



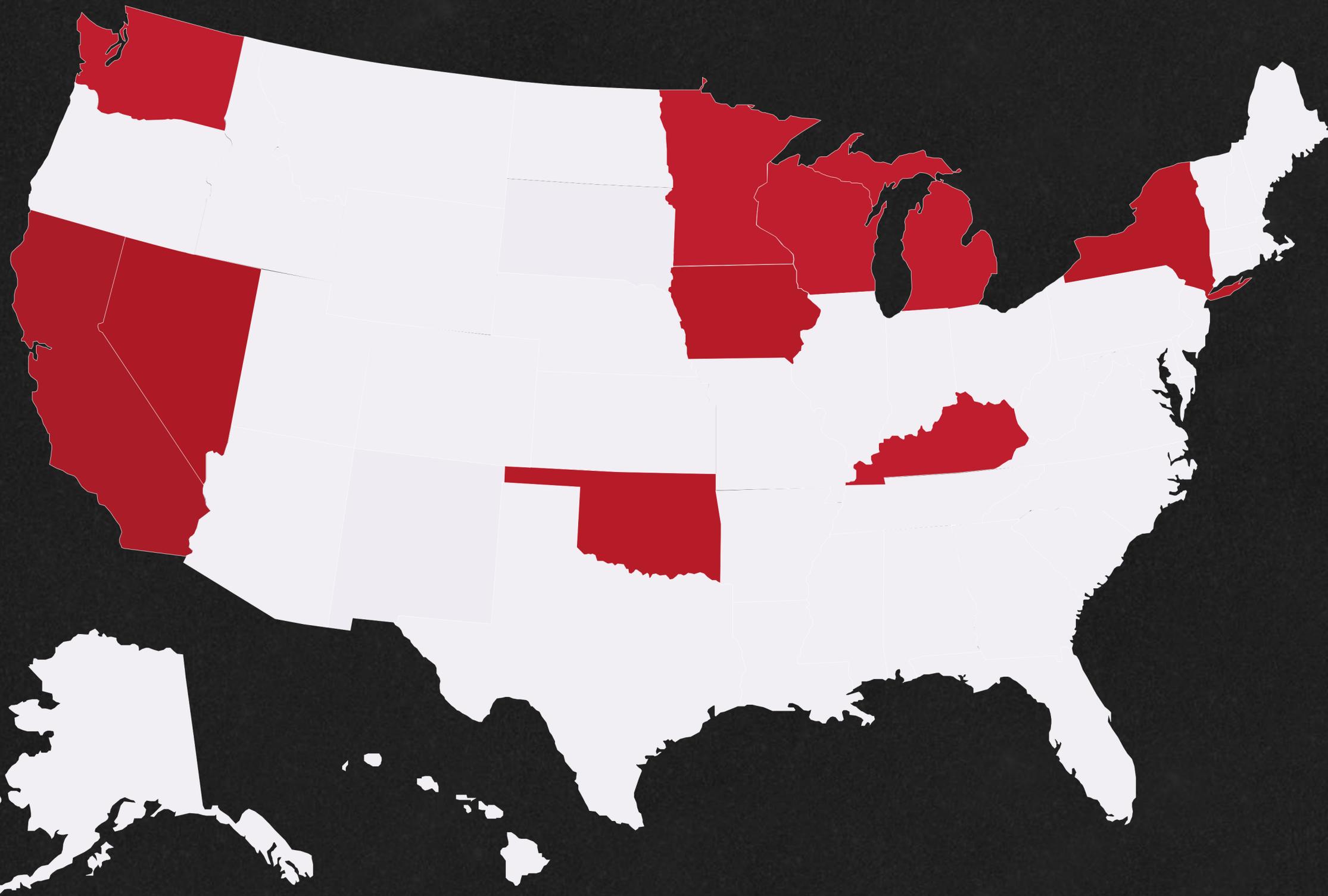
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Sep 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:

- ▶ 10 States
- ▶ 21 Casinos
- ▶ 287,400 Players
- ▶ 776,200 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 four months, we see a slight increase in players willing to travel. Will this continue through the fall? 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 16.4% of revenue and A 32.4% decline in players.** Individual properties range from revenue being **up 38% to experiencing a 34% decline.**

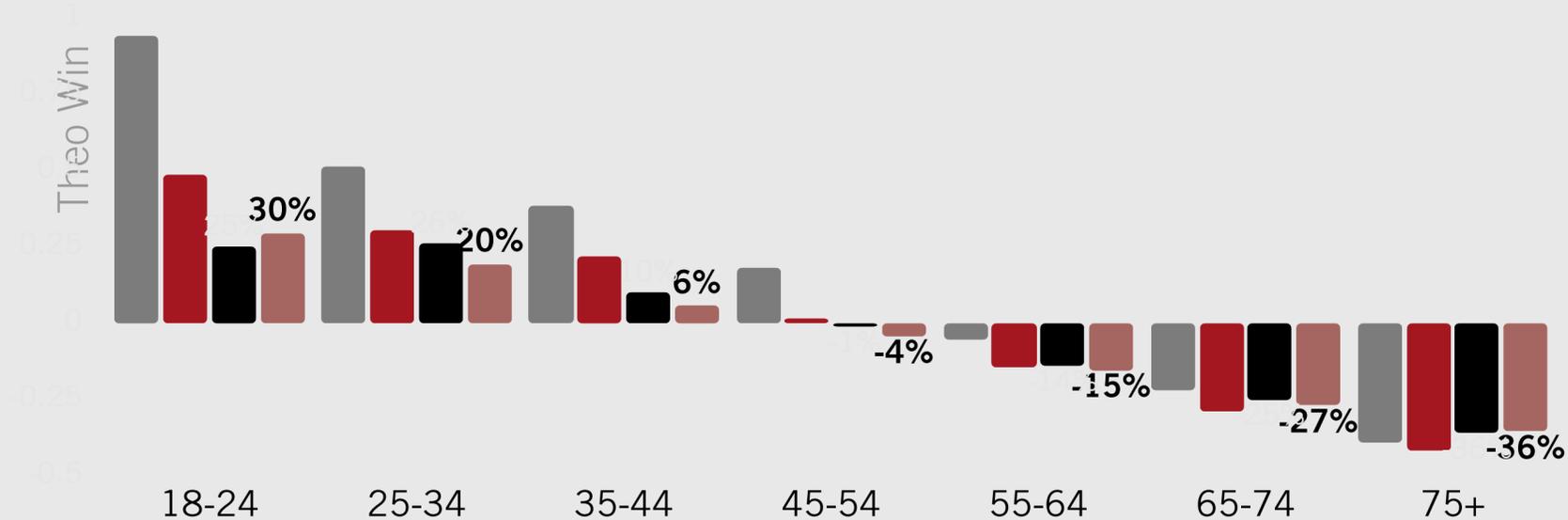
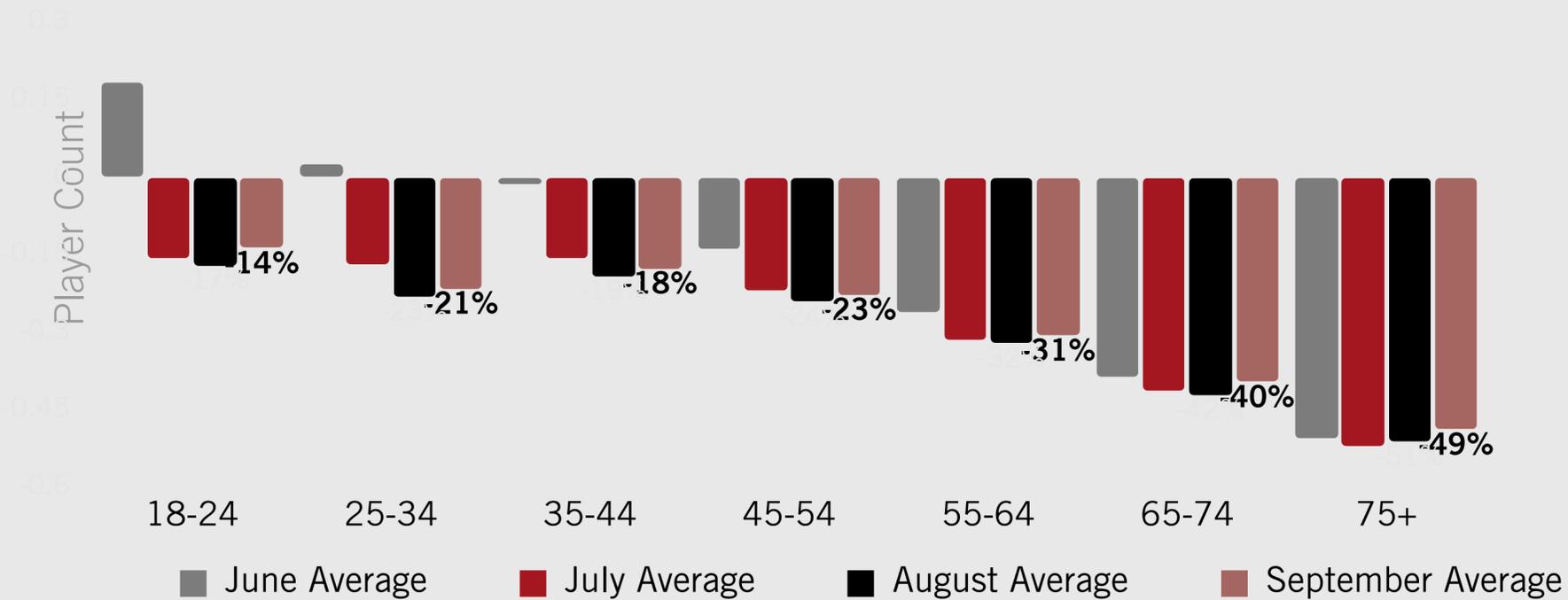
A property's distribution based on a distance scale is becoming the most significant metric for categorizing performance. If a property depends on players traveling, they are being significantly impacted while local properties are prospering.



**Player analysis, demographics and
revenue impact**



Age

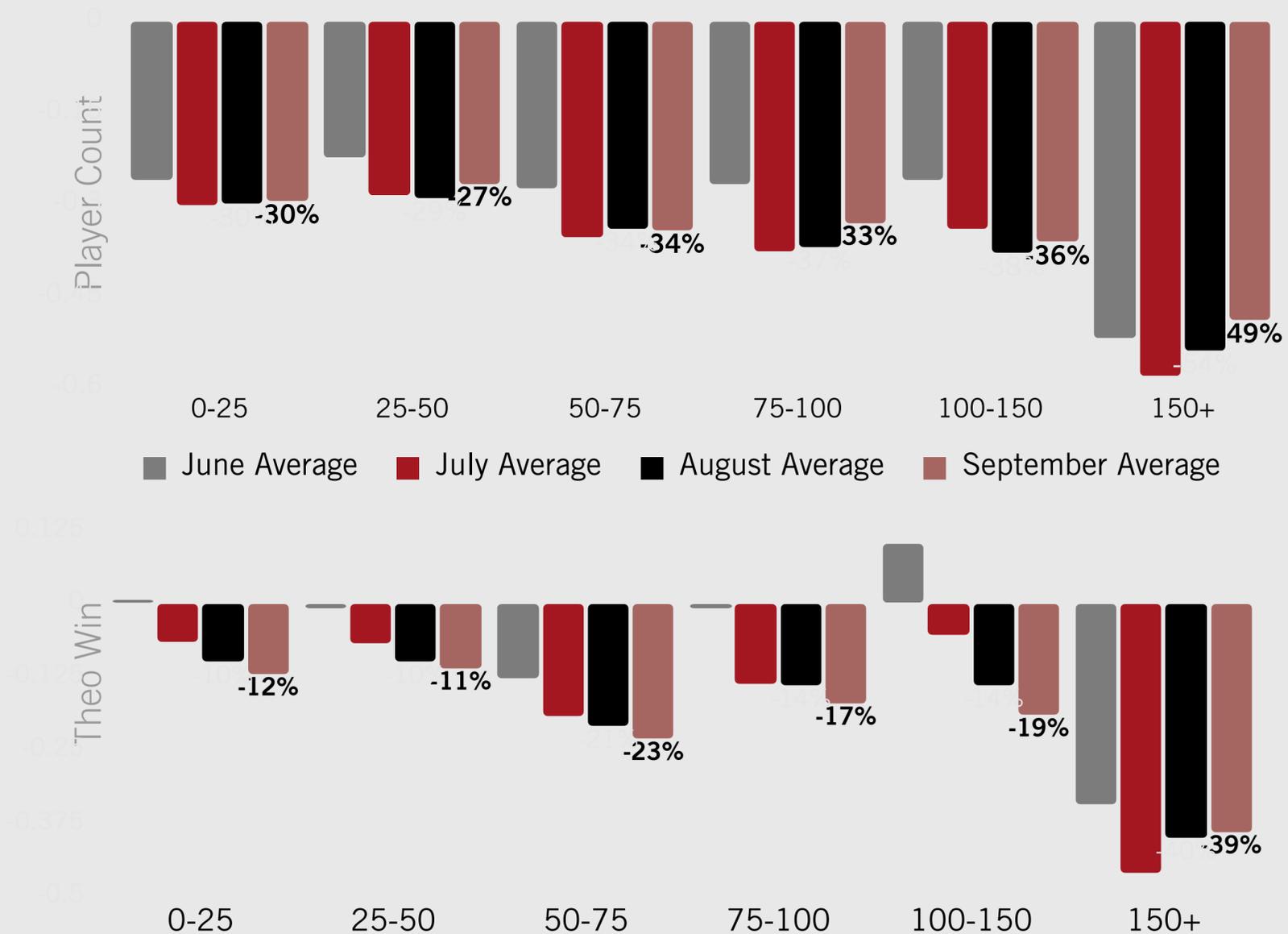


The early months showed an increase in a younger audience searching for entertainment options. However, by July we see all age groups declining in year over year performance. Player decline has been fairly consistent in players over age 55 for the last three months.

In September players **over age 55** are **down \$16,800,000** (24% decline). Players **under age 55** are **up \$1,300,000** (11% increase).



Distance

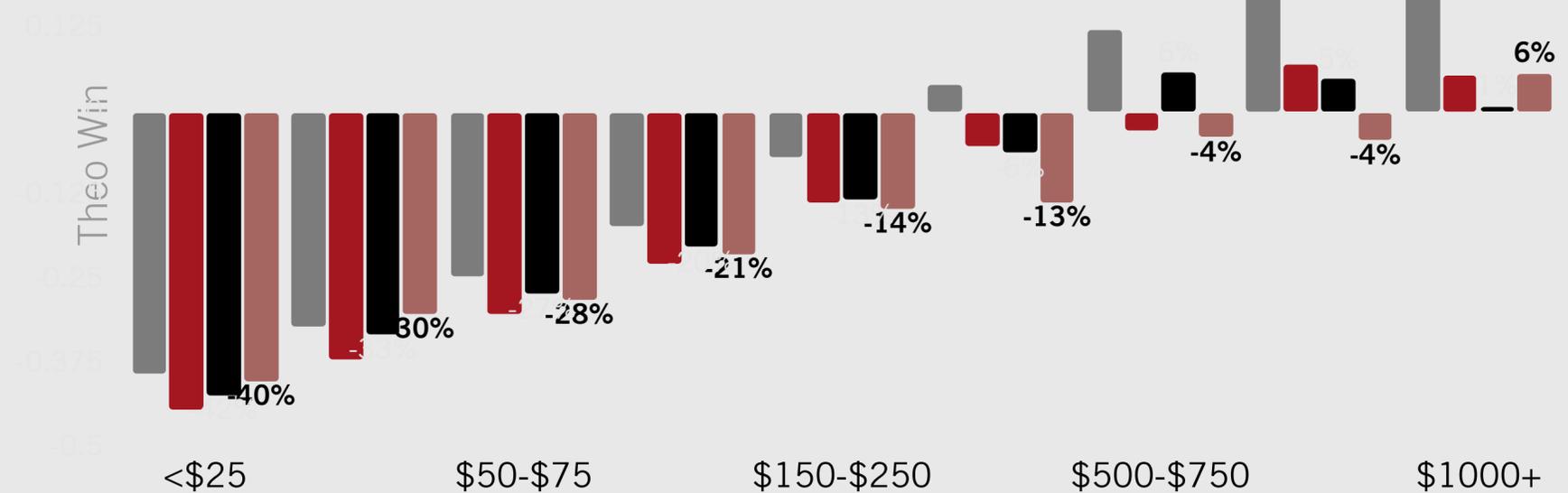
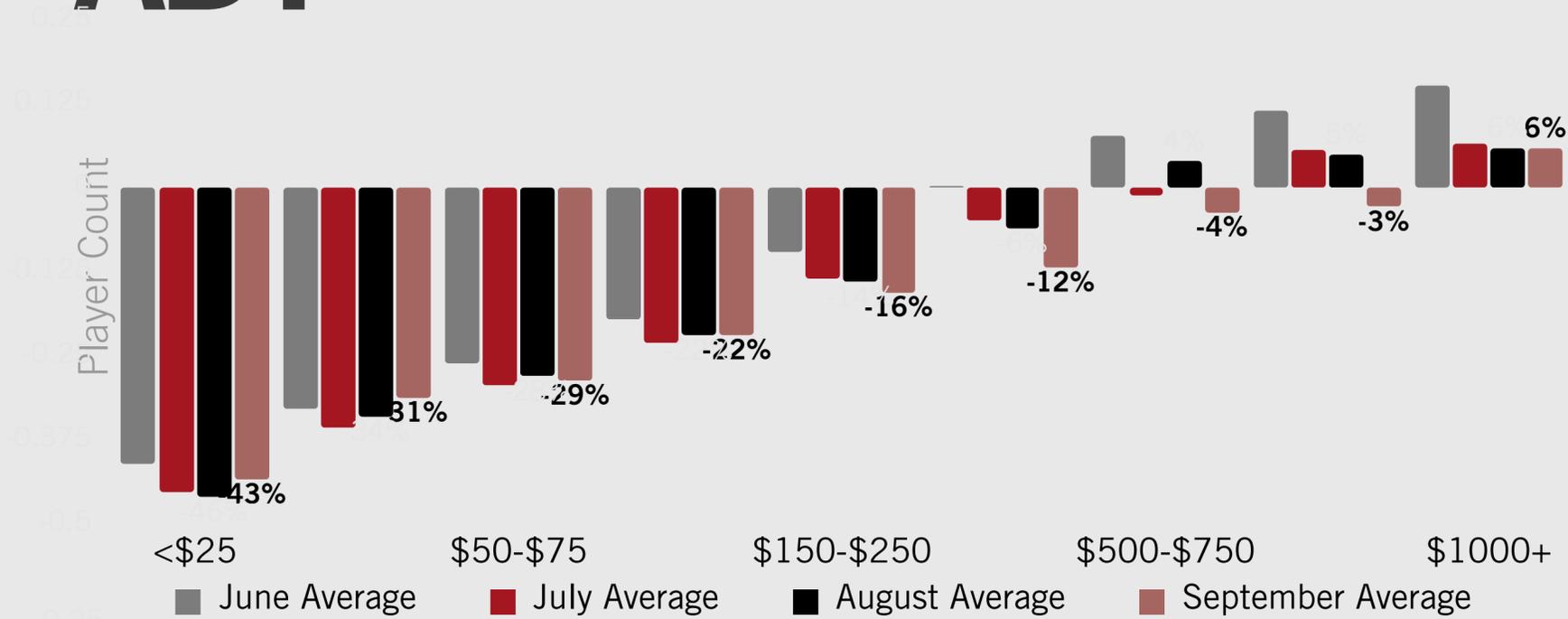


Each distance range has an equal or a reduced rate of decline in players in **September**. Players traveling from over 150 miles continues to see the most significant impact.

It should also be noted that the distance range of **over 150 miles** is the only segment to have a positive gain in September revenue. **For the first time we are starting to see a positive trend in both players and revenue from this segment starting to return.**



ADT

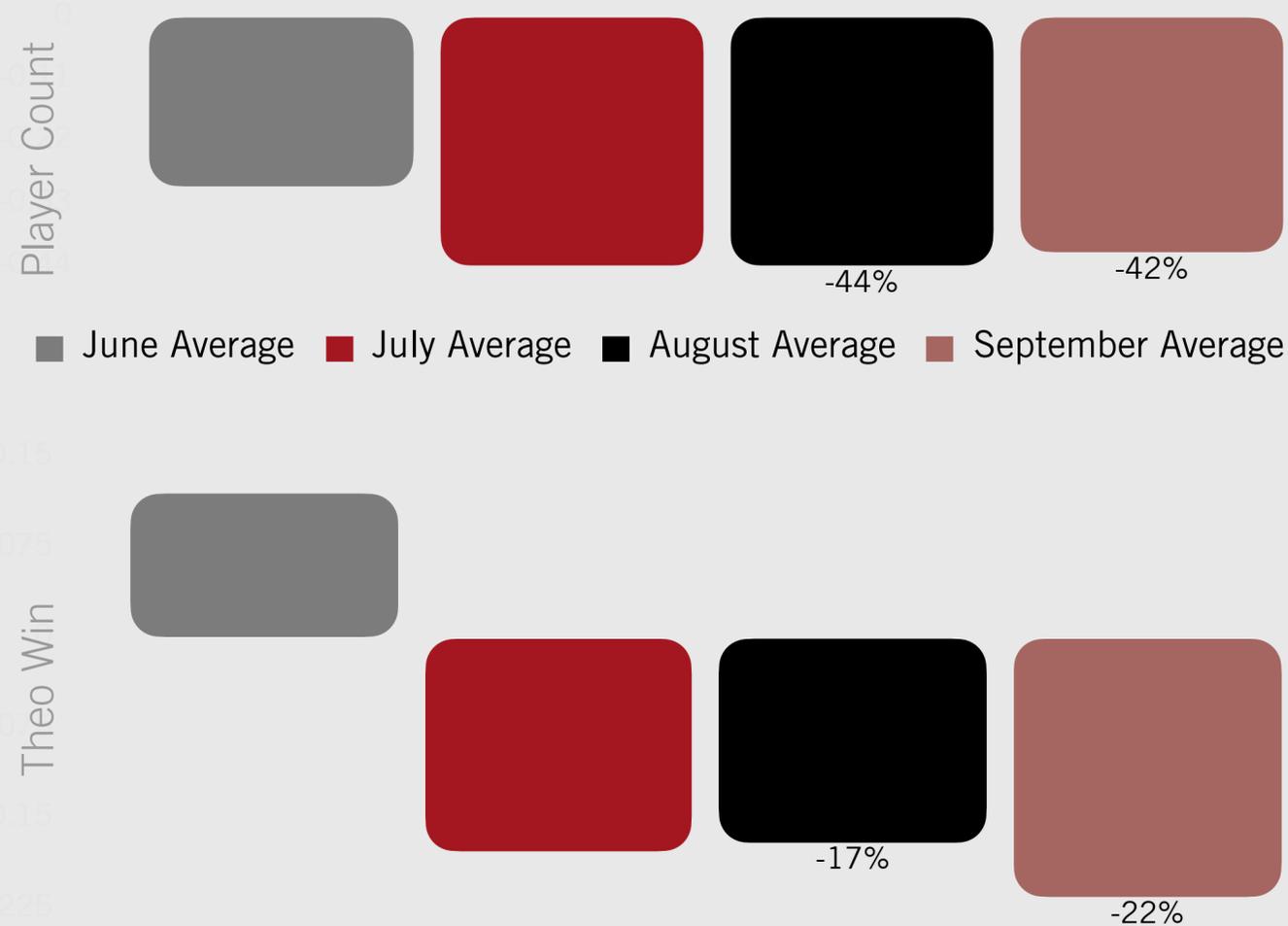


In September we had **137,000 fewer players** visit a property than in 2019. Just over 58% of the total decline in players comes from those who historically spend less than \$25 per visit.

In September the **mid-level gamer** who spends between **\$75 - \$150** per visit is the profile of player creating the **most significant decline**, a **\$4,500,000 loss year over year.**



New Players



Are new players coming into properties?

New members are down 42% in September. 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 **\$41** 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 34% loss to 38% gain in the 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.

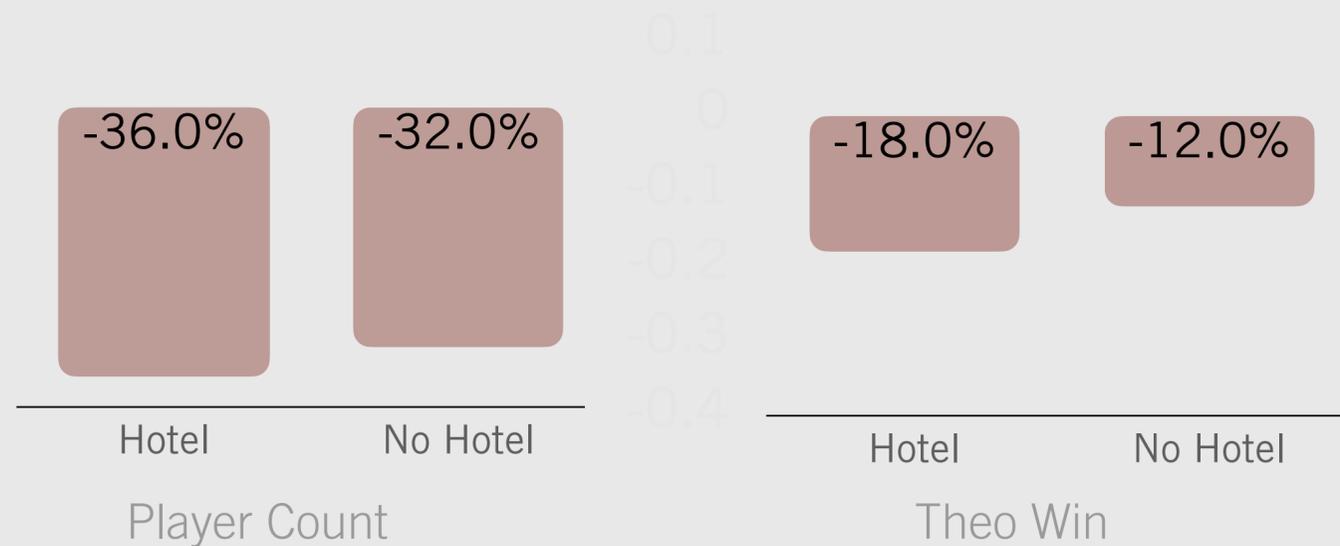
A hotel indicated an audience that is likely to drive a little farther and spend a little more time on property each visit.

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

Let's look at the results.



Hotel vs No Hotel



We no longer have a clear winner.

While yes, properties without a hotel are still performing better than those with a hotel, the gap is starting to close. In August the decline in theo was 18% for properties with a hotel and 5% for those without.

Again, we are starting to see distance become less of a factor in September.

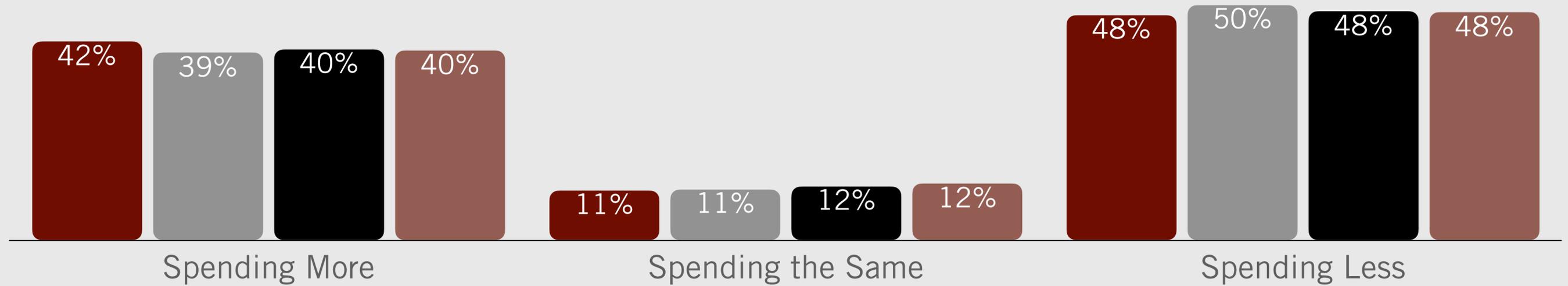


Player Behavior, **Less, more or the same?**



Spending Patterns

1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0



■ June Average

■ July Average

■ August Average

■ September Average



Some Players Are Spending **More**

—
40.4% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **59.4% 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

—
12.1% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **13.9% 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 **12.1% of players** are currently exhibiting their typical behavior.



Some Players Are Spending Less

—

48.1% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **26.6% 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 42% 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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Thank You

