



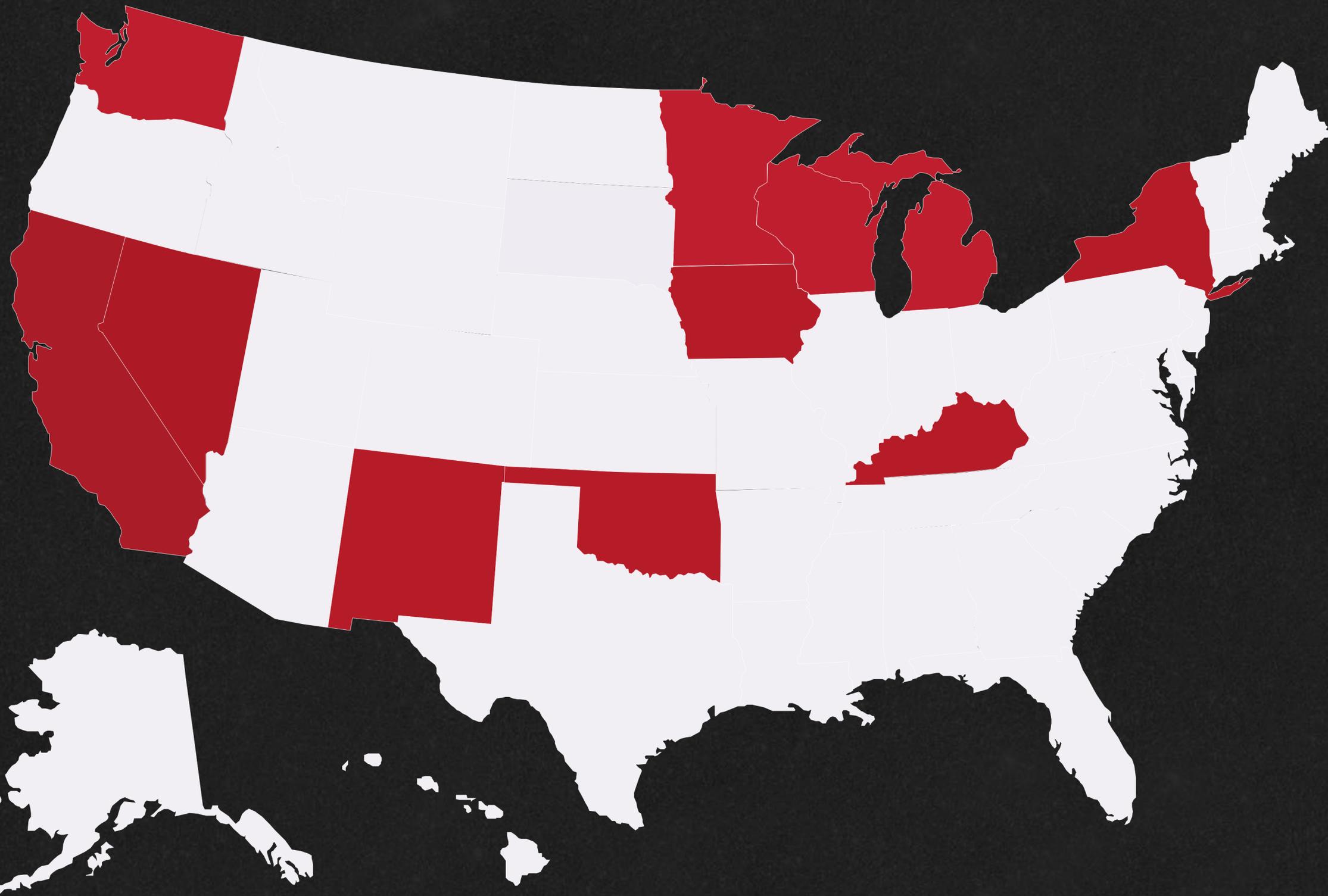
RED
CIRCLE

CV-19 Casino Player Behavior Study

Data Sample: Dec 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
- ▶ 19 Casinos
- ▶ 201,300 Players
- ▶ 579,400 Visits
- ▶ \$66,200,000 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.

- With players already hesitant to travel, what does this mean for winter and spring? We will continue to report on this through 2021, 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 18.8% of revenue and a 39.7% decline in players.**

Individual properties range from revenue being **up 58% to experiencing a 53% decline.**

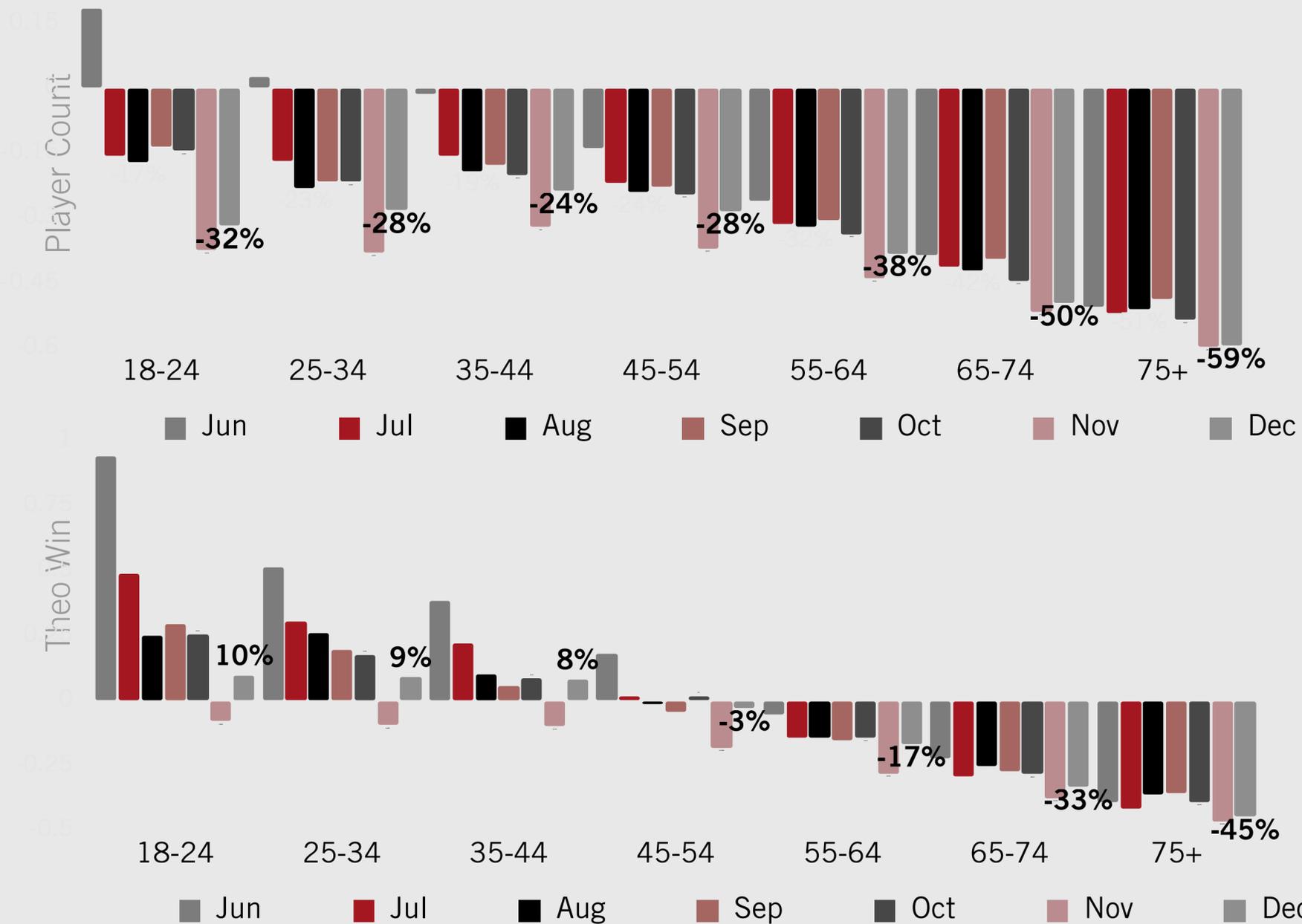
December numbers are starting to rebound after a very difficult November when we experienced several states reinstating or adding additional restrictions. While properties remained open through this, the revenue and visitor trends were clearly impacted.



Player analysis, demographics and revenue impact



Age

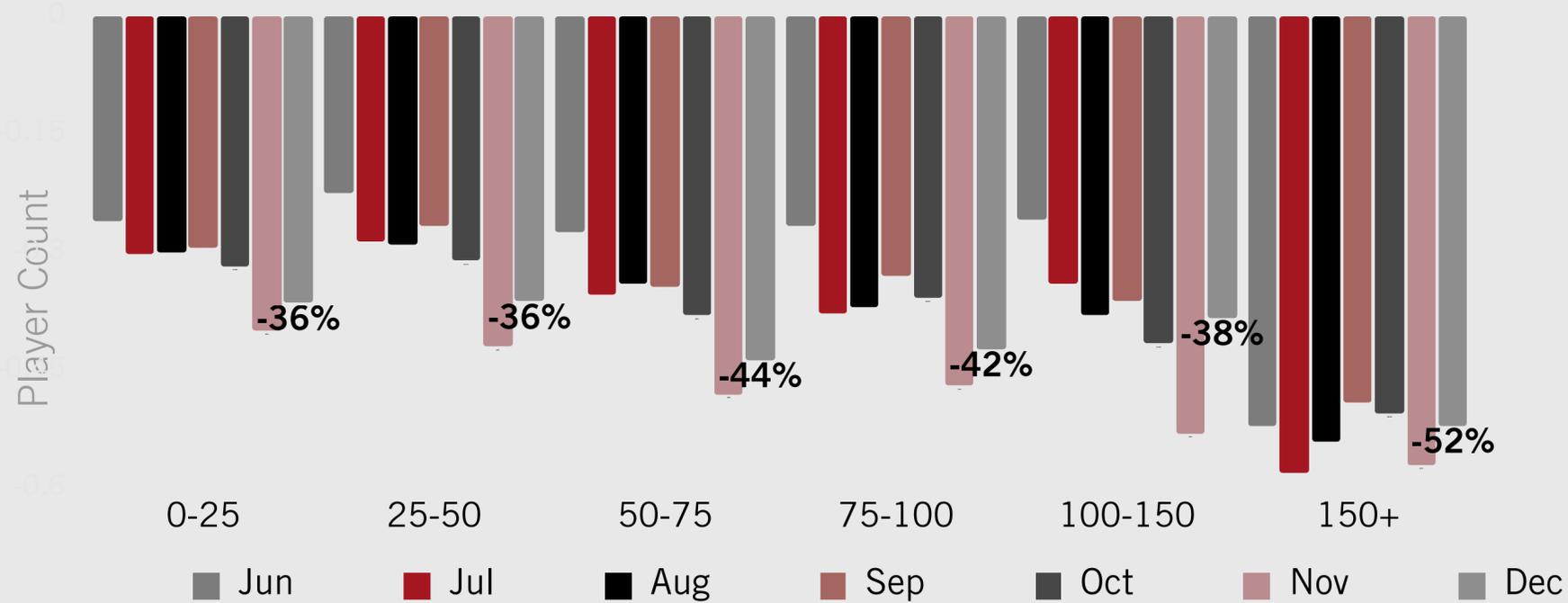


In August and September we had some positive momentum in the older age groups. In October and November we see that erode. December looks slightly better though it is still far below normal.

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

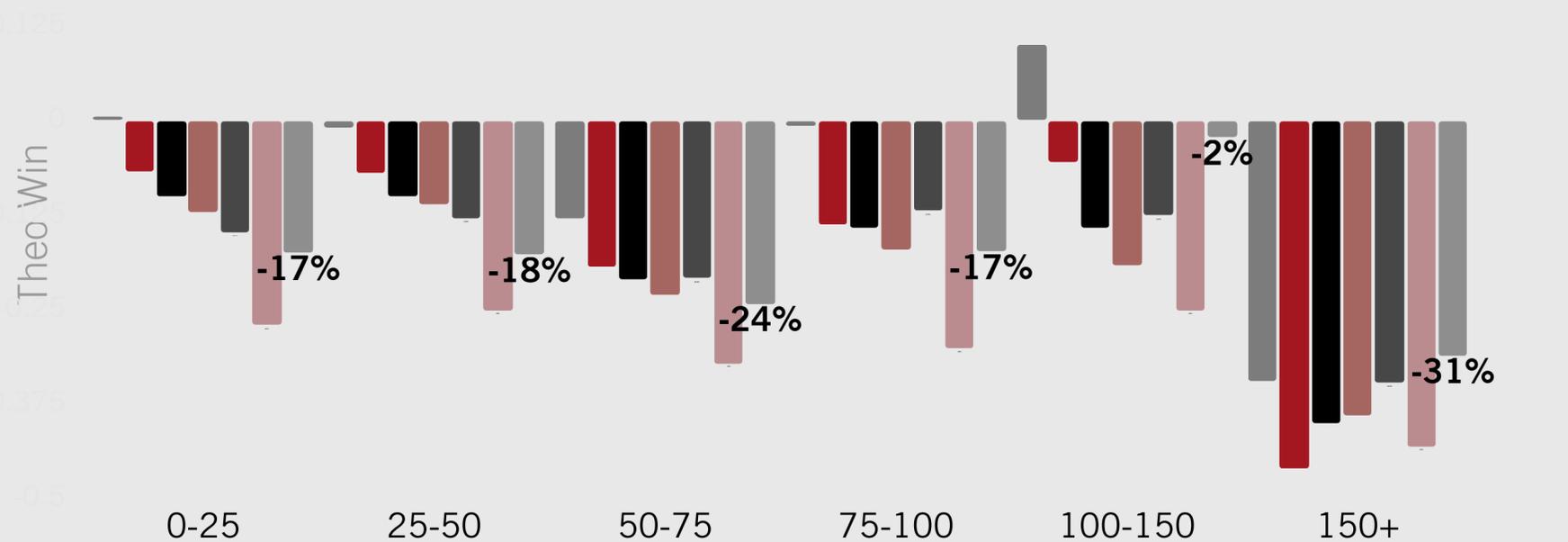


Distance



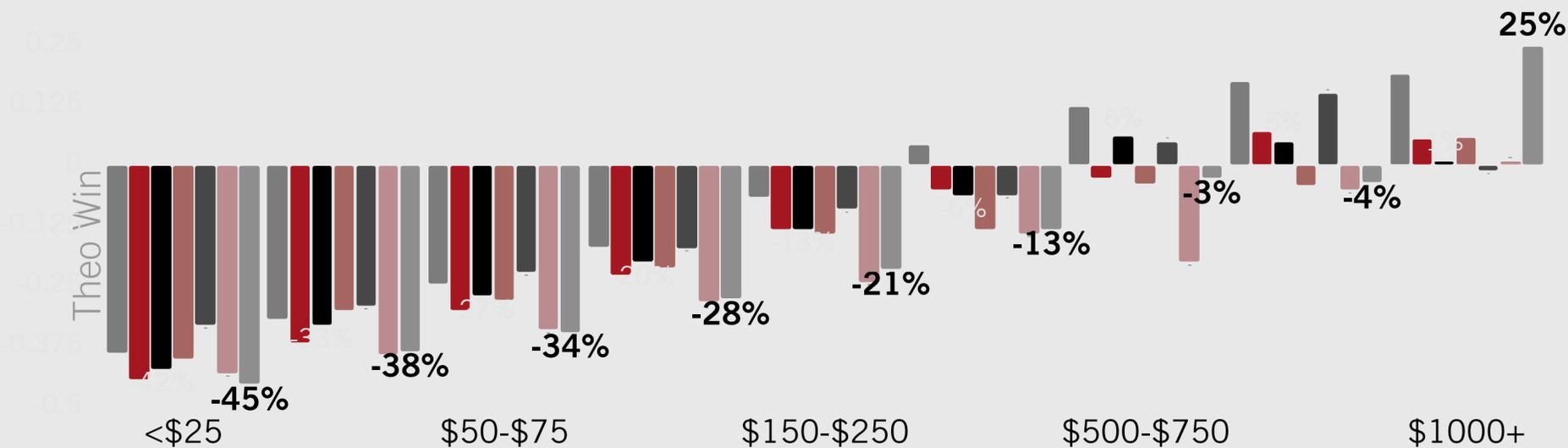
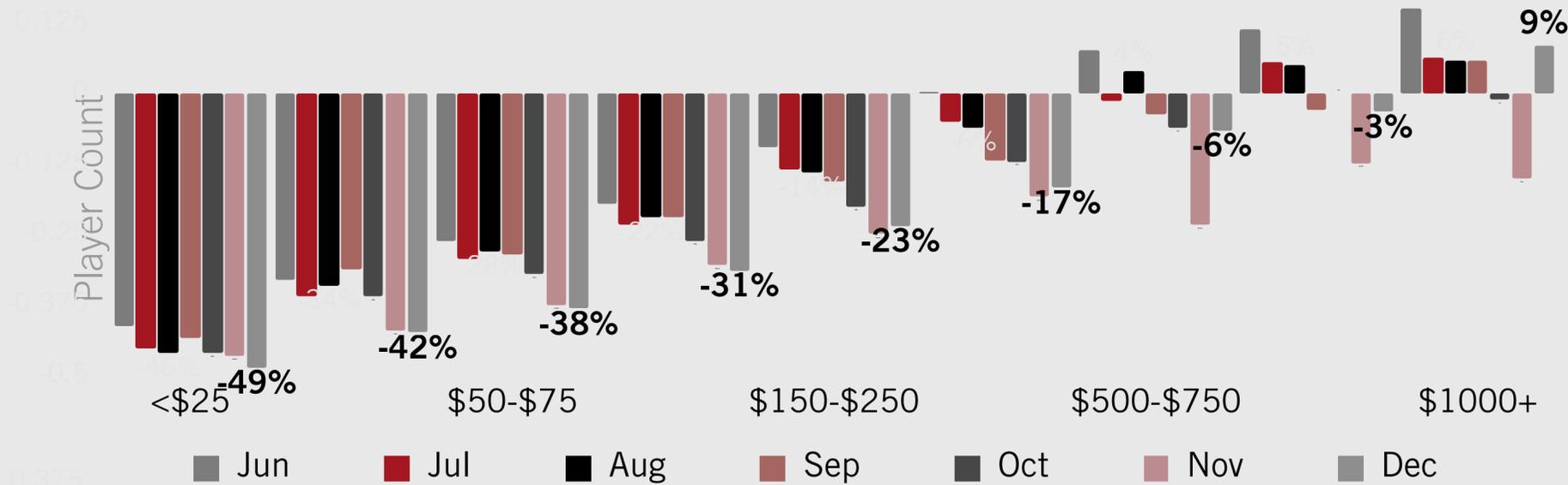
While December results show an increased decline compared to summer and fall results, **they are showing an improvement over the decline experienced in November.** Players traveling from over 150 miles continues to see the most significant impact.

Markets within a 50 mile radius of properties have returned to a less than 40% decline. **Positive momentum in this market is significant as players within a 50 mile radius represent over 60% of revenue.**





ADT

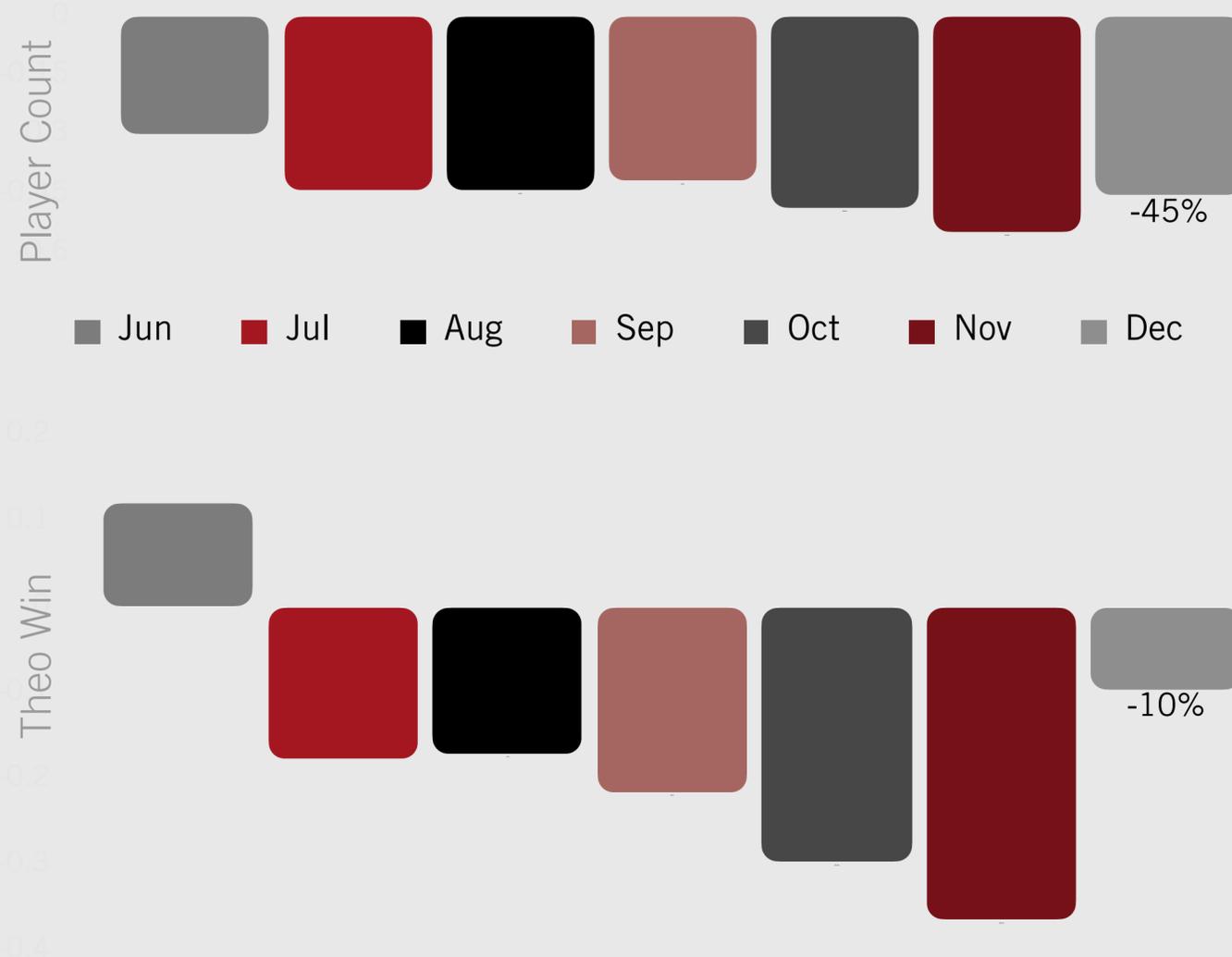


In December we had **132,000 fewer players** visit a property than in 2019. Just over 50% of the total decline in players comes from those who historically spend less than \$25 per visit.

In December 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 45% in December. 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 **\$38** ADT and in 2020 post-CV19 new players are spending **\$62** on average.

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



With a variance range of 53% loss to 58% gain in the 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 or 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



Properties with less than 1,000 machines out paced revenue from December 2019, experiencing a 2.2% increase 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 over large scale entertainment, and a wide set of amenities. COVID-19 has changed their operation to a larger degree than the smaller properties.



**How did New Year's Eve perform,
year over year?**



Tuesday VS Thursday

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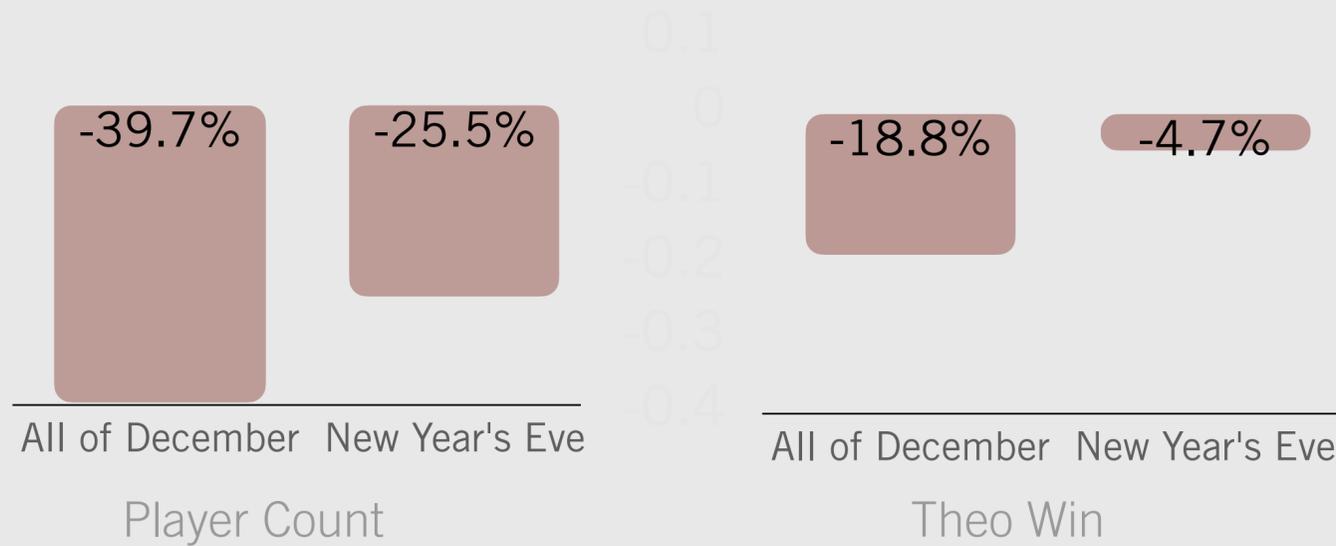
We know that what day of the week New Year's Eve falls on can impact the entire weeks performance. 2020 had a more favorable calendar layout than 2019. How would the pandemic impact players New Year's Eve choices?

Let's take look at the results.



NYE

Year over Year



New Years Eve out performed the month of **December** in both player count and theo win.

Players spent on average \$126 in 2019 on New Year's Eve. In **2020 that was up 28%**, with players spending \$164.

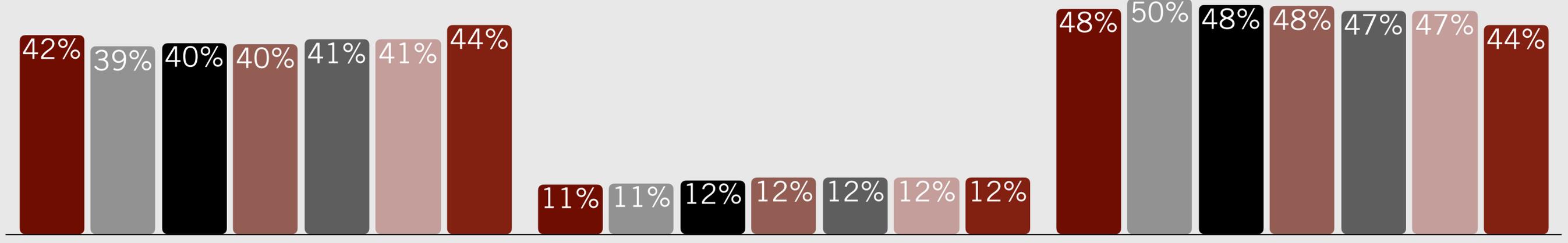


Player Behavior, **Less, more or the same?**



Spending Patterns

1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0



■ Jun

■ Jul

■ Aug

■ Sep

■ Oct

■ Nov

■ Dec



Some Players Are Spending More

—

44.3% of players are spending more than they were in the 3-months before the shutdown. These players are currently contributing **65.4% 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

—

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

These players are currently contributing **12.2% of casino revenue**. The contribution from these players has remained consistent for the last 5-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

—

43.9% of players are spending less than they were in the 3-months before shutdown.

These players are contributing **22.4% 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.

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 start to assist with planning for the future.

As we look at the future of player life cycles, the 45% 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

