

# Consumer confidence

How gamblers feel about future visitation and spending

Results of a rolling monthly survey conducted on the ground in Macau, Jan-Dec 2016

# Key findings: post-summer update

## **1) Recovery in Mid-Mass (\$10k-\$20k) and High-Mass (\$20k-\$50k) over Jul-Aug**

- Coming back to earlier levels after disappearing in June; too early to get excited
- Supports thesis that rising property prices in China benefits Macau

## **2) Lower VIP (\$50k-\$100k) growing again; but Higher VIP (>\$100k) disappears**

- Supports thesis that junkets are incentivized to bring more players to Macau
- Supports thesis that higher-end players prefer to avoid peak periods

## **3) SCL properties took more than fair share, even among higher spenders**

- Supports thesis that SCL was buying share with rooms, comps, etc
- Supports thesis that summer is peak period for SCL

## **4) Turnaround in confidence: outlook more positive for future spend, visitation**

- Good for everyone, but more so for SCL
- Supports thesis of recovery, but too early to tell if sustainable

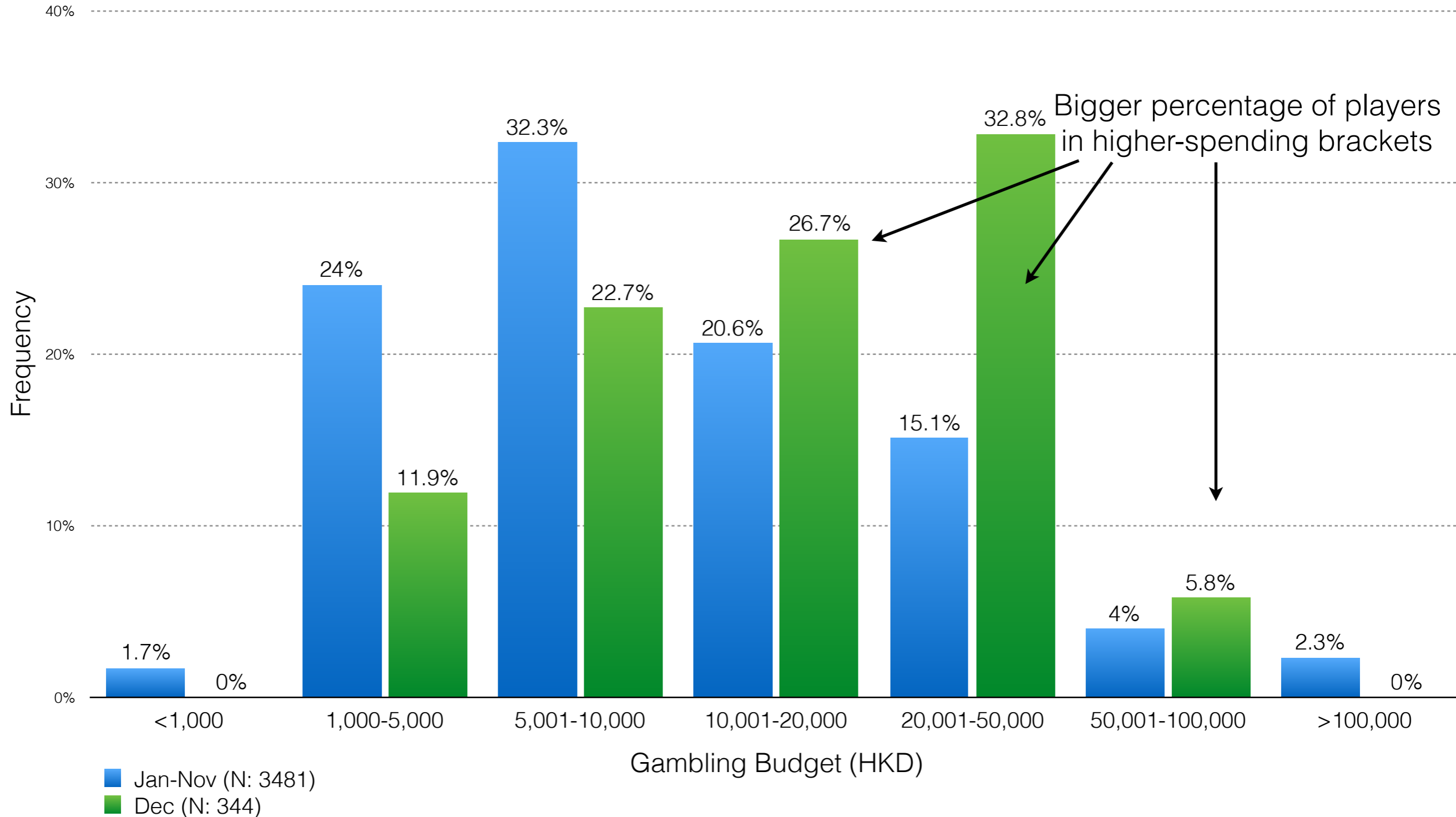
## **5) Motives for higher spend: destination's increasing appeal and value**

## **6) Cotai and Peninsula similar on confidence, different on spending budgets**

- High and Low VIPs disappeared on Peninsula; Low VIPs rose in Cotai

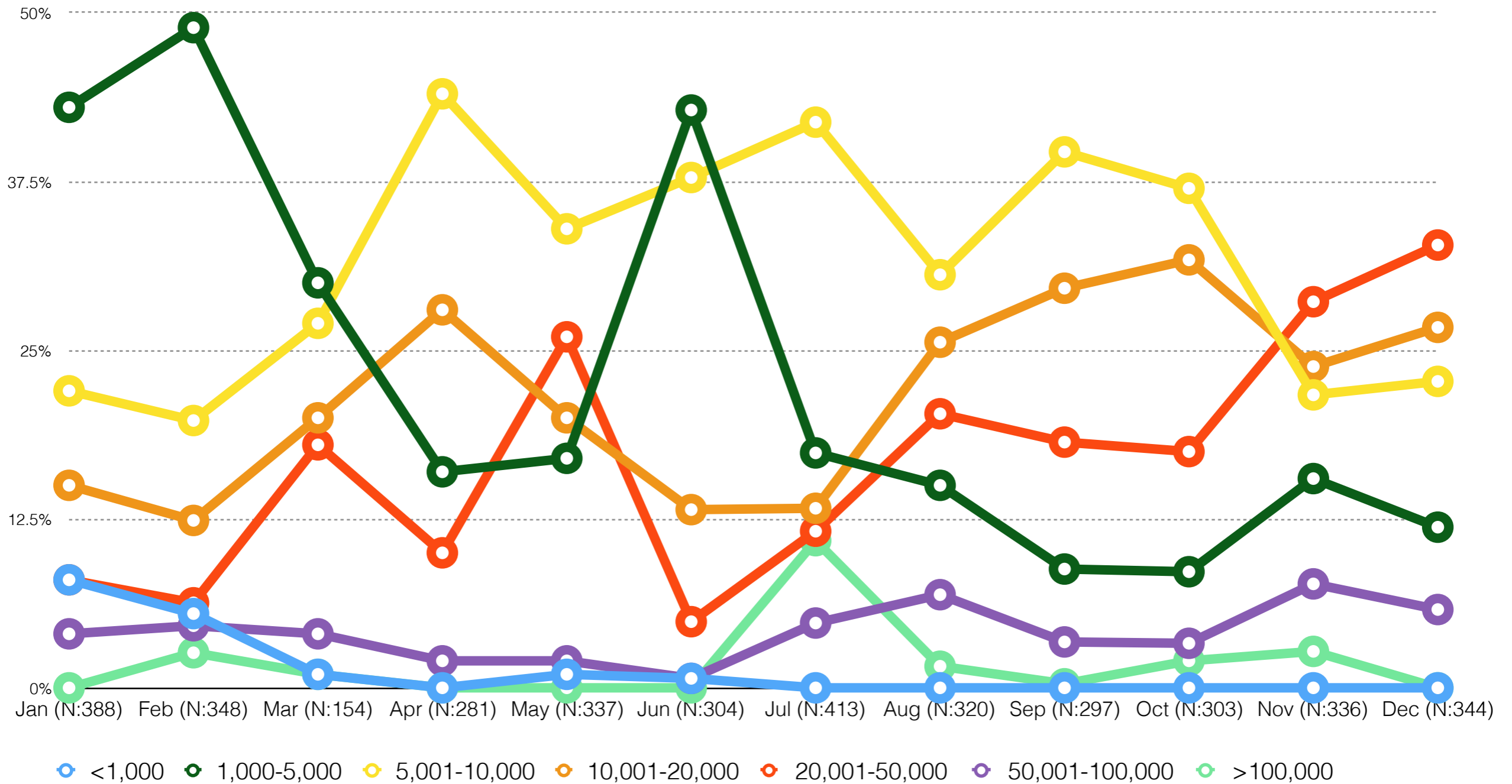
## **7) First-time visitors are positive: 84% will return; 88% will spend more**

# Spending shift: December saw bigger spenders move in



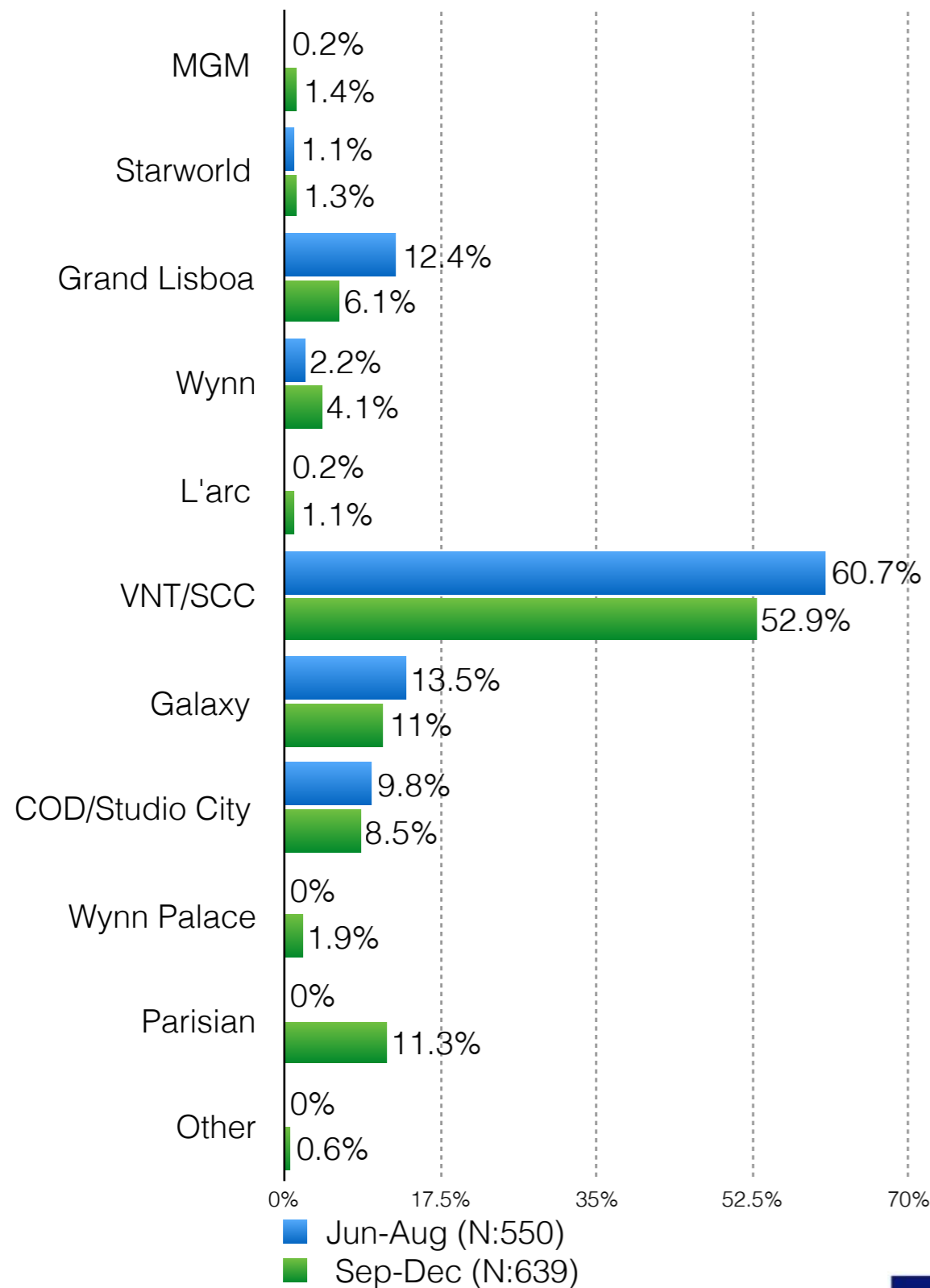
# Premium segment has been key growth driver on Mass

MoM: gambling budget for this trip (HKD)

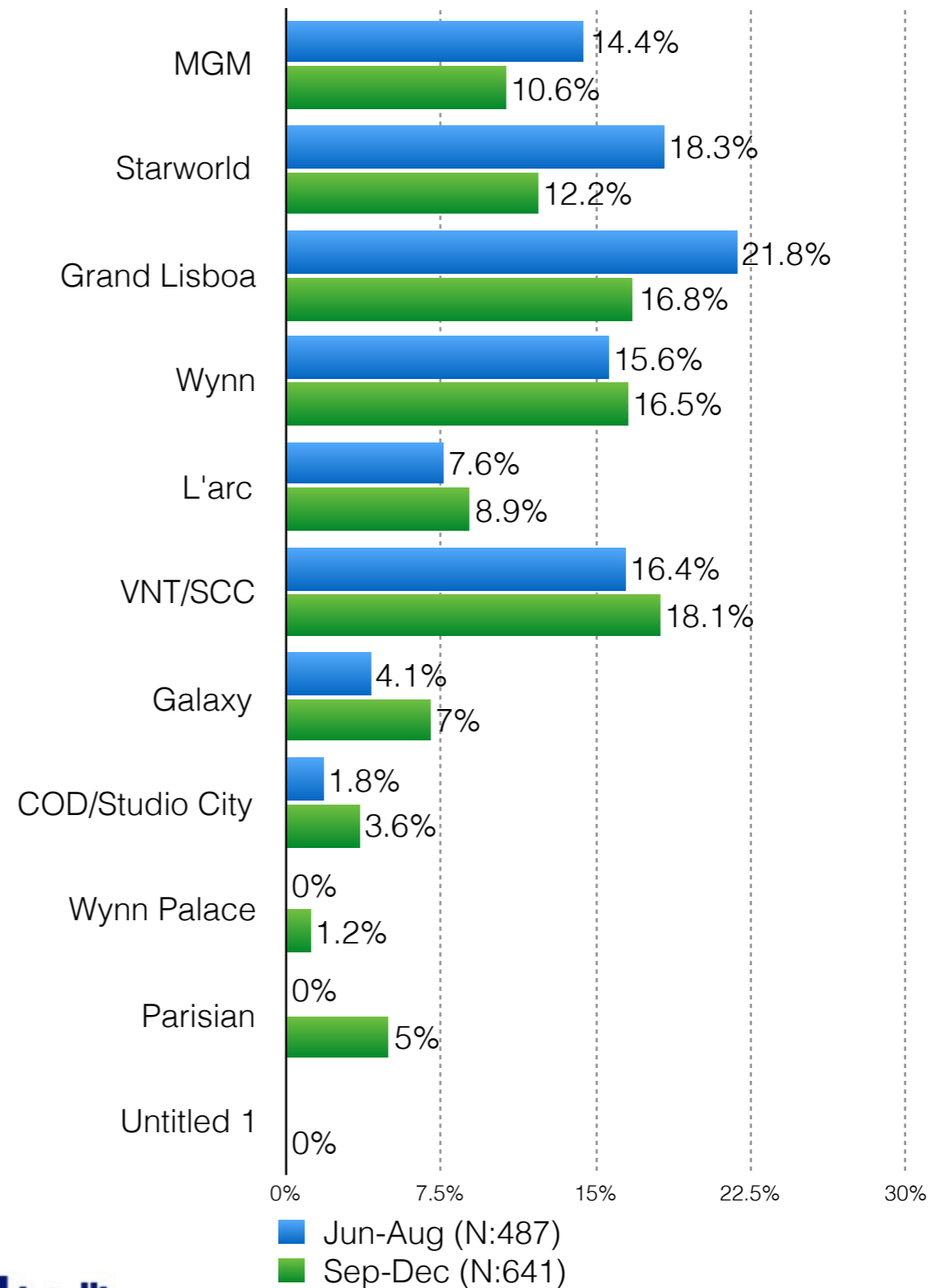


# Where will they spend most time/money on this trip?

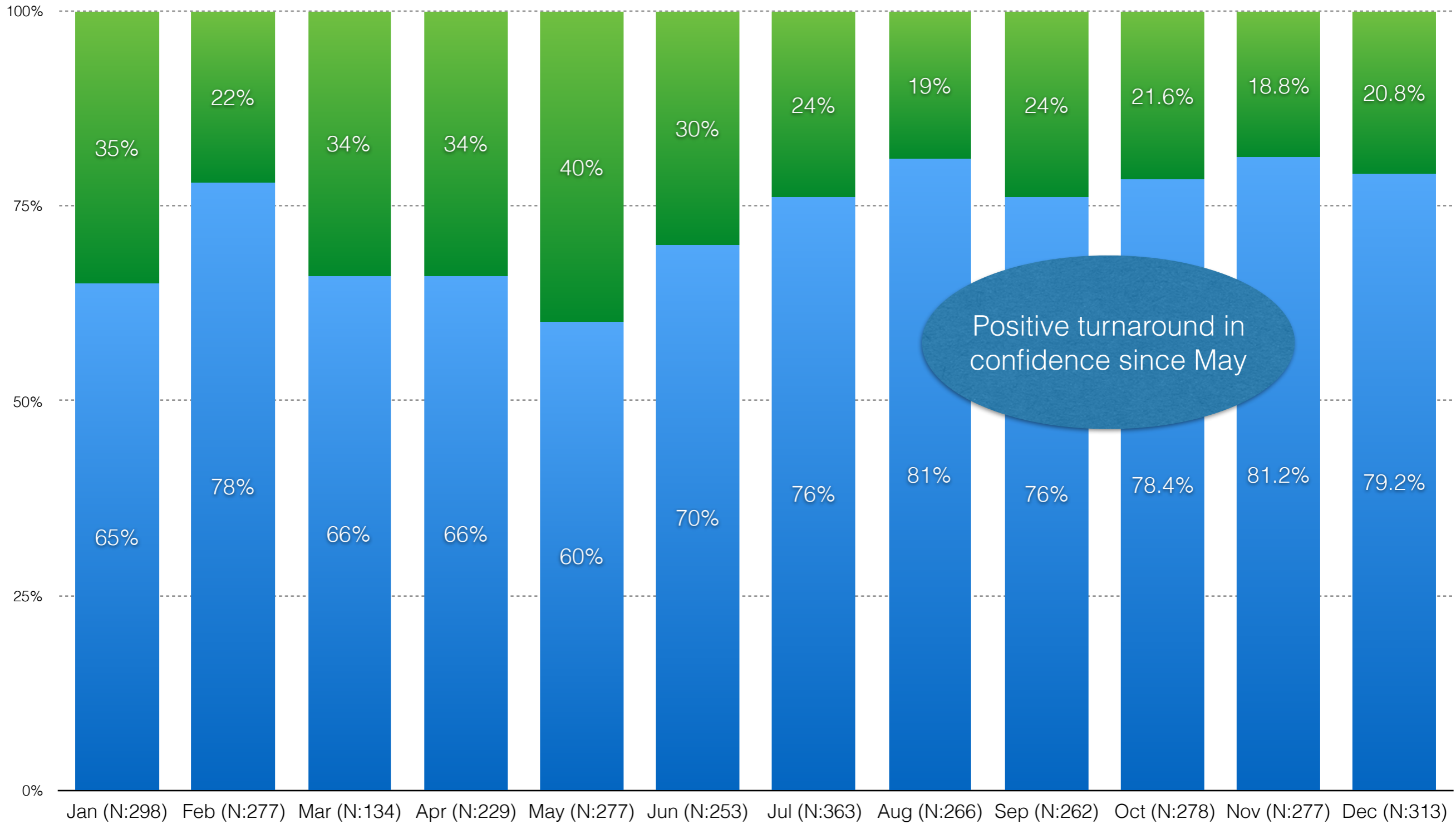
## Cotai



## Peninsula



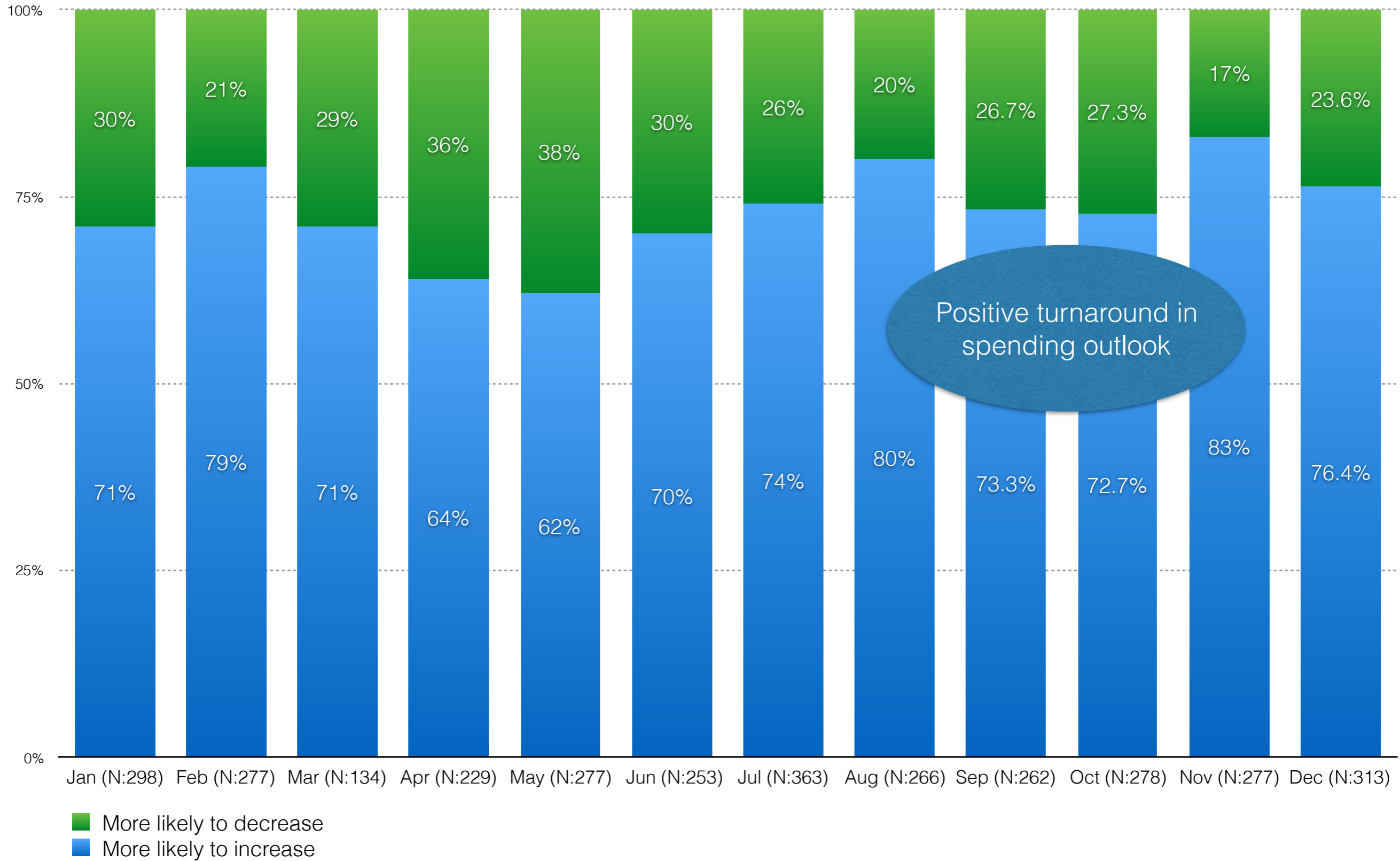
# Likelihood to increase/decrease visitation



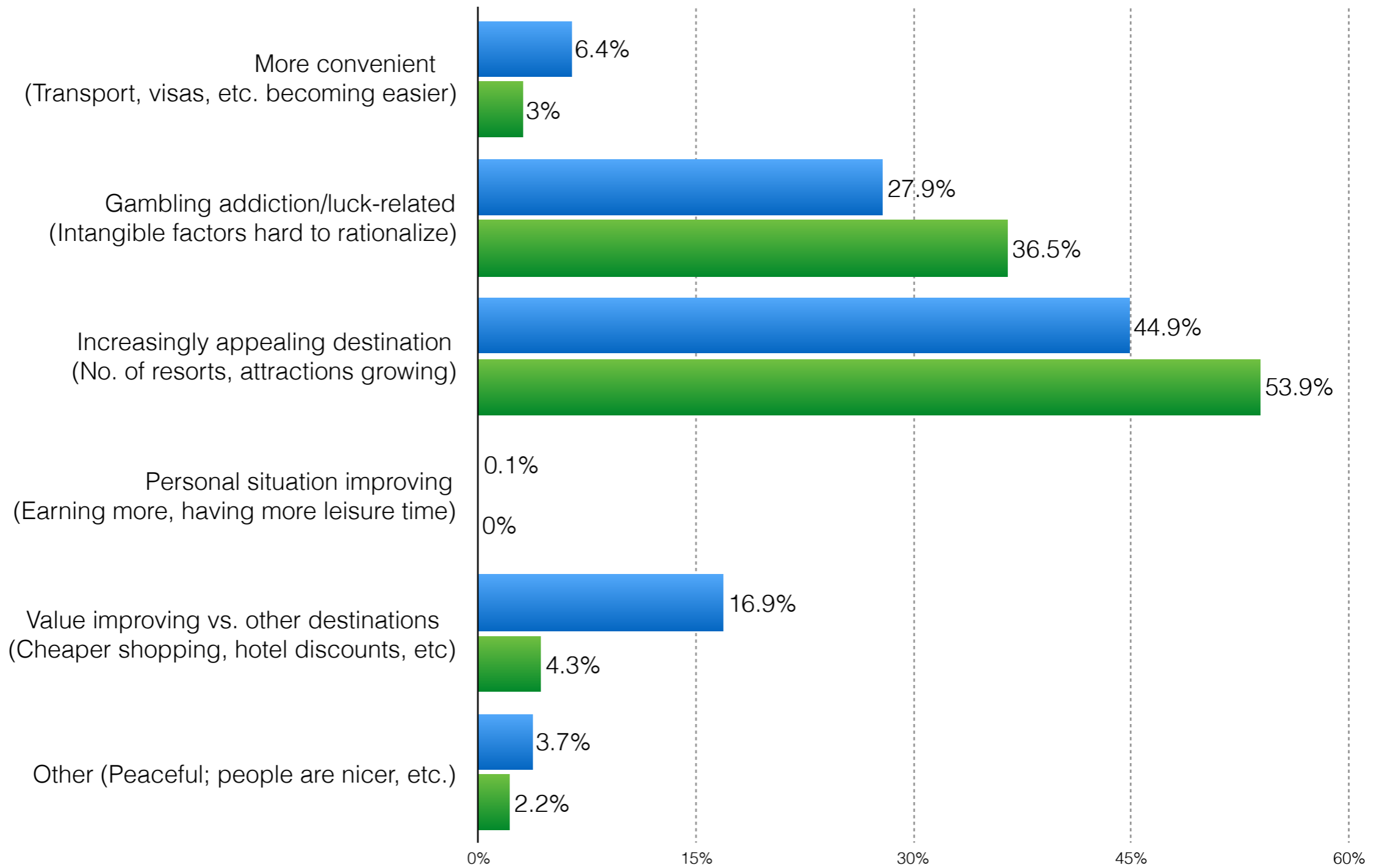
Positive turnaround in confidence since May

More likely to decrease  
More likely to increase

# Likelihood to increase/decrease spending



# Why would they visit more often?

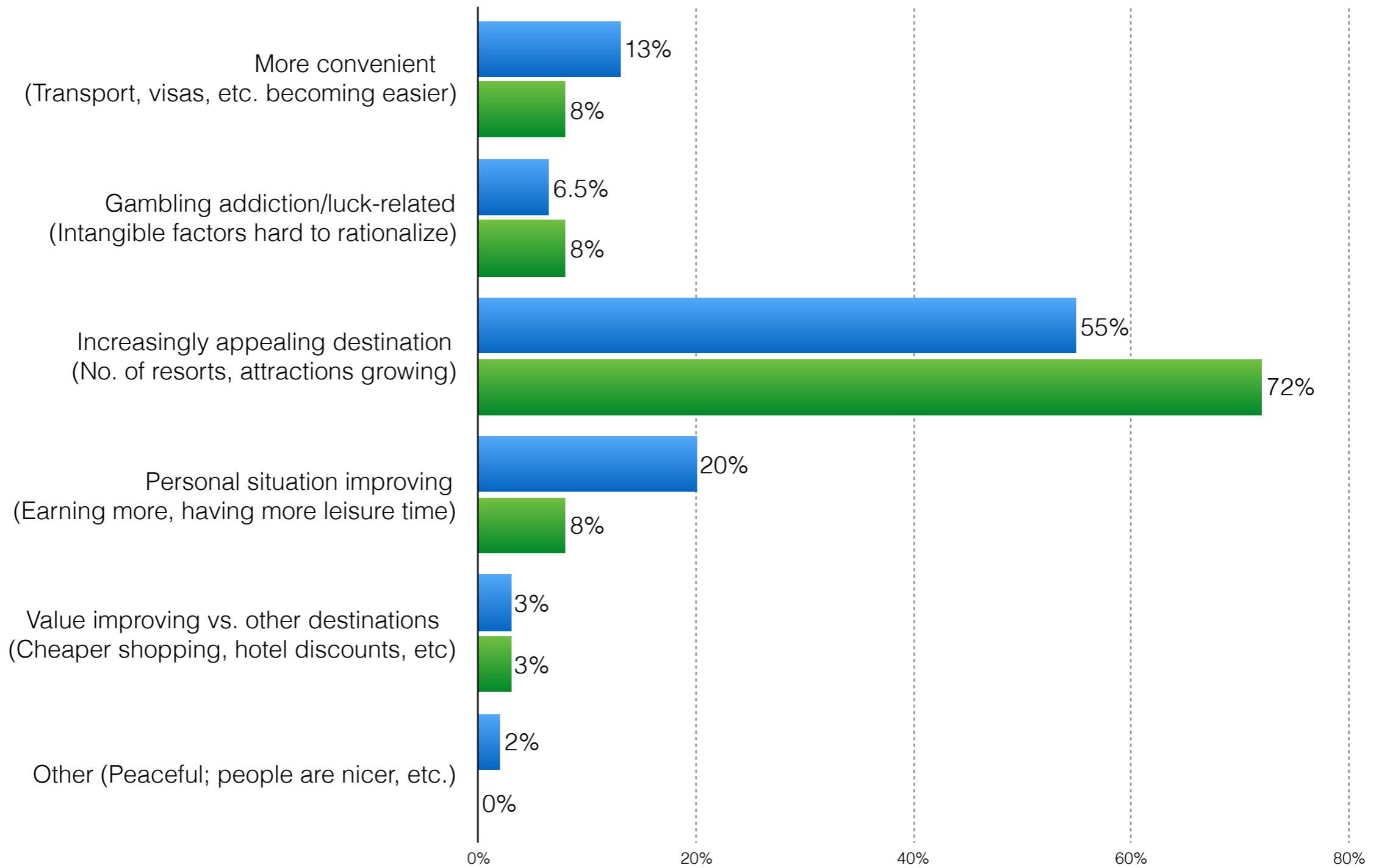


■ Jan-Nov (N:1525)  
■ Dec (N:230)

N:1755



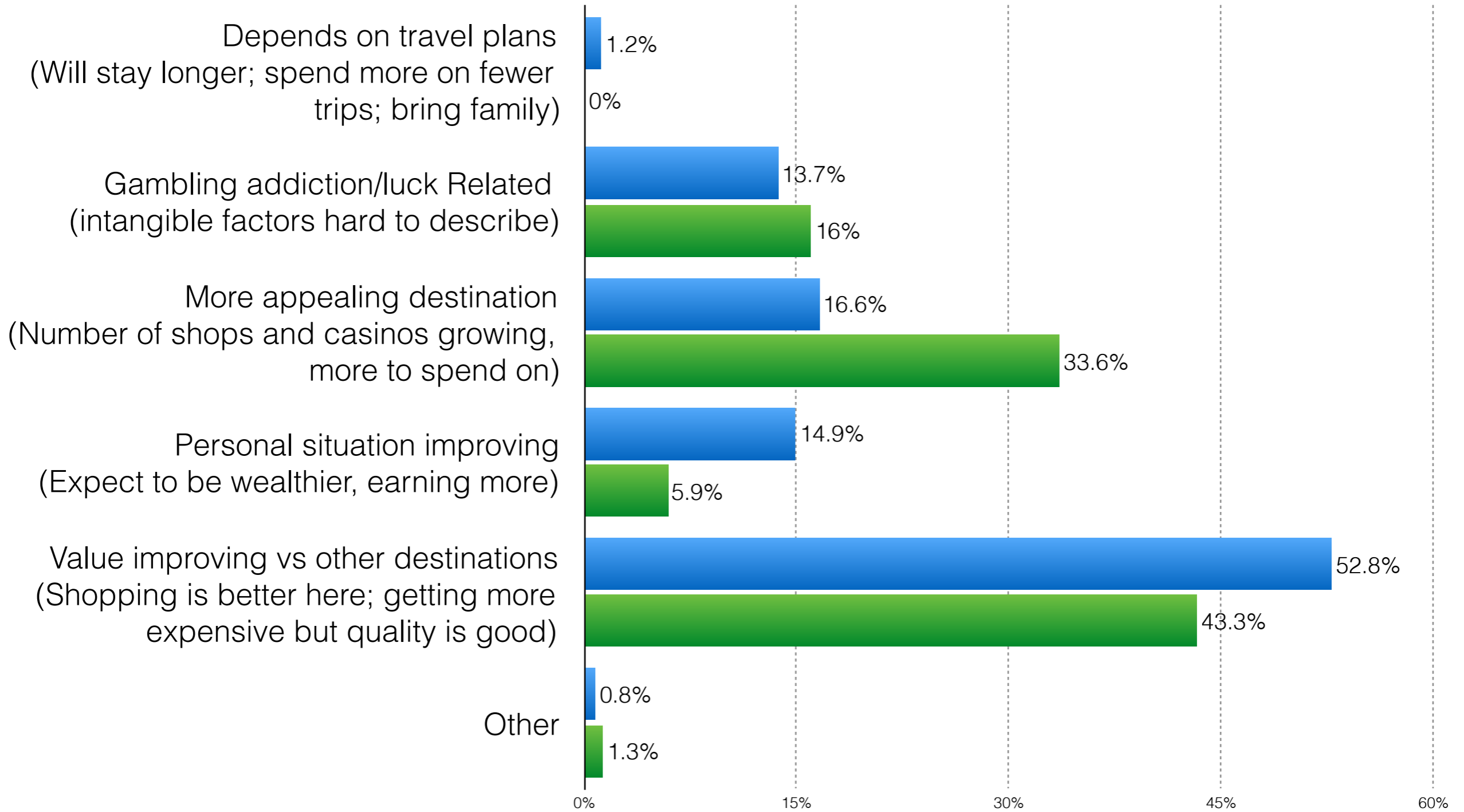
# Why would they visit less often?



■ Jan-Nov (N:618)  
■ Dec (N:65)

N:1755

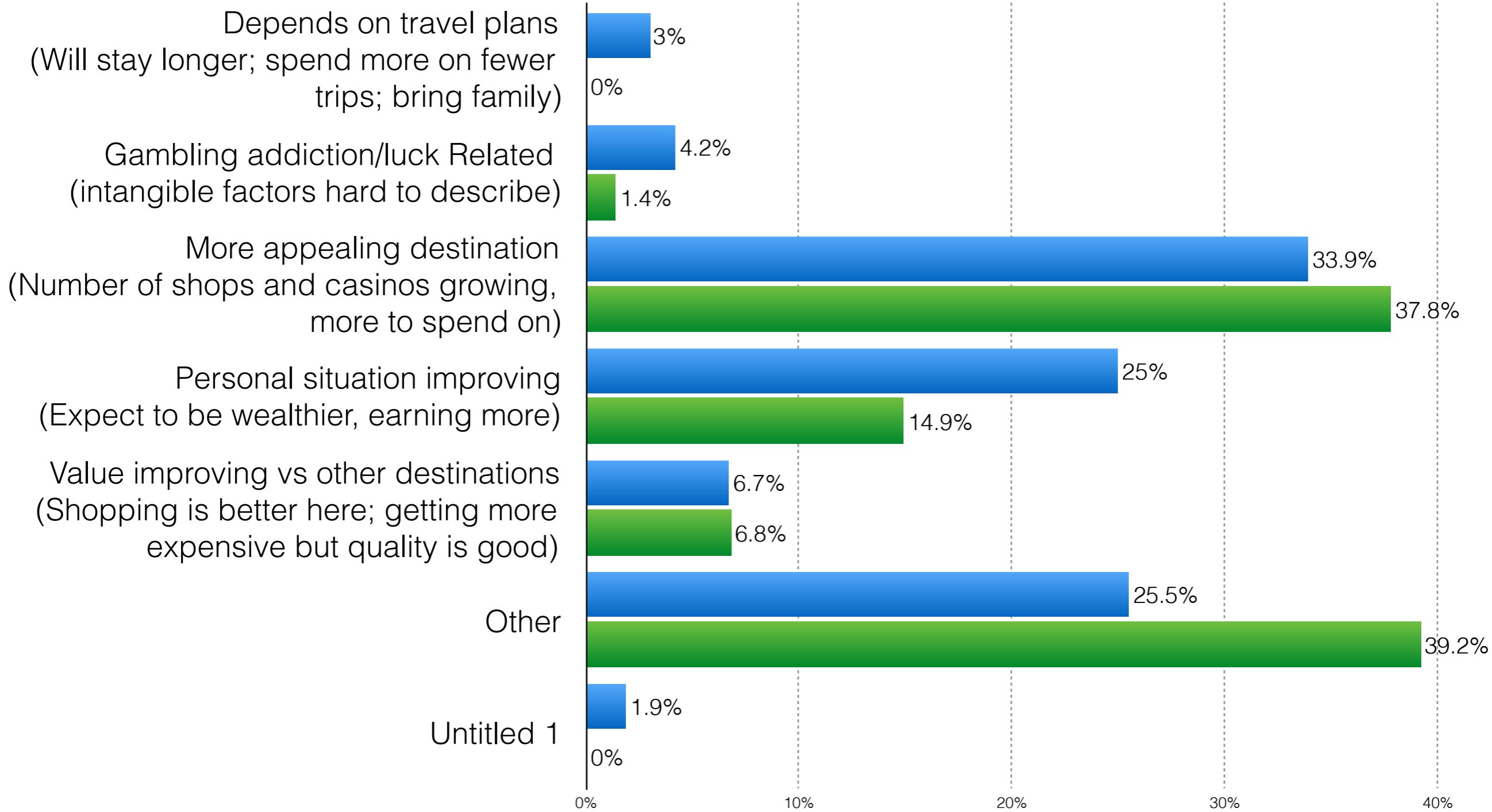
# Why would they spend more?



■ Jan-Nov (N:1683)  
■ Dec (N:238)

N:1922

# Why would they spend more?



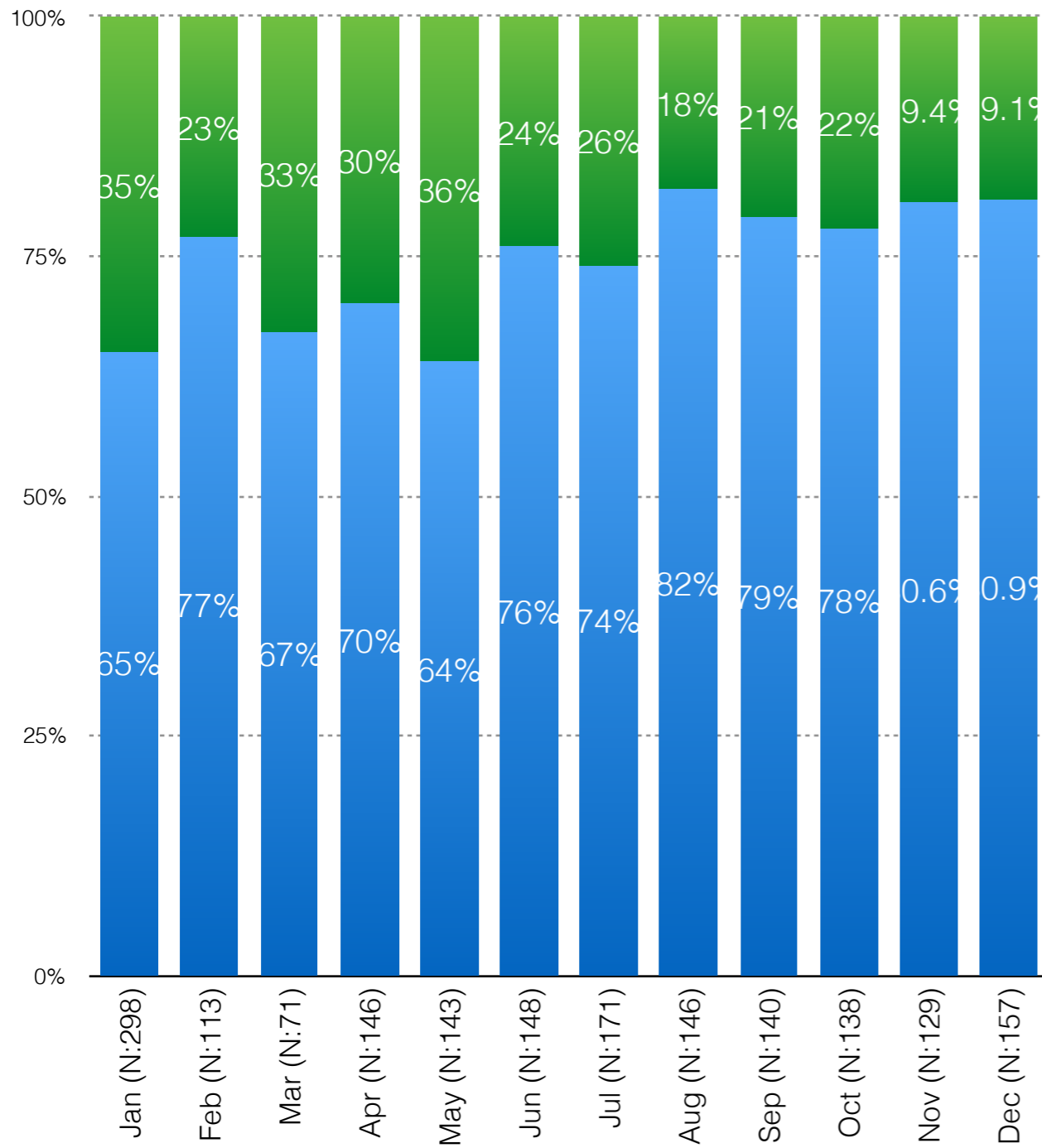
Jan-Nov (N:644)  
Dec (N:74)

N:1922

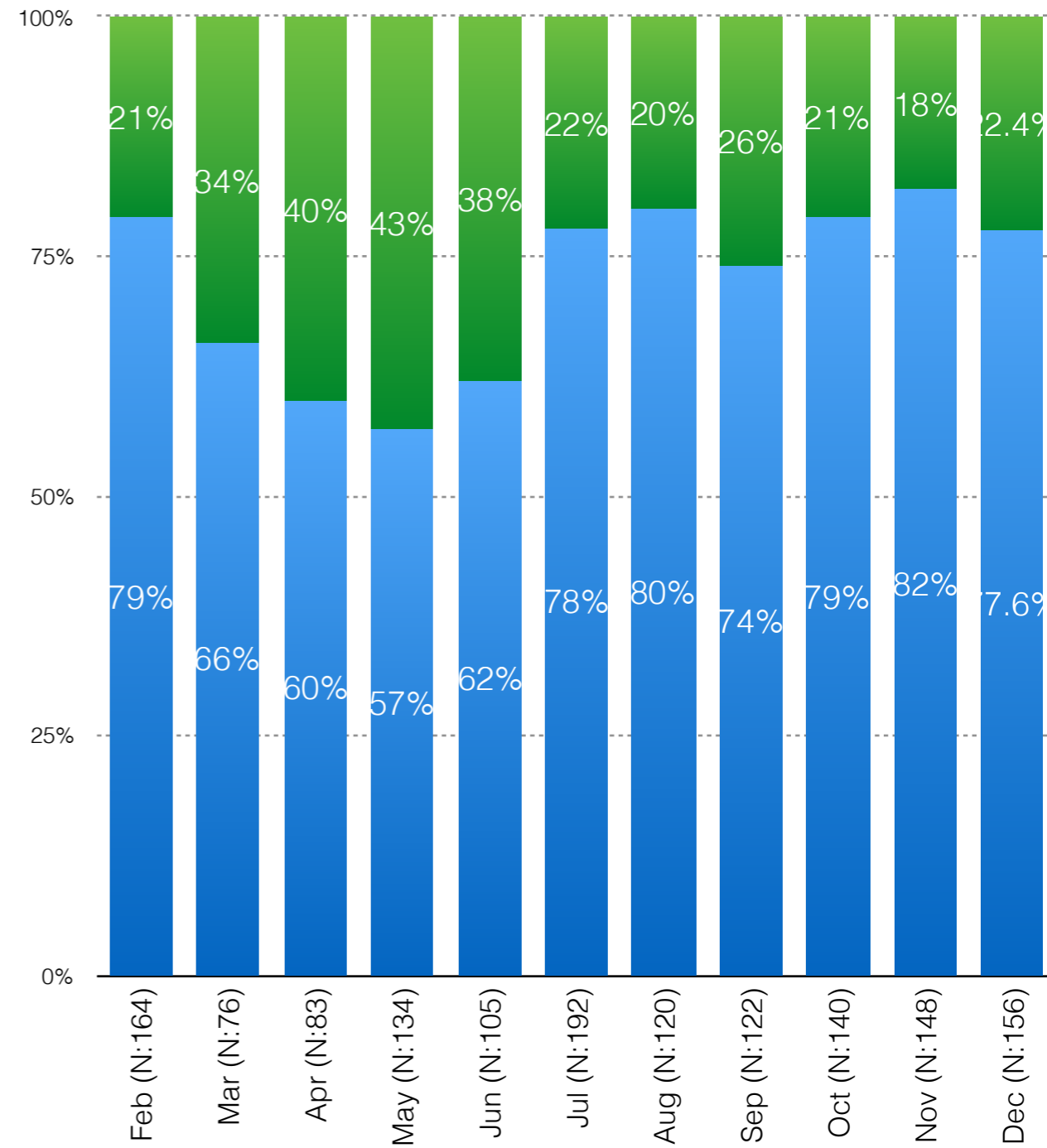
# Cotai vs. Peninsula

# Month-on-month, outlook for visitation improves for both

## Cotai



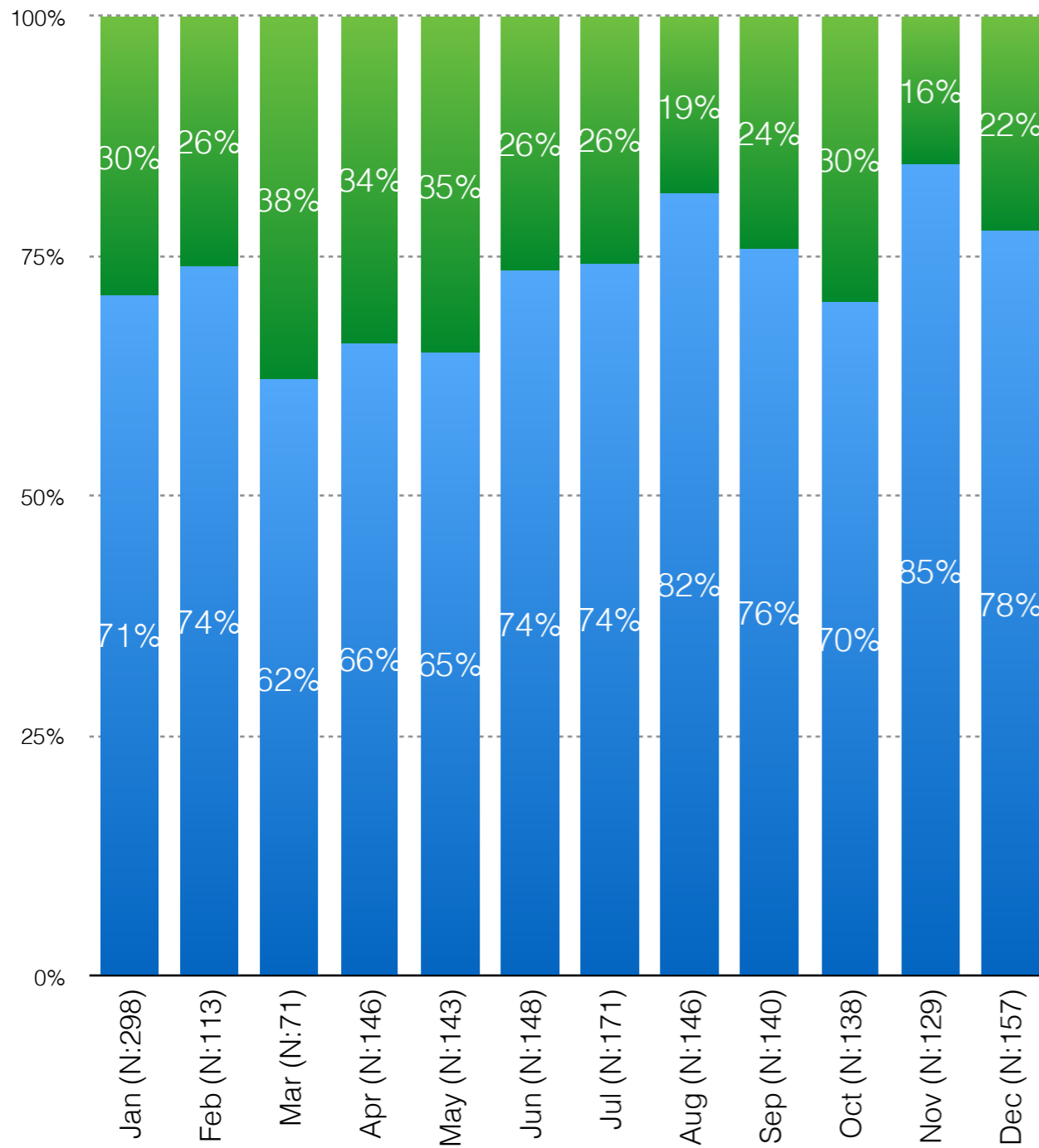
## Peninsula



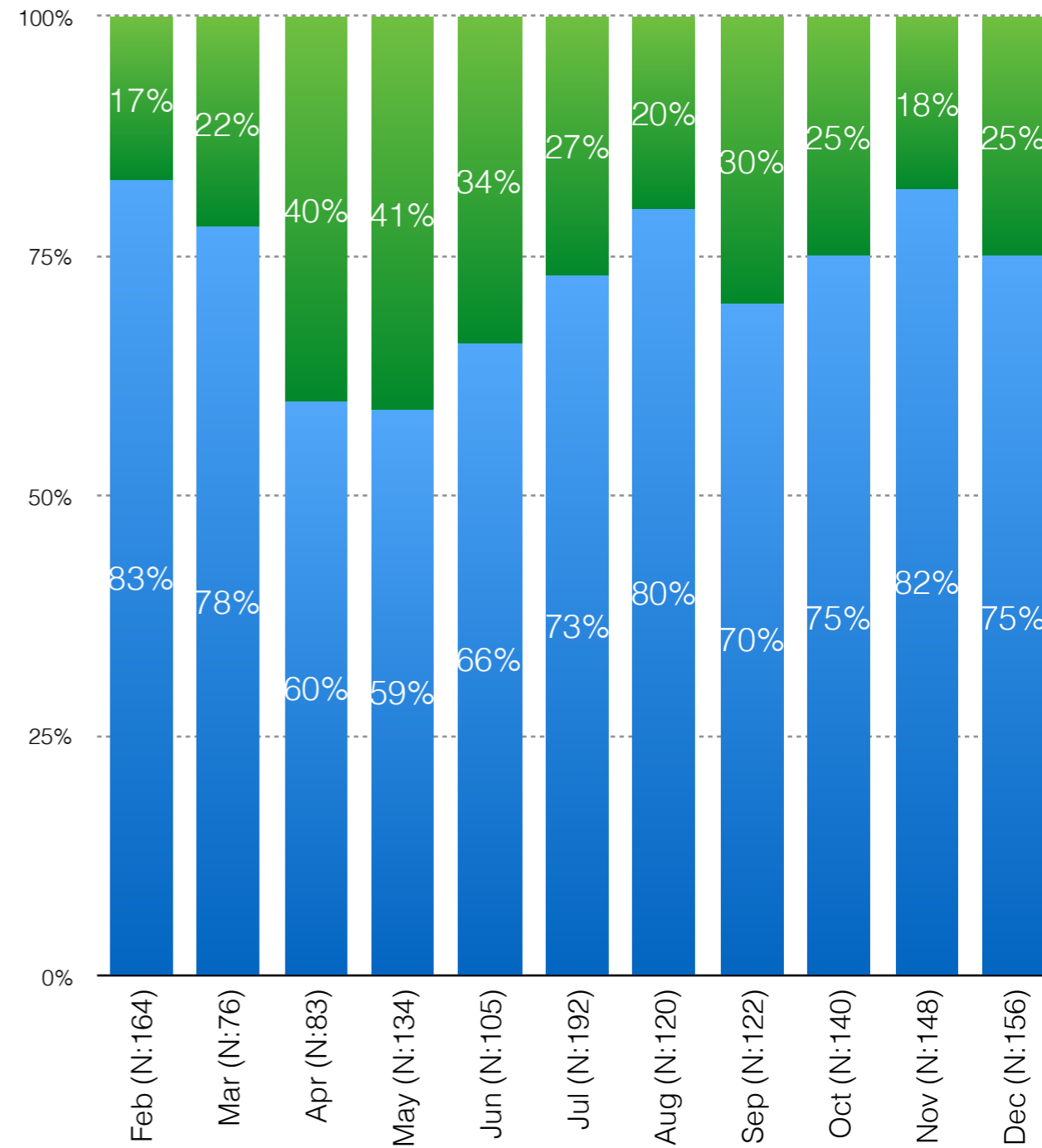
■ More likely to decrease  
■ More likely to increase

# Month-on-month, outlook for spend improves for both

## Cotai

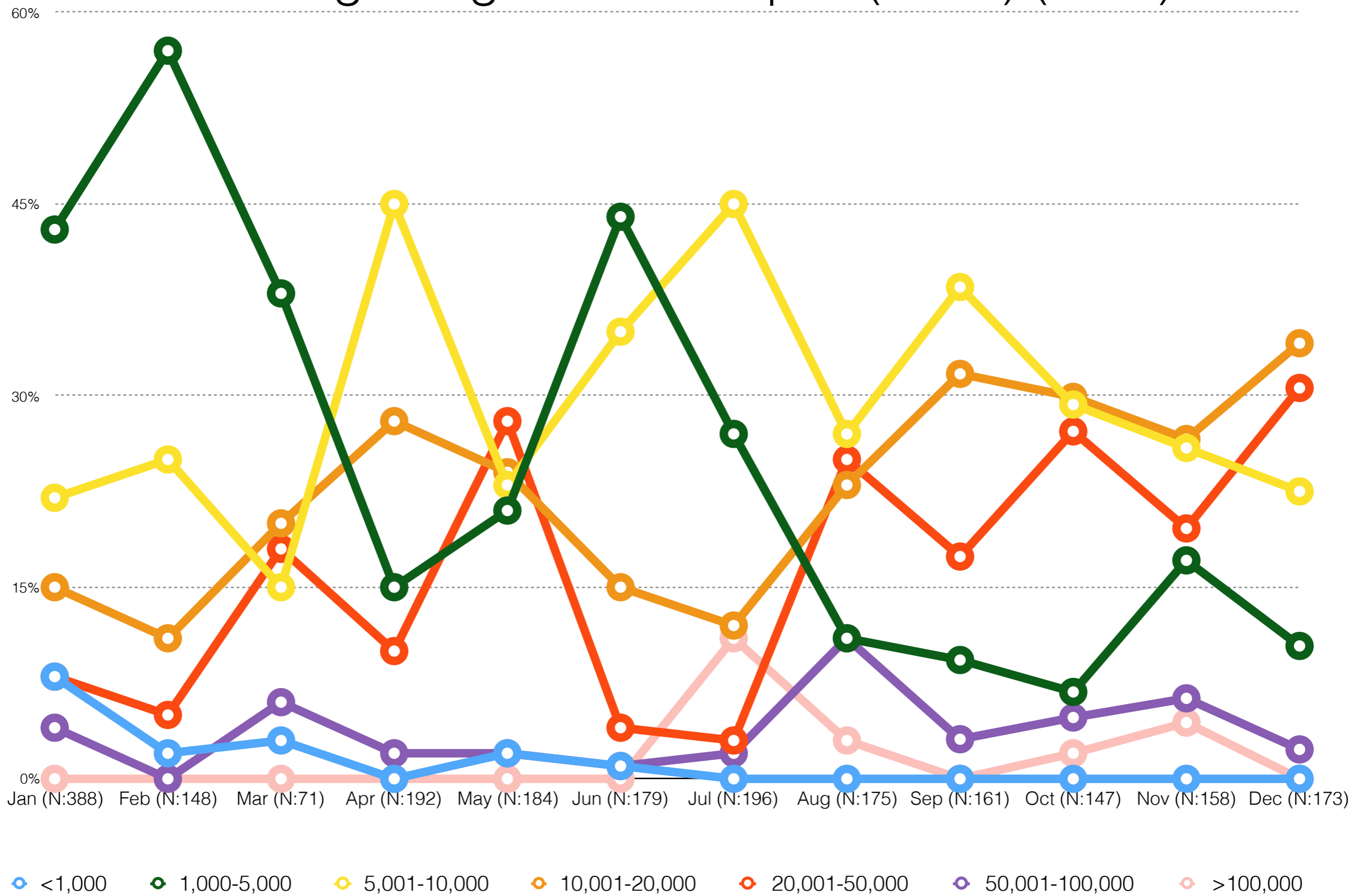


## Peninsula

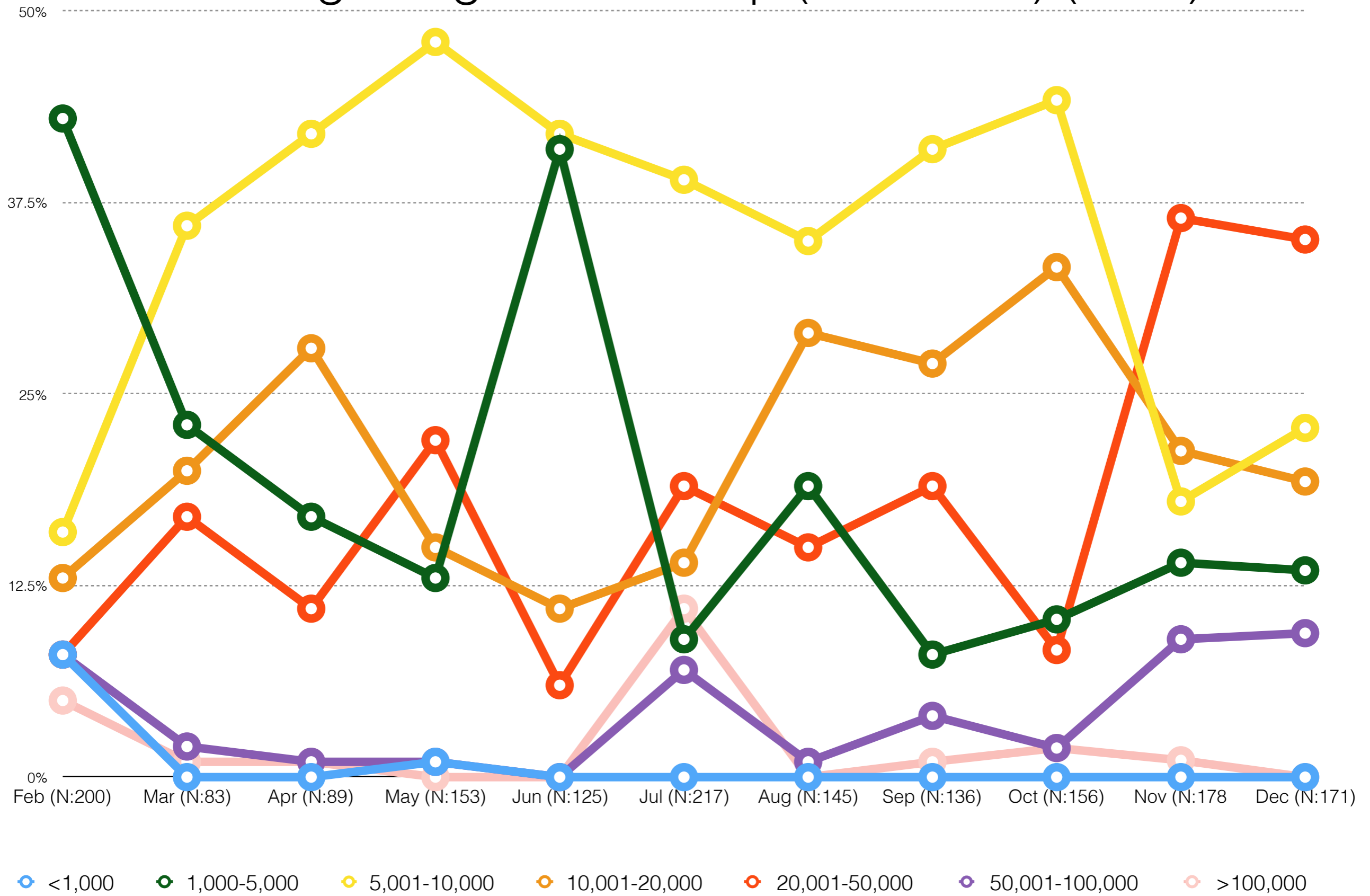


■ More likely to decrease  
■ More likely to increase

# Gambling budget for this trip in (Cotai) (HKD)



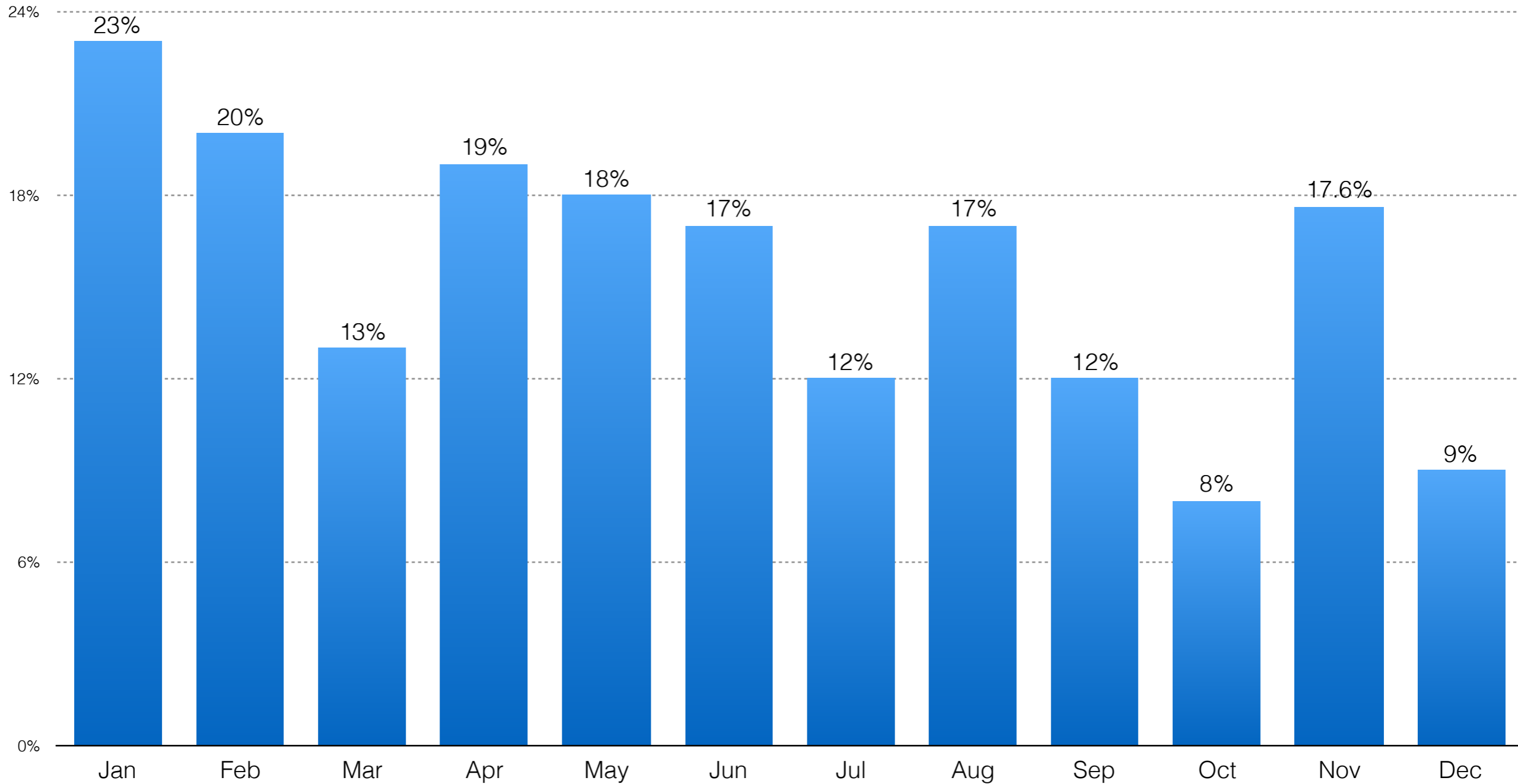
# Gambling budget for this trip (Peninsula) (HKD)



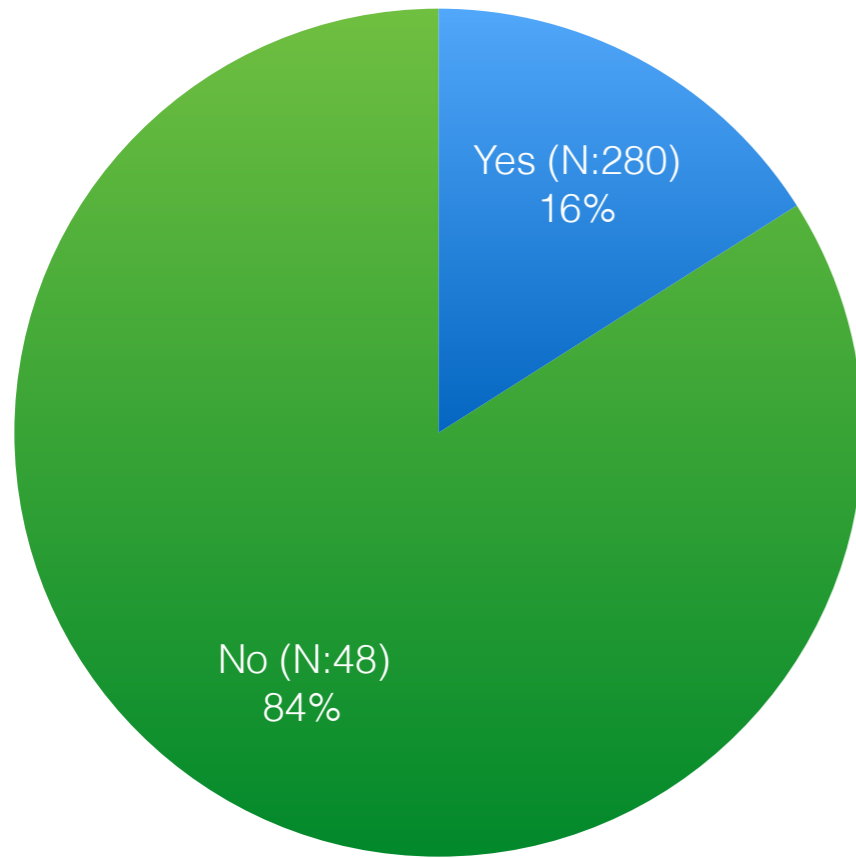


# First-time Visitors

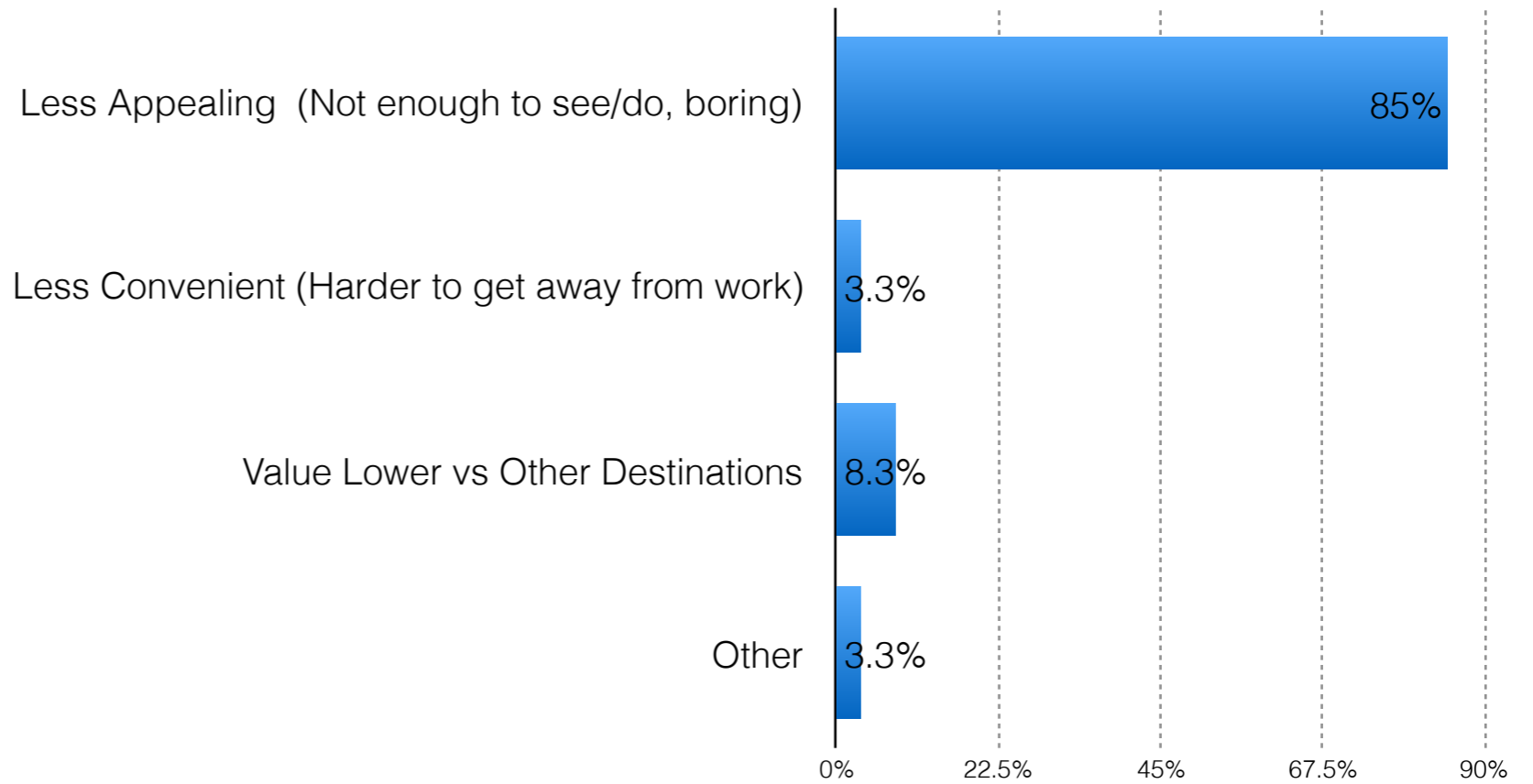
# Proportion of first-timers is falling



# Would they return for a second visit? And why not?

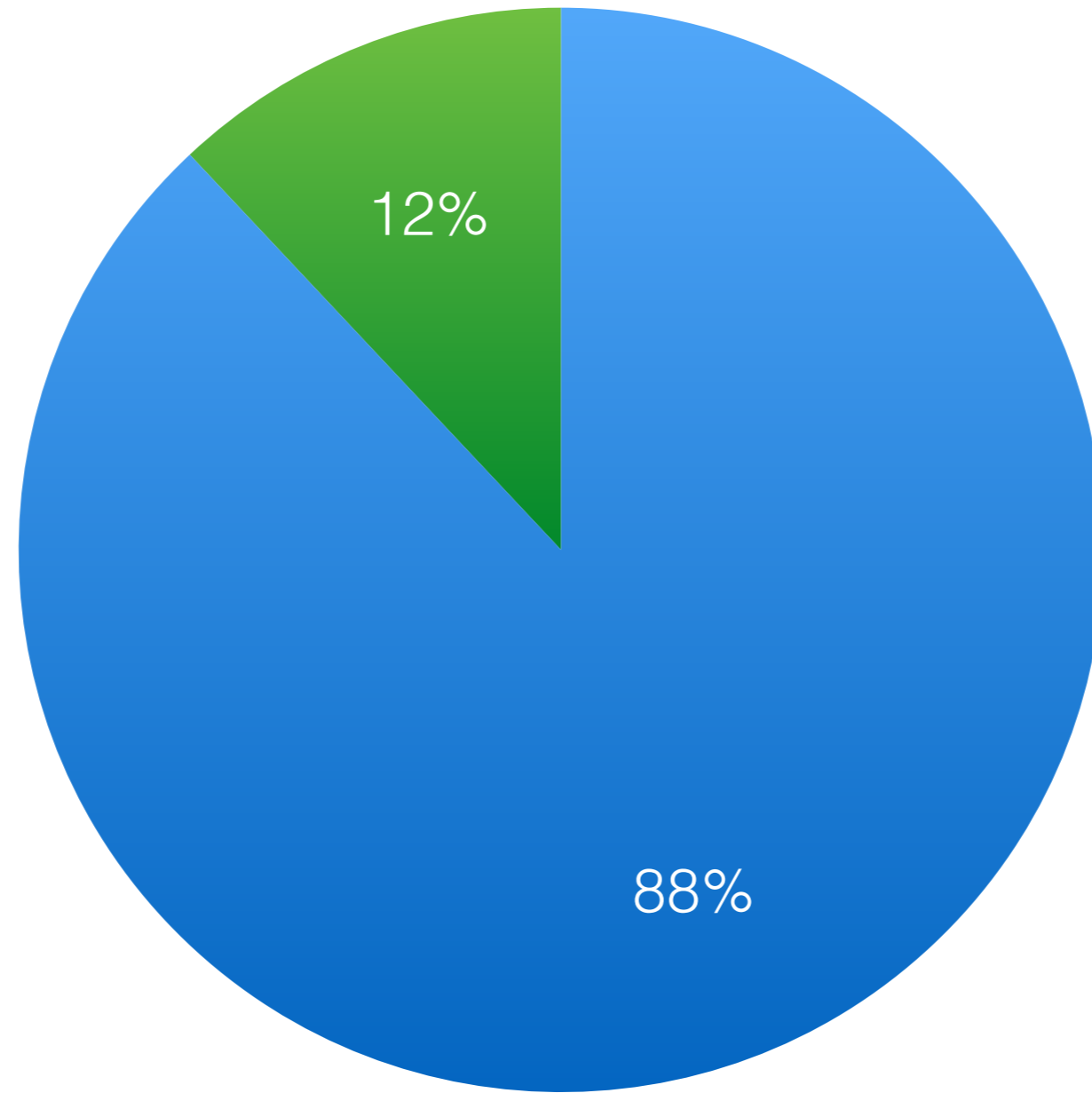


N:418



N:60

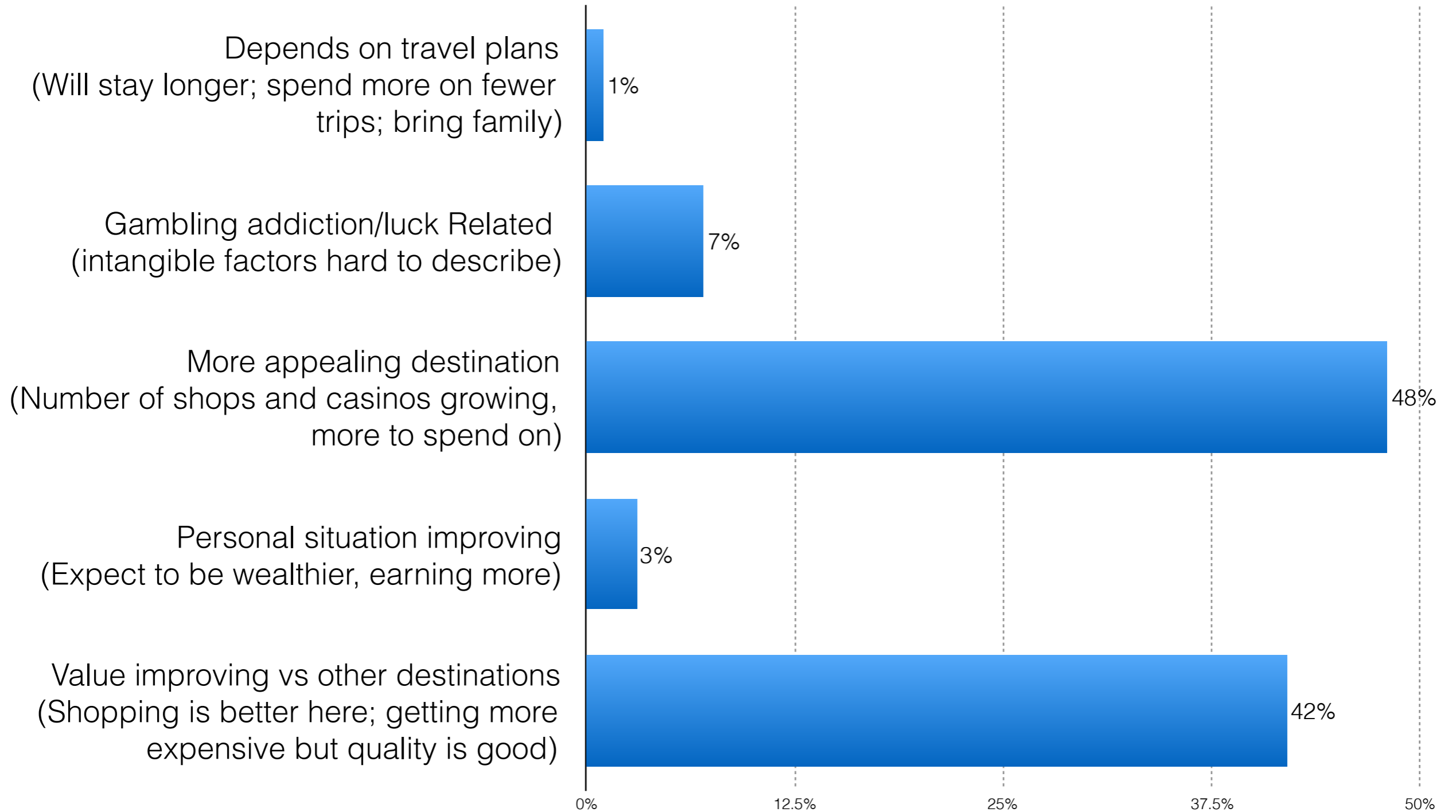
# Would their spending budget increase or decrease?



N:358

- More likely to increase
- More likely to decrease

# Reasons for increased spending



# Methodology

A total of 3,825 samples were collected between January and December, 2016.

Surveys were conducted in the vicinity of Macau's key casinos:

Peninsula – Wynn, MGM, L'Arc, Starworld, Lisboa

Cotai – COD, SCC, Venetian, Studio City, Galaxy

Respondents were selected on a random basis, no biases were implemented, no controls for age, gender or other demographic factors. Non-gaming responses were eliminated.

Fieldwork was conducted by staff managed by Intelligence Macau, analysis was conducted by Anthony Lawrance.

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