

STICS, INC. RELEASES WHITE PAPER ON CASINO'S REINVESTMENT STRATEGIES

A Comparison of San Diego Tribal Casino's Reinvestment Strategies from the Perspective of a Customer

San Diego, CA /June 12, 2012– Understanding how much a customer spends and how promotions can negatively affect the amount a player invests is important to every casino. Stics is releasing a series of white papers on casino investment in players. The first white paper from Stics, *How Much Is Your Casino Investing in Players? Another Step toward the Optimal Offer™*, evaluates reinvestment by casinos and reveals a small portion of data collected in a recent study of Southern California casinos to compare how casinos reinvestment can vary widely.

The paper presents the concept of 'Required Theoretical Investment' (R-Theo), an inverse of Theoretical Win (T-win). R-Theo removes player "luck" from the equation to show what customers are actually spending in a casino. Each casino anonymized in the paper rewarded an accumulation of COIN-IN with a \$5 Free-Play or Cash Back incentive. The results are compared in R-theo and Base Reinvestment. The results were surprisingly varied for an exhaustive look in a local market.

The varied results allow Stics to question: Are players aware of the amount they have to spend to receive incentives; or are players responding to the appearance of a good deal? The disparity in base reinvestment also allows Stics to explore if the base reinvestment percentages leave room for additional discretionary reinvestment.

The white paper points out that reinvestment can become very expensive, very quickly. Casinos would benefit from Stics' predictive analytics services which optimize marketing programs and identify the most valuable players to whom to offer discretionary reinvestment, and with which to optimize base reinvestment strategy. A comprehensive predictive approach can maximize EBITA and reduce the total reinvestment to a casino at the same time.

About Stics

Stics is an innovative predictive analytics company providing customer insight that empowers clients to predict and rank customer value. Its best-of-breed models are delivered through highly efficient, cost-effective Software-as-a-Service (SaaS). This makes Stics the most affordable predictive analytics option available. Stics provides products/services for the casino and hospitality industry, as well as software providers, direct marketers, and government contractors.

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