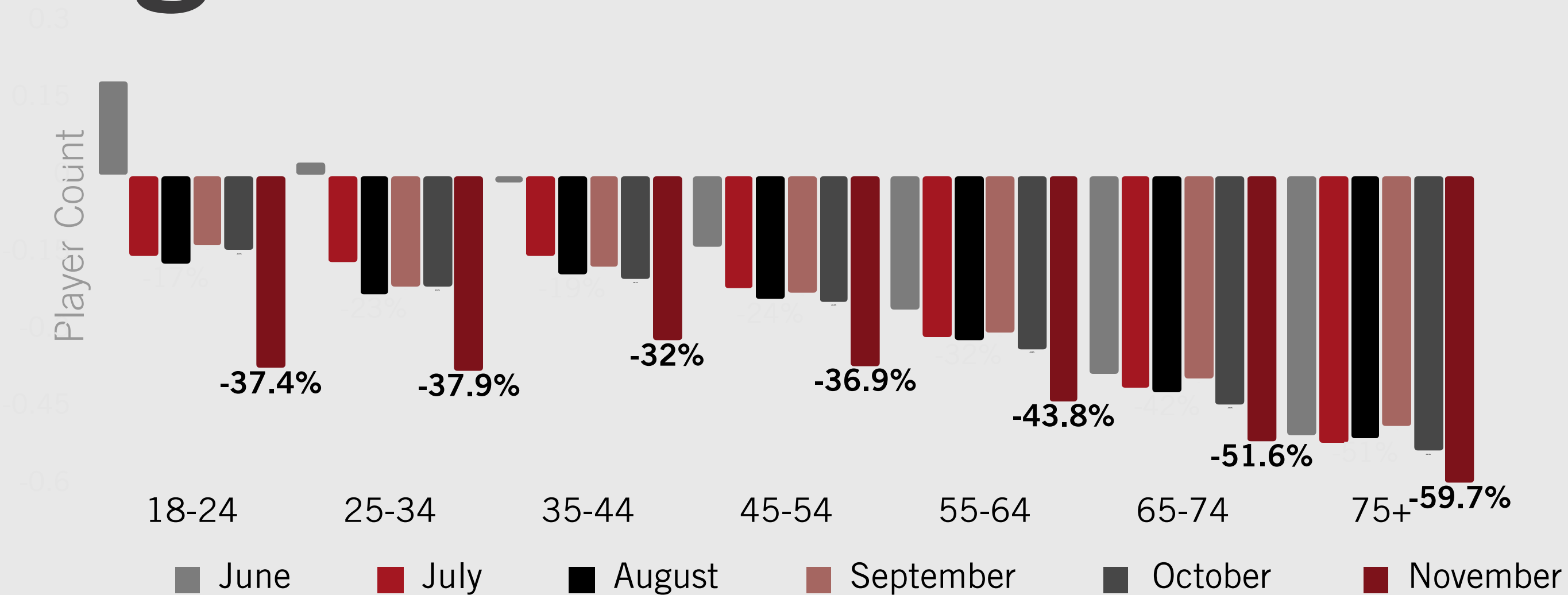
November has produced the most significant declines since we started this study in June. In November we saw several states reinstate additional Covid related restrictions. And while properties remained open, revenue and visitor trends were certainly impacted.

Player analysis, demographics and revenue impact

Age

Player Count

-37.4% -37.9% -32% -36.9% -43.8% -51.6% -59.7%

18-24   25-34   35-44   45-54   55-64   65-74   75+

■ June   ■ July   ■ August   ■ September   ■ October   ■ November

Theo Win

-7.86% -9.38% -9.71% -17.94% -27.9% -37.33% -46.23%

18-24   25-34   35-44   45-54   55-64   65-74   75+

In August and September we had some positive momentum in the older age groups. We saw that start to erode in October and that trend continued in November as well.
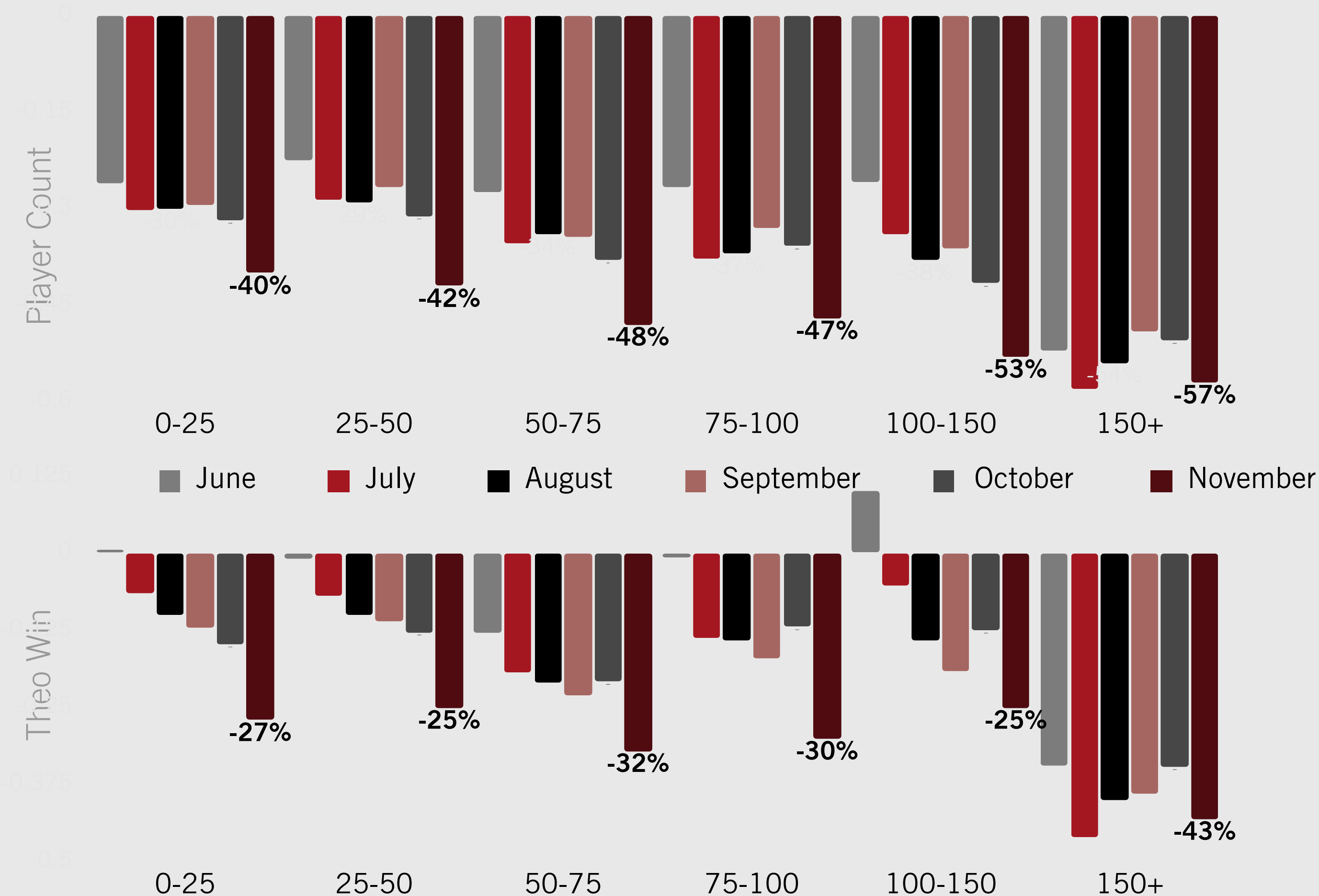
November produced the greatest decline in players over 55 since we began tracking in June.

In November players **over age 55** are **down $28,800,000** (37% decline). Players **under age 55** are down **$9,200,000** (11% decline).

This is the first month we have seen a year over year decrease in all age groups.

Distance

Player Count

0-25	25-50	50-75	75-100	100-150	150+
-40%	-42%	-48%	-47%	-53%	-57%

■ June ■ July ■ August ■ September ■ October ■ November

Theo Win

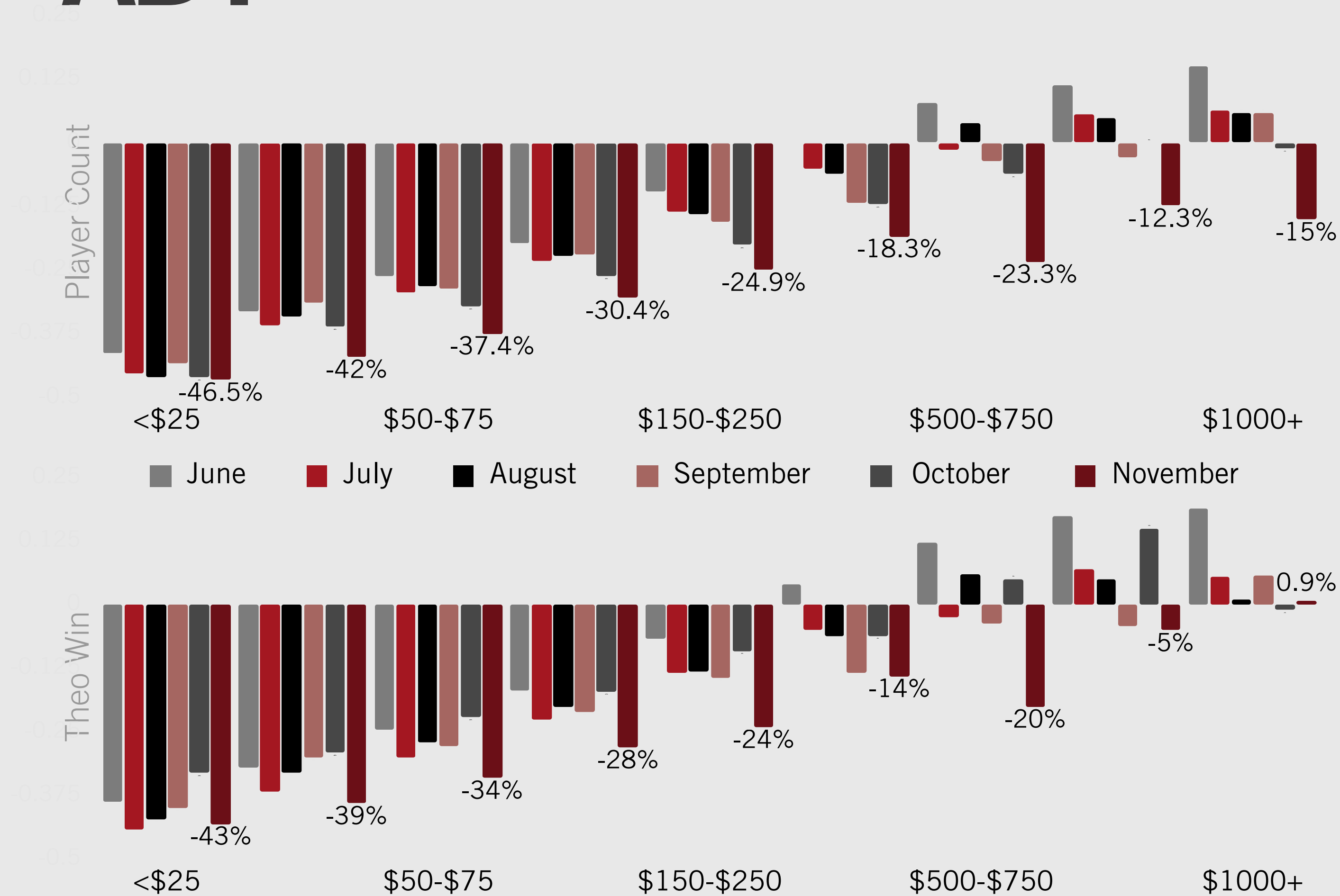| 0-25	25-50	50-75	75-100	100-150	150+
-27%	-25%	-32%	-30%	-25%	-43%

In November all distance ranges are reporting the greatest rate of decline that we have seen since we started tracking in June. Players traveling over 150 miles continues to be most significantly impacted.

Prior to November local markets were preforming differently (better) than outer markets. This is no longer the case, with each distance range experiencing a greater than 40% decline in visitation.

ADT

Player Count

-46.5% -42% -37.4% -30.4% -24.9% -18.3% -23.3% -12.3% -15%

<$25 $50-$75 $150-$250 $500-$750 $1000+

■ June   ■ July   ■ August   ■ September   ■ October   ■ November

Theo Win

-43% -39% -34% -28% -24% -14% -20% -5% 0.9%

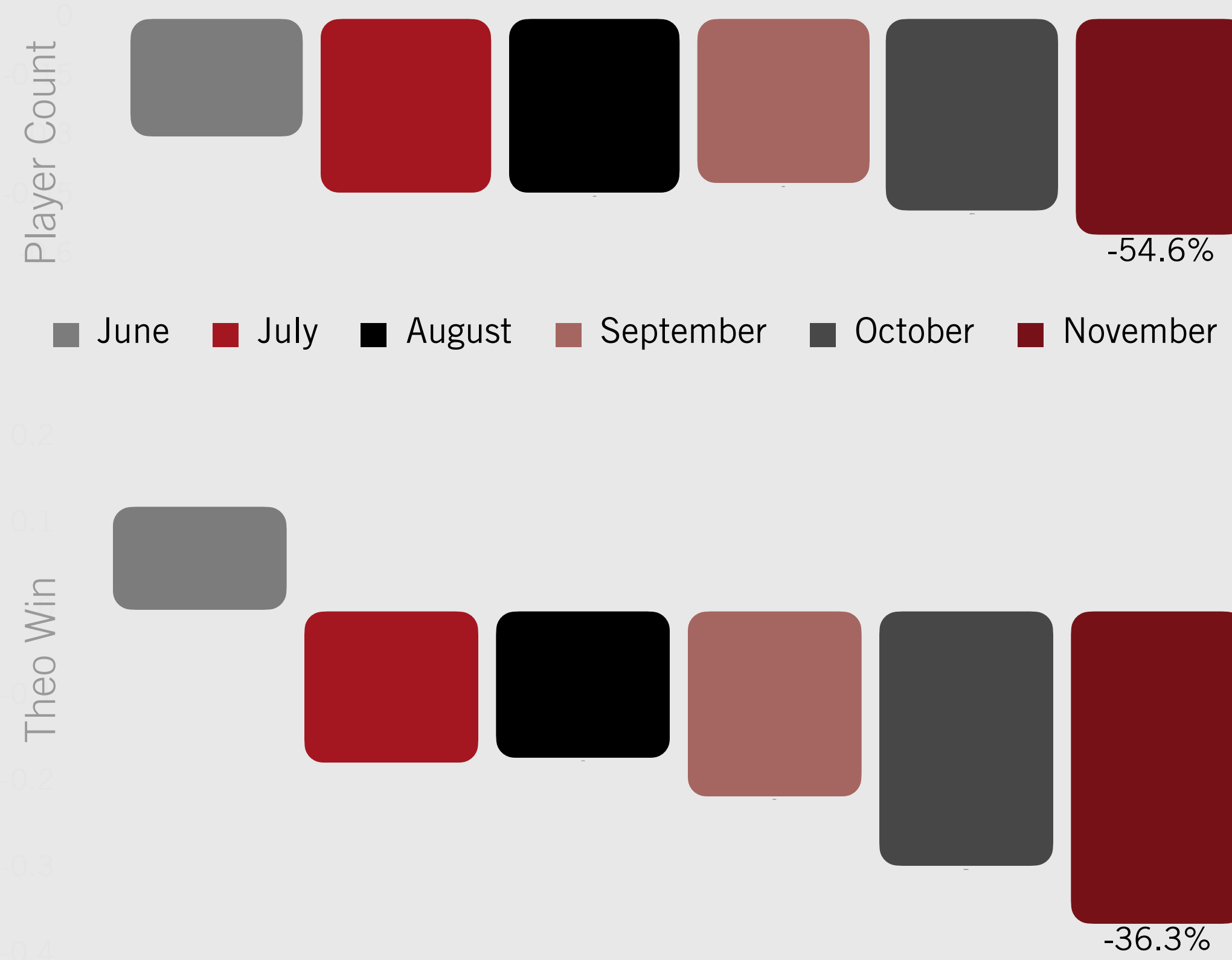<$25 $50-$75 $150-$250 $500-$750 $1000+

In November we had **184,000 fewer players** visit a property than in 2019. Just over 50% of the total decline in players comes from those who historically spend less than $25 per visit.

In November the **mid-level gamer** who spends between **$75 - $150** per visit is the profile of player creating the **most significant decline, a $7,100,000 loss year over year**.

New Players

Player Count

■ June ■ July ■ August ■ September ■ October ■ November

-54.6%

Theo Win

-36.3%

Are new players coming into properties?

New members are down 54% in November. 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 **$54** on average.

For a full impact on the decline of new members check out our report on redcircleagency.com

With a variance range of 71% loss to 26% gain in theo win, who is doing well right now?
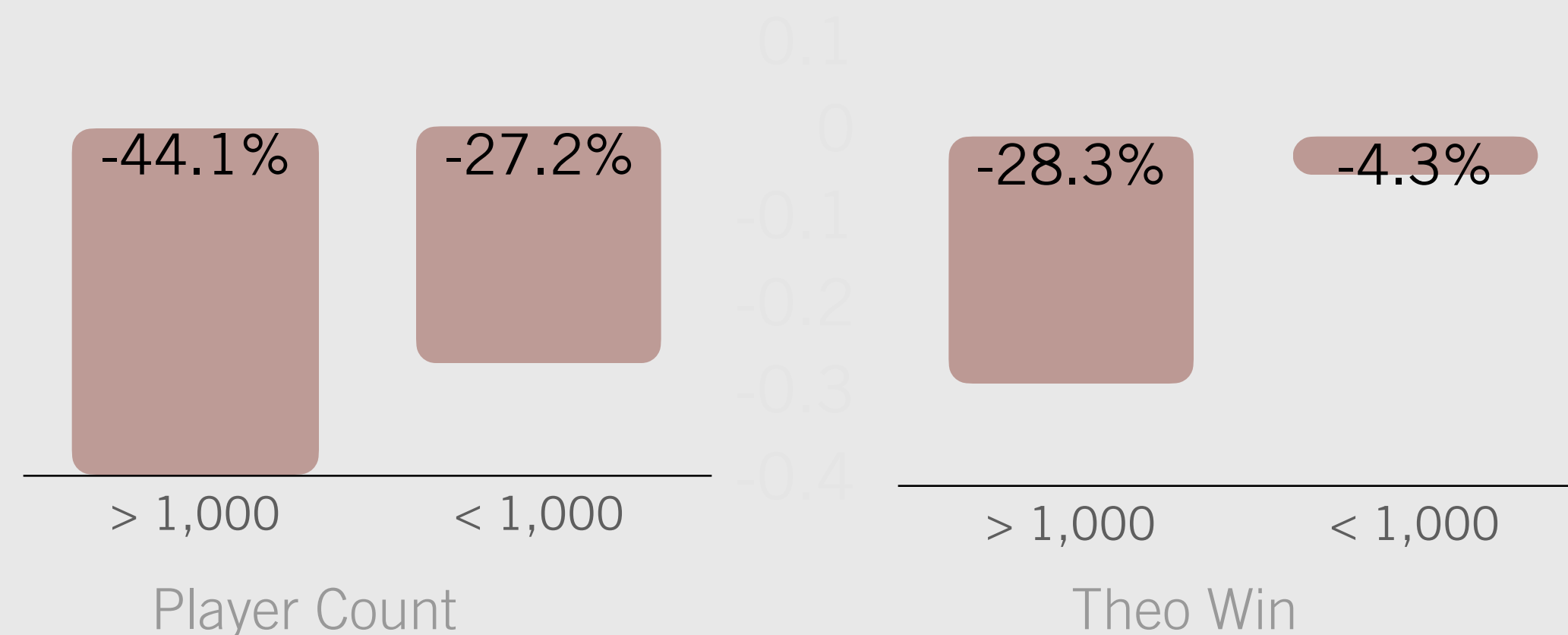
< or >
1,000 Machines

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 than 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

	-44.1%	-27.2%		0.1
				0
				-0.1
				-0.2
				-0.3
				-0.4
> 1,000		< 1,000		
Player Count				

-28.3%	-4.3%
> 1,000	< 1,000
Theo Win	

Properties with less than 1,000 machines are maintaining revenues closer to 2019 performance, experiencing just a 4.3% decline year over year.
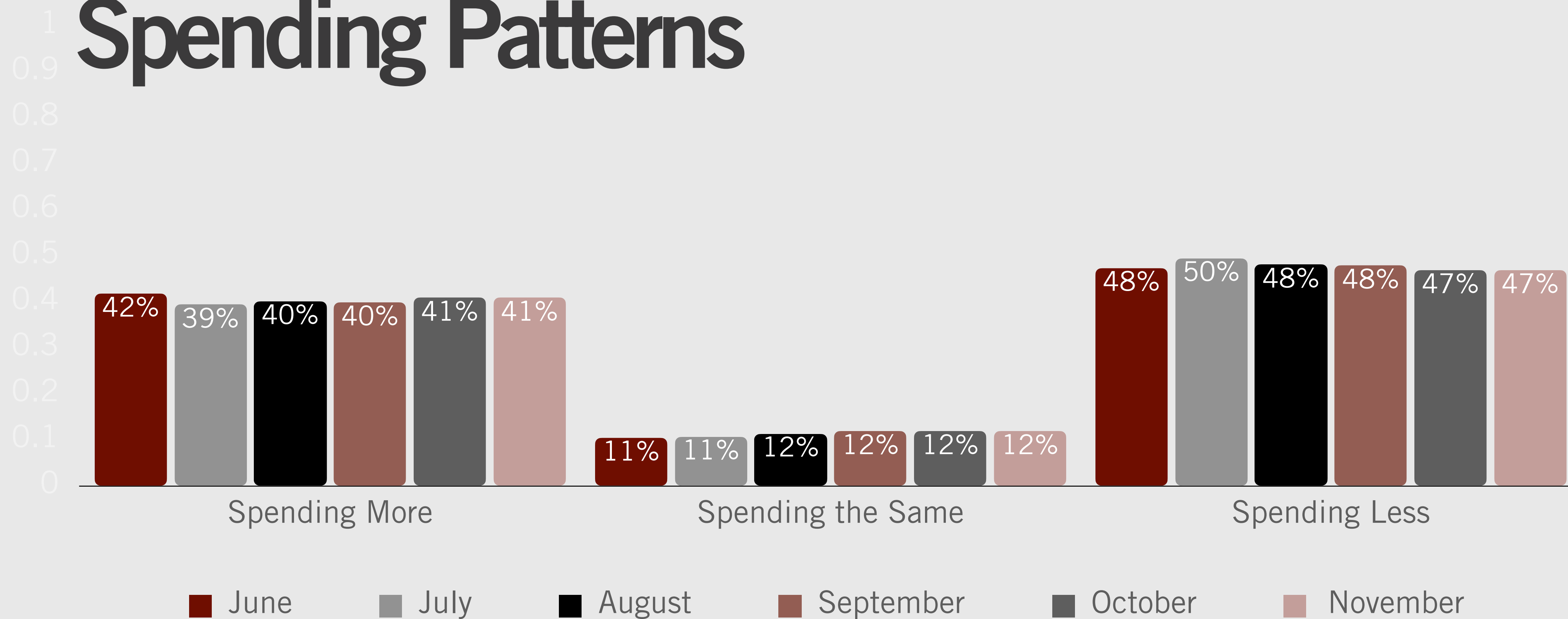
Properties with more than 1,000 machines often depend on people traveling a greater distance to the property, would usually have the ability to offer large scale entertainment and have a broad offering of amenities. COVID-19 has changed their operation to a larger degree than the smaller properties.

Player Behavior, Less, more or the same?

Some Players Are Spending More

40.9% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **60.7% 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 **13.2% 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**

47.4% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **26.4% 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.

Budget season is fast approaching, what is 2021 going to look like for revenue? We have so many unknown variables as we look to the future, we hope that the trends we are starting to see building in this report start to assist with planning for the future.

As we look at the future of player life cycles, the 56% 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

Walter Boyd,
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Thank You