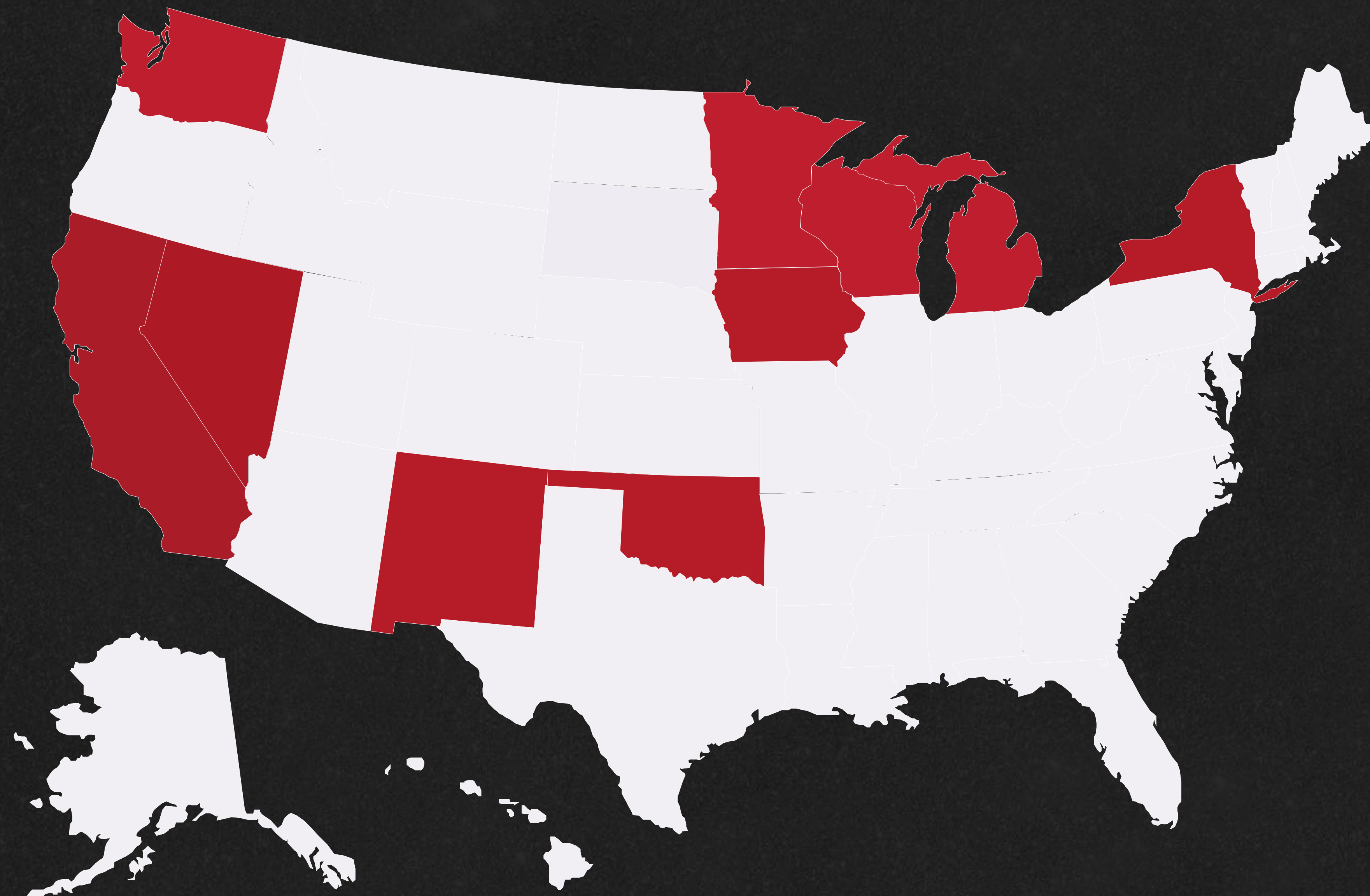# RED CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: August 1 - 31, 2021

Minneapolis, MN

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

‣ 285,600 Players

‣ 770,000 Visits

‣ $85,800,000 Theo Win

Definitions:

Baseline 1 : August 1 - 31, 2019

Baseline 2: Average performance of May - July, 2021

Executive Summary

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

Using the 2021 over 2019 baseline, when we compare **August of 2021** to **August of 2019**, we saw a **loss of 30.4% in players** and a **decrease of 6.7% in theo win.**
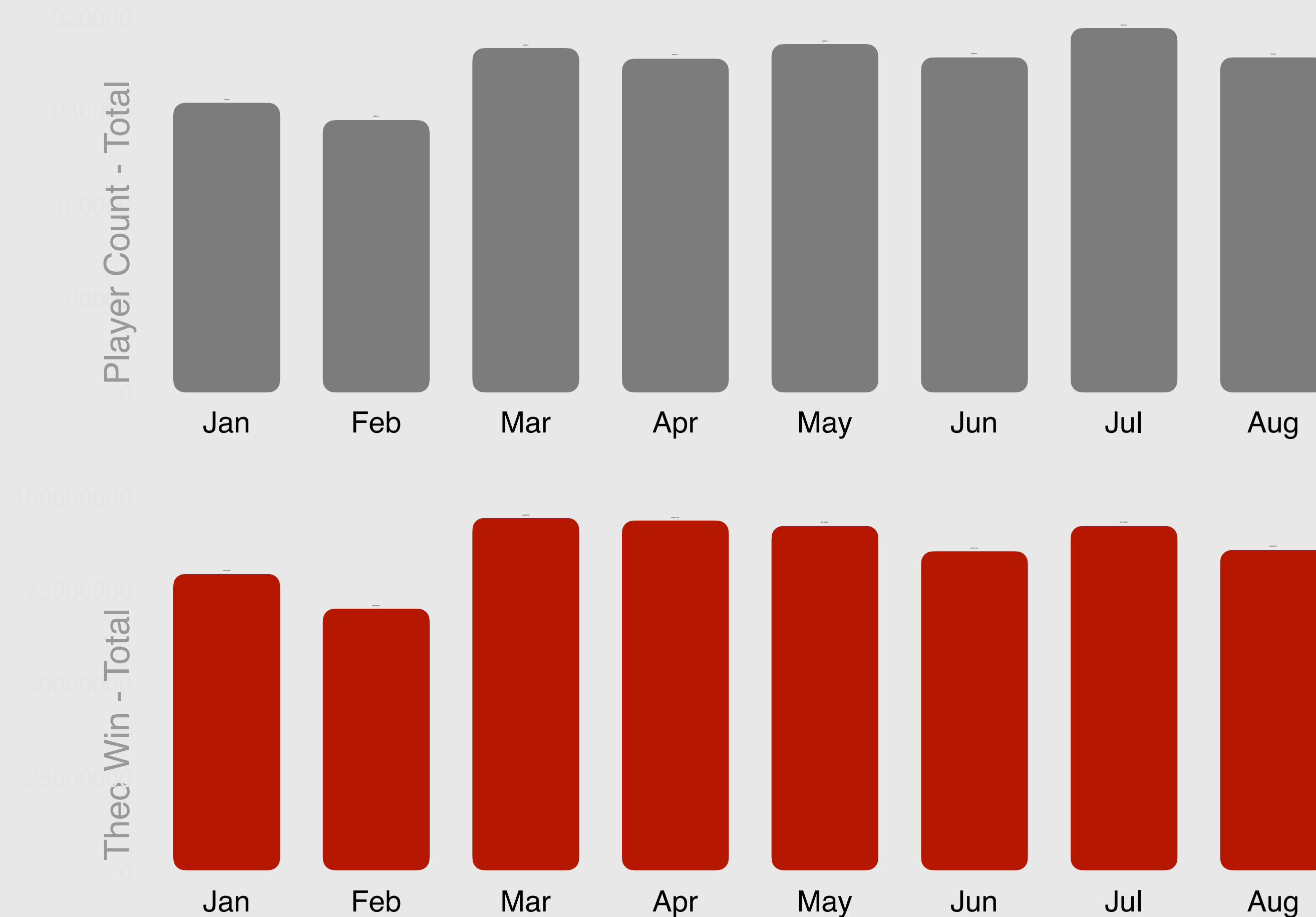
We also created a baseline using the average of the last three operating months, and based on that comparison we see a **4.1% decrease in players** and **4.5% decrease in theo win.**

Player analysis, demographics and revenue impact

2021 Totals Trend

Player Count - Total

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |

Theo Win - Total

| Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |

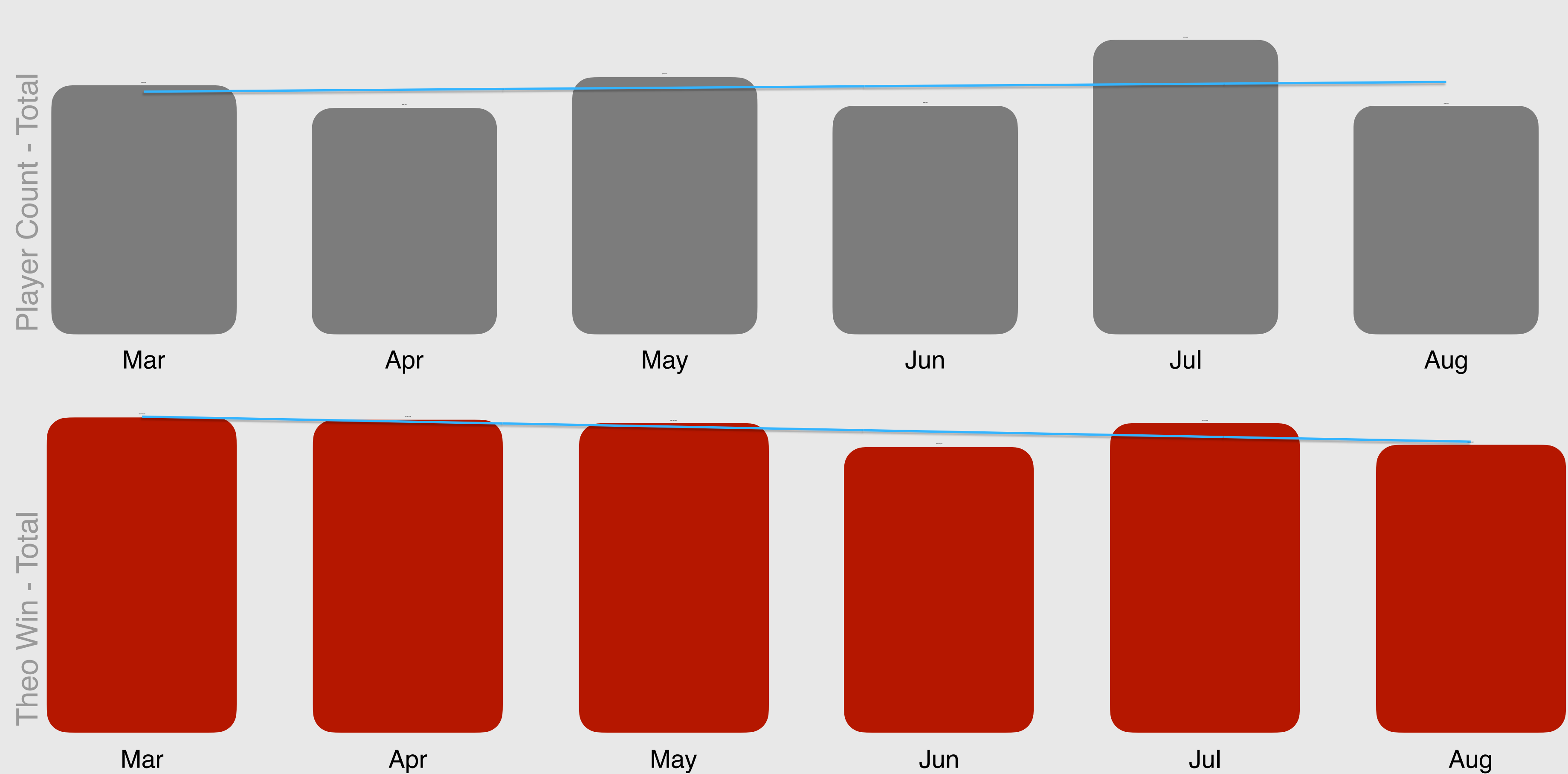Looking at the total player count and theo win from the first eight months of 2021.

Both indicators show a positive trend starting in March and then a bit of a plateau.

July broke that plateau with increases in both players and theo win.

As we transition to August performance, we have numbers that are very comparable to June.
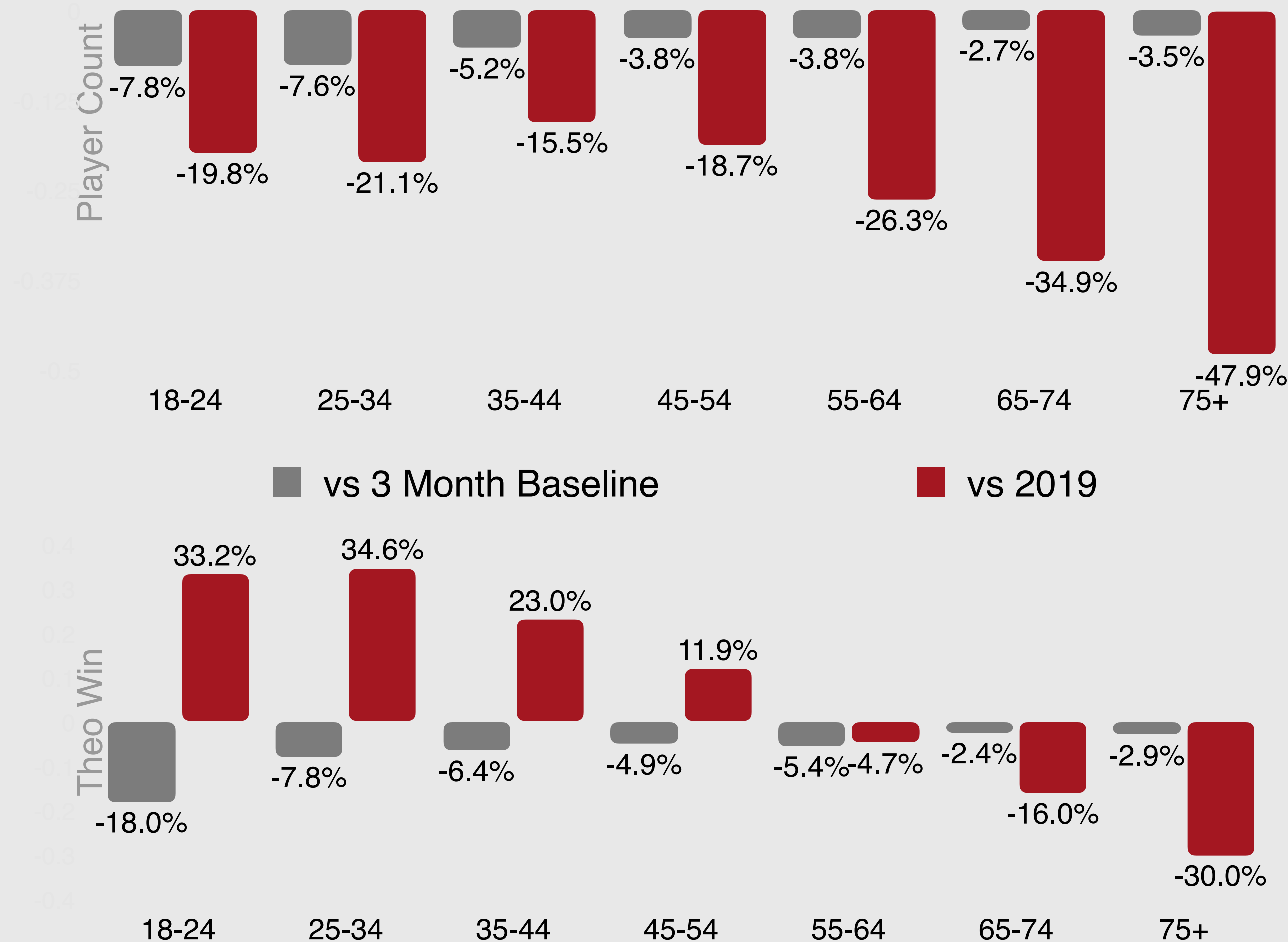
2021 Totals Trend - A Closer Look

Age

Player Count

Age	vs 3 Month Baseline	vs 2019
18-24	-7.8%	-19.8%
25-34	-7.6%	-21.1%
35-44	-5.2%	-15.5%
45-54	-3.8%	-18.7%
55-64	-3.8%	-26.3%
65-74	-2.7%	-34.9%
75+	-3.5%	-47.9%

■ vs 3 Month Baseline   ■ vs 2019

Theo Win

Age	vs 3 Month Baseline	vs 2019
18-24	-18.0%	33.2%
25-34	-7.8%	34.6%
35-44	-6.4%	23.0%
45-54	-4.9%	11.9%
55-64	-5.4%	-4.7%
65-74	-2.4%	-16.0%
75+	-2.9%	-30.0%

As **players 55+** represent a significant amount of play, we have watched this group closely.

In June of 2021 players 55+ increased to 64% of players and 68% of theo win.
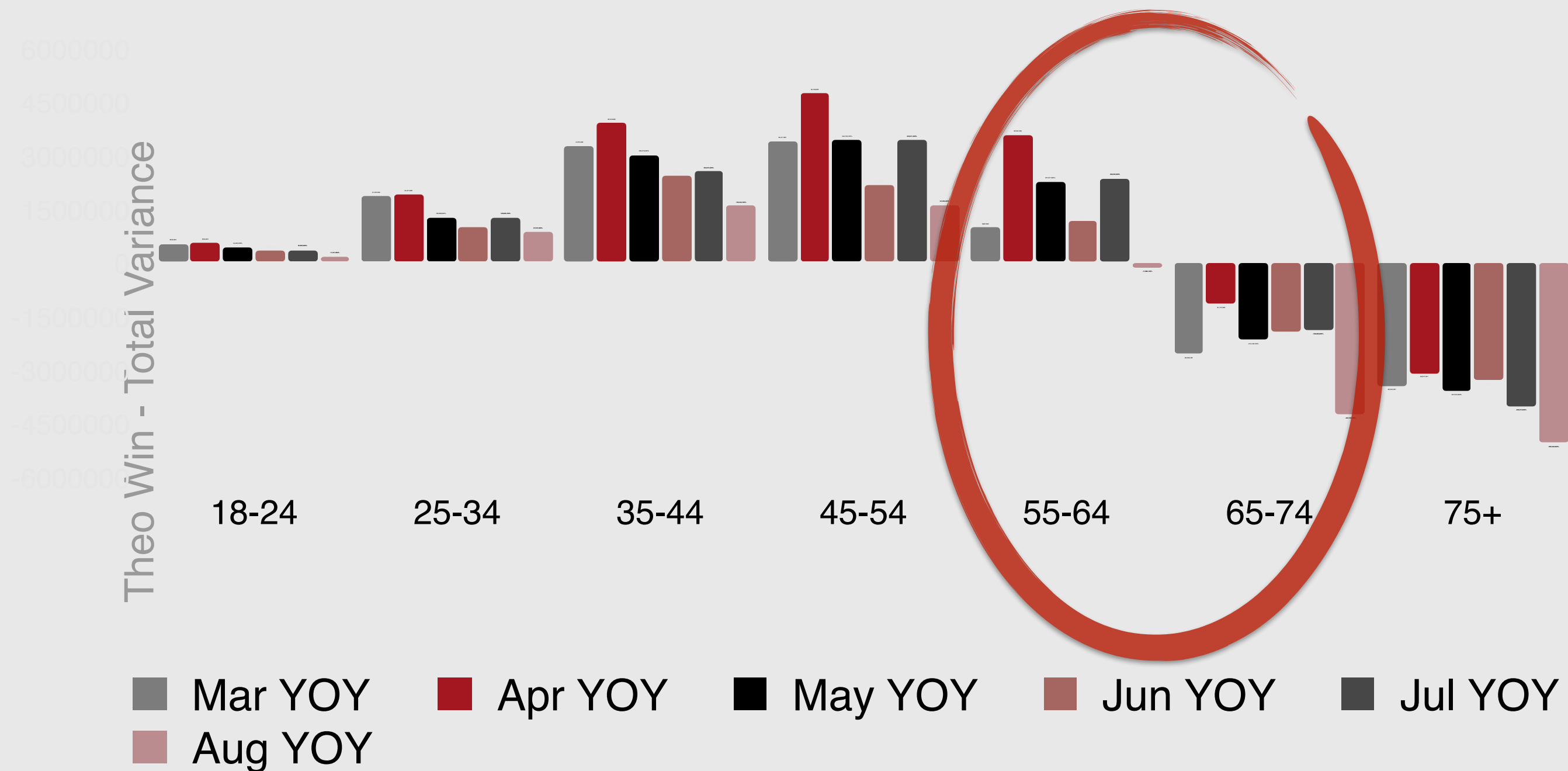
In July of 2021 players 55+ held steady 64% of players and remained at 68% of theo win.

Now in August of 2021 players 55+ have again held steady 63.2% of players and remained at 67.7% of theo win.

As we look at **August of 2021** compared to August of 2019, players **55+** are **down $10,400,000**. Players **under age 55** are up **$4,200,000**.
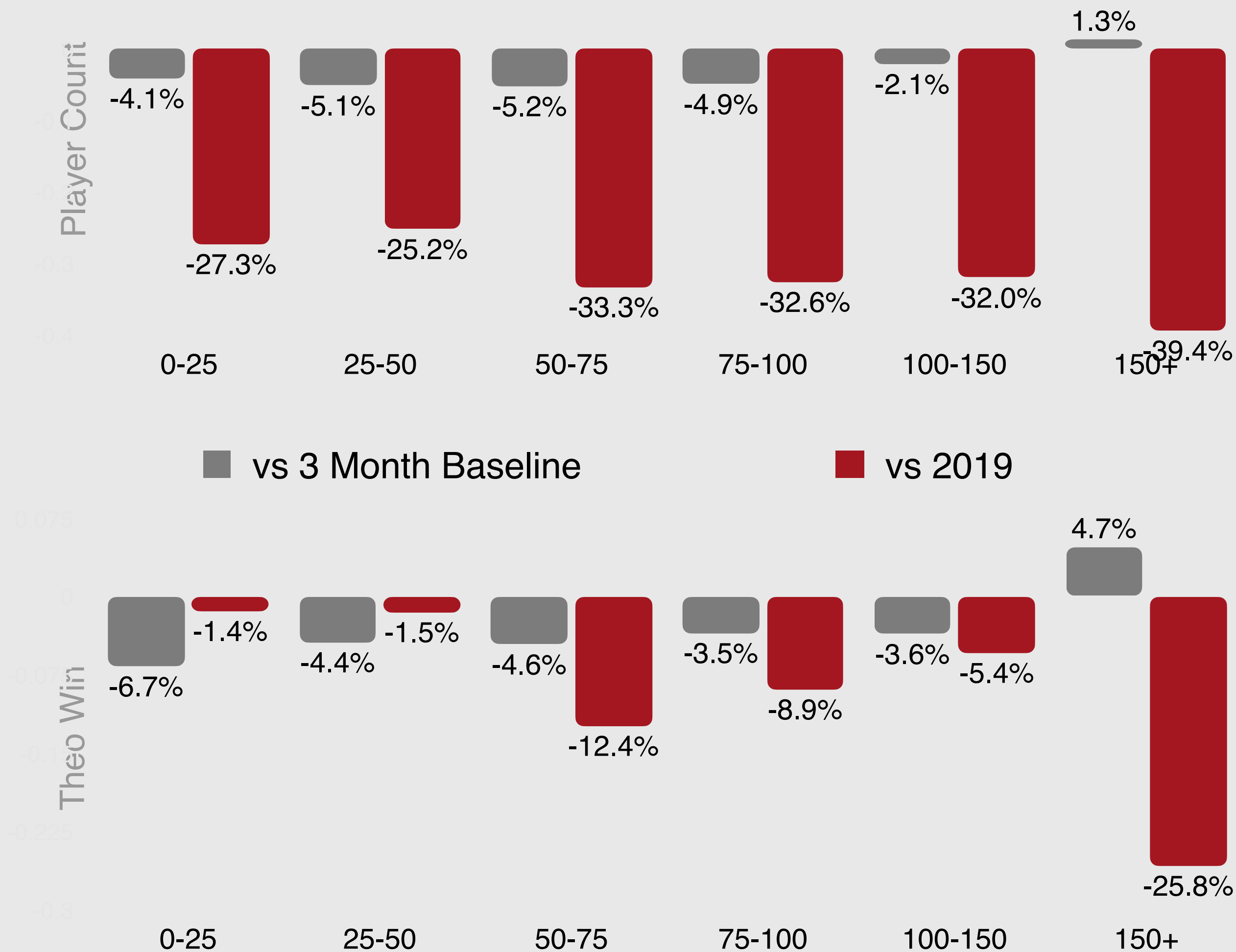
Age

This chart graphs the variance of 2019 vs 2021 total theo win across the aggregated data set.

This is the first month that we see a decline in the 55-64 age range. In addition we see an increased decline in total spending from the 65+ age group.

Distance

Player Count

	0-25	25-50	50-75	75-100	100-150	150+
vs 3 Month Baseline	-4.1%	-5.1%	-5.2%	-4.9%	-2.1%	1.3%
vs 2019	-27.3%	-25.2%	-33.3%	-32.6%	-32.0%	-39.4%

■ vs 3 Month Baseline   ■ vs 2019

Theo Win

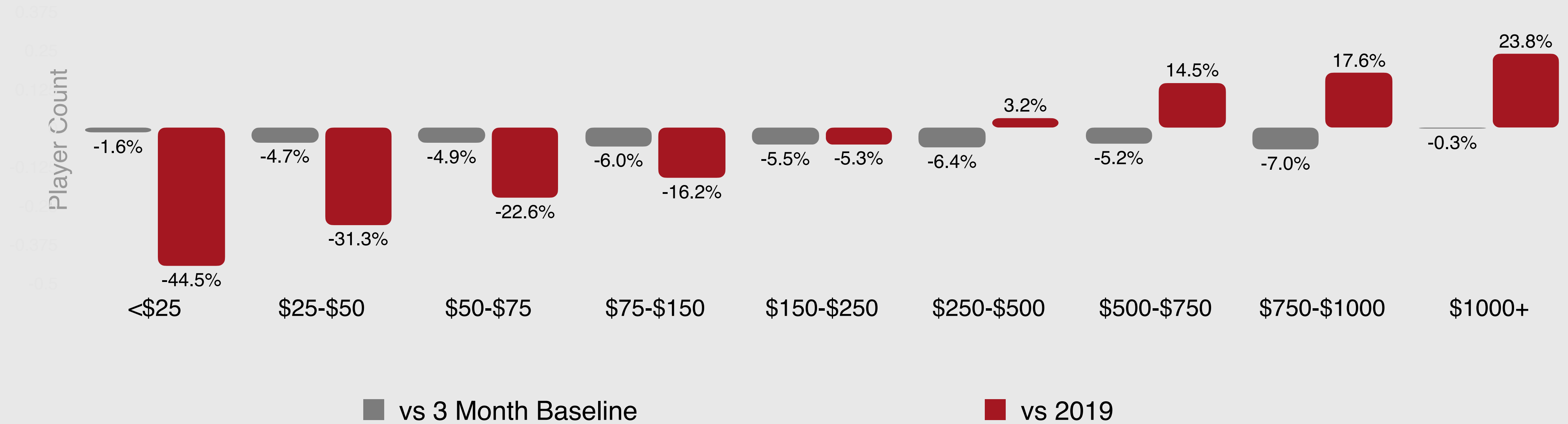|	0-25	25-50	50-75	75-100	100-150	150+
vs 3 Month Baseline	-6.7%	-4.4%	-4.6%	-3.5%	-3.6%	4.7%
vs 2019	-1.4%	-1.5%	-12.4%	-8.9%	-5.4%	-25.8%

Markets within a 50 mile radius of properties contribute 58% of the total revenue and 48% of players.

When comparing August 2019 to August 2021, the 27.3% decline in players only produced a 1.4% decline in theo win. **Please note, this does not mean that the 27% of players are only worth 1.4% of theo win, that conclusion would require additional research at the property level.**
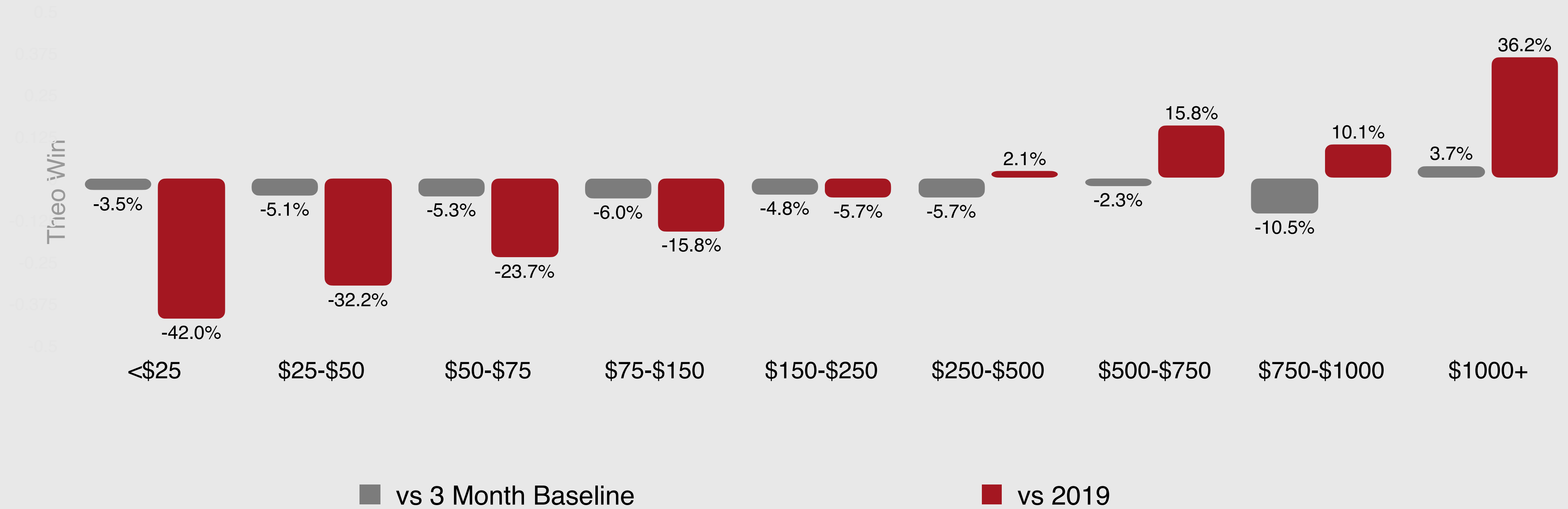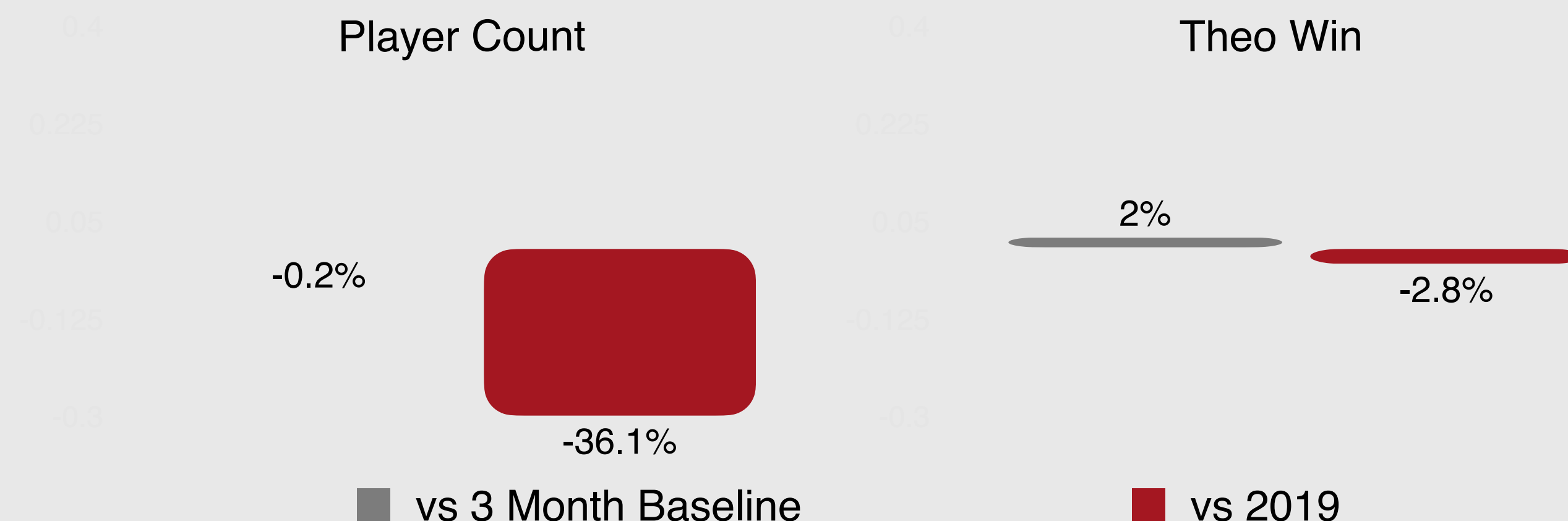
New Players

Player Count

-0.2%

-36.1%

■ vs 3 Month Baseline

Theo Win

2%

-2.8%

■ vs 2019

Are new players coming into properties?

Compared the the previous few months, **new members are flat.** Compared to 2019, by volume, we are still down substantially.

In August new players had the same ADT as the average of the last three months, $56.

When we compare the ADT to new members in August of 2019 we still see a $20 increase in ADT.

With a variance range of a 40.5% loss to a 67.9% 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 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

-32.2%   -5.2%   -10.1%   38.3%

> 1,000   < 1,000   > 1,000   < 1,000

Player Count   Theo Win

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

In August 2021 properties with less than 1,000 machines continued to outperform the baseline with the **strongest gain this month of 67.9%.**

Over the last nine months properties with more than 1,000 machines have **shown volatile performance**.

December 24.7% decline in revenue YoY
January 1% decline
February 21.9% decline
March .8% decline
April 5.4% gain
May 4.1% gain
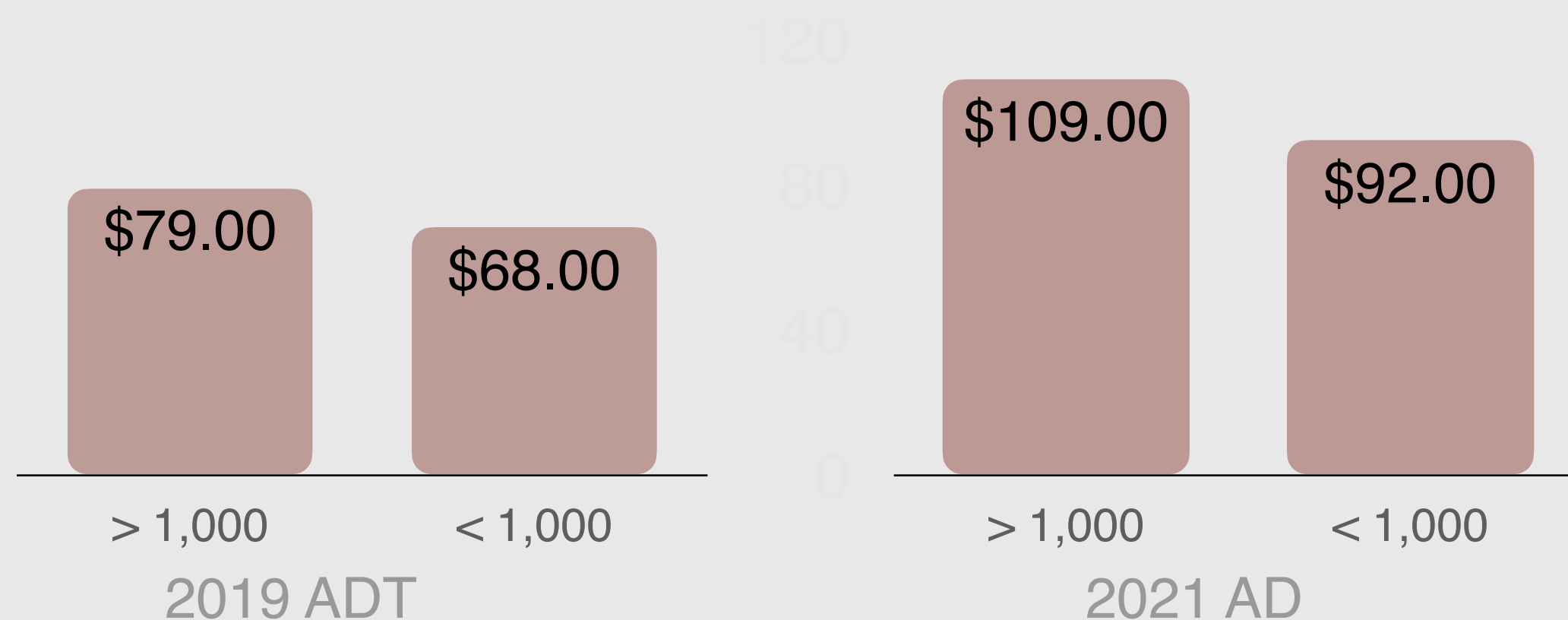**June** 2% decline
July 1% gain
August 10.1% decline

< or >
1,000 Machines
ADT Spend

While the overall performance looks different for those over and under 1,000 machines, the average spend has a similar trend.

The ADT for properties with over 1,000 machines grew 38.4% while those properties with less than 1,000 machines are up 36.2%.
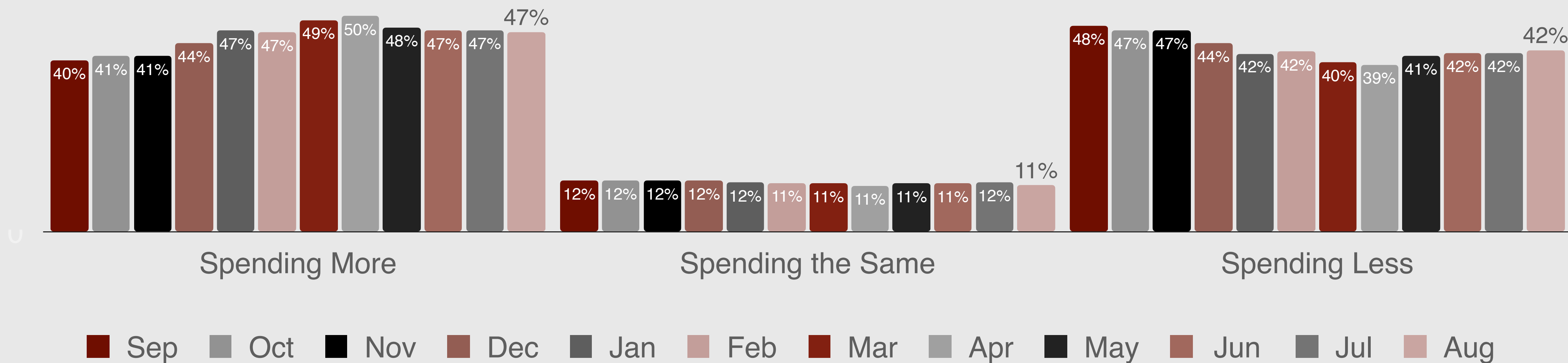

$79.00 $68.00
2019 ADT
> 1,000   < 1,000

$109.00 $92.00
2021 AD
> 1,000   < 1,000

120
80
40
0

Player Behavior, Less, more or the same?

Spending Patterns

Spending More

40% 41% 41% 44% 47% 47% 49% 50% 48% 47% 47% 47%

Spending the Same

12% 12% 12% 12% 12% 11% 11% 11% 11% 11% 12% 11%

Spending Less

48% 47% 47% 44% 42% 42% 40% 39% 41% 42% 42% 42%

Sep   Oct   Nov   Dec   Jan   Feb   Mar   Apr   May   Jun   Jul   Aug

Some Players Are Spending **More**

46.6% of players are spending more than they were in the 3-months before the shutdown.These players are currently contributing **66.7% 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 peoples 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

10.9% of players are spending the same as they were in the 3-months before the shutdown.

These players are currently contributing **11.5% of casino revenue.** The contribution from these players has remained consistent for the last 12-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**

42.4% 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 players future worth. In addition, having a gap in year over year data complicates analysis.

The most recent months of 2021 have show many significant trends. While uncertainty still exists, the player are indicating that they are returning and we should be prepared with promotions and making sure we are top of mind. 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