



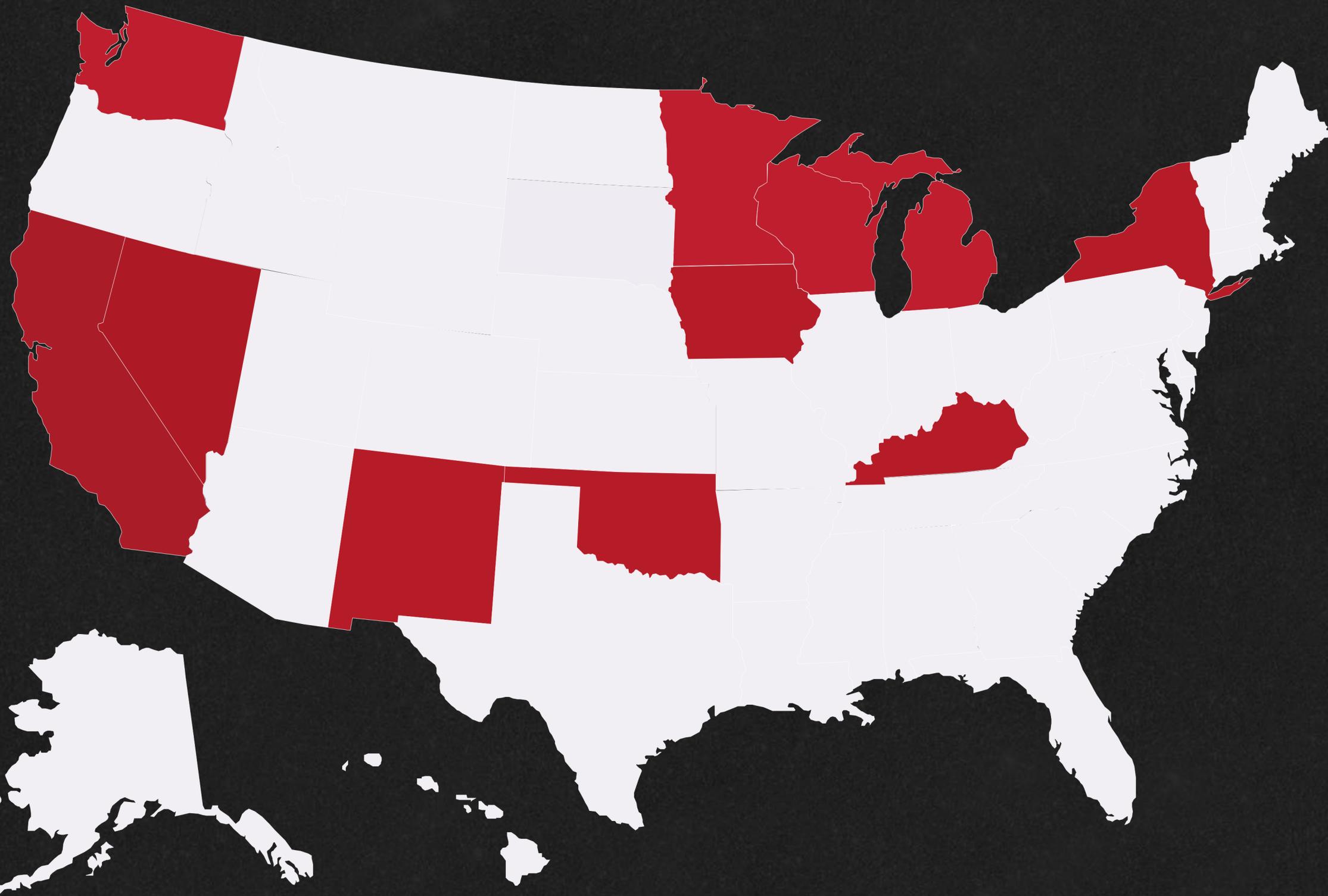
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Oct 1 - 31, 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
- ▶ 274,100 Players
- ▶ 763,600 Visits
- ▶ \$82,700,000 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 September's slight increase in players willing to travel we see October bring a decline nearly across the board. Will this continue into winter? We will continue to report on this through 2020, 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

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Across all aggregated data we are seeing a **loss of 16.1% of revenue and A 35.7% decline in players.** Individual properties range from revenue being **up 29% to experiencing a 38% decline.**

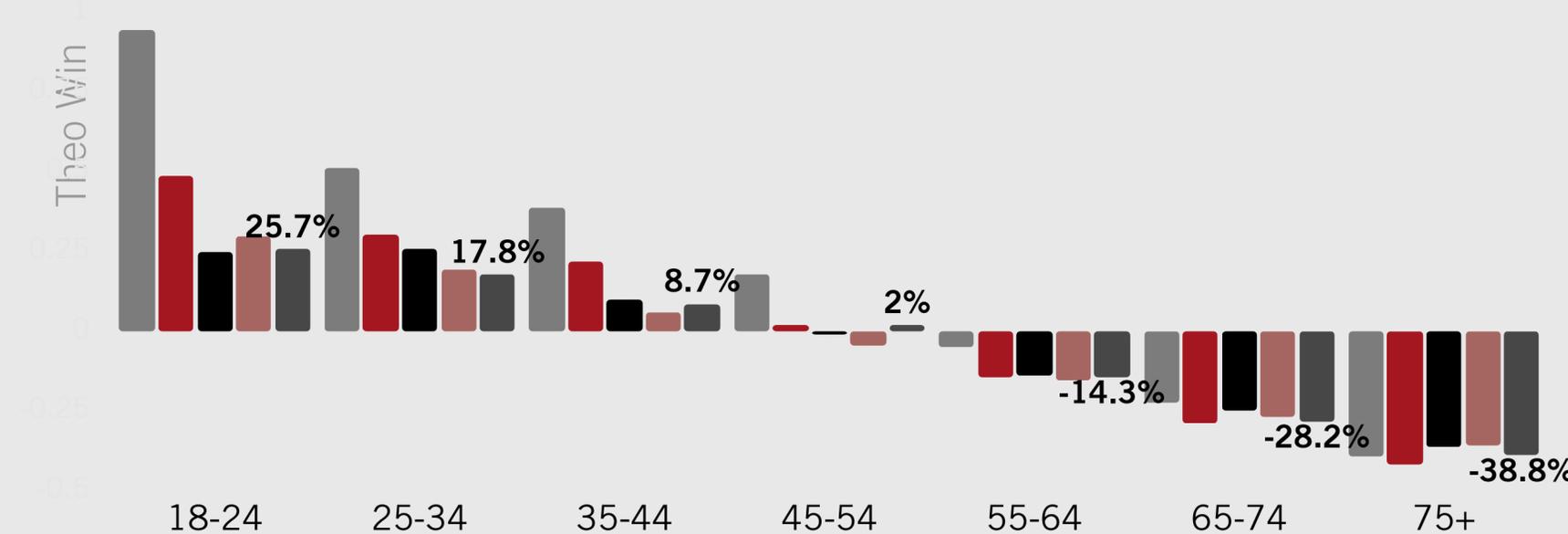
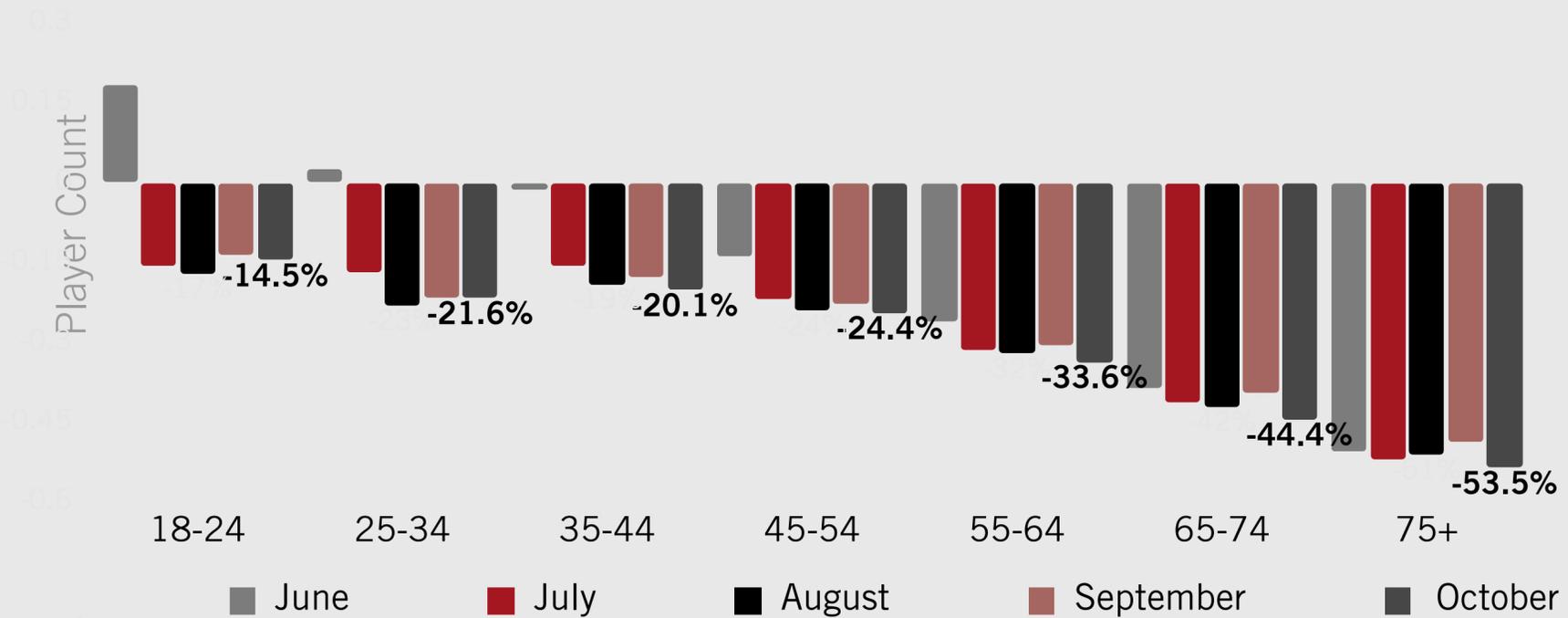
Throughout the summer and early fall, a property's distribution based on a distance scale has become the most significant metric for categorizing performance. **If a property depends on players traveling, they are being significantly impacted** while local properties are prospering. As we watch case numbers increase in late fall, there is the **potential for that to pivot**, and properties that have a local base could face a greater impact.



Player analysis, demographics and revenue impact



Age

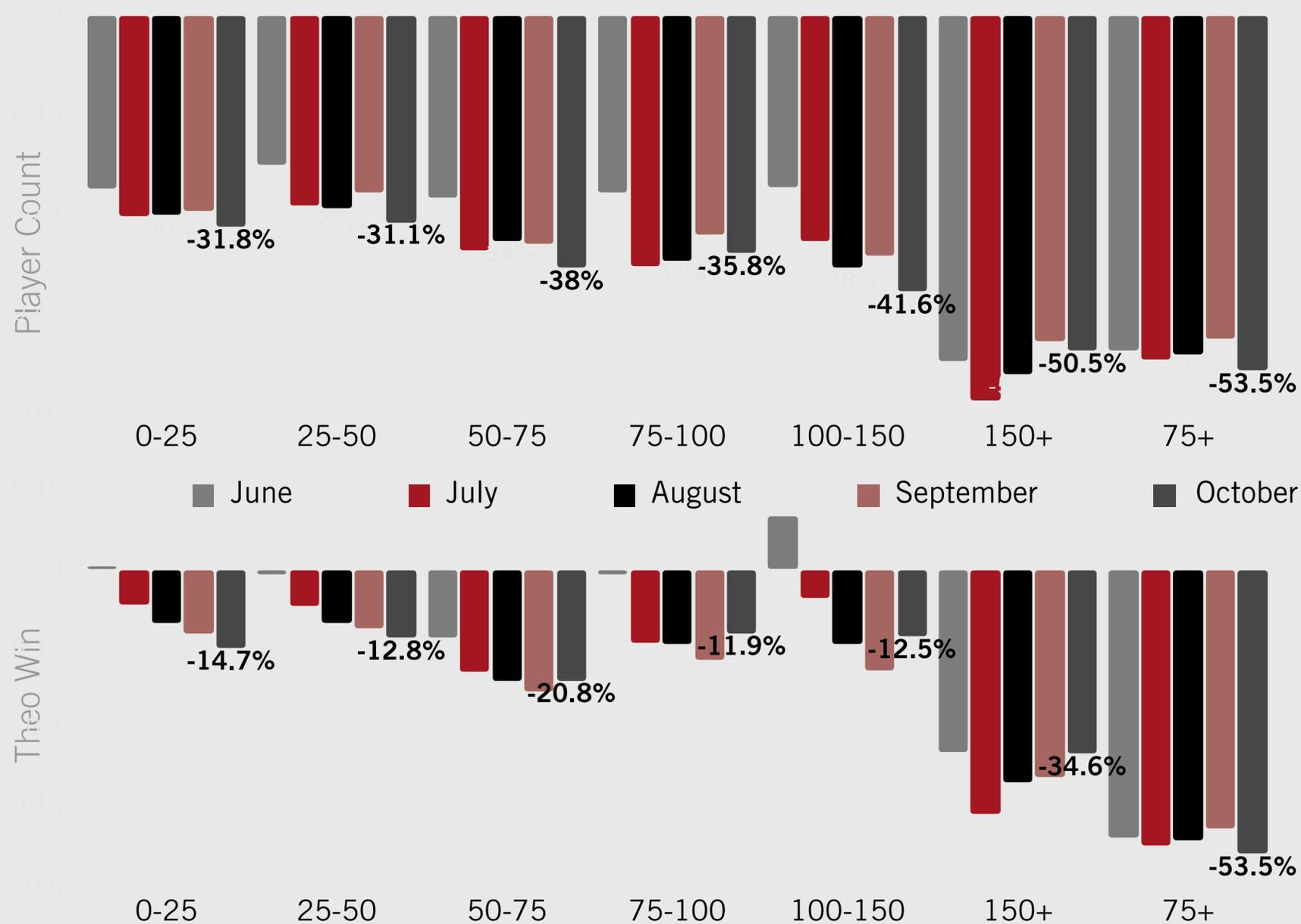


In August and September we observed some positive momentum in the older age groups. We see that erode in October. October produced the greatest decline in players over 55 since we began tracking this in June.

In October players **over age 55** are **down \$17,000,000** (27% decline). Players **under age 55** are **up \$1,200,000** (12% increase).



Distance

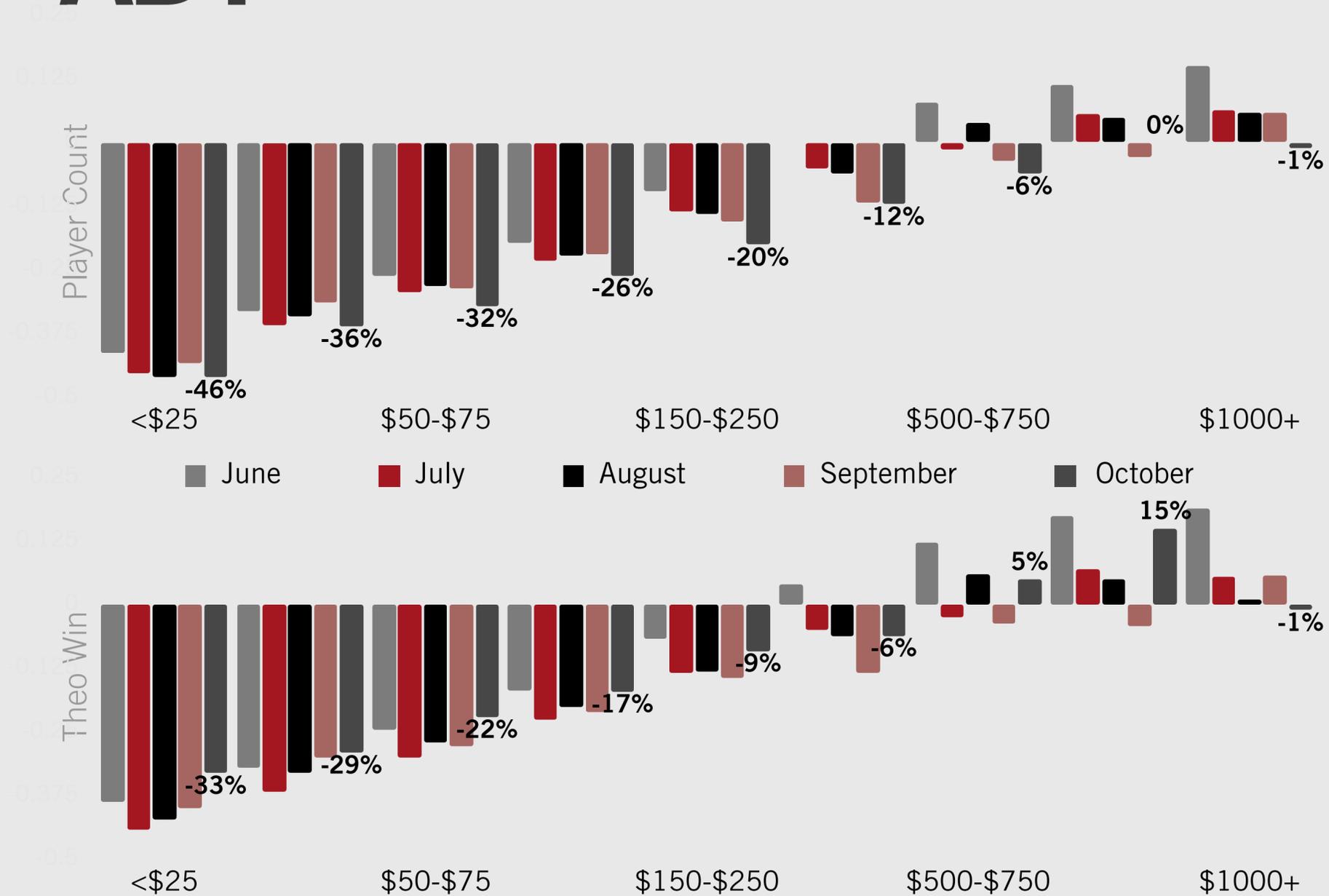


In October several distance ranges have the greatest rate of decline we have seen since we started tracking in June. Players traveling from over 150 miles continues to see the most significant impact.

It should also be noted that the distance ranges between 50 and 150 miles are showing a positive revenue trend month over month.



ADT

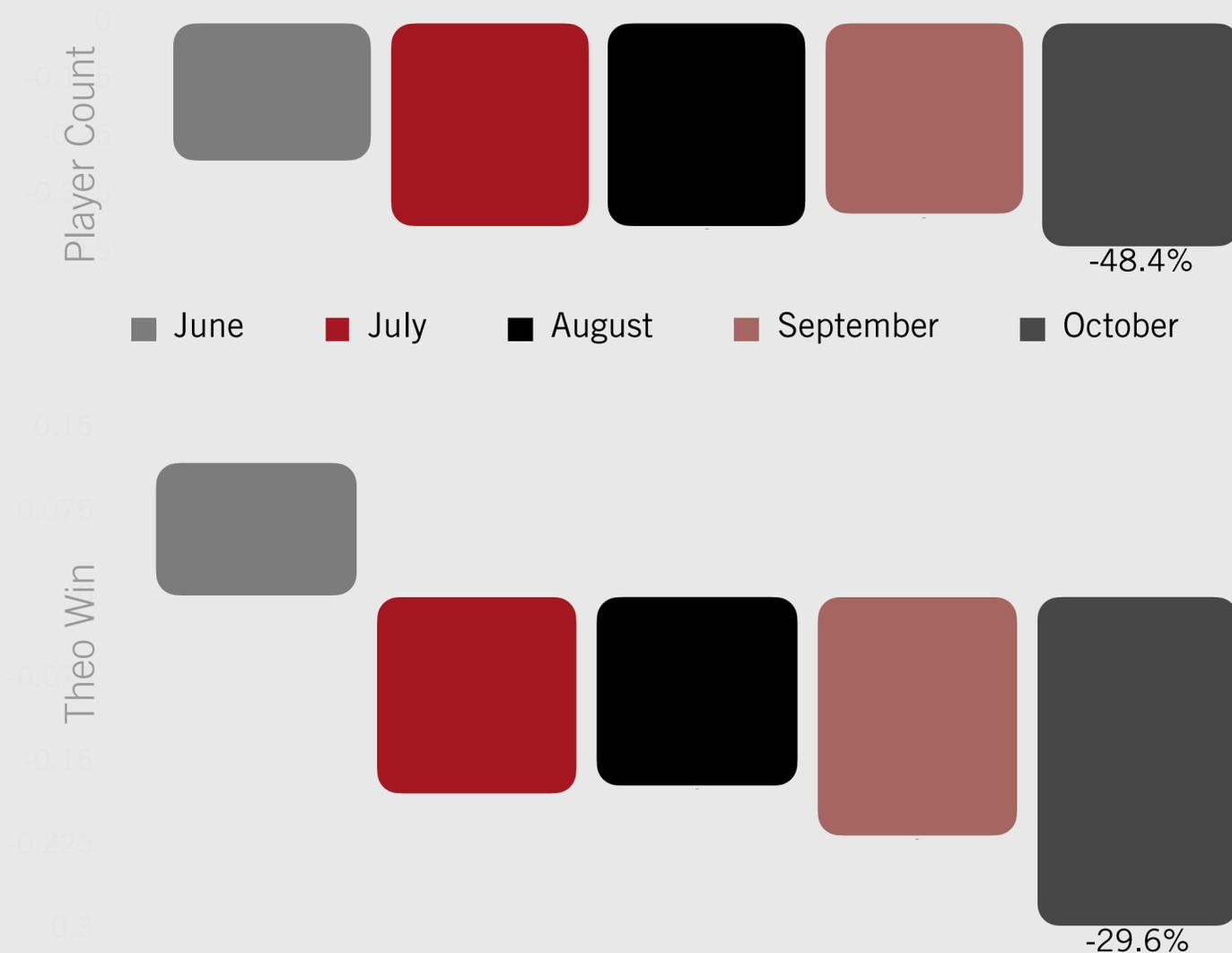


In October we had **152,000 fewer players** visit a property than in 2019. Just over 55% of the total decline in players comes from those who historically spend less than \$25 per visit.

In October the **mid-level gamer** who spends between **\$75 - \$150** per visit is the profile of player creating the **most significant decline**, a **\$4,800,000 loss year over year**.



New Players



Are new players coming into properties?

New members are down 48% in **October**. 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 **\$55** on average.

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



With a variance range of 38% loss to 29% gain in theo win, **who is doing well right now?**



Hotel vs No Hotel

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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; properties with a hotel and those without.

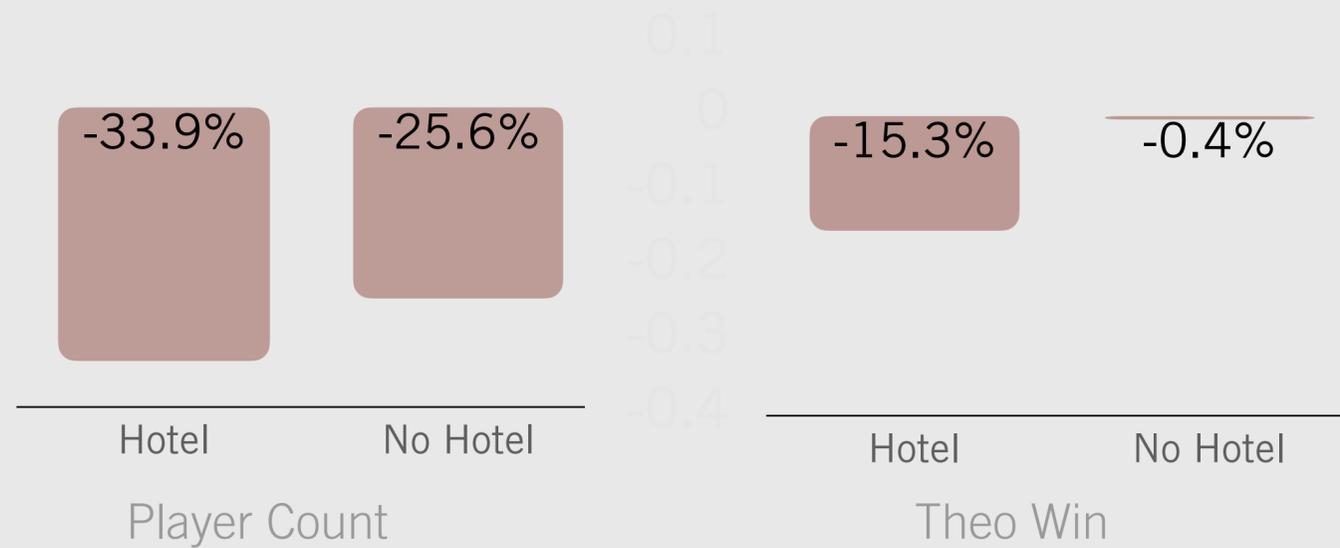
A hotel indicated an audience that is likely to drive a little farther and spend a little more time on property each visit.

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

Let's look at the results.



Hotel vs No Hotel



Properties without a hotel continue to out perform those with a hotel.

The gap is starting to close. In September the decline in theo was 18% for properties with a hotel and 12% for those without.

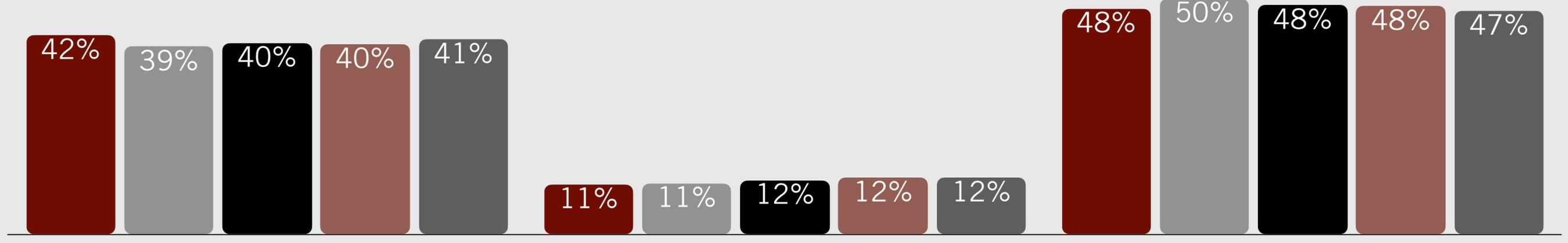


Player Behavior, **Less, more or the same?**



Spending Patterns

1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0



■ June

■ July

■ August

■ September

■ October



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 **60.2% 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

—

11.8% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **13.4% 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 **11.8% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—

47.2% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **26.3% 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.

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 48% 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, Give him a call.

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CLIENT ADVOCATE

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NORMAN, OK

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CASINO
MARKETING
DIRECTOR
2 YRS

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BLACKHAWK
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Thank You

