

'T WAS A VERY MERRY SEASON - HOLIDAY RECAP

THE OFFICIAL PUBLICATION OF THE NORTH AMERICAN ASSOCIATION OF STATE & PROVINCIAL LOTTERIES



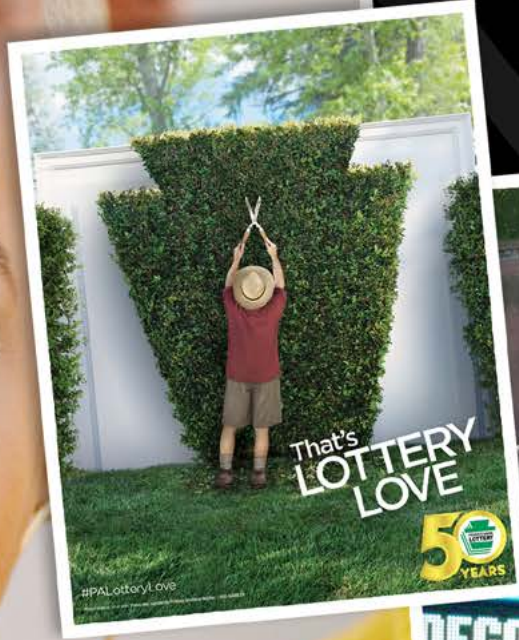
INSIGHTS

MARCH/APRIL 2022



Time to Celebrate!

The Pennsylvania and Massachusetts Lotteries Celebrate 50 Years!





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There are four U.S. lotteries celebrating their 50th anniversary this year. Six more will reach this milestone in the next two years. In this issue of *Insights*, we take a look at two of the lotteries commemorating their golden anniversaries in 2022, Pennsylvania and Massachusetts.

The modern North American lottery industry was established in New Hampshire in 1964. Soon after that, and in the decades since, other jurisdictions across the continent followed suit. The first lottery tickets were sold in Canada in 1970, as lotteries in Quebec and Manitoba opened their doors. Today there are only five states in the U.S. without a lottery.

Since that day in New Hampshire in 1964, our North American lotteries have generated over \$2 trillion in sales and contributed over \$600 billion to the good causes we support.

As Connecticut, Massachusetts, Michigan and Pennsylvania celebrate their 50th anniversaries this year, we look back with pride and gratitude while looking ahead with optimism and determination.

We have made extraordinary strides in this industry since our early days when players eagerly awaited the next week's drawing.

Since then, our industry has accomplished so much with the introduction of multistate games in the U.S., national games in Canada, robust scratch card portfolios, innovative partnerships and promotions, and on-the-go access with iLottery play available on computers and mobile devices.

We are grateful for our mature lotteries and those leaders before us. They've set the standards and blazed the trails that opened the way for our industry and our lotteries to succeed.

I am so excited that next year we will be celebrating our 30-year anniversary at the Georgia Lottery. Since our inception, we've returned more than \$24.6 billion to the state for education with more than 3.6 million students benefiting from lottery-funded pre-K and college scholarships and grants.

Whether you represent one of our newer lotteries or a more established lottery, we all have similar success stories to share.

As several lotteries approach 50 years and New Hampshire inches closer to 60 years, we understand the significance of our contributions and longevity. We also are keenly aware of our responsibility to ensure that those coming behind us find a strong industry. Thanks to the exemplary leadership and standard of excellence established by our more mature lotteries, we are well positioned to do just that.

Congratulations to all our lotteries celebrating 50 years ... and just imagine where we'll be in the next 50.

Sending my best,

Gretchen Corbin

President and CEO,
Georgia Lottery Corporation
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CONTENTS



8 Up Front

News from around the industry.

12 Making a Difference:

Jean MacLeod
*Lottery Field Representative
(Retired), Maine State Lottery*

**18 Research Corner:
Surveying Players to Optimize
Responsible Gaming Initiatives**

Tennessee Education Lottery

**22 I Want To Be a Winner Too:
Sports and the Lottery**

By Marlene Warner Executive
Director, Massachusetts Council
on Gaming and Health

26 Welcome Back!

NASPL's in-person conferences
are back on the schedule, and we
hope to see you again soon!

**28 Its Always CRUMmy in
Pennsylvania**

A clever acronym drives the
50-year-old Pennsylvania
Lottery's commitment to being
convenient, relevant, ubiquitous
and modern.

By Patricia McQueen

34 50 Years of Mass Power

Players and retailers have embraced
the Massachusetts State Lottery like
few others in the industry, and unique
operational decisions have made it a
star.

By Patricia McQueen

40 'Twas a Very Merry Season

Lotteries pull out all the stops for
their holiday portfolios, and in our
annual review of the season, they
share their insights and experiences.

SG INSTANTS

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Next



Reimagine Next

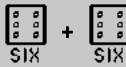
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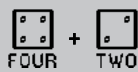
\$300

ROLL 4



\$25

ROLL 5



\$5
FIVE

ROLL 6



\$30

ROLL 7



\$15

ROLL 8



\$15

ROLL 9



\$100
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ROLL 10



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ROLL 11



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ROLL 12



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NEW HORIZONS
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New Horizons Celebrates Ten Years of Progress

The 2022 edition of the New Horizons in Responsible Gambling Conference, hosted by the British Columbia Lottery Corp., was a celebration of how far the field of player health has come over the past decade. Even the use of the term “player health” is a key indicator of how much things have changed, as the focus shifts away from simply “problem gambling” and toward assessment of harms and healthy play.

The conference was held virtually on March 9 and 10, and featured a wide range of topics and speakers, with researchers, industry representatives, policymakers and treatment and prevention professionals all contributing to the conversations.

Keynote speaker David Eagleman, a Stanford University neuroscientist, gave an insightful presentation about brain science and the workings of the conscious and subconscious brain. “The brain is the most complicated device that we’ve ever found on the planet,” he said. “Yet it’s all running in secret and we don’t really know what it’s doing.” In fact, the subconscious brain can do a lot of things, but if you actually start thinking about one of those things with your conscious brain, you suddenly can’t do it anymore.



David Eagleman

He explained that we all have conflicting goals – and uses the term “neural parliament” to describe how we make a decision to do something bad despite knowing it’s bad. It has become clear that as humans, we place more value on things right in front of us than on things further off in time. “We discount the future. The short term is so addictive and the long-term consequences are so far away.”

The Ulysses Contract is a way to work around this – a “deal we make to constrain our future self so we can stop the short term behavior. Voluntary controls are not enough

– there’s a difference between good intentions and having a meaningful contract with yourself.”

He described five steps to help people put up fences so temptation is not right in front of them:

- Minimize temptation;
- Put money on the line;
- Recruit social pressure by promising something to others;
- Leverage emotion by keeping the emotional impact right in front of you; and
- Establish habits and set up rules in advance, and always stick to them – but don’t overcommit.

Speed and convenience has become the standard expectations for consumers, who want a fluid, integrated experience for all their retail needs.

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In response to an audience question about what organizations can do to encourage players to use these tools to prevent problem gambling, Eagleman said, “Fundamentally it’s about getting players to set themselves up in these contracts.” While it would be great if rewards were enough to do that, it probably requires punishments as well. “It’s good to use both carrots AND sticks.”

Session Highlights

Among other sessions, Richard Wood of GamRes gave an update on Positive Play, which was developed in 2017 as a better way to maintain player health by focusing on the vast majority of players who do not develop gambling problems. It’s important for the industry to measure the outcomes of responsible gambling measures, and the Positive Play scale is a way to do that based on personal responsibility, gambling literacy, honesty and control, and pre-commitment. These measurements help define strategies to improve responsible play. As just one example, the research shows that younger adults (18-34) tend to score on the lower end of the Positive Play scale, so the industry should find better ways to reach this group through messaging.

The expansion of research in recent years to include more about products and the environment, and not just wholly focused on the player, was discussed by Dr. Luke Clark of the UBC Centre for Gambling Research. There will always be certain individuals who are more at risk for developing gambling problems, but products play an important role. Simply put, some forms of gambling are more addictive than others, and the tools to assess the risk must be continually updated. Clark noted that much recent research has considered the environment, given the fast-moving marketing and personalized promotional efforts that accompany online gambling. “Online gambling is

really the same product in a different environment.”

Keith Whyte, Executive Director of the National Council on Problem Gambling, explored some of the public opinion contradictions that have come out of the NCPG’s two NGAGE surveys, which look at gambling attitudes and experiences. For example, gambling has become a normalized part of society, yet problem gambling is still stigmatized and often seen as a moral weakness. And as gambling expansion continues, more consumers expect the industry to help with problem gambling.

He also discussed developments in social gaming and sports betting. The “arguably not legally gambling” social games pose a much greater risk of harm because they don’t have the same restrictions and requirements of legal gambling games. “I would argue that there’s more problem gambling coming from social games than legal gambling, because it’s so widespread and not subject to any regulation,” said Whyte.

As for sports betting, rapid expansion accompanied by heavy advertising will soon be joined by a proliferation of fast-paced in-game betting options. “Right now, sports bettors are different than other gamblers,” he explained, with more education and higher income, but that is changing as the sports betting industry moves further away from being a “thinking” game.

One engaging New Horizons discussion centered around an organization’s social purpose. “There have never been greater challenges” in society as there are today, said Peter Weeme, BCLC’s Chief Officer of Social Purpose and Vice President, Player Experience. He noted that, oddly enough, businesses are now the most trusted institutions. “Adopting a social purpose is important for today’s businesses.”

BCLC is in the midst of its journey evolving into a social purpose company, one whose enduring reason for

being is to create a better world. No longer is it about a corporate mission, but about a social purpose; in BCLC’s case, to “generate win-wins for the greater good.” Also participating in the discussion was Maureen Young, Vice President, Social Purpose, for Coast Capital Savings. “Coast has a ‘social purpose decision lens’ for its products – does a particular product drive our purpose forward? We want to try and make a difference for people.”

In the closing session, two recovering gambling addicts shared their stories in an effort to show how the industry can better support players. Both Vanessa and Kelly grew up in families where gambling was normalized, but each took a dark turn where they lost everything. Both are now a few years into recovery, rebuilding their lives, and were widely applauded for courageously telling their stories.

“People don’t understand that people at casinos are there for various reasons or for different stages of their lives,” said Vanessa. “You can’t just tell them to ‘stop’ – it’s not that simple.”

Asked what the industry could have done to help them before they hit rock bottom, they suggested that casino attendants should be educated about how to approach people who look like they are having a problem. “We would probably appreciate that,” said Vanessa. She noted that casinos open 24/7 don’t force a gambling break – there’s no “reset” that comes with closing hours. Kelly added that having ATMs within a casino is not a good idea; there can be a similar enforced break if someone has to leave the premises to get money somewhere else. “We might not go back right away,” he said. One other tip – perhaps have the GameSense booth outside the casinos instead of inside. It might make someone think twice about going in. ■





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Jean MacLeod

Lottery Field Representative (Retired), Maine State Lottery

Decades ago, Jean MacLeod worked as a receptionist at a bank, helping with paperwork for loan and mortgage officers. She didn't want to move up as a teller, so she decided to look for a government job instead, which she knew would be a good career path. After applying with the state of Maine, it wasn't long before she got a job interview for a receptionist position at the new Maine State Lottery. "I had no idea what a lottery was!" she said, laughing at the memory. She was so nervous that she thought she botched that 1974 interview, which included a typing test. But the position was hers for the taking, and after discussing it with her soon-to-be husband, she decided it would get her foot into the door with the state. She could always find something else if she didn't like it.

Forty-eight years later, MacLeod finally decided it was time to find something else – retirement!

"We are so excited for Jean and wish her nothing but the best in her well-deserved retirement," said Mickey Boardman, Deputy Director of Lottery Operations for the Maine Bureau of Alcoholic Beverages & Lottery Operations. "Jean has been such a tremendous resource for historical information and we're going to be lost without her. She has been an inspiration to everyone with her





steadfast positive attitude, work ethic and genuine concern for others. A true pioneer at the Maine Lottery, Jean has seen it all. From the first one dollar instant ticket to billion dollar jackpots. We are grateful for all that she has done and wish her well as she spends some well earned time with her family. “

After her early years as a receptionist, MacLeod also worked in

claims, subscriptions and retailer licensing, and has spent much of the last 25 years working with retailers, first in tel-sell operations and then the last eight years as a lottery field representative.

With so much time spent in the trenches, what's her biggest piece of advice for the Maine Lottery and the lottery industry in general? It's all about instant games. “People play

with their eyes. You have to keep the games new, fresh and colorful. Tickets that are vibrant will grab your attention.” She looked back at the time the Lottery introduced its first pink ticket. Sure, it was a \$5 ticket and at the time those were best-sellers, but those pink tickets really flew out the doors.

MacLeod also stressed the need to provide players with new options for old favorites. Maine players absolutely love crossword games, and can't get enough of new price points, new scenes and new themes.

She began her well-deserved retirement on March 1, and expects to continue hobbies such as knitting and photography – especially nature, sunrises and sunsets. She has always enjoyed traveling, and now she'll have the time to do whatever she wants. Much of that will center around family. Although MacLeod lost her husband Kenneth in 1984, she considers herself fortunate to have two wonderful daughters and four grandchildren. With daughters Kate on the East coast and Kelly on the West coast, she has plenty of ready-made excuses to travel.

And you can bet that she'll also find time to attend the Maine Lottery's 50th anniversary celebrations in 2024!

You have literally seen it all, so what strikes you as the most impactful changes at the Maine Lottery over the years?

From my perspective it's all about the games. At the beginning we had only a 50 cent weekly ticket and now there are two \$25 instant games in the portfolio. It's remarkable. The name of that first game was a big deal – Play Me, because “ME” is the state abbreviation for Maine. Then we launched our first instant game in 1975. We went from our first draw game in 1980, the daily Pick 3, to having a number of draw games today. And when Tri-State Megabucks



The Maine Lottery's first headquarters.



THE NO. IS 338-147—Maine State Lottery representatives were present for this week's winning number drawn outside the office of the Franklin County Fair Committee. Making the drawing and pictured above, l to r, Donald Fletcher, Fair Association Secretary; Donna Peacock of Gardiner and Jean Mazeroel, Augusta, Lottery officials; and Jack Stansfield, Fair Association Treasurer.

was born in 1985, it was a big deal – the first multistate lottery game in the country.

We also capitalized on the “me” aspect with our rewards program, RewardME. Whenever I was out in the field, I always tried to remind players that the RewardME players club is a great way to enter second-chance drawings and to collect points to redeem for prizes. We’ve really expanded the membership in that program, and people always seem surprised at the great quality of the prizes and merchandise that the Lottery offers.

Almost everything has changed, but is there anything that has been pretty much a constant over time?

Absolutely – customer service! That means service to both our players and our retailers, and I’ve been involved with both. In fact, I’ve always worked with the public in my lottery jobs – apparently I’m a people person!

Everything is about customer service. The Lottery’s Facebook page gives customers a chance to make suggestions, ask questions and even

make complaints, and staff tries to quickly respond to everyone. In my job as field rep, even during the height of the pandemic I provided regular service to my retailers. I may not have visited them in person, but like all the field reps we kept in contact by phone. We’d keep retailers informed about new games and what games were closing, and quickly addressed any problems that came up. Somehow, we took care of all their needs despite the challenges of the times.

Do you have any advice for people just starting out as employees in the lottery industry?

First and foremost, listen to players and store owners. On the retail side, make sure you understand your retailers and their customers. The Maine Lottery always creates dispenser planograms that are very helpful for new retailers, but that doesn’t mean all retailers have to follow them exactly if their local market is telling them otherwise. Some stores excel at selling \$10, \$20 and \$25 tickets and don’t even want to offer \$1 games – except during the

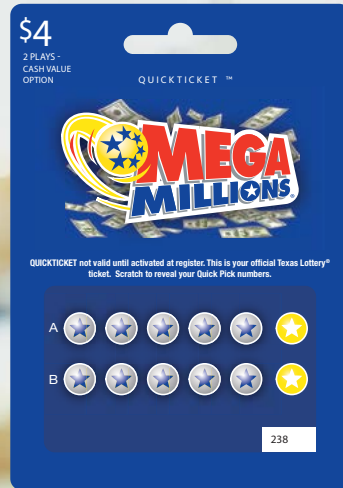
holidays when they fly out the door.

And no matter what your job, be positive and professional. You are the face of the lottery and you can’t let your personal views and opinions impact how customers interact with the business you are representing.

What will you keep as your fondest memories of your 48 years at the Lottery?

The best memories generally involve our players. In my time in the office, first as a receptionist and then in the claims area, it was always fun to see winners claim their prizes. I also always found it fascinating that some players will drive all over the state to find specific games that maybe weren’t in their local shops. Maine has a few urban centers that will be the first to sell out of games, but our players pay attention to remaining top prizes and will go out of their way to find games that still have big prizes left.

I also loved the days when we used to go out and do big events and promotions. For example, we used to go to the big malls during the holidays each year, and players looked forward



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to buying tickets for stocking stuffers and holiday parties. But that sort of went by the wayside as things shifted to a focus on specific retailer promotions, like celebrating a retailer's customer appreciation day or grand reopening. These are really important because they allowed us more flexibility to reach different parts of the state. Of course everything got put on hold with the pandemic, but retailers eagerly called us to make sure we could be there for their big day, and these promotions are always a lot of fun for everyone.

And there's one of many fun memories. I hold the distinction of being the only lottery employee to ever have her vehicle hit by a boat. Ok, so it was in a parking lot when someone backed a trailer into the lottery van (I was inside the store, a lottery retail location), but it was still hit by a boat, which was on the trailer.

What will you miss the most?

I'd say the wonderful retailers I've been hands-on with over the past few years. The store owners and managers are really nice, and were often willing to try new things I'd suggest to help improve their

sales. They were willing to work with me because they knew that it was my goal to help them maximize their own sales, which in turn helps maximize the state's revenues as well. I always tried to get them to work smart, not hard, at selling lottery tickets, and that meant selling the games that their players want.

After I announced I was retiring, many of my regular retailers asked if I'd still stop by for a visit from time to time. Some even wanted my home number so they could continue to ask me lottery questions! I'm a little surprised at how many wanted to keep in touch, but I guess that means that I've made an impact on them.

And of course our employees. Looking back, I wish I had kept a scrapbook, a photo album of all the people I've worked with over the years. That would have been fascinating, and it could have helped people understand how I could possibly have stayed at the Lottery for 48 years – my fellow employees and the variety of retailers I've worked with made it all easy. Actually, the Lottery's current customer service manager, Chris Royce, is in her 42nd year, so really I'm just passing the torch to her.

What will you be doing next?

The first few weeks will just feel like a vacation, and then I'll wait out the season until the weather gets better. I'll take advantage of not having to go out and scrape snow off the car – that was the only downside of being a field rep in Maine!

I have a couple of friends who were waiting for me to retire so we can all do things together. I also have a couple of trips already planned with family this year, one to California and another to the Four Corners region in the southwest. With a daughter and cousins in California (north and south), I'll definitely be spending a lot of time out there.

I also want to go back to Jamaica. I was there in 2017 with family and friends – there were about 20 of us – and we had so much fun. The resort operator got to know us as the “blue cup family” because my daughter had a blue water cup with her at all times. A photo of our group even ended up in the resort's advertising the next year. When we go back we'll bring the blue water cups so they remember us!

And of course, I'll have to buy a lottery subscription! ■

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Surveying Players to Optimize Responsible Gaming Initiatives



The Tennessee Education Lottery was awarded the World Lottery Association's Responsible Gaming Level 4 Certification in 2018 - an important corporate initiative to earn and just as important to maintain. As part of demonstrating continuous improvement of our responsible gaming program, we looked at numerous strategies to maximize the program's impact while analyzing and acting on the data we could collect.

By Tennessee state law, the Tennessee Lottery is a cash-only business. Online sales or credit- or debit-card purchases - trackable

transactions - are not allowed under state statute. This presents a challenge to fully understand consumers' playing habits or give players the option to establish limits. We have taken opportunities where we can, such as implementing a limit to the number of points a VIP Rewards (affinity program) member can earn in a month.

But understanding more about Tennessee Lottery players and their habits is at the heart of the WLA's feedback on our Level 4 submission in 2018. The TEL had conducted surveys in the past, like the survey of our VIP Rewards members in March 2019, where we sought to understand more

fully how players felt about certain critical aspects of our RG program. Players in the Spring of 2019 were asked to respond to what degree they agreed with statements such as:

- The Tennessee Lottery promotes responsible gaming;
- Tennessee Lottery advertising appeals to adults above the age of 18; or
- The Tennessee Lottery publishes a gambling addiction helpline number.

In the TEL's quest to maximize our impact without duplicating efforts, we adjusted messaging and research



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the gaming industry now need to be developed at unprecedented speeds. That's why we have a robust team of experts stationed around the globe, monitoring new technologies, legislation, jurisdictions — you name it. As a market leader, we are equipped to handle whatever you can throw at us. That means meeting any challenge, from pre-compliance to market launch, sports betting to iGaming, anywhere in the world. Now and well into

THE FUTURE

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initiatives to better understand player habits and to, ultimately, offer players the strategies to play responsibly. We already had a tracking study being conducted quarterly to provide continuous snapshots into how players felt about the Lottery and its responsible gaming program. But we wanted to gain even more insight into player behavior. Focus groups helped in that regard, but a new platform for our VIP Rewards Program presented an opportunity to cast the largest net possible for player responses.

The Tennessee Lottery VIP Rewards Program is our “players club,” and recent platform upgrades have given us new capabilities to survey our members. In conjunction with the “Gift Responsibly” campaign in December 2021, a ten-question survey was deployed to members after the release of a new add-on feature, Wild Ball, to the TEL’s popular in-state numbers games, Cash 3 and Cash 4.

On Monday, Dec. 6, 2021, an email was deployed to the TEL VIP Rewards Program database with the TEL’s “Have Fun | Play Responsibly” messaging at the top. Included in the email was a link to a survey. Members who completed the survey received 50 VIP Rewards points.

The email was viewed by 21,330 recipients. The survey was completed by 17,931. More than 84% of players who started the survey completed it, taking on average 2:18 to finish the survey.

Survey Results

The results shed light on several different areas of player behavior and gave us invaluable insight into certain messaging areas that need support. For instance, Question 2 asked players whether they agree or not with the statement that “a person should play Lottery games to pay their bills,” and 96% disagreed with that

HAVE FUN *Play* RESPONSIBLY

Happy holidays!

The Tennessee Education Lottery is committed to generating funds for education in a socially responsible manner.

During this time of year, the TEL participates in the National Council on Problem Gambling’s “Gift Responsibly” campaign where we remind players that Lottery tickets are not for children.

With responsible gaming on our mind, we need your input on our Responsible Gaming program. Please take a quick moment to complete this brief, multiple-choice survey and receive 50 VIP Rewards points! Once completed, you will receive your points by the end of the next business day.

Thank you for your valuable feedback and remember to have fun and play responsibly.

statement. Similarly, 98% of respondents disagreed with the statement that “I should borrow money from a friend or relative to play the Lottery.” Clearly the majority of our players have the proper understanding of these aspects of responsible play.

Other questions, however, revealed areas of opportunity for player education. Question 5 asked players if they agreed with the following statement: “If a game has 1 in 5 odds, that means if you buy five tickets you are guaranteed to win something.” Roughly 75% disagreed, which is good, but that means 1 in 4 respondents agreed or answered “neutral.” This is an indication that there’s opportunity for additional information on how odds work and the random nature of games. Staying on the issue of odds, the TEL prints the overall odds of every instant game on the back of every ticket. Only 72.5% of respondents knew that – again, another opportunity for additional player education is revealed.

Another question sought to learn from players about whether they “chased their losses,” and 19% acknowledged they spent more to chase their losses at least some of the

time – presenting another focus area for Play Responsibly messaging.

What we have learned from this is that there are certain messaging themes to highlight as we continue to improve our program and help our players keep playing responsibly. The survey platform presented a new opportunity for a large response pool while we also cross-promoted the Gift Responsibly campaign during the holiday season. From this survey information, we can begin to consider new messaging opportunities through our social media channels, such as creating YouTube clips to demonstrate responsible play.

The critical pivot the TEL made was layering in this survey and its questions to an entire portfolio of players who are already engaged with us. Focus groups and a quarterly tracking study provide incredibly useful information, but the VIP Survey helped us add a new layer of understanding about our players and how they play. The combination of all these questions and surveys begins to paint a more comprehensive picture that the TEL can use to continue improving our Level 4-certified responsible gaming program. ■



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I Want To Be a Winner Too:

Sports and the Lottery



By Marlene Warner

Executive Director, Massachusetts Council on Gaming and Health

For the past decade and a half several researchers have concluded that the elements of an external environment can have a significant impact on the extent to which people play lottery products. During those 15-plus years we have heard theories such as people will play more on sunny days, when their tax refunds come in, and during the holidays, and/or that they are impacted by an abundance of advertising that compels them to buy those tickets. One new idea is that play is influenced by how well your favorite team is winning.

Recently [Canadian researchers](#) followed players in Toronto and hypothesized that lottery play is impacted by unexpected wins or losses of their local sports teams. They investigated set-prize lottery games (so there is no jackpot size influence) and controlled for factors like low play on holidays and increased play when checks are cut. What they found was an interesting phenomenon: People were not unexpectedly drawn to, or distracted from, lottery play based on the success or failure of their local team, but rather they were drawn into play by a compounding effect of the wins. In other words, the more their favorite teams won and the more all of their local teams won, the more likely local players were to try their luck at set-prize lottery games.

What does this mean? It is actually a really simple concept. Everyone likes a winner. Everyone wants to feel like a winner. Everyone wants to be a winner and even share and spread that feeling onto others. And the more winners, the better the win feels.

...the more their favorite teams won and the more all of their local teams won, the more likely local players were to try their luck at set-prize lottery games.

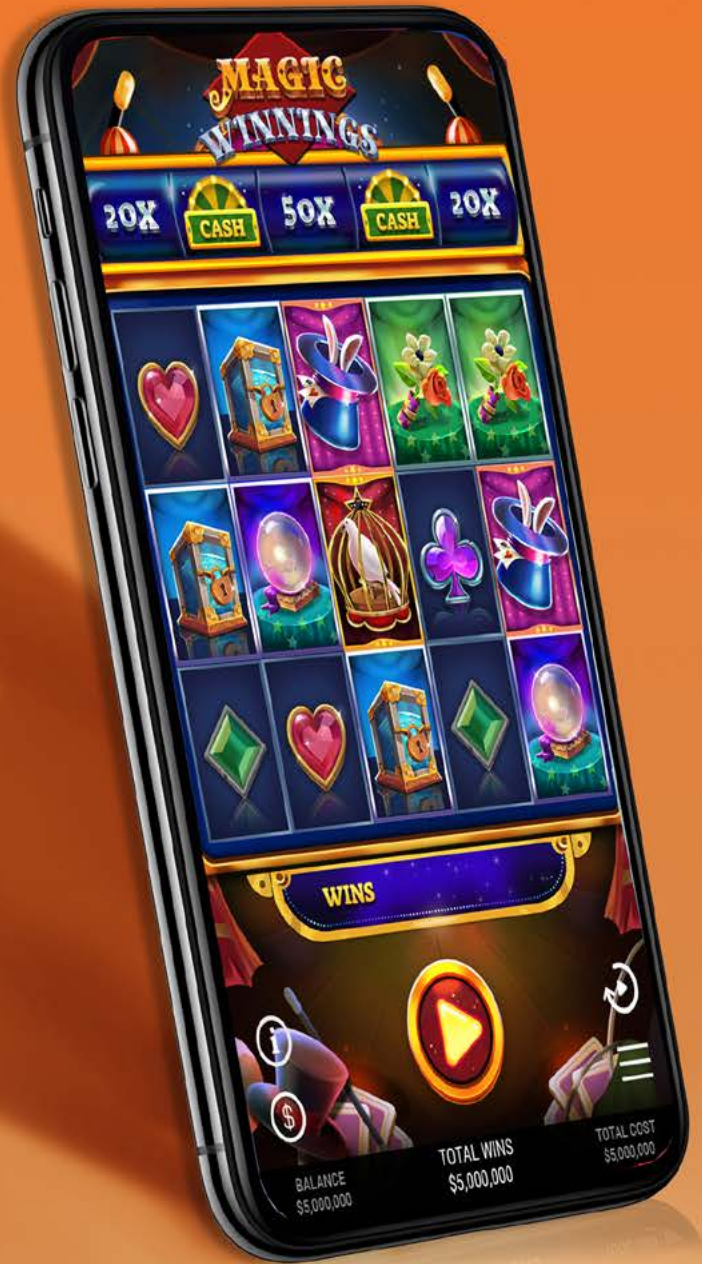
What does this have to do with responsible gambling (RG)? A lot. We tell people to only gamble with money they have. We tell them to be responsible and set a budget. We tell them to balance gambling with other activities. But what we don't currently do all that well is talk to patrons about how they feel when they gamble – win or lose – and help them be cognizant of this and process it in a healthy way.

I am writing this from a self-proclaimed city of winners, Boston,

Mass., which is chock-full of major league and college sports teams. Massachusetts is one of the top four [winningest states in the country](#) when it comes to winning sports championships, and the three that beat us out are far bigger states – California, New York, and Pennsylvania. It is unusual for us to go a season where one of our sports teams doesn't take it all and we get to cheer from the streets as our favorite athletes wave to us from a duck boat floating down Boylston Street. We are overly confident, boisterous and cocky about our teams, despite the fact that the average person, like me, has literally nothing to do with this. In fact, a great deal of time, money and energy has gone into crafting really talented pools of athletes. So why would I even try to change the course of my luck this spring if the Bruins are in the finals, the Celtics are well on their way, the Red Sox are starting with a stellar lineup on opening day, and I get to cheer on some of the finest marathon runners in the world on Patriots' Day (April 18)? I wouldn't, because I'm having fun, because I want to feel like my cheers somehow contributed, and because I want to be part of the magic. This happens pretty subconsciously for me and for most.

So, winning feels good and losing feels bad. This goes back to well-known RG principles. People who are gambling can feel both, and both are

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okay in moderation, but be conscious of your play, your spend over time, and your time spent playing.

In the same study in Toronto, the authors also built on the previous research on the impact sunshine has on gambling. They concluded that it was less about gambling on a sunny day, and more that people gambled more on days that were sunny after a stretch of inclement weather. People like a happy ending, whether it be weather or sports, especially when it feels unexpected. This speaks to gambling literacy and wanting people to make informed choices.

Lotteries certainly cannot take on what the average citizen does or does not do with their money. However, they can be intentional, mindful and cautious in their approach to advertising and messaging when it comes to sports and how people are emotionally connected to gambling. They can engage, via social media, focus groups and live draws, about

Whether it is sunshine, sports wins, or some other environmental impact, players need to be reminded to think rationally and pay attention to the rational side of gaming and betting.

some of the ways that a player may get swept up in the excitement of the moment. They can advertise honestly and transparently by providing odds and healthy play tips. They can weave in RG regularly, alongside their product advertising. (I have yet to see any research that shows that RG or problem gambling advertising somehow negatively impacted sales.) They can help bring play from the

subconscious to the conscious mind. Healthy players are sustainable players, and this is a win-win for both the industry and the RG community – it should be a common goal for all.

Whether it is sunshine, sports wins, or some other environmental impact, players need to be reminded to think rationally and pay attention to the rational side of gaming and betting. This is an exciting time in the gaming industry and we have a tremendous opportunity to help players have fun and stay healthy simultaneously. ■



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Welcome Back!

NASPL's in-person conferences are back on the schedule, and we hope to see you again soon!

We are excited to be back planning our conference events this year. After all, one of NASPL's key objectives is to provide educational opportunities for lottery industry employees, and while we were able to explore important topics through virtual events during the past two years, there's nothing like seeing everyone face to face!

Typically NASPL offers four different events each year to help drive the industry forward.

The first is Lottery Leadership Institute, designed for industry leaders at all levels. By providing the tools and training needed to build confidence, develop skills and improve leadership qualities, the event helps shape tomorrow's leaders while providing updates on the latest trends in the lottery industry. This year's Institute was hosted by the Ohio Lottery in Cleveland, April 11-14, just as this issue of *Insights* was being finalized.

The lottery highlight of the summer is the Professional Development Seminar. This unique educational event brings together hard-working managers and hands-on employees to discuss important issues of the day, both through formal meetings and informal conversations. This year, the Hoosier Lottery hosts the conference in Indianapolis, July 25-29.

In the fall, lottery and vendor executives gather at NASPL's annual conference and trade show. The 2022 event is extra special, and not just because we're back in-person after a two-year hiatus. Once again

we are partnering with the World Lottery Association to offer the World Lottery Summit. It's just the fourth time the two associations have held a joint conference; the last one was in Montréal in 2012. The British Columbia Lottery Corp. is hosting the Summit in Vancouver, B.C., October 16-20.

These three conferences are open to all members of the industry, but NASPL also holds a fourth annual event, limited to lottery chief executives and selected high-level associate members. This year's Directors Meeting will be held in Nashville, Tenn., hosted by the Tennessee Education Lottery on August 1-4.

By all rights it should be a great year! Based on how quickly Lottery Leadership filled to capacity, there is plenty of pent-up demand, so we look forward to seeing everyone. But if the last two years have taught us anything, it is to be prepared for everything. While we certainly expect to hold these events as scheduled, we can still pivot if world circumstances dictate.

Lottery Leadership Institute

Making their debut at this unique event was FranklinCovey, the world's most trusted provider of leadership solutions that unleash the full potential of leaders and their teams. Through six hands-on sessions, FranklinCovey's Senior Consultant Haydn Shaw led the attendees through some of the company's principle-based leadership content: "Six Critical Practices for Leading



Teams" on April 12 and "The Four Essential Roles of Leadership" on April 13.

But first, Lottery Leadership kicked off on April 11 with a welcome from NASPL Executive Director David Gale, followed by a retailer panel led by the Ohio Lottery and a responsible gambling discussion.

That afternoon featured a "Peak Performance" networking activity led by the team-building experts at TeamBonding. These types of group activities are always a great way to launch Lottery Leadership's tradition of networking, which includes team problem-solving challenges plus numerous breaks and events that give attendees plenty of opportunities to interact with their peers.

In addition to the FranklinCovey sessions on April 12 and 13, filling out those days were sessions on sports betting, information security, digital solutions for retail, and creating a diverse and inclusive workplace.

On the final day, attendees learned more about sports betting, this time from player experience viewpoints, both online and in retail. There was also a presentation by the Ohio Lottery, an update on the NASPL API and a look at business continuity for lotteries during the pandemic.

All in all, it was a jam-packed week for the industry's future leaders!



Professional Development Seminar

This summer, the action moves to Indianapolis, where NASPL's Professional Development Seminar returns after being held virtually in 2021. The hallmark of this popular event is bringing together industry employees across all disciplines – accounting, audit, information technology, legal, product managers, public relations, research, sales and marketing, and security. Attendees from each discipline can focus on the topics most relevant to them, and/or explore other topics that might be of interest. As always, there are a number of general and crossover sessions that highlight important industry developments.

At press time, the conference program was still being developed, but some of the expected topics include:

- Problem gambling: A view from the sports world (Keynote Address)
- NASPL associate member panel
- Strategic communications, brand storytelling and content marketing workshop
- Prize claims and payouts
- Instant ticket trends
- GASB update
- NASPL API update and discussion
- Portfolio value and options
- Credit card fraud
- Anonymous winners
- Corporate social responsibility and sustainability
- Cyber security

New for 2022 is a Vendor Meet and Greet, a two-hour opportunity for lottery attendees to learn one-on-one about the products and services offered by participating vendors.

And as the world has shifted to putting an emphasis on work-life balance and personal well-being, PDS has you covered! Before the business agenda gets underway on Tuesday and Thursday mornings, attendees may choose to participate in two health and wellness sessions, including a walk/run and some light yoga.

For news and program updates on the Professional Development Seminar, visit www.nasplprofessionaldevelopment.com.



World Lottery Summit

The biggest event of the year is always the NASPL Annual Conference, and as noted for this year we have joined with the World Lottery Association to hold the World Lottery Summit. We are pulling out all the stops to create an exciting and informative event – the first global lottery conference held in four years! There are so many things we can learn from each other and it's a rare opportunity to take advantage of expertise from lottery operators around the world.

That is especially true this year. The Summit was originally scheduled for 2020, but of course COVID-19 had other plans. A lot has been learned in just two years, and if anything, now is an optimal time to share the experiences that are in many cases driving lotteries to new heights.

Be sure to watch for our email updates on the event, and visit the WLS website at www.worldlotterysummit.com.

For the current
industry events schedule,
please visit

naspl.org



IT'S ALWAYS CRUMMY IN PENNSYLVANIA

A clever acronym drives the 50-year-old Pennsylvania Lottery's commitment to being convenient, relevant, ubiquitous and modern.

By Patricia McQueen

As the only North American lottery that sends its entire proceeds to programs that benefit older residents, the Pennsylvania Lottery has done a lot in its 50 years. Since ticket sales began on March 7, 1972, the Lottery has raised more than \$32.6 billion to fund property tax and rent rebates, transportation, care services, prescription assistance, and local services including senior centers and meals.

It's a responsibility that everyone at the Lottery takes to heart. "Benefits older Pennsylvanians" isn't just a tagline, noted Executive Director Drew Svitko. "It's why we do what we do. We're proud of that, and it's what we want people to remember."

In recent years, the Lottery's goal is to always be a CRUMmy lottery – convenient, relevant, ubiquitous and modern – and that goal drives everything the team does. "Now more than ever we are delivering a relevant product in a relevant way, reaching people everywhere they want entertainment," said Svitko. Successful at building relationships with players and with retailers, the Lottery has even reached a whole new demographic of players with its iLottery program. "That's the most responsible thing we can do in the lottery business, to sell our product to a whole new audience of players. Our online portfolio has absolutely helped us do that."

iLottery was part of a major expansion in gaming approved by the Pennsylvania legislature in October 2017, which also brought more casinos, iGaming, video gaming and sports betting to the state. The Lottery received authorization for iLottery and monitor games, and both began implementation in May 2018.

Importantly, player health has been an important priority for the Lottery, which is working through its application for Level 3 certification in the World Lottery Association's Responsible Gaming Framework (having already achieved Level 2). Pennsylvania has also received iCAP certification from the National Council on Problem Gambling. This Internet Compliance Assessment Program offers accreditation for best practices in player protection when it comes to online gambling; the Pennsylvania Lottery is the only gaming operator in Pennsylvania to have achieved this certification.

Svitko is also proud that the Lottery was named North American Lottery Operator of the Year in 2021 by Gaming Intelligence, in no small part due to its expertise in combining retail and online play in a crowded marketplace.

GAMES GALORE

Lotteries are all about games, and the Pennsylvania Lottery certainly has no shortage of games! "Part of our mission includes the words 'entertaining lottery products' and we take that to heart," noted Stephanie Weyant, Deputy Executive Director, Marketing and Product Development. "We always look at how we can optimize all the product categories."

On the draw side, there are three multistate games, three in-state lotto-style games, four daily numbers games, Fast Play, Keno plus two Xpress Sports monitor games, and even a seasonal raffle. Approximately 62 instant games are introduced each year across eight different price points. And, of course, there is a full selection of eInstant online-only games. "We have something for everyone," Weyant emphasized.

With instant games being the products lotteries have the most control over, that part of the portfolio – which represents about 70% of Pennsylvania's sales – is given a lot of attention. It's important to add value to the tickets, explained Weyant, and sometimes that means using



PENNSYLVANIA LOTTERY AT A GLANCE

	Retail Sales			iLottery				
	Instant	Draw Games	Monitor Games	eInstant (Net)	Draw Games	Total Sales	Prizes	Net Revenue
FY21	\$3,757,858,023	\$1,489,697,784	\$54,912,943	\$114,846,714	\$21,393,978	\$5,438,709,442	\$3,544,902,394	\$1,302,616,260
FY20	3,203,205,926	1,212,586,794	53,680,796	94,153,434	4,191,593	4,567,818,543	3,258,682,761	1,141,800,788
FY19	2,989,692,745	1,466,941,343	46,694,590	49,412,735		4,552,741,413	3,259,126,431	1,143,225,749
FY18	2,824,238,704	1,368,711,945	7,614,162	2,275,275		4,202,840,086	2,715,232,802	1,093,645,976
FY17	2,726,625,523	1,274,409,850				4,001,035,373	2,588,266,918	1,045,731,338

Current games:

Scratch tickets: Approximately 62 new games launched annually; \$1, \$2, \$3, \$5, \$10, \$20, \$30 and \$50

Terminal games: Powerball, Mega Millions, Match 6, Treasure Hunt, Cash 5, Cash4Life, Pick 2, Pick 3, Pick 4, Pick 5, Fast Play, Keno, Xpress Sports, Raffle (seasonal)

Vital statistics:

Number of employees: 275

Number of licensed retailers: 9,981 as of 3/14/2002

Self-service equipment: 4,518 ITVMs and 4,749 PlayCentral units



specialty printing features, including HD printing with more modern play symbols. “We’ve been using special print features to enhance and add value to our holiday games and licensed properties.”

The Lottery took advantage of the golden anniversary to launch its first \$50 scratch-off game. With prizes from \$75 to \$5 million, \$5 Million Money Maker began its first weeks with a bang. “We are seeing a lot of success with this new price point. The \$50 game has been the top selling scratch-off game every week since it launched.”

The addition of monitor games in 2018 added greatly to variety across the portfolio, first with Keno. Because sports betting was handed to the casino industry, the Lottery found another way to make sure it stayed relevant by creating a series of monitor games featuring sports themes. “We know there’s a synergy between lottery players and sports, so

if a lottery can’t offer sports betting, virtual sports is a product we can offer players to stay relevant,” said Weyant.

Given the strategic portfolio approach to games in Pennsylvania, it’s not surprising that Svitko is happy that the management teams of the national games Powerball and Mega Millions are talking together and considering strategies to move both games forward instead of viewing them in isolation. “These games occupy an important place in our portfolio, but it is just that – a part of our portfolio. They wouldn’t be nearly as successful if we didn’t have other games.”

ONLINE SYNERGY

Every game’s value proposition can be extended by offering bonuses, promotions and cross-channel experiences, and Pennsylvania strives to get the most it can from all the tools

in its toolbox. It all comes together in an integrated omnichannel strategy for both the game portfolio and the whole user experience. “That’s how our consumers – the players – view the Lottery,” said Weyant. “We are one lottery, whether they buy online or in-store, and we have to make that experience seamless for them.”

Pennsylvania is a big success story with iLottery. In fiscal 2021 alone, the online platform generated more than \$908 million in play – \$887.0 million in gross play from eInstants plus \$21.4 million in sales from four available draw games (Powerball, Mega Millions, Cash4Life and Treasure Hunt). Because eInstants are dynamic games with higher payout rates than other products, the accompanying chart reflects only gross gaming revenue (gross play minus prizes paid) for eInstant games; that number was \$114.8 million in fiscal 2021. The ultimate goal is to make the Lottery’s remaining draw games available

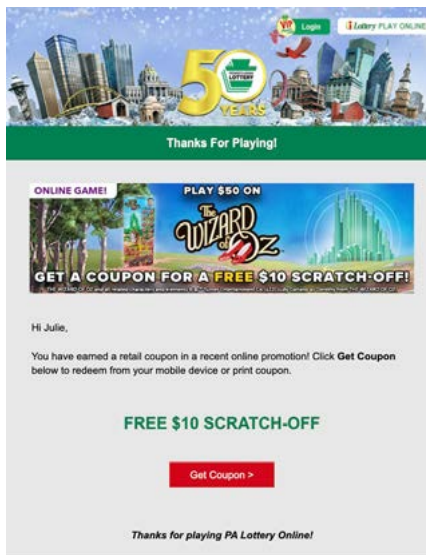
through the iLottery platform as well; the four PICK games and Match 6 Lotto just went online March 29.

From the beginning, the Lottery included brick and mortar stores in its master plan. Among the most important efforts are promotions that send online players into retail to redeem coupons for other products, codes on scratch-off tickets that extend play online, retail-sold Web Cash to fund online accounts (which earns retail commissions), and an affiliate program that pays retailers for delivering new online players.

“Our products team does a great job,” noted Weyant, explaining about how licensed properties or seasonal themes are perfect for launching products across multiple product lines. There might be a scratch-off ticket, a Fast Play game and an iLottery game, all with one brand or theme. “It takes a lot of coordination, but there’s a synergy that comes from tying those games together for our players. We do a lot of that in our marketing and promotion strategies.”

There’s also a constant effort to improve the user experience to provide better integration of games, promotions and website/app use. “We need look at the Lottery from the player’s point of view, to break down the internal silos in how we present Lottery to the players.” One goal, for example, is to create second-chance opportunities for all draw games regardless of where or how they were purchased, so that everyone can participate in the same promotion.

The Lottery has also successfully proven to retailers that online players really do represent a new lottery-playing audience, and that those players still actually visit stores for other purchases. Because of their online play, lottery has suddenly become more relevant. They may have walked right past lottery displays before, but now they see something that instead triggers product



recognition. “We form that relationship with players online, and suddenly we become more relevant – people see our product in stores and stop,” said Svitko.

The team has a key piece of advice for other lotteries trying to get iLottery authorization, especially those in jurisdictions where the retailers have been very outspoken against it. It’s critical to engage the retailer groups that have expressed those concerns, open the dialogue and show the data. “There is no evidence that online sales, in any state that offers it, is hurting brick and mortar retail,” Svitko emphasized. “And in fact, we know it’s the opposite.”

RETAIL REWARDS

Despite what the retail industry often fears, retail sales in Pennsylvania have also increased – from \$4.2 billion in fiscal 2018 to \$5.3 billion in fiscal 2021, a 26.2% increase. Retailer commissions have increased from \$224.2 million in fiscal 2018 to \$306.7 million in fiscal 2021 – a whopping 36.8% increase. Yet the overall commission rate last year, 5.8%, is still on par with the average



of lotteries across the country.

What delivered the extra revenue to retailers, in addition to the increased attention to lottery in general directly due to iLottery, is a robust retailer incentive program implemented at the time iLottery was first introduced. “We didn’t want to increase the base commission [5.0%] because there’s no link between the commission rate a lottery pays its retailers and the performance of that lottery,” explained Svitko. “So instead, we built in an incentive program. If retailers help us hit our sales goals, they deserve to make more money.”

The 2017 legislation included a requirement that the Lottery spends 0.5% of annual sales on a retail incentive program. In a nutshell, if an individual retailer surpasses the Lottery’s overall growth each quarter, they get the bonus incentive. The better they do, the more they receive – retailers can earn up to 6.5% in total commissions.

The Lottery sales team is dedicated to helping retailers earn those incentives, from tips on the basics of retailing to participation in special promotions and offers. Eric Grubbs, Deputy Executive Director, Sales and Retail Operations, has been at the Lottery for 33 years, and remembers the first time more than one instant game was offered for sale at a given time. “From that day forward, what we’ve been trying to do is change retailer behavior on how they think about our product.” It started with just taking lottery games off the back wall and out from under the counter, and now includes a whole suite of best practices beyond ticket placement. These include creating a

lottery destination area that might offer dedicated space to scratch tickets and showcase winner awareness. “We’re so sure that will result in higher sales that we even pay them a cash incentive to do that,” explained Grubbs.

Then it’s up to the Lottery’s marketing and product team to find engaging promotions that keep the retailers actively promoting the products. There may be special games that offer extra commissions or other types of incentives. “What it all comes down to is asking for the sale and knowing your products,” he added.

Elsewhere on the retail front, the Lottery is in talks with retail and industry partners to develop in-lane solutions that integrate lottery into the retailers’ point-of-sale registers. The ultimate goal for any lottery is to expand the points of distribution, and for Pennsylvania it goes back to CRUMmy – making it both convenient and relevant for retailers to sell and players to play. However, with a new gaming system coming in October, that is where the immediate focus lies. In the meantime, developments in other states are being monitored. “We have been willing to sit on the sidelines and wait for the data to roll in and help us figure out where the opportunities are,” said Svitko.

BRAND STRENGTH

The omnichannel approach is also a way to capitalize on the strength of the Lottery’s retail network and brand, especially in a jurisdiction that has a plethora of gaming and entertainment options. “We’ve been around for 50 years and the Pennsylvania Lottery is a highly recognizable, trusted brand where profits go to a good cause, so we lean into that with our marketing wherever we can,” said Weyant. “With CRUMmy, it’s meeting players where they are, meeting their expectations to be available

“...if we don’t stay top of mind, sales will erode.”

- Drew Svitko

whenever and wherever they seek entertainment opportunities.”

In any market, even strong brands with a compelling beneficiary story need to stay top of mind. “The more crowded the entertainment and gaming options are in a given state, the harder we have to work,” said Svitko. And that sometimes means spending more money to maintain top-of-mind awareness, so consumers hear messages at home, on the road, and in the store. He noted that there’s a reason why Pepsi and Coca-Cola are constantly advertising, even though everyone knows the products and their value proposition. “They still have to remind people to buy, because there are a lot of other options out there. It’s so critical – if we don’t stay top of mind, sales will erode.”

It becomes even more important given the good causes that depend on lottery sales, in Pennsylvania’s case the senior programs that are so critical. “Our stakeholders understand that we’re doing good things for an audience of folks that really needs it. We get a lot of support for that.”

For its 50th anniversary, the Pennsylvania Lottery launched a new brand campaign called “Lottery Love.” It celebrates the Lottery from the players’ unique points of view. Underlying the multifaceted campaign are social media influencers (#MyLotteryLove) and other paid placements on Facebook, Instagram and Snapchat. A special Facebook Live drawing was held on March 7, giving followers an inside look at Lottery history and a chance to win \$500 cash, Big 50 promotional scratch-off tickets, and commemorative 50th anniversary logo merchandise.

The same hashtag will be used for a photo booth at sporting events throughout the year, with similar events on a smaller scale at selected retail locations. Out-of-home marketing support for the Lottery Love campaign includes permanent and digital boards, with digital messaging to reach players in relevant environments such as bars, casual dining, salons, gyms and ride shares, for a total of 3,500 screens across the state.

There is also an increased presence on over-the-top and online video, utilizing premium, high impact units such as homepage takeover skins, first impression takeover skins and full-screen mobile units to create memorable ads.

Weyant noted that a lot of the Lottery’s typical marketing and advertising is product focused, but the time was right to roll out this comprehensive new brand campaign. “In a competitive market it’s all about embracing the Lottery’s brand personality and what it stands for.”

THROUGH THE PANDEMIC

Hopefully some of the planned events won’t be disrupted by new COVID-19 developments, but if they are, you can bet that the Pennsylvania Lottery will adapt. After all, like other lotteries (and businesses in general), they’ve altered policies and procedures both internally and in public-facing activities.

Pennsylvania had some advantages when the world changed in March 2020. Not only did the Lottery have online sales options, but it was already exploring telework options for certain employees. Both were instrumental in helping the Lottery make a smooth transition when almost everyone had to work from home.

Teleworking certainly didn’t hurt the lottery business, and employees



enjoyed the effective pay raise by not having to drive to work (saving both time and gas) or pay for parking and even dry cleaning. “Employees were in general happier with the whole package,” noted Svitko. “In that regard, telework has been a huge success for us, and is something we certainly intend to keep around.”

He added that with current staffing levels, increased to accommodate a growing business, there’s no way the entire staff could even fit into the office building at one time. The plan is to keep the current model in place, with face-to-face engagements as necessary. The small loss in direct interaction from continued telework is more than offset by the gains in productivity by happy employees. Having that option is also a factor in recruiting talented new employees – worker expectations have changed due to the pandemic and they often insist on teleworking.

“For us, we’re always about the business case,” said Svitko. “If we know absolutely it’s not in the best interests of the business, then we can change plans. But right now, it sure seems like it hasn’t hurt us, and I would argue that it has helped us pretty dramatically.”

KEEPING THE MOMENTUM

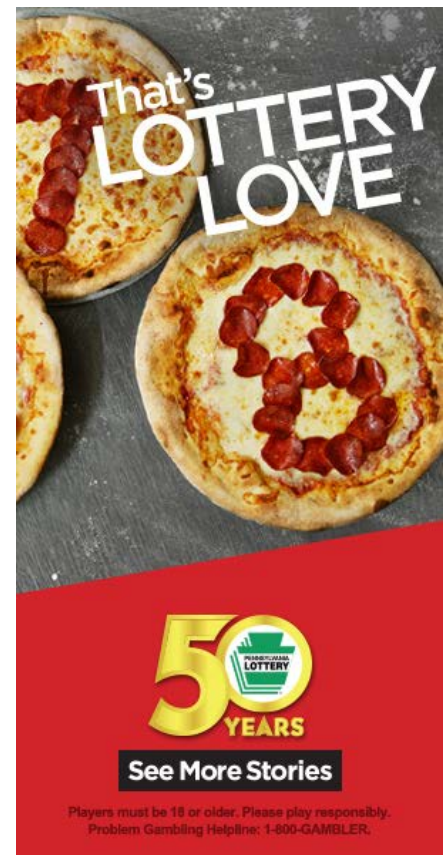
Expectations about all sorts of things have changed, and Pennsylvania’s CRUMmy philosophy is right on pace. Convenient for both players and retailers, relevant

products delivered in a relevant way, ubiquitous by being everywhere it matters, and modern through a number of new initiatives.

“We are in the process of modernizing every part of our business,” explained Svitko, noting that there will be upgrades not only in the gaming system, but in the back office system as well. Importantly, all the older retail equipment will be replaced. Gone will be more than 4,500 old ITVMs; in their place will be modern, connected units offering all products and cashless payments. That alone provides 4,500 new points of sale for draw games.

Grubbs added that most of the new lottery terminals will have dual communications ability, so that if one network goes down, they switch seamlessly to another. There will also be a refresh on jackpot signs, with brighter and more robust LEDs that will adjust to ambient lighting conditions, and possibly smaller, more strategically placed signs as well. And with the new system’s data reporting capabilities, the Lottery team will be able to measure results from all these initiatives and more. Retailers should also appreciate the upcoming transition to paperless licensing, and if it looks like a feasible option, players may be able to cash some of their winning tickets through the Lottery’s app.

All these things are what Svitko calls “blocking and tackling” – taking the basics of the lottery business and making sure they are perfectly



executed, sometimes just tweaking the little things. “We all tend to focus on the big \$100 million ideas, and there aren’t that many \$100 million ideas. But there are a hundred thousand \$1,000 ideas. New tools, more data, more actionable information about our business – it’s exciting as a concept, and it’s going to be incredibly exciting when it comes to fruition, and will absolutely propel us to succeed in the years to come.” ■



Fifty Years of Mass Power

Players and retailers have embraced the Massachusetts State Lottery like few others in the industry, and unique operational decisions have made it a star.

By Patricia McQueen

Every lottery has a great story to tell. The Massachusetts State Lottery has 351 of them.

That's how many cities and towns there are across the Commonwealth, each getting a piece of the more than \$1 billion in profits now being generated by the Lottery each year from a population base of under seven million. That mission to provide unrestricted local aid has been a constant since the first ticket was sold on March 22, 1972. The sixth-in-the-nation lottery was huge news back then, and seven people each won \$50,000 when the first drawing was held 15 days later.

Since then, the Mass Lottery has generated more than \$137 billion in sales, awarded over \$96 billion in prizes, returned over \$29 billion in net profit for local aid, and paid over \$7.8 billion in commissions and bonuses to its statewide network of retailers.

"The Lottery was created to make sure that there was a source of unrestricted local aid for every single community in the state of Massachusetts, and that's exactly what it's achieved, over and over and over," said State Treasurer Deborah B. Goldberg, the chair of the Massachusetts State Lottery Commission who takes an active interest in Lottery operations. She knows exactly what that local aid means, since before taking office in January 2015, she served for six years as an elected official in the town of Brookline, just outside of Boston. "I know how important the Lottery's distributions were to me then, and how important they continue to be for every community to help fill needs that are unmet but that are so important to everyday lives."

Those needs are often unprecedented and unplanned-for, like snow removal after record snowfall seasons (such as the winter of 2014/2015 when 110 inches fell in Boston) and costs related to COVID-19, and the Lottery has been carrying out its

mission for 50 years. "I think that has aided not only the acceptance of the Massachusetts State Lottery but also the desire for continuity."

There certainly has been acceptance. In fiscal 2021, the Mass Lottery was the sixth largest North American lottery by traditional sales, which exceeded \$5.8 billion. With its relatively small population base, it continues to be the North American lottery leader in per capita sales (more than \$800 in fiscal 2021), in front of others by a country mile. It's still the leader in the average prize payout percentage across all traditional games (73.6% in fiscal 2021), but the gap to second is much narrower. There's no coincidence between the two metrics – players know they have a decent chance to win!

Excellence in Games

Mass Lottery has always been known for its instant games. After all, it was in Massachusetts that the revolutionary new product was introduced to the industry in 1974. While industry-high payouts certainly are an important factor to their success in the state, there are other reasons players flock to them. There is a tremendous visual appeal, explained Goldberg, with attractive colors and shiny foils. They are user-friendly and easy to understand. "I think our in-house marketing team really gets it. Many of them have been around for a long time, and they really understand what our players are interested in."

It helps that the retailers also understand the product and realize the power of the Lottery's brand. They give the tickets premium shelf space because they know the tickets will sell.

Compared to many other lotteries, Massachusetts releases relatively few new instant games per year – an average of 28 to 35 games. To provide great value propositions, they typically stay on the market for a longer

Draw host Tom Bergeron in the mid-1980s.



The very first instant lottery ticket.

Massachusetts Lottery at a Glance

Sales							
	Instant	Pull-Tabs	Draw Games	Monitor Games	Total	Total Prizes	Net Profit
FY21	\$4,030,034,000	\$325,000	\$726,081,000	\$1,064,210,000	\$5,820,650,000	\$4,283,225,000	\$1,112,576,000
FY20	3,645,739,000	508,000	612,213,000	986,125,000	5,244,585,000	3,865,966,000	986,851,000
FY19	3,673,903,000	602,000	752,008,000	1,063,854,000	5,490,367,000	3,987,258,000	1,104,220,000
FY18	3,592,661,000	686,000	677,078,000	1,006,473,000	5,276,898,000	3,891,554,000	997,057,000
FY17	3,517,783,000	748,000	632,645,000	933,603,000	5,084,779,000	3,669,653,000	1,039,697,000

Current games:

Instant tickets: Approximately 28-35 new games launched annually; \$1, \$2, \$5, \$10, \$20 and \$30

Pull Tabs: Sold primarily in Mass Lottery licensed pouring establishments such as bars, taverns and fraternal organizations.

Terminal games: Mega Millions, Powerball, Megabucks Doubler, Mass Cash, Lucky for Life, The Numbers Game, Keno, All or Nothing (monitor)

Vital statistics:

Number of employees: 370

Number of licensed retailers: 7,292

Self-service equipment: 718 ITVMs and 571 player-activated terminals



period of time. Some players actually look for older games they've enjoyed before, but if a game needs a sales boost, the Lottery might add specific incentives in order to push it along.

Goldberg, a sports fan, also pointed out that Massachusetts was the first lottery to offer instant games featuring MLB and NFL logos, with a Boston Red Sox instant ticket first introduced in 2006 and a New England Patriots game beginning in 2009. "Certainly for Massachusetts fans, those are extremely appealing tickets. Rumor has it that I may even be throwing out a first pitch this year."

In March, the Lottery introduced its first oversized ticket, the \$10 game \$50,000 Jumbo Bucks. While it's not a 50th anniversary game, it's easy to make the connection. After all, the top prize is \$50,000 and all winning tickets have prizes of at least \$50. The game offers the best odds of winning \$50 of any instant game in the Lottery's history. Launched March 18, it has been an instant success, with over \$2.5 million in sales in the first two days and \$13.96

million in sales in the first full week on the market, the highest single-week total of any Mass Lottery instant game in the 2022 fiscal year that commenced last July 1.

While the lottery is known for its colorful paper products, Keno is another big success story in Massachusetts. It was one of the first seven American lotteries to launch the fast-draw game within a two-year period in the early 1990s, introducing it to players in September 1993. In fiscal 2021, Keno brought in nearly \$1.1 billion, which is almost a quarter of the total Keno sales generated by the 22 U.S. lotteries that offer it, and almost half a billion more than each of the next three lotteries in the game category. "Keno is an extremely sought-after and profitable product," said Goldberg.

With that success, it's not surprising that it has been challenging to find a second monitor game that consistently performs in the shadow of Keno itself. Several have been tried, usually with initial success but quickly fizzling out. The current model is All or Nothing,



which did well when it was first introduced in 2016 but started declining. “People just want to play Keno,” said Goldberg. That said, there’s a sense that there needs to be something between each Keno game, drawn every four minutes. “An empty screen is not interesting and even a small amount of revenue is net new revenue.”

She thinks the Lottery’s new monitor game, set to launch this fall, will be attractive to players because it is familiar and easy to play – the two things that will develop consumer interest. Several concepts were tested and considered, and the new game under development is a roulette-style game that tested well in both quantitative and qualitative research. The Lottery’s internal team is creating and programming the mechanics and is working with a boutique vendor to design and build the customer-facing game animations.

The rest of the Lottery’s game portfolio is dominated by the Numbers Game, which pays

pari-mutuel prizes based on a 63% payout; players can choose up to four numbers and drawings are held twice daily. In fiscal 2021, Numbers Game sales accounted for half of the Lottery’s regular draw games sales, which also include Mega Millions, Powerball, Megabucks Doubler, Mass Cash and Lucky for Life. Combined, these six products accounted for 12.5% of total sales. As an original member of the Mega Millions group, the Mass Lottery does exceptionally well with that game, but of course sales are highly dependent on jackpots.

“I always look at the big national games as gravy, as opposed to our core business,” said Goldberg. “We are not reliant on them. That said, we find that our instant ticket sales go through the roof when the two national game jackpots are flying.” She added that it was a lot of fun when Massachusetts had a \$758.7 million Powerball winner in 2017, which was the largest single lottery prize in

history at the time. “The state tax revenues generated by that were terrific, and it generated a lot more interest around the state in those games.”

The Community Connection

With revenue going to cities and towns, the Lottery takes advantage of opportunities to celebrate that local connection. Historically there have been visits to cities and towns across the Commonwealth, showcasing the impact of lottery revenue at the grassroots level.

For its 2019 “State of Winning” campaign, the Lottery and its agency partner built a unique structure in a well-trafficked area of Boston – a scale model of the state including the exact shape and topography. Constructed with boxes and simulated \$20, \$50 and \$100 bills, it showed exactly what a billion dollars would look like. The model of the Bay State was 40 feet in length, 26 feet in width and 8 feet tall at its highest point.



\$30 billion to communities since 1972



A corresponding digital experience allowed passers-by to learn how much their own community receives from the Lottery. It was only in place for one day, designed to generate immediate reactions, and was a clever way to showcase what the Lottery is all about.

And then there's combining community with sports. As noted, the Lottery is a pioneer in working with major league sports teams for games and promotions, but the connection goes well beyond those offers. "The Mass Lottery has been able to position our brand and promote our mission through strategic partnerships with the state's iconic sports franchises," said Interim Executive Director Mark William Bracken. "In addition to having offered instant tickets that appeal to the teams' passionate fan bases, we have developed long-running programs that honor individuals for serving their communities during in-game presentations. We have utilized this model to establish partnerships with minor league teams and the University of Massachusetts, with the common theme of recognizing people who are making a difference in their communities, reflective of our own mission of supporting cities and towns."

That community connection was also a big reason why in 2005, the Lottery and the Boston Red Sox partnered to take the 2004 World Series trophy (the team's first world championship since 1918!) to every single one of the 351 cities and towns over a six-month period.

And it's why during this 50th anniversary year, there will be events and promotions held across the state. The plan is to conduct most of them outside through the spring and summer, given the still-uncertain environment due to the pandemic. "We really want to show our appreciation for our customers, our retailers and our local communities," said Goldberg. She added that it's also an opportunity to honor the Lottery's dedicated employees, many of whom have been at the Lottery for decades. "There is such a level of pride, passion and commitment from our employees."

In-House Talents

Those employees are what makes the Mass Lottery so self-reliant in many areas. Importantly, the Lottery stands alone among American lotteries in owning and operating its own gaming system. That is a big part of the reason that it can keep its administrative expenses extraordinarily low – just 1.7% of sales in fiscal 2021. That year, prizes accounted for 73.6% and retailer compensation was 5.7%, leaving 19%, or \$1.1 billion, as the return to cities and towns.

"Our operating costs are quite low because we do so much in-house," explained Goldberg. "We don't pay big outside firms to develop strategies for us. There's a lot of commitment and passion internally, and I do think it is driven by historically meeting the mission."

The Lottery certainly gets its money's worth out of technology. Until

new terminals started rolling out in 2018 (and connected to a state-of-the-art gaming system the next year), still in use were 20-year-old big blue terminals that were held together by "chewing gum and masking tape." Goldberg was only partly exaggerating. "I used to call the techs that took care of those machines 'MacGyvers' – they really did a good job. Our retailers were very skilled at selling tickets through those old machines, but it was time to convert."

Of course, there had to be capital provided to pay for the new equipment, and the Treasurer made the case to the legislature that the new system and terminals would allow much-needed modernization to enable new features and ensure future profitability. Still, many long-time retailers had grown quite fond of their old machines and expressed unusual sentiment before losing them. That's another indication of the passionate embrace of the Mass Lottery by all parties involved.

Technology isn't the only talent delivered by the Lottery's own team. As one example of all the "inside creativity" she is so proud of, Goldberg cited the Lucky Dog instant ticket, which featured different dog breeds along with the names of dogs owned by Lottery and Treasury employees. To promote the game, the employees' dogs visited Lottery headquarters for a photo shoot, and videos were produced to create an interactive online dog show that allowed the public to vote for their favorite dog. By participating in the voting, the



public had a chance to win cash prizes. “I don’t want to tell you how fast the dog tickets sold out.”

What helped make that and so many other things possible are in-house production capabilities. “To complement our traditional advertising, we’ve assembled our own internal video production team and invested in state-of-the-art equipment,” noted Chief Marketing Officer Ed Farley. “In addition to enhancing the presentation of our daily drawings, the team is creating engaging video content to support product launches and promotions on our social media platforms.”

That in-house production can go a long way in this age of not only social media, but digital and mobile advertising as well. Those are areas where the Mass Lottery has been expanding in recent years.

Future Paths

The digital world is what could shape the Lottery’s future and ensure that the 351 cities and

towns keep receiving critical funds in the wake of societal changes, climate concerns and whatever will surely be the next “unprecedented” development.

Last year’s introduction of mobile cashing was a watershed moment for the Lottery in this regard, allowing players to have winnings from \$601 to \$5,000 deposited directly into their bank accounts. As of the end of March, there have been nearly 15,000 mobile claims processed since the full rollout of the service last September. With the high cost of gas these days, not having to drive to a regional claim center is a very tangible benefit for players over and above the environmental benefits.

All these recent activities put the Mass Lottery in a good position going forward. “With significant modernization over the last several years, including a new gaming system, new terminals at all of our retail agents, a responsive mobile-optimized website and an interactive mobile app, we’ve provided our sales and marketing teams with some powerful tools to

expand promotional offerings and make informed decisions based on data analytics,” said Bracken.

However, the eye is still on the prize – iLottery. “I feel that we’ve done very well even in an increasingly competitive environment, but we really could use another tool in the toolbox,” said Goldberg. She has been trying to convince the legislature – and retailers – that iLottery can take the strong brand and unwavering support of players to the next level. Neighbors New Hampshire and Rhode Island have already gone in that direction, and Connecticut will be online soon. Data has been provided to convince retailers that retail sales have increased in every jurisdiction where iLottery has been launched, and that there are related programs that will drive more foot traffic into their stores.

“We’ll continue to do everything we can and seize every opportunity we have, but I feel the last step in modernizing is to generate sales through iLottery. If the legislature makes that decision, just watch us roll!” ■



Celebration

2022

Baby, it's Cold outside!

Warm up with a **\$5,000 Top Prize!**

Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win PRIZE shown. Reveal a "M" symbol, win \$25 automatically!

YOUR NUMBERS

OS LOT

1 MILLION

T 5 X 1000 000

31 X 25 000

X SCAPADE

UN TIRAGE PAR JOU

Du 1^{er} au 31 décembre

GEORGIA LOTTERY

DOUBLE

Scratch the entire page matching SYMBOLS in any horizontal line and win the corresponding PRIZE.

Prize

Merry Money MULTIPLIER

YOUR NUMBERS

\$30,000!

BONUS \$20

BONUS \$50

COLORADO LOTTERY

MICHIGAN LOTTERY

WIN UP TO **\$300,000**

HOLIDAY

LOTTERY TENNESSEE

Amazing and Bright

WINNING NUMBERS, win PRIZE shown. Get a "M" symbol, win \$50.

\$100,000

Lotería Electrónica

Si alguno de TUS NUMEROS coincide con alguno de los NUMEROS CAMBIADOS, ganas el premio indicado. Si encuentras un signo, ganas el premio para este signo.

NUMEROS GANADORES

FESTIVE \$500

GEORGIA LOTTERY

Check and Sign

UP TO **\$100,000!**

Holly-Day PAYOUT!

COLORADO LOTTERY

PRIZE PRIZE PRIZE PRIZE PRIZE

DECK the HALLS

the game!

\$50

HOLIDAY

WIN UP TO **\$200,000**

NEW HAMPSHIRE LOTTERY

FROM: HOOSIER LOTTERY

Holiday CHEER

YOUR NUMBERS

WIN UP TO **\$125,000**

TREASURE TREES

UP TO **\$1 MILLION**

Amazing and Bright

WINNING NUMBERS, win PRIZE shown. Get a "M" symbol, win \$25.

TRISTATE MEGABUCKS

NEW HAMPSHIRE

SOLD ON 09/26

POWERBALL

NEW HAMPSHIRE

SOLD ON 09/23

POWER PLAY

Retailer

23	24	35	6
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POWER PLAY - NO FOR 1 DRAW - Wed

nhlottery.com

NATIONAL LAMPON'S CHRISTMAS VACATION

WIN UP TO **\$10,000**

Pepper

'T WAS A VERY MERRY SEASON

Most lotteries depend on the holiday season for a good percentage of their annual instant ticket sales, so it's no wonder that so much work goes into the planning and implementation of the games, promotions and advertising campaigns that are on display during the last two months of the calendar year. After a more reserved – but incredibly successful – holiday 2020 season, it was full steam ahead for 2021.

For the 2021 holiday season, North American lotteries reported offering a total of 247 holiday games (including seasonal games in some jurisdictions), six more than the previous year. Gaining significant ground were \$20 games, offered by 20 lotteries and up from 15 the year before. Atlantic Lottery added a \$25 game, actually a pack containing five separate games, with every pack having a guaranteed winner inside. Western Canada Lottery Corp. continues to be the only lottery offering a \$30 holiday game. While lotteries have dabbled in or embraced \$30

and \$50 games in general, those price points haven't taken hold in the holiday portfolios. That's likely only a matter of time!

The \$15 price point is rare, historically limited to the Wisconsin Lottery's very successful product, but Loto-Québec upped the ante on its popular Advent Calendar, enlarging and enhancing the ticket and going to \$15 from its previous \$10 price.

All but 14 lotteries across North America offered \$10 holiday games, for a total of 41 games in the market – up two from the previous season. British Columbia Lottery Corp., Ontario Lottery and Gaming, and lotteries in Illinois, Iowa and Ohio each had two games at the price point.

There were three more \$5 games offered in holiday 2021, putting that price point back at the head of the pack in terms of number of games (54) for the season. WCLC remains the only lottery offering a \$4 holiday game, and across the industry the number of \$3 games dropped by six

from the year before, from 32 to 26.

At the lowest price points, the number of \$1 and \$2 games remained unchanged across North America, with 53 and 48, respectively. For the most part, these price points are still considered important for the holiday gift-giving season. All U.S. lotteries still offer \$1 holiday games, but in Canada, Atlantic Lottery and Ontario Lottery and Gaming have dropped that price point for their holiday lineups.

Gift packs containing multiple tickets are still a staple in Canada, with four of the five Canadian lotteries offering these packs, albeit with different strategies. The packs offered by Atlantic Lottery (\$25 as noted, also including a free \$2 promo code) and WCLC (\$20 for 10 tickets) each have a guaranteed winner. The \$20 BCLC Holiday Gift Pack (with nine games) has great odds of 1 in 2, while OLG's \$10 Gift Pack has regular odds for the price point, but includes a \$2 voucher for a free ticket.

Families of games are popular throughout the year with many



lotteries, providing easy ways to market and promote games at different price points. For the holidays, there seems to be an emerging trend that it's best to not go to the family well too often, and it might be good to alternate families from year to year, or inject them every few years.

Seven lotteries offered families as some or all of their holiday offering, down from 10 the previous season. Those using primarily families were Florida (Holiday Winnings), Kansas (The Perfect Gift), Maine (Holiday Fun), and New Hampshire (Holiday Frenzy, with a non-holiday pulse). Those with some family games were Georgia (\$10 Holiday Silver 50X the Money and \$20 Holiday Gold 100X the Money), Iowa (four Holiday Crossword games) and Massachusetts (three Winter Winnings games).

Other lotteries have family-type offerings, using similar names and styles, but with different imagery. For

example, the Connecticut Lottery's holiday games included Holiday Bonus, Holiday Cash and Holiday Winnings, while three of Hoosier Lottery's five games were Holiday Cheer, Holiday Cash and Holiday Bonus.

The Iowa Lottery continues to lead the way in terms of number of holiday games offered during the season, with 13 on the market. BCLC and WCLC offered 11 games each, while Ohio introduced 10 games.

Of the lotteries responding, five offered holiday season raffles – Idaho, Minnesota, New Jersey, Virginia and Wisconsin. New Jersey brought back its raffle after an absence of several years.

For this year's review, we added two new questions. One applied only to those lotteries offering instant games through their iLottery program (not including games on a broader iGaming platform, such as those in Canada) – we asked about instant strategies and life





cycles, along with cross-promotion efforts, if applicable.

The second question drew a variety of interesting responses. We asked lotteries if they adjust their holiday prize structures compared to non-holiday games. Many don't change a thing, for very valid reasons. "Our holiday games often attract new and casual players, and we want to ensure their playing experience will be similar to other games in market that they may also purchase," explained the California Lottery.

On the flip side, many lotteries take the holidays as an opportunity to create more positive experiences for those new and casual players. They might keep the top prizes in some games below the retail cashing threshold so that gift recipients have an easy time cashing any winnings. They might bump up the payout percentage by just a bit, or reduce the big top prize that might be standard on a non-holiday game to create more mid-tier prizes for more overall excitement.

It should be noted that in addition to the specific holiday advertising and promotions mentioned by lotteries, all eligible lotteries included the Gift Responsibly campaign among their 2021 initiatives.



On the following pages you will find insights into lotteries' holiday offerings – be sure to read all the great ideas that you might be able to adapt to your lottery next season! As always, we thank the lotteries who have shared their experiences and how they will use what they learned to guide them in 2022. Their edited responses follow, as compiled in late February. For reference, images and details for all of the games may be found in the holiday ticket gallery in the [November/December 2021 issue](#) of *Insights*.

Arizona Lottery

Arizona's holiday lineup included six games: one each at \$1, \$2, \$3, \$5, \$10 and \$20.

Most successful game(s):

For 2021, the entire holiday line was successful as nearly every price point saw an increase in sales over 2020. The most successful tickets were \$5 Peppermint Payout and \$20 50X Cash. Peppermint Payout was an experiment for 2021 as we had previously not offered a holiday extended play ticket at this price point, but it ended up being a huge hit with a 15% increase over the previous year. To elongate the life cycle of our \$20 holiday ticket, we strategically pulsed our 50X Cash ticket art to align with the holidays. Then when the holiday pulse sold through, the \$20 ticket was still able to be sold in market with a fresh new look for the new year. This allowed us to order a normal quantity of tickets at the \$20 price point, but still celebrate the holiday season at most of our standard price points. It also allowed us to increase the sales for this price point and prevented excessive waste of product.

Launch and end dates:

We traditionally launch our holiday games the first Tuesday of October and end them in mid-January. Despite the official game ending occurring in January, we start to remove the games from market the last week of December to help retailers stock our January family of games more quickly.

General holiday strategies:

We attempt to offer a healthy balance of new and traditional themes in order to attract new players while also providing fan favorites. For the third year in a row we offered a \$10 Advent calendar style game called 25 Days of Winning, and sales continue to increase each year. Instead of offering a standard key number match game at \$5, we decided on a different strategy this year by offering an extended play

game, Peppermint Payout. As noted, it was a huge success. We hosted a holiday-specific promotion on our Players Club where we gave away \$400,000 in additional prizes.

Holiday prize structures, if different from typical games:

At the \$1 price point, we reduce the top prize from \$1,000 to \$500 and increase the number of churn prizes. Knowing that the \$1 is frequently gifted, we want to provide as many winning experiences as possible in order to give players a positive experience (as it may be their first time scratching a lottery ticket).

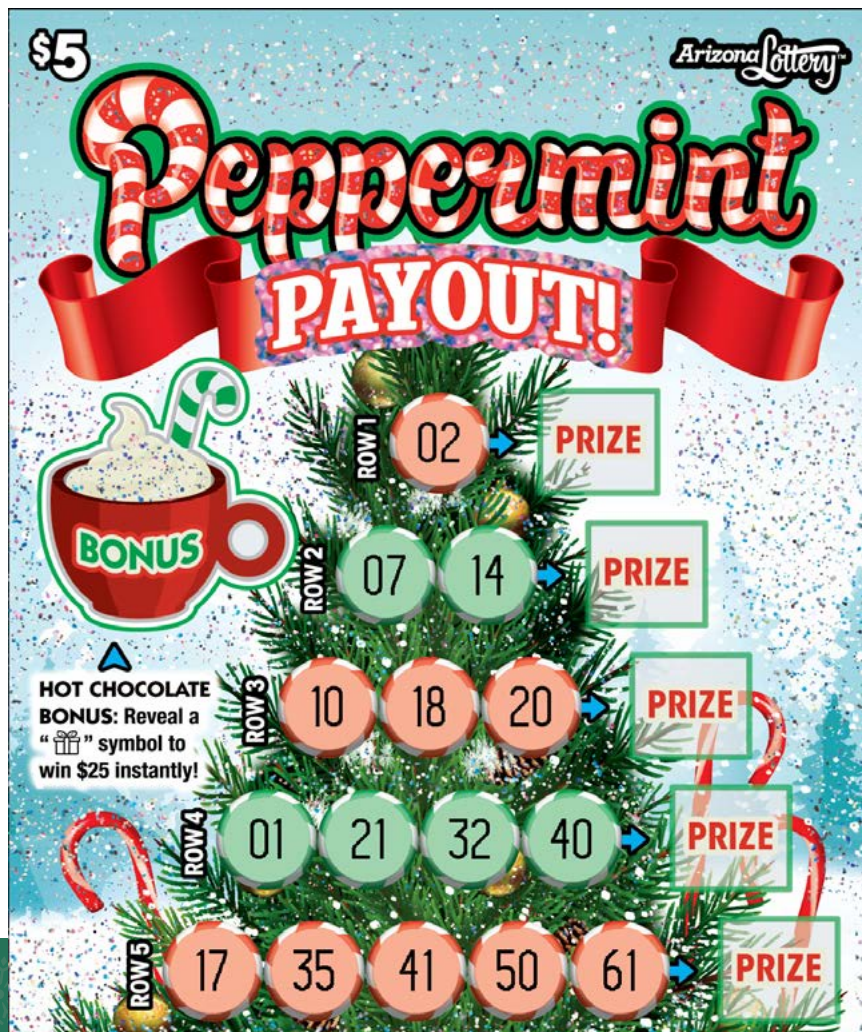
Other holiday games, promotions or activities:

We always find it beneficial to launch an accompanying Fast Play game when we launch a group of themed tickets. This year, we had a \$2 Fa-la-la Llama Fast Play ticket to complement our six holiday instant

games. This strategy allows us to bring awareness to two different product lines with one advertising campaign. We also offered our annual Holiday Livestream, benefiting Local First Arizona, at a local bar/music venue; it featured local musicians, magicians and more.

Major lessons learned in 2021:

We will likely continue to launch a \$20 ticket with pulsed ticket art that transitions with the new year. Also, while we always offered a \$3 holiday-themed crossword, we learned that players were also interested in additional extended play options at the \$5 price point. We will continue to explore additional fun opportunities at that price point and potentially use it to test new features. Unfortunately, the \$2 Fa-la-la Llama Fast Play ticket underperformed compared to previous years and we will likely offer a more traditional theme for 2022.





Arkansas Scholarship Lottery

Arkansas' holiday lineup included one game at \$1, called Holiday Luck.

Launch and end dates:

We launch our holiday game in November with a lower inventory, with a goal that it is 100% distributed by the end of February. We try to start the end of game process as early in the spring as possible.

Major lessons learned in 2021:

We plan to continue launching a \$1 holiday instant ticket. We will evaluate other price points in the future.

Atlantic Lottery

Atlantic's holiday lineup included three games: one each at \$5, \$10 and \$25.

Most successful game(s):

Our most successful ticket was \$25 Holiday Pack. The sell-through of this game was higher than 90% and overall sales exceeded our target and expectations.

Launch and end dates:

We launched on October 16, which is consistent with previous years. We normally buy back the product in February or March.

General holiday strategies:

Atlantic Lottery doesn't launch too many holiday tickets, due to the limited time in market. We normally launch \$5, \$10 and \$20 or \$25 games. The campaign and all of our media and in-store support focused on the \$25 Holiday Pack and the fact it offered a guaranteed winner in every pack. We tried to own retail with holiday point-of-sale and digital signage that featured the pack. We had Facebook and Instagram display and video, programmatic display and video as well as YouTube video. For traditional media we had digital billboards and a radio campaign. We also used our owned assets such as alc.ca, 2Chance, email and social media.



Holiday prize structures, if different from typical games:

During the holiday season, we typically offer a pack (such as the Holiday Pack) that includes a guaranteed winner in every pack. For other games, the prize structures may change slightly to ensure that more players win on these tickets, meaning the odds of winning are usually better than other similar games.

Other holiday games, promotions or activities:

For the second holiday season in a row, Atlantic Lottery ran the December to Remember promotion through our online channels. Each day, online account holders could scratch the box on the digital calendar to reveal the offer of the day. These included 2Chance bonus entries,

promo cash for play through their online accounts, prizes and contests and entries to a grand prize draw. As in the first year, December to Remember was a strong driver of both sales and online account acquisition during the holiday season.

Major lessons learned in 2021:

This was the first time Atlantic Lottery launched a \$25 pack and due to its success, we will do so again next year. Of note, this was also a new price point for Atlantic Lottery and it worked well.

British Columbia Lottery Corp.

BCLC's holiday lineup included 11 games: two each at \$1, \$2, \$3, \$5 and \$10, plus one at \$20.

Most successful game(s):

BCLC's 2021 holiday Scratch & Win season was successful, with six of 11 holiday tickets selling out before Christmas (both of the \$3 and \$5 games, one of the \$10 games and the \$20 game). We added a new \$10 regional holiday ticket to the lineup in 2021 and it was a sellout success. The \$10 Treasure Tree was a die-cut ticket in the shape of a Christmas tree. Sold flat, once ready players could build a tree by making three folds and tucking the folds into slits on the ticket to form a festive 3D Christmas tree. Pollard's die-cut innovation allowed BCLC to provide a unique ticket that was both fun to play and aesthetically pleasing. It was the first holiday ticket to sell out after being in the market for only four weeks.

Launch and end dates:

In 2021, we launched our holiday tickets in two waves. The first five tickets (the \$20, both \$5 games and one each of the \$3 and \$10 games) were launched October 12 after the Canadian Thanksgiving weekend, and the remaining six on October 25. All tickets were in market until December 31.

General holiday strategies:

BCLC's approach to holiday games is to create tickets that appeal to a broad range of players through varying ticket designs and price points. For each price point there are two tickets: One that incorporates classic Christmas color palettes and designs, such as the \$2 Gifts of Gold, and a second that is more modern and whimsical, like the \$2 Happy Pawlidays, which featured PAWesome animals in Santa hats. BCLC also created a \$1 Gingerbread Doubler, which smelled like cinnamon when scratched.

Every year we offer a popular digital second-chance contest called Tech the Halls, advertised on all holiday tickets. Players scratch off a code from any BCLC holiday ticket to enter a dedicated contest website for a chance to win more prizes. For the 10th Anniversary Edition of Tech the Halls, we added even more prizing opportunities with a digital 12 Days of Christmas Advent Calendar, beginning on December 25. Players returned to the site daily for 12 days to scratch the Advent Calendar for special bonuses and more chances to win. This allowed them to continue the fun and kept them engaged and purchasing tickets even after Christmas wrapped up.

In terms of promotional support, BCLC provided retailers with point-of-sale (POS) materials, including store posters, banners and digital signage, to promote the Christmas Scratch & Win campaign. These materials were in market from the beginning of November to the end of December. Our media campaign ran during December and included digital/social ads, digital news placements, out-of-home billboards, traditional and digital radio and TV traffic tags. The creative for both POS and media focused primarily on gift-givers and secondarily on core players, with two separate messages and creatives. The first message focused on the ease of giving Scratch & Win tickets as gifts during the holiday season, while the second message drove Tech the Halls second-chance contest trial.

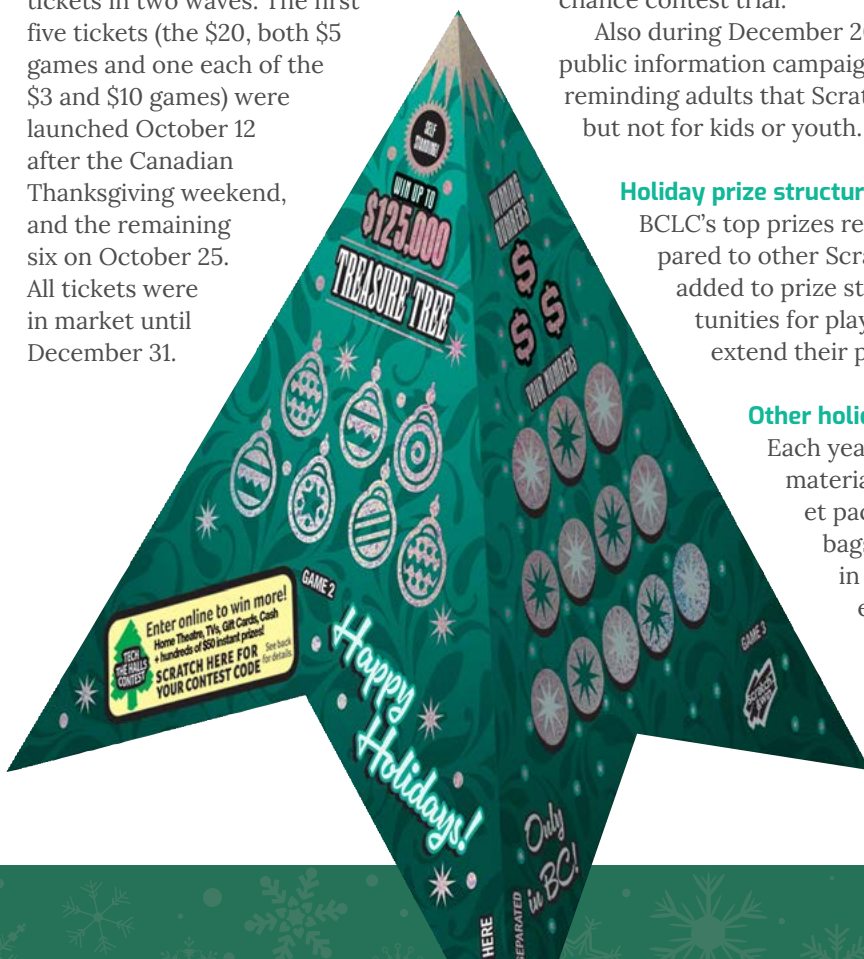
Also during December 2021, BCLC released its annual #GiftSmart public information campaign at more than 3,500 lottery retailers, reminding adults that Scratch & Win tickets make great gifts for adults, but not for kids or youth.

Holiday prize structures, if different from typical games:

BCLC's top prizes remain the same for holiday tickets as compared to other Scratch & Win tickets, but more free tickets are added to prize structures. It's fun for us to offer more opportunities for players who typically play only seasonally, and extend their play with more chances to win free tickets.

Other holiday games, promotions or activities:

Each year we provided lottery retailers with gifting materials so they could compile festive lottery ticket packages and sell them as bundles: cellophane bags, tags, ribbons and scratchers. This year, in a move towards being more mindful of our environmental impact, for select accounts BCLC instead created a premium holiday greeting card made of recycled paper that customers could get for free with the purchase of \$25 in Scratch & Win products. The high quality, festive



greeting card had convenient pockets inside to hold Scratch & Win tickets for fun gifting. Prior to the holiday season there was some concern that retailers would complain about not getting the items they received in the past; however, the approach resonated with retailers, who demonstrated creativity by offering their own festive ways of displaying holiday tickets and packages. As BCLC continues to define

itself as a social purpose organization, this approach is what we call a win-win: a win for our players and for our environment by creating less waste.

Major lessons learned in 2021:

BCLC learned to continue shaking things up and to keep innovating and exploring new approaches to offering holiday tickets. The holiday season is a great way to test and learn things

with less risk, given the tickets are in market for a shorter period of time. This year, the die-cut innovation was employed for one ticket and scented scratch for another ticket. Given the success of these tickets, it's clear there is an appetite among players for something different, and the BCLC team will continue to look for more innovative ticket designs and game play in the future.

California Lottery

California's holiday lineup included four games: one each at \$1, \$5, \$10 and \$20.

Most successful game(s):

The holiday 2021 season was a tremendous success for California, including the third highest Scratchers sales week in our history during the last week of December, when our weekly sales for instant games hit \$148 million. All four of our holiday games performed better than their 2020 counterparts. The \$10 Winter Bucks was a unique hit and outperformed expectations. Our \$10 holiday tickets typically feature more traditional holiday looks such as an ornamented tree or gift-wrapped package, but for 2021 we tested a new direction with Winter Bucks to introduce a modern feel and drive sales beyond the holiday season. This departure from our traditional ticket design paid off. The Winter Bucks ticket featured a modern design in two bright, non-traditional colors that stood out at retail and in our holiday marketing, while also offering a unique layout in the play area. The ticket showcased a modern illustration of a deer, which felt representative of both the winter season and the holidays. The game's first 12 weeks of sales were higher than our \$10 holiday games launched in both 2019 and 2020.

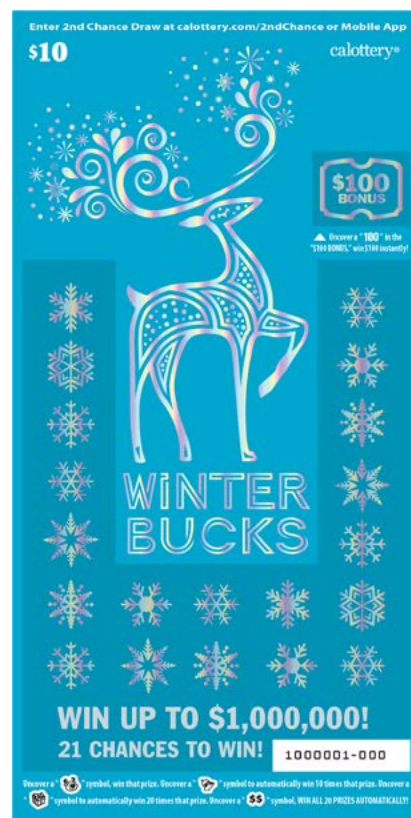
Launch and end dates:

Our 2021 holiday games were launched on October 25, reflecting a

continuing strategy to reach potential players during the holiday shopping season. In 2019, we shifted from a November release to better reflect the consumer marketplace, which begins preparing for the holidays immediately after Halloween. We have seen robust sales with this strategy, which creates multiple purchase spikes at launch, around specific holidays and into the new year. Any remaining holiday inventory is typically removed throughout the month of January; however, some games last for a longer period, such as our annual \$20 New Year's game. Our New Year's games have been extremely popular with players and continue to drive strong sales late into the spring and summer.

General holiday strategies:

Our 2021 holiday game strategy reflected a similar focus to the prior year, emphasizing warmth and cheer during the holiday season with our standard mix of price points: \$1, \$5, \$10 and \$20. The October release supports our continuing focus on the giftability of Scratchers during the holidays. We traditionally run a robust omnichannel marketing effort for the holidays and continued this approach in 2021. Holiday marketing went into full swing the week of Thanksgiving with an integrated campaign across consumer touchpoints to reach players at key moments in their path to purchase. The campaign included TV, radio, streaming video, streaming audio, out-of-home advertising, point-of-sale, digital marketing, social



media, influencer marketing, owned media promotion, and a holiday 2nd Chance triple bonus draw that offered monthly prizes in November, December and January in order to help drive purchase and play over multiple months.

Holiday marketing reflected and tied into a major new brand initiative for our instant game category, which began in September 2021. This initiative repositions the Scratchers product line around the value of play.

Anchored by the tagline “A Little Play Can Make Your Day,” the brand initiative unites core players, casual players and new players under an overarching emotional belief that play is something we all need in everyday life. Our 2021 holiday slogan, “Give the Gift of Play,” connected our holiday messaging to our larger strategic brand initiative for instant games, while building off the familiarity and equity of our historic holiday tagline, “Give the Gift of Scratchers.” With this mix of memorable slogans, our holiday messaging embodied the sentiment of the season and encouraged

consumers to give Scratchers – and a moment of play – as a special gift to people in their lives. The holiday season is consistently one of the Lottery’s busiest periods for gifting and new trial of Scratchers, and was one of the strongest sales periods so far in FY22, supporting California’s beneficiaries and helping us maximize contributions to education.

Major lessons learned in 2021:

The holiday 2021 games gave us insights we can continue to apply to future games. We opted for a strategy to emphasize “fun at the \$1” price

point to boost sales, and players responded enthusiastically to the whimsical, scented \$1 Peppermint Payout game. Similarly, research results and analysis around \$10 games emphasized themes that could resonate beyond the holidays, and the broader appeal of Winter Bucks resulted in sales higher than the previous two years of games at that price point. Our 2022 concept testing for holiday games and the success of Winter Bucks is leading us to again design a \$10 game that departs from a traditional holiday design and can live past the gift-giving season.

Colorado Lottery

Colorado’s holiday lineup included five games: one each at \$1, \$2, \$3, \$5 and \$10.

Most successful game(s):

Pretty much all of our holiday games performed extremely well, selling out more than 90% of all inventory. Our \$10 holiday game, \$250,000 Holiday Delight, sold out 100%, which isn’t surprising since the \$10 category as a whole has become our best selling price point.

Launch and end dates:

The Colorado Lottery generally introduces holiday games around the third week of October, and this year was no different (launched October 18). If the games do not sell out (usually not a problem in Colorado), we would remove them from the market following the first of the year, as new games are introduced in their place.

General holiday strategies:

We have been very successful promoting our holiday lineup over the years, and continued this success through similar efforts used in the past. As in previous years, we offered



five games with fun classic holiday themes. The holiday season really kicks off scratch sales for the second half of the year, so our holiday

campaign incorporates all methods of support – TV, radio, POS, out-of-home, digital, social, second-chance drawings, etc. The holiday second-chance drawing allows players to enter all non-winning holiday tickets (\$1 to \$5; the \$10 game has its own top-prize second-chance drawing) from the time they launch, through a set date sometime in January. We draw one winning ticket from all the entries and the prize is dependent on the price point of the randomly selected entry – higher-priced tickets will win a higher second-chance prize. This allows everyone who buys a holiday ticket a second chance to win, and also encourages people to buy a higher price point ticket as those entries are worth more if they win the second-chance prize. Our players look forward to this drawing every year as a little holiday bonus.

Major lessons learned in 2021:

Once again, we are very pleased with how our games and marketing efforts performed, and will most likely mirror those efforts in FY23. Selling out our holiday games prior to the new year helps generate momentum throughout the last two quarters of the year.



Delaware Lottery

Delaware's holiday lineup included six games: two at \$5 and one each at \$1, \$2, \$3 and \$10.

Most successful game(s):

This was our second season introducing a \$10 holiday game, and we increased the quantity and used seasonal art, instead of a holiday theme like last year's ticket. We also introduced a second \$5 game so we had one \$5 holiday game and another that was more seasonal. We found that introducing an increased quantity of a seasonal \$10 ticket and an additional (seasonal) \$5 was successful. The \$10 seasonal Cash Flurries was probably the most successful single ticket of the holiday period; it sold out very quickly.

Launch and end dates:

We launched all six holiday/seasonal games on November 1. Typically they are sold out or closed out when last

top prize is claimed, but if not, we close them out in March.

Holiday prize structures, if different from typical games:

We do strategically alter the top prize, mix of prizes and quantity for holiday games vs. all other games.

Other holiday games, promotions or activities:

We had a dual campaign this year that included both instant games and draw products – both categories were included on all POS pieces and TV commercials.

Major lessons learned in 2021:

Everything was good! We will be considering whether to introduce a higher price point into the mix and will be evaluating whether to separate the launch dates of holiday/seasonal games to include consideration of increasing the print quantity of seasonal games.

DC Lottery

DC's holiday lineup included three games: one each at \$1, \$2 and \$5.

Most successful game(s):

We included two limited/loaded-tier games in our holiday portfolio this year: \$1 Festive 50s and \$5 Full of \$500s Holiday Edition. These games had a better rate of sale than last year's games, and players seemed to like the prize levels as they were perfect stocking stuffers.

Launch and end dates:

We launched our holiday games the first week of November. We reduce the print run at each price point and traditionally go with a winter theme instead of Christmas or holiday specific. This allows the games to have relevance in the market well after the holidays are over.

General holiday strategies:

We wanted to promote the games as the perfect gift for the holiday season whether it be for yourself or for a family or friend. Additionally, we listened to the feedback from our players and brought back the Sleigh Ride to Riches 2nd Chance contest. Players were able to enter all three of their non-winning holiday scratchers for a chance to win biweekly cash prizes of \$2,022 and for the grand prize of \$20,022!



Holiday prize structures, if different from typical games:

We've altered the prize structure for several of our games before, so it's not specific to the holiday season, but we do limit the number of tickets that we order during this period. As mentioned, this year we made sure to include loaded/limited-tier prizes so that players (or gift recipients) have a better play experience for the holidays.

Insights on eInstants:

We had a great first year with eInstants. We took an approach to launch new games at three-week intervals, and introduced our players to games featuring specific holidays at least three weeks prior to the actual holiday. For example, we launched Cauldron of Cash, a spooky

Halloween-themed eInstant game on October 6, and Vegas Cash Drop, a fun Las Vegas-themed game for New Year's in early December. Although our games weren't specifically holiday games, they allowed us to use the anticipation and excitement of upcoming holidays to entice player activity throughout the entire month.

Major lessons learned in 2021:

A vital thing learned this year is that engaging with players throughout their entire play experience is critical to developing loyalty and growth. Having promotions aligned with specific games is important, especially around the holiday season, but creating a roadmap that navigates players to continue playing and to try additional eInstant games is pivotal to long term success.

Florida Lottery

Florida's holiday lineup included five games: one each at \$1, \$2, \$5, \$10 and \$20.

Most successful game(s):

Our \$5 game, \$1,000,000 Holiday Winnings, performed the best for us in 2021. Year over year sales were up over 31% through the nine weeks from launch until the New Year. It was part of our four-game Holiday Winnings family.

Launch and end dates:

We launched our holiday games on November 1. Games that don't sell out are typically ended around March of the following year.

General holiday strategies:

After a brief hiatus in 2020, we reintroduced a family of games for the holidays in 2021. This decision was primarily due to underwhelming sales performance of our 2020 games compared to the prior year. We attribute much of our success with game families to cohesive marketing and packaging of the products as a purchase "set," making it easy for the player to recall. This is particularly important during the busy holiday season when competition with other products is fierce.



Throughout the holidays, we offered a cross-promotional Bonus Play Getaway promotion to encourage both scratch-off and draw game play. Players could enter non-winning Holiday Winnings and Gold Rush Limited scratch-off tickets, or any Fantasy 5 tickets

purchased during November or December, for the chance to win one of more than 700 prizes, including VIP trips to Hawaii, Royal Caribbean cruise certificates and \$500 in StubHub gift cards. Research shows Bonus Play offerings are extremely appealing to our players and drive purchases; as such we incorporated promotion callouts as part of the advertising campaign that boosted awareness of the limited-time promotion to 84% (compared to 76% the previous year).

Sales of eligible games exceeded \$1 billion during the promotion period. Despite a shorter promo period this year that contributed to reduced entry volume, an average of 51,000 tickets were entered per day, and increases were seen in sales, entries via mobile app and promo code usage over the previous year's holiday promotion (we place unique promo codes in various advertising and communications channels that earn extra draw entries.)

Major lessons learned in 2021:

Players love cross-promotional opportunities and variety in bonus play prizing. Offering promotions, with player's choice options around the holidays, is something we plan to explore more in the future.

Georgia Lottery

Georgia's holiday lineup included six games: \$1, \$2, \$3, \$5, \$10, and \$20.

Most successful game(s):

Our \$10 Holiday Silver 50X The Money and \$20 Holiday Gold 100X The Money tickets sold out in December with average weekly combined sales of approximately \$10 million. The games were designed to complement the X The Money family that players love, and specialty paper was used so the games would sparkle at retail. Both tickets were designed to look and feel like a gift to appeal to both existing and new players, with the addition of a bonus play on the ticket back. Lower top prizes were offered to differentiate these games from the other members of the family. This allowed us to load the holiday games with lots of low and mid-tier wins for a positive player experience.

Launch and end dates:

We generally launch our holiday games the third week in October and the games typically remain in market until the top prizes are claimed. This year, all six games sold out.

General holiday strategies:

Our strategy over the years has been to offer a mix of games in a variety of price points, including familiar themes that appeal to our core players. We develop holiday themes that look like gifts, are easy to play, and feature prize structures that deliver meaningful winning experiences. As in prior years, we crafted a multimedia campaign around Scratchers, making them the perfect holiday gift and supported by television, radio, out-of-home, POS, and social media.

Holiday prize structures, if different from typical games:

We don't alter the prize payout, but we do put emphasis on offering lower top prizes so we can place lots of wins in the low and mid-tier prize levels. Players like winning and giving Scratchers as gifts. As noted, placing lots of wins in these tiers provides a fun and positive experience.

Insights on elstants:

We launch two to four holiday games between early November and mid-December, typically a mix of new games and returning favorites. We usually keep them up until late March if they're performing well. Halloween-themed games have performed well for us, so we usually launch a new one and relaunch an

older one in September to early October. Some stay up through the Christmas holidays; others have been so popular that they remain up almost year-round. We've launched a few spring- or summer-themed games that have done well and stayed up year-round.

Other holiday games, promotions or activities:

In Georgia we offer online play. For 12 days in December, we ran a campaign called 12 Days of Merry Money promoting online play, where we created 12 opportunities for our Players Club and/or social media followers to win prizes such as e-gift cards, Scratchers, or credits for online play. During the promotional period we increased registration by 9%, new players by 7%, and interactive sales by 14%. Overall ROI was 38%.

Major lessons learned in 2021:

Players like games that can double as gifts. In addition to our \$10 and \$20 Holiday X The Money games, our \$3 Ornament series turned out to be the perfect gift. Generally, the \$3 price point is used for extended play games, but creating a key number match holiday decorative scratcher in three scenes that could be hung on the tree proved to be a must-have for our Georgia consumers.



Hoosier Lottery

Hoosier's holiday lineup included five games: one each at \$1, \$2, \$3, \$5 and \$10

Most successful game(s):

Our most successful holiday tickets were the \$2 Holiday Cash and \$10 Festive \$500s. We saw growth in both of those price points compared to the previous year.

Launch and end dates:

We launched \$10 Festive \$500s and \$3 Candy Cane Crossword in October and \$1 Holiday Cheer, \$2 Holiday Cash and \$5 Holiday Bonus in November. We always remove all holiday tickets in January with the launch of new games. For the first time, we launched holiday-themed Fast Play games in November, including \$1 Merry Money and \$2 Festive Fun. Our goal was to help promote the category and create excitement for the players.

General holiday strategies:

This year, our marketing strategy was centered around bringing more unexpected joy to the holiday season. We offered a variety of holiday and winter-themed games. In addition to our traditional holiday scratch-off campaign efforts, we promoted the Fast Play holiday offerings across select marketing support. Non-winning \$1, \$2 and \$5 scratch-offs were all eligible for our holiday 2nd Chance promotion where players could enter to become one of five winners of \$5,000 each. We also offered a myLOTTERY exclusive digital game called Lottery Lodge, which was available on our website and promoted across digital channels. myLOTTERY members could participate in weekly challenges for the chance to win prizes. Lottery Lodge resulted in over 116,000 gameplays from over 16,000 participants.

Marketing support included TV, radio, out-of-home, POS, promotions, public relations, digital and social media channels. We participated in key account promotions with retail partners across the state that highlighted our holiday scratch-off offerings. Prizes included gift cards, free groceries for up to six months, holiday baskets and cents-off gas.

Other holiday games, promotions or activities:

As noted, we also launched our first-ever Fast Play holiday offerings with a similar look and feel



to our scratch-off games. These Fast Play games were highlighted in limited marketing materials, primarily at the point of sale. We also conducted our first “Unboxing” event on Facebook with live prize reveals. Hoosier Lottery followers could respond in real time for a chance to win a variety of different prizes. The event resulted in over 69,000 video views and over 7,600 post engagements from followers.

Major lessons learned in 2021:

Next holiday season we will build on our promotional footprint to include additional social media events after the success we saw with the Unboxing videos. We had tested small-scale promotions throughout the year, but the success of this year's Unboxing proved that our followers would participate and look forward to this type of larger social promotion. From a product perspective, while there were no obvious “a-has,” we are always applying what we learn from one year to the next. We look at all aspects of the games, from artwork to prize structure to distribution, and make adjustments that we think will benefit future game performance.

Idaho Lottery

Idaho's holiday lineup included six games: two at \$5 and one each at \$1, \$2, \$10 and \$20.

Most successful game(s):

From our scratch game portfolio, the fastest selling game of the season was the \$10 game Holiday Bonus (Taxes Paid). It featured two top prizes of \$100,000 and we included the withholding taxes as part of the prize. This game claimed out shortly after Christmas after just 11 weeks on the market. The last top prize ticket was a true stocking stuffer gift given on Christmas morning. Perhaps more importantly, though, was the success of our 15th edition of the Idaho \$1,000,000 Raffle game. This year's Raffle sold out the earliest of any of the previous Raffle games (on November 24) and was the fastest selling Raffle game in our history, lasting only 34 days on the market. Given the early sellout, players looking for holiday-themed products to play or for gifts turned to our holiday lineup of scratch games.

Launch and end dates:

All our holiday scratch games went on sale in early to mid-October; it's our traditional launch window that has always worked well in the marketplace. The Idaho \$1,000,000 Raffle game began on October 21. By the end of February, five of the six holiday games were ended with the last top prize being claimed. The final game, \$20 Christmas Spirit, was over 95% sold at that point, and will remain on the market until the last top prize is claimed.

General holiday strategies:

Joy Worth Sharing, a holiday theme developed for 2019, was used for a third consecutive year. Among our six scratch games, the \$5 Sugar Cookie Cashword was a scented ticket and the \$10 Holiday Bonus (Taxes Paid) was our first \$10 holiday game in 14 years. We also offered players a second-chance opportunity to win one of five \$1,000 cash prizes by entering non-winning holiday scratch games through our VIP Club. This promotion ran from October 4 through January 31. A total of 91,888 individual tickets were entered, or about 6.2% of all eligible non-winning tickets.

Holiday prize structures, if different from typical games:

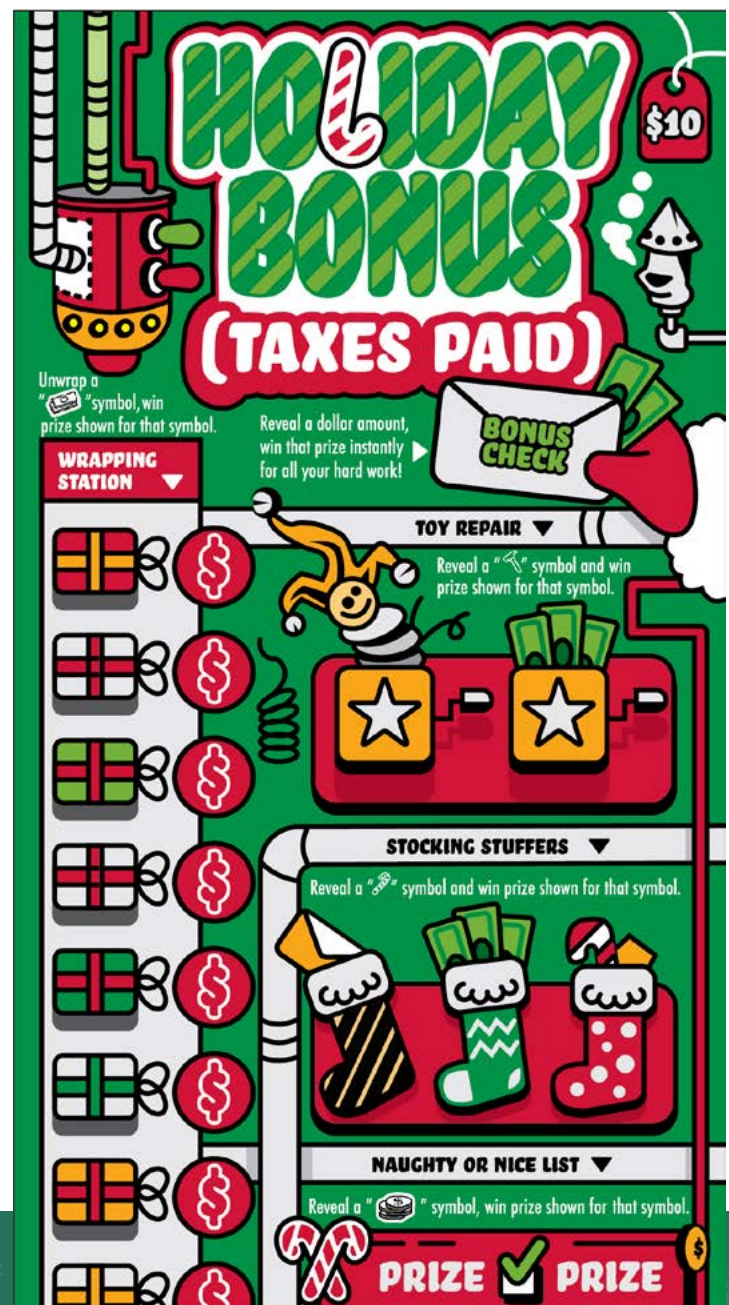
For the short run of holiday games, the Lottery does increase the prize payout 1% to 2% each, depending on the game.

Other holiday games, promotions or activities:

As discussed before, we also offered our seasonally traditional Idaho \$1,000,000 Raffle game during the holidays. This game offers a limit of 250,000 tickets at \$10 each with a guaranteed top prize of \$1,000,000.

Major lessons learned in 2021:

The success of the \$10 scratch game was illuminating. Since offering the \$10 Raffle game, we had not included a \$10 price point in the holiday lineup, for fear of cannibalization, for 14 years. That fear turned out to be unfounded as both games were tremendous successes. We will include a \$10 offering next year in the holiday game lineup.



Illinois Lottery

Illinois' holiday and seasonal lineup included seven games: two at \$10 and one each at \$1, \$2, \$3, \$5 and \$20.

Most successful game(s):

All of our holiday games were successful this year, with growth coming at all price points. Across the six holiday-specific games launched, sales were up 21%. This growth is even more notable due to timing shifts year-over-year. Our \$5 hero game, Full of \$500s Holiday Edition, printed with ClearPlay from Pollard Banknote, was delayed from an October launch to a mid-November launch due to supply chain issues. Despite six fewer weeks in the market, the game saw a 22% lift versus the previous year's \$5 game.

Launch and end dates:

Our strategy over the past couple of years has been to launch the majority of our holiday games in October and then add some supplemental winter-themed games to our November launch that can live beyond the holiday season. With the exception of the delayed launch on our ClearPlay ticket, that strategy was maintained this year. Due to strong demand we sold through nearly all games ahead of our January game launch. For the games that don't sell-through fully, we begin to remove them from the market in January, depending on top prize levels.

General holiday strategies:

Based on player learnings from the previous year, we segmented the holidays into two time periods: pre- and post-Thanksgiving. Pre-Thanksgiving, we focused on trial with players purchasing games for themselves. Post-Thanksgiving, our strategy was to focus on gifting to tap into consumer trends at retail. This included putting gift tags on five of our six price points, as well as a marketing and media strategy to reach players in gifting environments with seasonally relevant creative intended to bring lottery into the gifting consideration set, and ultimately drive purchase.

Holiday prize structures, if different from typical games:

Similar to much of the industry, we do structure some of the games and price points a bit differently to create more winning experiences for holiday games. This generally means we have slightly lower top prizes than a traditional game, with more prize money in the middle or lower prize tiers. This allows for gift recipients and less frequent players to have more winning experiences and also creates more reinvestment, promoting better sell-through on the games.

Other holiday games, promotions or activities:

Our holiday campaign and general strategy was focused on promoting instant tickets. That said, we also ran a successful promotion for our Pick games called "Thankful Thursdays" that ran each Thursday in November.

Major lessons learned in 2021:

The staggered launch strategy of holiday games in October and winter-themed games in November continued to be successful in both sales growth and operational efficiency, so we will look to maintain that strategy in 2022. Additionally, we confirmed that players like to buy the holiday games for themselves prior to gifting them, so we will continue the segmentation of player communications – promoting trial in October and pivoting to gifting toward the end of November. We have also learned that the demand for holiday games continues to grow and that macro-economic shifts can have a significant impact on the business, so our print runs will continue to be adjusted based on price point and overall consumer trends.



Iowa Lottery

Iowa's holiday lineup included 13 games: four at \$2, two each at \$1, \$3, \$5 and \$10, plus one at \$20.

Most successful game(s):

Our \$3 Extended Holiday ticket was very successful due to the multicolor imaging instead of having just one or two colors for symbols. We also used a different play style that our players don't see very often, so that was also attractive to them. The \$10 Holiday Magic ticket scored well too. We used SG's proprietary Sparkle process and kept the ticket art classic and simple to allow the Sparkle to shine. We also moved the play instructions to the back to keep the front of the ticket clean. The \$10 Holiday Crossword ticket was very popular. We launched a family of four crossword games, but the \$10 price point showed good growth over the holidays.

Launch and end dates:

We launched six games on September 27: bingo, the holiday crosswords and our \$20 game. On October 4, we launched one game each at \$1, \$2, \$3, \$5 and \$10. Then on November 1 we launched our last holiday games, one each at \$1 and \$2. The holiday tickets are removed from the market the first part of January.

General holiday strategies:

We did a Warehouse Dash and Cash giveaway in a Play It Again promotion. We ran a full encompassing campaign that included TV, radio, digital, out-of-home and social media.

Holiday prize structures, if different from typical games:

We don't widely vary our prize structures or top prizes for holiday games, with the exception of the \$20 big ticket holiday version where we do drop the top prize from \$100,000 to \$25,000 to allow for more winners during a shorter holiday run time period.

Major lessons learned in 2021:

Instant tickets and Play It Again cash giveaways continue to resonate with our players.

Kentucky Lottery

Kentucky's holiday lineup included seven games: two at \$5 and one each at \$1, \$2, \$3, \$10 and \$20.

Most successful game(s):

That's a tough question this year but it was probably our \$5 Full of \$500s. This was the first holiday game we've offered that was loaded with \$500 top prizes. This game not only indexed at

190 (vs. last year's game at 106), but it also sold out at retail in 21 days! This game was so well received by players that we added an additional game of the same name and prize structure to launch in the spring. Our second holiday success story is the \$3 Peppermint Payout extended play game which indexed at an amazing 193 and sold out in eight weeks. Our \$3 price point continues to grow, so we decided to

take advantage of that by offering an extended play holiday game for the first time ever. It definitely paid off for us - so much so that we'll continue to include a \$3 holiday/seasonal game in future holiday offerings. But it was a great year overall as we achieved increases in year-over-year holiday sales in total and at each price point. We saw a 9.1% increase considering the \$1, \$2, \$5 and \$10 games vs. last



year's family at those price points. Individually, the \$1 game was up 17% and indexed at 150; the \$2 was up 1.9% and indexed at 130; the \$5 was up 5% and indexed at 190; and the \$10 was up 13% and indexed at 118.

Launch and end dates:

We launched on October 21, which was consistent with previous years. We then pull holiday games when we do a new game launch, typically a family in early January.

General holiday strategies:

For the three years prior to holiday 2021 we had launched holiday families, but the FY21 holiday family was not as successful as prior years. While reduced holiday sales could likely be attributed to COVID restrictions which prevented the usual holiday parties and family celebrations, we also thought the family concept may be losing some appeal to players due to the lack of variety within the games. We knew we had to make some changes to mix it up for the FY22 holiday season and we also knew we wanted to go big this year to maximize the season like never before. We researched ticket concepts to identify the most appealing games to bring to market. Our key goals and KPIs included beating year-over-year sales in total and at each price point; launching two \$5 games (our most popular price point) to include one holiday theme and one seasonal theme (evergreen beyond the holidays); introducing a \$3 holiday game to the lineup; selling out of all holiday games by January 6, when our next game launch occurs; and achieving an index score above 100 for each game.

Holiday prize structures, if different from typical games:

We don't change things much, but we may put more chatter/churn prizes in the lower price points for more winning experiences. Obviously, the \$500 top prize was different as noted earlier, but generally we're pretty consistent with the other price points.

Insights on elnstants:

We do offer strong seasonal games that our players seem to really enjoy. In general, there are two Halloween-themed games launching in September and three to four Christmas-themed games start in November. The games stay popular on our site through January, when we see them gradually get less popular. Historically, we've taken the seasonal games down about six months after the end of the season, so that they can be brought back as a "newish" game that players were missing, instead of leaving them on the site. Winter-themed games that aren't as specific are left up year-round. During the Christmas season, our big retail push pairs well with the gift-giving

theme for our scratch-off campaigns. We focus on our iGift funding at retail, where we offer a deposit bonus, which also provides our retailers with a little additional commission.

Other holiday games, promotions or activities:

In addition to featuring the games, we also created our holiday landing page that included promotions and giveaways we had running, plus holiday games, DIY activities and our scratch wrap. We also "holiday-ized" the homepage of our website. We brought back our retailer display contest where retailers decorated their stores with voided tickets and submit a picture. The photos were then posted on social media for voting. We also utilized local influencers this year and that was a great success.

Major lessons learned in 2021:

There were lots of great lessons we can expand upon next year including having a "loaded with \$500 top prizes theme" and offering a \$3 extended play holiday game. We'll most likely shelve the family again next year to give that concept a longer break from market.



Loto-Québec

Loto-Québec's holiday lineup included six games: two at \$3 and one each at \$1, \$2, \$10 and \$15. Also offered during the holidays is Célébration, a \$25 game that has scratch, daily draw and cash and merchandise drawing components.

Most successful game(s):

As in past years, Célébration is our top product. Even though it has been on the market during the holidays for more than 30 years, it continues to post record sales every year. It is the perfect Christmas gift for loved ones, especially in pandemic times. We also made some changes to our Advent calendar which brought record sales. Cadeau Surprise, with 100% local gifts up for grabs, is always popular with our consumers and local manufacturers as well.

Launch and end dates:

We have a three-week launch period. One national ticket was launched on October 11, then four more of our local games on October 18, and finally two games including Célébration were launched on November 1. The stop distribution date is set prior to the launch date, as usual.

General holiday strategies:

Our 2020 Christmas collection was filled with comfort and reassurance to face the tough times we were facing collectively. For 2021, we wanted to go in the opposite direction and launch a more colorful and festive collection. We chose a Scandinavian folk theme with vibrant colors to bring joy and hope into our players' homes. The biggest change we made on the product side was to create a folded pop n' play Advent calendar at 16x10 instead of a regular 8x11 one with 24 tabs like we have done for the past three years. This gave us the opportunity to add more games (24 days + 6 additional games) and to increase the price point to \$15 instead of \$10. We ended up increasing our sales by 18% vs. 2020. For advertising, emphasis was made on our 7 Chanceux (\$1 gift tag), Cadeau Surprise and Célébration tickets, and they all had TV advertising. The whole holiday collection was supported by POS and social media promotions.



Holiday prize structures, if different from typical games:

The only game that has an altered prize payout from its regular version is the \$17 Chanceux, since it is a gift tag that will be given to non-players or occasional players and we want them to have an enhanced winning experience.

Major lessons learned in 2021:

We will definitely keep our Advent calendar at \$15 and repeat the use of a single theme and design for the entire collection.

Louisiana Lottery

Louisiana's holiday lineup included three games: one each at \$1, \$2 and \$5.

Most successful game(s):

We tend to view our holiday games as a package, even when they are not a bona fide family. All of our games this year indexed at over 100, which we consider a win: \$1 Holiday Fun, \$2 Ornament Game and \$5 \$100,000 Happy Holidays.

Launch and end dates:

We follow a launch formula for our holiday games to target a complete retailer inventory sell-in prior to Thanksgiving and sellout just after New Year's. Our holiday games launched October 25. They are developed to run throughout the holiday season and usually sell out by the end of the season. If not, distribution is ended and the games are phased out by the first week of January.

General holiday strategies:

All three of our holiday games have a TO/FROM tag to promote gift-giving, which is extremely popular with our players. The \$1 Holiday Fun was loaded with top prizes of \$500 and showcased a red and white candy cane theme on a bright blue background

with one of Santa's little helpers perched below the candy cane letters boldly spelling out F-U-N. Because of the dominant art, this game really popped in the dispenser and indexed the highest of our holiday games. The \$5 game featured a winter wonderland design with top prizes of \$100,000. This design was traditional and geared toward regular players as well as gifting.



Our holiday tagline was "Have a Ball This Holiday!" which tied into the Ornament Game theme. That \$2 ticket was decorated with holiday inspired colorful ornaments in four different scenes and top prizes of \$12,000. We used the theming of this game in a

web-based player promotion. From December 6-12, we invited players to upload a picture of their favorite holiday ornament and describe what it means to them for a chance to win a "Have a Ball This Holiday" prize package that included a Lottery snow globe ornament! The 10 most original and creative submissions were selected by the Lottery's communications staff as winners. Each day following the promotion a winner was announced and their corresponding photo and story shared on our social media pages to capture the nostalgia and spirit of the season.

Holiday prize structures, if different from typical games:

Prizes and payout are the same as non-holiday games per price point, but this year we loaded the \$500 top prize on the \$1 Holiday Fun.

Major lessons learned in 2021:

We have maintained the same strategy successfully over the last few years, continuing with the same price points, print run quantities and payout. Next year, we expect to add a holiday-themed Fast Play game to the holiday portfolio, as we did for Mardi Gras this year, another of our big seasonal celebrations.

points are typically removed by the end of February, while the \$10 ticket remains in market a bit longer as it is intentionally designed with a theme that can carry over beyond the holiday season.

Maryland Lottery

Maryland's holiday lineup included five games: one each at \$1, \$2, \$3, \$5 and \$10.

Most successful game(s):

The \$3 Peppermint Payout was our most successful ticket. This was the fifth iteration of the game, and it continues to perform extremely well year after year due to its easy-to-understand play style and popular candy theme.

Launch and end dates:

We launched our five holiday tickets on October 18, and we always allow weekly sales performance and product mix to dictate their removal from the market. The lower price

General holiday strategies:

Our general strategy has remained fairly consistent over the years. At the lower price points, we lean toward more whimsical themes to encourage gift-giving. At the higher price points, we go with more core themes to satisfy our most loyal player base. The \$10 game is always designed with a theme that allows it to remain in market past the holiday season. The Maryland Lottery's 2021 holiday second-chance contest consisted of cash prizes, which was a shift in strategy compared to prior years, when we

have awarded warehouse dash prizes. We opted not to offer the warehouse dash in 2021 due to COVID-19. We support the holiday ticket launch and second-chance contest with one of our largest advertising campaigns of the year. Beginning on November 1, we primarily focused media and creative on promoting the holiday second-chance contest. Coinciding with the height of the holiday season, from Thanksgiving through Christmas, we switched gears and primarily promoted a gift-giving message utilizing television, radio, out-of-home, digital and social media.

Other holiday games, promotions or activities:

We launched three holiday/winter-themed Fast Play tickets: \$1 Snow Me The Money, \$5 Jack Frost Jackpot, and \$10 Holiday Money Match. Additionally, we ran our annual Pick 3 and Pick 4 Let It Snow promotion from November 29 through December 26, which awards instant-win vouchers on an Nth ticket basis, and is always extremely popular with our core players. These initiatives, however, were not included with our second-chance promotion or advertising campaign.

Major lessons learned in 2021:

The Maryland Lottery is looking into the possibility of utilizing a licensed property with our holiday games, since our tickets are exposed to an expanded player group during this time of the year. We believe pairing a familiar brand with a holiday game has the potential to drive sales at the lower price points.



Massachusetts Lottery

Massachusetts’ holiday lineup included five games: one each at \$1, \$2, \$5, \$10 and \$20.

Most successful game(s):

Our \$10 Holiday Cash Blowout ticket was the most successful, with average weekly sales of \$12.2 million over its first 10 full weeks in the market.

Launch and end dates:

Consistent with our usual launch schedule, our holiday tickets went on sale the third Tuesday in October (October 19). In most cases, tickets remain on sale until all grand prizes in the game have been claimed.

General holiday strategies:

This year, we introduced our first \$20 holiday ticket, \$10,000,000 Winter Riches, complementing a family of three Winter Winnings tickets at the \$1, \$2 and \$5 price points and our popular \$10 game Holiday Cash Blowout, with exclusive \$50, \$100 and \$500 prizes. For

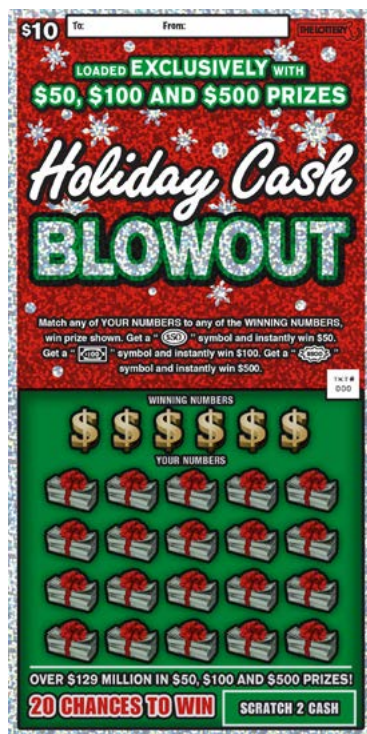
the fifth consecutive year, we ran a second-chance holiday promotion in which anyone enrolled in our VIP Club could enter non-winning holiday tickets into a cash drawing for prizes from \$500 to \$10,000. The promotion drew a record 3.6 million entries. For the second year in a row, we did not produce a traditional holiday television spot, implementing an advertising campaign that included terrestrial and streaming radio, multiple digital platforms, and outdoor advertising. Our in-house production team created two holiday-themed promotional spots, featuring Lottery employees, that were distributed across our social media platforms. We utilized all other available Lottery-owned digital and electronic assets, including our website, our mobile app, an enhanced e-marketing program, in-store LED screens, and social media.

Holiday prize structures, if different from typical games:

With the exception of the Blowout game, the top prizes in the other four games were consistent with other games at their respective price points.

Other holiday games, promotions or activities:

Through a collaborative effort involving marketing, IT, our digital and social media teams, and our in-house production team, we developed a draw game promotion that drove ticket purchasers to our website and featured two live interactive game show style productions on Facebook. In this promotion, titled Holiday Words, all draw game tickets printed from December 6-19 included a holiday keyword. There was a different keyword each day, and customers were directed to our website to enter the keywords and complete an entry form. Customers could enter each word once. The promotion was split into two entry periods and one winner from each entry period was randomly selected to win a \$5,000 prize. The



winners were announced live on Facebook the Monday following each entry period. For those watching who hadn't entered for the \$5,000 drawing, there was an interactive bonus element for a chance to win a prize ranging from \$50 to \$500. Five winners were randomly selected during each broadcast.

Major lessons learned in 2021:

The Holiday Words promotion was a great success, with over 200,000 entries from over 47,000 unique participants. By directing ticket purchasers to the website to enter this promotion, we gained over 25,000 new subscribers to our email newsletter. Holiday Blowout tickets and our holiday instant tickets second-chance promotion continue to show positive results.

Minnesota Lottery

Minnesota's holiday lineup included four games: one each at \$1, \$2, \$5 and \$10.

Most successful game(s):

\$5 Holiday \$500s was our most successful holiday game, based on sales as well as its sell-through rate. Although the \$10 Holiday \$1,000s game was not far behind, the \$5 game is a better entry point for our players.

Launch and end dates:

We launch in November each year and end the games in February/March. We extended the \$1 price point to March to obtain a higher sell-through rate.

General holiday strategies:

We add second-chance drawings on all holiday games because we know that these tickets are frequently purchased as gifts, and this creates additional play value for customers, plus new account membership sign-ups for the Lottery.

Holiday prize structures, if different from typical games:

The \$5 and \$10 price points focus on lower/loaded top prizes. The \$5 game focuses on the top prize of \$500 (4,550 prizes and the odds to win \$500 are 1 in 653) and the \$10 game is focused on the top prize of \$1,000 (2,500 prizes and the odds to win \$1,000 are 1 in 727).

Other holiday games, promotions or activities:

We include our \$10 Minnesota Millionaire Raffle lotto game in the holiday offerings. This is also a popular gift item, so it makes sense to add that to our basket of products that appeal to holiday shoppers.

Major lessons learned in 2021:

We continue to see lots of chatter from the number of \$500 and \$1,000 prizes being won by players during the holiday season. The \$5 Full of \$500s Holiday Edition is becoming a staple of ours during the season. This is the third year now that we've had this product as our \$5 offering and players now seem to wait for this particular game.



Mississippi Lottery

Mississippi's holiday lineup included three games: one each at \$1, \$2 and \$5.

Most successful game(s):

Our \$5 Holiday Wishes was an infinity design, an entirely new product for us which drove a lot of chatter in the field and on social media. The colorful symbols when scratched provided a different look and feel to the game, which was very popular with our players. Additionally, we were able to lower the top prize, allowing for a smaller print run and more winning experiences for players. While this game seems to be the most successful, all our holiday games for 2021 worked very well together for a very successful combined launch. We believe, based on sales, players were making purchases across all price points.

Launch and end dates:

Our holiday games launched on November 2. We typically launch in November and the games are in the field for three to six months, depending on sales and prizes remaining.

General holiday strategies:

In 2021, we looked to introduce fun and appealing games to the players, like the new infinity design. We also promoted responsible gift giving by adding TO/FROM tags to our games. This encouraged our players to give the tickets to family and friends as gifts. The holiday scratch-off games were our primary television advertising throughout November and December. Our \$10 game from 2020 was still available, so we reintroduced it with the 2021 holiday launch. We did not have a holiday-specific 2nd Chance drawing for these games, but we will have our normal 2nd Chance drawing when they close.

Missouri Lottery

Missouri's holiday lineup included six games: one each at \$1, \$2, \$3, \$5, \$10 and \$20.

Most successful game(s):

Our \$10 and \$20 games actually recorded historical highs for holiday game sales and generated great player feedback. The \$10 Cash Flurries ticket outsold last year's record-setting \$10 game by 12%, and the \$20 Merry Money outsold last year's record-breaking \$20 game by 17%.

Both games featured Sparkle printing technology for an extra festive look at retail. Like last year's \$20 holiday game, this year's design offered exceptional play value and provided extra appeal with Bonus Spots, as well as additional scratch-my-back play on the reverse side.

Launch and end dates:

Our \$20 holiday game was launched on September 27, and the remaining holiday games were made available in mid-October. Retailers were instructed to replace holiday games during

the last week of December, at which time we launched new Scratchers tickets.

General holiday strategies:

Variety within the holiday games included an assortment of play actions and price points. The lineup was accompanied by a holiday-themed second-chance promotion offering players taxes-paid trips of their dreams. The "Holiday Escape: Flip Flops & Mountaintops" promotion received a total of 3.3 million entries into the monthly drawings and 33



Holiday prize structures, if different from typical games:

As noted, we reduced the top prize on our \$5 game to allow for a shorter print run and more chances for the players to win.

Major lessons learned in 2021:

The shorter run proved beneficial during the holiday season. We went through inventory well without having too much excess remaining in the warehouse after the season ended. We'll likely have a holiday-game specific radio ad next season.



million entries into the weekly drawings – which correlates to more than \$33 million worth of holiday Scratchers and draw game tickets entered. That is just above last year’s record-breaking totals, setting a new high-water mark. Due to significant advertising budget cuts, we were unable to provide any paid media advertising support for our holiday games and promotion. We relied on point-of-sale materials at retail and organic social media posts to help spread the word.

Holiday prize structures, if different from typical games:

Due to the limited holiday timeframe, the \$10 and \$20 games offered lower top prize amounts than our traditional games.

Other holiday games, promotions or activities:

In addition to holiday Scratchers, draw game tickets purchased and entered within the promotional period were also eligible for our Holiday Escape second-chance promotion. This year, in addition to our annual effort to highlight Scratchers as Gifts, we also included a new initiative, Draw Games as Gifts, in our marketing campaign.

Major lessons learned in 2021:

Variety within our games works for us, as does providing extra counter appeal by taking advantage of added play value options and specialized printing techniques. We’ll also continue to tie our holiday games into second-chance promotions to extend the holiday purchase for our players. We plan to repeat the new Draw Games as Gifts initiative as well.

Montana Lottery

Montana’s holiday lineup included four games: two at \$1 and one each at \$2 and \$5.

Most successful game(s):

Out of the four holiday games we launch each year, our \$1 holiday tickets are the most successful in terms of tickets activated. This is largely due to the \$1 price point, as players buy tickets during the holiday season to be used as gifts, stocking stuffers, etc. This year’s \$1 games were White Elephant and Baby It’s Cold Outside.

Launch and end dates:

If a holiday game does not sell out by the end of December, we will typically replace it with a non-holiday game in January. The caveat to this is our \$5 holiday game that has more of a winter theme than a holiday theme, which we let run through Jan/Feb/March.

General holiday strategies:

In the 2019 and 2020 holiday seasons, we pulsed the \$2 and \$5 holiday games (i.e., first portion of the game would print with holiday artwork, the second with non-holiday). The holiday scene would run through the end of December, then we would switch to the non-holiday scene for the remainder of the game. In FY22, we did not pulse our \$2 and \$5 games. Instead, we lowered the quantity on the \$2 holiday game and went with more general winter artwork on the \$5 and kept the quantity the same so that it would still sell after December. In collaboration with our marketing agency, we designed advertising specifically for



the holiday scratch games that were displayed across our terminal and screen network, and on social media. We held a scratch-specific \$10,000 Second Chance Player’s Club drawing in which any scratch ticket webcode entered into the Player’s Club between December 1 and December 31 would be eligible to be drawn. We wanted to distinguish this from our holiday game marketing, so the assets for this drawing had a different design to it.

Major lessons learned in 2021:

Our reduced \$2 holiday ticket quantity worked well for us this year and we will likely stick to the same quantity next year. We may explore the possibility of conducting another second-chance drawing next year for scratch and determine how we might want to market that in tandem with the holiday games.

Nebraska Lottery

Nebraska's holiday lineup included three games: one each at \$1, \$3 and \$5.

Most successful game(s):

We consider \$5 Grandma Got Run Over by a Reindeer the most successful. The sales for this new licensed property provided by Scientific Games were better than projected and it provided some unique and memorable advertising opportunities.

Launch and end dates:

We launched our holiday games on October 25. In the past we had not picked a specific date to remove them from the market if they don't sell out, but this year chose January 21 to end the three games if necessary. We chose to pick a predetermined close date to keep our offerings relevant and make room for the family of games to follow.

General holiday strategies:

Besides our Sleigh Full of Joy second-chance promotion, we offered the Twice as Nice Social Media Giveaway November 23 – December 1. Facebook fans could enter for a chance to win

\$100 in holiday scratch tickets for themselves, and \$100 in holiday tickets for a friend of their choice. A total of 1,161 entries were received during the promotion, and 28% of entrants were new contacts that had not entered a Nebraska Lottery promotion before.

Holiday prize structures, if different from typical games:

We typically offer better odds on the holiday games in order to be more welcoming for infrequent players. The top prize and mix of prizes is usually very similar to all other games.

Other holiday games, promotions or activities:

Our holiday campaign featured the Nebraska Pick 5 Lotto game alongside our holiday scratch games. People were encouraged to “spread some instant joy” by giving scratch and lotto tickets during the holidays.

Major lessons learned in 2021:

We learned that using a licensed property as part of the holiday scratch game mix can be a challenge in designing advertising materials that showcase all of the holiday

games, while still adhering to the requirements of the licensed property. Since the approval process was a bit challenging, we may not use a licensed property at this time in the future.



New Hampshire Lottery

New Hampshire's holiday lineup included four games: one each at \$1, \$2, \$5 and \$10.

Most successful game(s):

This year we launched a FRENZY family of holiday games, which focused on specific prize values for each price point. Though the entire family was successful, the \$5 game performed the best when comparing to previous holiday games, and we think we know why. For the last two years we conducted a “Light Up the Lottery” house decorating contest, which featured the winning decorated house on the next year's ticket. In 2018, the last time we did a non-decorated house ticket, the index for a \$5 holiday game was 140.79. In 2019 and 2020 we featured the decorated houses, and the index for the \$5 holiday game those years was 126.07 and 130.29, respectively. This year, without the contest or featuring a house, the index increased to 141.73. Lesson learned!

Launch and end dates:

We launched the holiday games November 1. This is normal; we generally ship them the last Friday of October. We do not remove holiday games from the market until the last top prize is claimed or unless it has spent well over a year on market. We actually find that if they don't sell out the first year, they are quick to go the second year. However, this year for each price point of the family we did a pulsed game. The first scene of the game is holiday themed, and then partway through the print run it shifts to a non-holiday theme FRENZY game. Though it was a bit more to manage behind the scenes, it was popular with customers and allowed for less returns than normal.

General holiday strategies:

As noted above, we did not conduct a contest this year, which proved wise. Instead, the strategy this year was to utilize a strong traditional lottery theme with a holiday theme, maximize the print run and number of “focus prizes” to hopefully have great winning experiences at

each retailer. We want to create lots of winning experiences for new customers. (Since so many people gift scratch tickets and those could be new players, we want that to be a positive experience.) We also aimed to minimize returns, so we incorporated a pulse to switch to a non-holiday theme, which we aimed to coincide with right after the holidays. We were pretty close to goal on the timing!

From social media to paid media and in-store POS, we hit it hard this year. The holiday commercial was whimsical and fun, highlighting the FRENZY family while singing a lottery Christmas song, sure to get stuck in everyone's head! At least weekly, social media posts highlighted the price points and the products, prompting people to purchase and encouraging them to engage to win. NH Lottery sales staff were like little elves, decorating with die-cut Lottery garlands across dispensers, in-store play areas, cashier booths, and doorways. Each garland was complemented with more die-cuts of draw game ticket and scratch ticket bundles, donned with holiday puns and inspiring purchases across the state.

Holiday prize structures, if different from typical games:

As noted, we put in as many focus prizes as we could and hope that a winning experience can occur at every retailer. We looked at the Loaded family that launched in spring 2021 and wanted to provide more winning experiences than that family. Why would we not offer the best game for the holidays, when we have loads of new players (people receiving gifts with scratch tickets)? So our goal was to give the best

experience possible so they hopefully come back to play more. And if the focus prize is a retail winnable prize, they are likely to reinvest those winnings.

Insights on eInstants:

We actually went easy on omnichannel this year. We did launch one seasonal eInstant, Winter Wonders from IWG, the day before Thanksgiving. We also launched a holiday-themed game by NPi, Christmas Combos, on December 8. NPi also had a cool feature to add to one of our existing games, Pirate's Quest, temporarily changing to a holiday theme/skin from December 1 through the end of the year. All of the seasonal and holiday games are kept visible to the players throughout the year. Our first year we hid the holiday-themed games by mid-March, but now we just reorder the games so the holiday games move to the bottom of the page.

Other holiday games, promotions or activities:

Similar to years past, we did a "Jingle All the Way" promotion, where players who purchase a single Tri-State Megabucks ticket of \$6 or greater have a chance to win \$25 instantly. This ran from December 12-25 from 6am to midnight daily. The goal is to highlight our local game and to reward play by providing surprise wins of \$25. With cash in hand from a retailer, we encourage retailers to suggest the sale of our holiday games as gifts!

Major lessons learned in 2021:

Through a discussion of lessons learned with the sales team, Tel Sell, warehouse staff and product staff, we will likely launch pulsed holiday games again. We don't know yet if it will be another family, but the pulsed game was helpful in having a great-playing game stay relevant after the holiday season. With the recent launch of our app, and with us planning to use the points part of the rewards program, we will probably change things up slightly to incorporate app-related opportunities. Additionally, with the app, we have a survey feature so we can dig in to find out what our players want for holiday games, which will likely influence our decision for this coming year.



New Jersey Lottery

New Jersey's holiday lineup included four games: one each at \$1, \$2, \$5 and \$10.

Most successful game(s):

When compared to the previous year, the \$2 game this season (Holiday Lucky Times 10) saw the greatest increase at 14%. Our \$1 and \$5 holiday tickets saw a 9% and 8% increase, respectively, over the previous year and both were sold out of the warehouse before Christmas.

Launch and end dates:

As in years past, our 2021 holiday games were launched the first Monday in November (November 1 this past season). Our \$1, \$2 and \$5 holiday games are designed to sell out or be close to sold out by Christmas. The \$10 holiday game has a winter theme and is designed to last further into the winter season. If games don't reach sellout, they are removed from market when there are no top prizes remaining or activated/settled inventory reaches 85% or above.

General holiday strategies:

As noted, our \$10 game has a seasonal winter theme to last longer in the market, but the \$1, \$2 and \$5 games have a classic holiday theme. We did run two holiday-specific second-chance drawings using our Million Dollar Replay and Lottery Bonus Zone programs. These promotions revolved around Black Friday/Cyber

Monday and New Year's Eve. We advertised our holiday games starting Thanksgiving weekend through Christmas, using a multichannel media plan.

Other holiday games, promotions or activities:

We used a small portion of our holiday scratch-offs advertising campaign to support a New Year's Raffle. This was the first year in some time that we had introduced a raffle during the holiday season, and used a small share of our total campaign to support it.



New Mexico Lottery

New Mexico's holiday lineup included three games: one each at \$1, \$2 and \$5.

Most successful game(s):

\$5 Cash for Christmas was our best-selling game from the holiday lineup. New Mexico players like \$5 games! Not only did the ticket have a beautiful New Mexico flavor, but it featured festive HD play symbols.

Launch and end dates:

Our three holiday games launched on October 4. The games were themed with New Mexico chiles, luminarias and horny toad lizards. As of February

2022 the games were still available for sale, but the plans were to end them before long.

General holiday strategies:

When CEO David Barden first started at the NMLA, he embraced our brown desert landscape and began to see all the colors and icons New Mexico had to offer. His first big set of tickets were the "I Love New Mexico" photograph series. Since then, we've advertised tickets surfing in the desert, a chile tree, numerous chile tickets, Tapatío, and the award-winning Dia de Los Muertos Scratchers series. Which brings us to the 2021 holiday season.

Holidays are a time for reflection, nostalgia, joy and beautiful nights full of twinkly lights and flickering luminarias. In New Mexico, we have our own unique symbols and we've touched on them with an occasional holiday game featuring New Mexico favorites, like chiles. But we've never presented an entire holiday lineup with a New Mexico flare. This year was special. We were looking at holiday games and noticed a whimsical game called Mistle Toad. We loved it, but the images were not very relatable in New Mexico. However, we do have a well-known lizard called the horny toad, which led to a concept that perhaps we could offer

an entire set of New Mexico-themed games. So the fun-loving \$1 Mistle Toads featured horny toad lizards among prickly pear cacti adorned with holiday lights in the New Mexico desert. The \$2 Holiday Gold featured warm luminarias in the snow. And the \$5 Cash for Christmas featured a beautiful chile WREATH-stra and white lights on a twinkly red backdrop. As a reminder, here in New Mexico when you order red and green chile on your meal, you ask for Christmas. Additionally, we gave the players a special surprise by using HD holiday symbols in the play area.

Advertising included digital ads, digital billboards, radio, TV, social media, and email announcements. This year, as part of our strategy to place an emphasis on Scratchers with second-chance promotions to help continue the strong sales the Lottery had in FY21, we offered a second-chance promotion for players who purchased our holiday Scratchers. Starting mid-November, players who purchased holiday Scratchers could enter the Holiday Cash Fiesta Second-Chance Promotion at nmlottery.com (at the Promo Zone) for a chance to win one of 25 prizes of \$500. During the five week promotion, five winners were selected each week to win \$500.

Holiday prize structures, if different from typical games:

Normally, we do not alter prizing compared to our other games. However, this year we increased the payout on all three holiday games, hoping to reward the occasional player with more prizes.

Other holiday games, promotions or activities:

In addition to the second-chance promotion mentioned, 17 radio stations offered one of two promotions for their listeners in the two weeks leading up to Christmas. In “Sing a Song of Mistle Toads,” once a day the DJ announced, “It’s time to play New Mexico Lottery Mistle Toads!” In the spirit of the holiday Scratcher, the first caller made a horny toad sound – or at least, whatever sound the caller THOUGHT this lizard makes. The lucky caller won a Lottery prize pack. In “Red or Green,” once a day the DJ announced, “To celebrate New Mexico

Lottery’s Cash for Christmas Scratchers, it’s time to play Red or Green!” The first caller guessed what kind of chile the DJ was having with dinner: red, green or Christmas! If the caller guessed wrong, the DJ took callers until he had a winner.

Major lessons learned in 2021:

A promotion in January and February may be considered to help move remaining holiday inventory. And although we print a smaller quantity of holiday tickets, we are hoping to find a way to lower that quantity even more.



New York Lottery

New York's holiday lineup included five games: two at \$5 and one each at \$1, \$2 and \$10.

Most successful game(s):

Our \$10 Holiday Magic was the most successful – players like the \$1,000,000 top prize, and the \$10 is the most profitable of the holiday games

Launch and end dates:

We launched three games on November 2, and two more on December 2. We cut order quantities back slightly to reach sellout by the end of January; in past years, if holiday specific games did not sell out, we typically ended them by early February. If a game has a seasonal theme, we allow to it sell out organically.

General holiday strategies:

The strategy was to launch three games in November with “Holiday” in the title, at \$2, \$5 and \$10. We follow that up with a \$1 seasonal theme in December, accompanied by a \$5 winter/Lunar New Year-themed ticket. Holiday games were supported with advertising and promotion, including holiday scratch-off ticket

second-chance prizing. Players could enter holiday tickets to for a chance at cash prizes. Four draws were held over the course of November and December. There were also daily instant wins through second-chance to encourage daily engagement with the Lottery brand. In addition to the holiday second-chance, there was a retailer incentive. Retailers who activated holiday scratch-off tickets by established deadlines were entered for a chance to win scratch-off tickets.

Holiday prize structures, if different from typical games:

We reduce the top prizes of the holiday \$10 and \$5 games compared to our typical prizes, from \$3 million to \$1 million on the \$10 holiday game and from \$1 million to \$500,000 on the \$5 holiday game. We did increase the payout slightly for the \$10 ticket to enhance the player gift-giving experience.

Major lessons learned in 2021:

We learned that the slightly lower order quantities allowed for all games to be out by late January, which was the goal – that was a success. We will evaluate exact timing of each price point and modify



quantities slightly if needed. Players seemed to enjoy the tickets with “holiday” in their names. We are reviewing the launch schedule to determine final lineup for 2022 holiday launch and timing.

North Carolina Education Lottery

North Carolina's holiday lineup included six games: one each at \$1, \$2, \$3, \$5, \$10 and \$20.

Most successful game(s):

\$10 Merry Money Blowout. The game has three prize tiers, \$50, \$100 and \$500. Prior to this game we always carried a “\$50 or \$100” game in the market at all times, but during this holiday season we decided to add a \$500 tier. The result was extraordinary. Our players loved this game. We sold out within the first month of launch.

Launch and end dates:

We always launch our holiday games in November. We usually remove holiday games in March if they aren't sold out.

General holiday strategies:

We launched six holiday games with different looks and themes; the \$20 game is a large-format ticket. Our plan is to launch single-themed, or more family-based holiday games every other year. Our holiday games always include a holiday second-chance promotion; all six games were eligible as entries into two Holiday Winnings second-chance drawings with one \$150,000 grand prize, five prizes of \$10,000, and 50 prizes of \$500. Like the previous season, we also offered an interactive online game for players who entered any of the holiday scratch-off games. The interactive game was themed and named based on the \$20 oversized holiday game, Holiday Winnings. With our Holiday Winnings Digital Reveal Game, players could play the game to reveal the number of second-chance entries that they were awarded, and they also could earn 10 to 50 extra



rewards points weekly through the holidays. The digital game was featured in the Earn Points section of our Lucke-Rewards web pages. Approximately 35,000 unique players played the Holiday Winnings interactive game for bonus points.

We approached the advertising for these games differently this year. In addition to advertising the games when they launched in November, we also advertised them throughout the month of December. In prior years scratch-off advertising focused on the new games that launched in December, not our holiday games. The strategy worked, as we experienced a significant increase in sales in the week leading up to Christmas. It wasn't limited to just the holiday scratch-off games, but the gifting theme of the advertising seemed to resonate more across our entire scratch-off portfolio this year based on this strategy.

Holiday prize structures, if different from typical games:

Holiday games payouts are the same as other games, but we generally offer lower top prizes.

Other holiday games, promotions or activities:

This year we also conducted a Countdown to 2022 promotion the last week of December. It included a variety of one day, short term promotions on draw games at both retail and on our online play platform.

Major lessons learned in 2021:

Because of the success of Merry Money Blowout, we've decided to add this type of game to the market at all times. Next holiday season we'll also offer a new look for this ticket.

Ohio Lottery

Ohio's holiday lineup included six initial games: one each at \$1, \$2, \$3, \$5, \$10 and \$20. Four additional holiday/seasonal games were added later at the \$1, \$2, \$5 and \$10 price points.

Most successful game(s):

The \$5 Holiday Lucky Times 10 scratch-off is one of the Ohio Lottery's signature holiday games, offered every year since its debut in 2003. This year's version was the highest selling \$5 holiday game for the 12-week period, with an increase of \$2.5 million, or 9.8%, compared to the prior year.

Launch and end dates:

We launched the holiday scratch-off lineup on October 12. That release was followed with four more holiday/winter

themed games on November 23. Like other scratch-offs, holiday games are removed from inventory based on parameters set for weekly sales performance. Due to great demand from our players, most designated holiday scratch-offs were out of the warehouse in retail as of early January.

General holiday strategies:

We balance classics like Holiday Cash and Holiday Lucky Times 10 with themes based on popular culture touch points (i.e. National Lampoon's Christmas Vacation) and other common holiday themes. We utilized a layered advertising strategy to promote holiday scratch-offs. The "Winning Wonderland" campaign, which ran October 12 to December 26, was a broad-based campaign supporting the entire October release of holiday scratch-offs, and included point-of-sale, digit and social assets, and radio.

The “\$1 Million Merry & Bright Better Together” campaign focused on the premium \$20 \$1 Million Merry & Bright scratch-off, its \$1 million top prize and bonus feature. The campaign ran November 8-21. In a final holiday countdown, we launched the “Holiday Little Gift, Big Impact” ad campaign, with the message that Ohio Lottery scratch-offs make a perfect gift. The campaign ran from November 29 to December 26.

As in past years, we offered a special second-chance drawing for holiday scratch-offs for members of MyLotto Rewards, our loyalty program for players. The “New Year, New You, New Money” second-chance promotion ran December 6 to January 16. All holiday and winter-themed tickets from the two holiday releases were eligible, allowing for one entry for each \$1 spent from this list of games. The promotion offered four grand prizes with winners choosing from home fitness, family fun, and health- and home-themed prizes, along with \$12,500 in cash. The promotion included a \$500 second-tier prize for an additional 50 winners. The promotion wrapped up with 4.2 million tickets, valued at \$22.6 million, entered into the drawing.

Our social media strategy provided numerous ways to learn about our games, engage with our content, and win small prizes. In addition to comment-and-win posts on our social channels, we hosted two live events. The Cash Flurry Facebook Live event showcased three holiday-themed characters who entered a giant snow globe to win digital lottery cash prizes for our viewers. We promoted our new \$2 Cash Flurry ticket and our holiday games. That 20-minute event had 6,800 viewers and 141,000 comments. Our Very Merry Game Show Facebook Live event featured our \$10 gigantix ticket, A Very Merry Holiday Countdown. Lucky commenters had chances to win digital cash, white elephant style prizes, and scratch-offs as our hosts moved through a calendar-style game board. We used this 40-minute event to promote our holiday games as great gifts too. The results included 8,100 viewers and 266,000 comments.

We also provided an incentive to bring customers into retail during the holiday season to purchase holiday and other scratch-off games, sending one million coupons to households statewide. Coupon holders could redeem the coupon for a free \$2 scratch-off with a \$5 scratch-off purchase. The coupon promotion ran November 22 to December 11, achieving a 9.4% redemption rate.

Holiday prize structures, if different from typical games:

We increased the payouts on our \$1 and \$2 holiday scratch-offs. We slightly increase payouts on our other holiday games. We keep our top prizes consistent with similar games within the same price point.



Other holiday games, promotions or activities:

The Ohio Lottery released five holiday-themed EZPLAY games, our version of Fast Play. Payouts ranged from 66% to 74%, and top prizes from \$1,000 to \$30,000. These games, released November 23, included \$1 Santa's Snowball; \$2 New Year's Celebration; \$2 Stocking Stuffer; \$3 Jingle Bell Bucks and \$10 Blustery Bucks.

Major lessons learned in 2021:

We found a great game in \$3 Peppermint Payout. It was our best-selling \$3 holiday scratch-off game ever. We will use the same game for this upcoming year, with some minor tweaks to ways to win. We were happy with the performance of all our holiday games. We will look to adjust any print quantities if necessary.

Oklahoma Lottery

Oklahoma's holiday lineup included one game at \$1, called Frosty the Doughman, and it sold extremely well. From our experience, we just cannot sell through that many holiday tickets in that short of time and we are not interesting in having Christmas-themed tickets sell well into January or later. Being a smaller market is hurting us the most on this.

Launch and end dates:

We launched our ticket on October 26 and it was almost sold out by New Year's Eve. We ended distribution on January 1 but a few more packs sold after that.

General holiday strategies:

We activated all of our typical marketing assets like social media, email blasts, website exposure and in-store digital signage. We did several social media posts or promotions that were holiday-themed, but they did not solely focus on the one holiday ticket.



Major lessons learned in 2021:

Frosty the Doughman was a very popular theme so we did seem to sell more than we have in the past. We wouldn't change much, but are considering adding another winter-themed game for next year. We will probably produce some holiday-themed TV spots as well, but they won't be specific to holiday games.

Ontario Lottery and Gaming

Ontario's holiday lineup included seven games, two each at \$3 and \$10, plus one each at \$2, \$5 and \$20.

Most successful game(s):

OLG's \$10 Gift Pack continued to be our top performer, achieving the highest sales volume of this year's holiday products at \$18.6 million with a 94% sell through. We saw a great demand for these packs at retail during the holidays as, by design, they're meant for gift-giving. The standout product of the season with the greatest sales growth from the previous year was our national \$10 Merry & Bright ticket. The collaboration ticket across multiple lottery jurisdictions in Canada offered players a chance to win a top prize of \$250,000. Compared to last year's \$10 Gifts of Gold (which we released as an Ontario-only game), we saw a 4.4% increase in sales and a 3% increase in sell-through.

Launch and end dates:

We used a staggered launch approach for our holiday games to ensure we satisfied the demand during the gifting season. For 2021, we launched an additional game at the \$3 price point mid-October along with our High Valued products, \$20 24 Days to Celebrate (Big Ticket) and \$10 Merry & Bright. The remaining products launched the first and second weeks of November. In order to maximize our sales and sell-through for these products with limited time in market, learnings from the previous launch strategy provided the insight that all products must be in market by the second week of November. Our holiday products were removed from sales by January 14.

General holiday strategies:

OLG's overall instant holiday strategy was to give our products a traditional holiday look and feel. The lineup was designed as a cohesive collection with the use of festive imagery, deep red elements



and a holiday color theme to link each price point together. Our advertising strategy kept gift giving top-of-mind with our successful “Stockings Love Lottery. Give one today!” campaign. Customer touchpoints included in-store POS, radio advertising, out-of-home (in-store Powerwalls and digital screens), social media and a partnership with Post Media (article and infographic). Additionally, with many companies experiencing supply chain and inventory issues around the holidays due to COVID-19 impacts, we leveraged media assets to shift messaging of our products as an easily accessible gift-giving option given our more than 10,000 retail locations across Ontario.

Holiday prize structures, if different from typical games:

Holiday instant tickets provide a unique opportunity to reach new players who are gifted instant tickets during the holiday season. Our prize structures reflect this opportunity by focusing on the play experience with an improvement in odds and slightly higher percentage of chatter prizing than non-seasonal tickets. Our objective is to provide a winning experience to more players who will in turn reinvest in the core products offered within the category.

Other holiday games, promotions or activities:

We showcased our OLG Lottery Gift Card alongside our instant holiday products in our campaign material.

Major lessons learned in 2021:

With the successful launch of an additional holiday product at the \$3 price point, we plan to continue this into the next season, as well as launch an additional holiday product at the \$5 price point. As a result of the performance in sales and sell through for the \$20 24 Days to Celebrate (a countdown calendar styled Big Ticket) we have decided not to launch this as a holiday themed product for the 2022 season. OLG’s instant games experienced record sales weeks during the holiday season in 2019, 2020 and 2021, demonstrating the importance instant products play for our business in the gift giving season. We are looking forward to enhancing our product offering for holiday 2022!

Pennsylvania Lottery

Pennsylvania’s holiday lineup included six games: one each at \$1, \$2, \$3, \$5, \$10 and \$20.

Most successful game(s):

We were very excited by this year’s lineup of designs and themes for our six holiday games. For the fourth consecutive holiday season, all six featured HD printing. Three games featured a little extra holiday magic with special print features. The \$20 \$1,000,000 Merry and Bright featured gold Sparkle Twinkle throughout, the \$10 Snow Much Fun featured MicroMotion in a snowflake pattern, and the \$5 Ho Ho Whole Lotta \$500s featured Santa hopping from roof to roof in front of a snowflake holographic display background. While a case could be made for all three games being the most successful this year, both the \$20 and \$10 games exceeded our sales expectations. After 10 weeks, \$1,000,000 Merry and Bright brought in over \$86.5 million in sales. This marks the highest-selling game of any of our holiday games ever, and it also generated the most profit. Snow Much Fun performed well but was slightly behind last year’s \$10 game with a total of just under \$60 million in sales after 10 weeks. Ho Ho Whole Lotta \$500s outperformed last year’s Holiday Gifts, and sales after 10 weeks were just under \$49 million. Once again, the success of these three games proves that players in Pennsylvania love the specialty print features and patterns we have used over the years.

Launch and end dates:

We launched our holiday games on October 26, similar to years past. We generally look at the period of holiday sales as a 9-week time frame that ends just around the New Year. In terms of closing games, we follow the same process for our holiday games that we do for all of our scratch-offs. We closely monitor the life cycles and make a determination as to when to close each game based on several criteria, including sales performance, upcoming game launches, number of games available at each price point, and percentage of active stock at retail, to name a few. Typically, holiday games sell very well in Pennsylvania, but as can be expected sales do drop a little after the season passes. We closely monitor game performance every week after the holiday season. When it becomes evident to us that it is time to close a game, decisions are made using our normal game closure procedures.

General holiday strategies:

Our slogan for the holiday scratch-off advertising campaign was “Who’s Feeling Festive?” Our holiday advertising utilized an integrated campaign, including two television spots. One featured our scratch-off mascot Gus and the other was our classic holiday commercial, called “Snowfall,” which the Lottery has aired during the holiday season for over 20 years. Other support elements included online video, online banners, rich media, radio,

out-of-home, print, influencers, and paid social.

A total of 10 traditional holiday-themed games were introduced at retail in 2021, including six scratch-off games at varying price points and four Fast Play games at varying price points, so there was something to offer for every player. Players were able to enter non-winning holiday scratch-off and Fast Play tickets, as well as eligible draw games, into the North Pole Payout Second-Chance Drawing, which featured top prizes of \$100,000.

We also offered online players six new holiday and winter-themed eInstant games throughout late October and into early December: Matching Through the Snow, Winning Tree, Polar Bear Bucks, Gifts Galore, Flurry of Cash and Snow Bank. We were able to cross-promote these with our traditional games to create an omnichannel approach to our holiday season. Players could receive \$10 bonus money online when they played \$10 on the Matching Through the Snow online game, for example. A special code was on the back of every holiday scratch-off for this offer. In addition, players could get \$10 bonus money online when they played \$10 on the Winning Tree online game. A different, special code was at the bottom of every Fast Play holiday-themed game for this offer.

Holiday prize structures, if different from typical games:

There are a few strategic approaches we take when designing the prize structures for our holiday games. Since these games are typically given as gifts and are purchased by more casual players, there is more emphasis on the churn prizes than a typical core game. This helps us give players more winning experiences, even if they are small. We generally only follow this approach on the lower price point games (\$1, \$2, and \$3 games). Our \$5 game this past year focused on the \$500 tier; that focus dictated the rest of the prize structure because it is such a significant prize for that price point. This was a different approach to past holiday \$5 games, but the game performed 3% better than the average \$5 holiday game after 10 weeks on sale. Our higher price point games are similar to any other core game at those price points. If we focus the play style around a certain tier (i.e. \$200 instant win), then we make sure that win is attainable. We strive to maintain the prizing expectations at these price points because they are treated like any other game, prizing-wise, despite the more whimsical and festive theme.

Insights on eInstants:

As already noted, we launched six new eInstant games during the holiday season, starting with the first one that launched two days after the holiday scratch-off games on October 26. This allowed for a natural cross-promotional opportunity, as described above. After the first holiday eInstant launched, we decided to pair a holiday-themed game with a winter-themed game for the next two

launches to get games out there earlier in the season. As a result, our last winter-themed online eInstant was launched at the beginning of December rather than the end of December, like we did in 2020. Speaking of 2020, all of the online games that we launched during the holiday season in 2020 were still active during the 2021 holiday season.

Other holiday games, promotions or activities:

Over the 2021 holiday season, we launched a website/mobile holiday coupon campaign called “14 Days of Holiday Gifts.” Between December 9 and 22, players could log on to our website, palottery.com, and participate on the 14 Days of Holiday Gifts landing page. When they entered their email address or mobile number, they received a PA Lottery coupon. Each coupon was different and was a buy one get one deal. For example, buy a \$5 scratch-off and get a free \$1 Fast Play ticket. This program allowed players to sign up for daily email reminders as well. There were 26,000 unique players who requested email reminders, of which 6,900 (27%) were new email enrollees that we added to our overall email marketing list. During the 14 days, the Lottery issued more than 60,000 coupons.



South Carolina Education Lottery

South Carolina's holiday lineup included two games: one each at \$1 and \$2.

Most successful game(s):

South Carolina only launches a \$1 and \$2 holiday ticket due to player preferences. A key number match playstyle always sells the best for us.

Launch and end dates:

We launch our holiday tickets on the first Tuesday in October, so for 2021 that was on October 5. We strategically adjust our quantity on these games so that we can anticipate a sellout on or shortly after the week of Christmas. If for some reason they do not sell out by that time, we will end the games sometime in January.

General holiday strategies:

Since our holiday games are only out a short time, we generally do not put extra support or interactive behind them. For the month of December, we do advertise on in-store ticket top-pers, digital outdoor and social media. New this year, we held a photo entry contest in conjunction with our Happy



Pawlidays! \$2 ticket in an attempt to bring new users and players to our social media platforms, website and app. We launched the Happy Pawlidays! promotion in May 2021 and South Carolinians could submit a picture of their dog for a chance to be featured on our \$2 holiday ticket. We allowed

voters to choose their nine favorite dogs and then invited those dogs to a professional, holiday-themed photo shoot where their pictures were taken to be used on the printed tickets. We received over 5,700 entries and over 10,000 votes for finalists in this promotion – a huge success for us!

Texas Lottery

Texas' holiday lineup included five games: one each at \$1, \$2, \$3, \$5 and \$10.

Most successful game(s):

25 Days of Winning was the Texas Lottery's \$5 holiday scratch ticket and was designed with Pollard Banknote's ClearPlay technology. The ticket was printed on a clear plastic medium and had 25-day holiday countdown calendar. The game indexed at 117 after 12 weeks of sales.

Launch and end dates:

\$1 Cozy Cash, \$3 Winter Words, \$5 25 Days of Winning and \$10 Holiday Lucky Times 100 were all launched on November 1. The \$2 Break the Snowbank launched on

November 15. This schedule was revised compared to the previous couple of years, when the holiday games launched in October. Scratch ticket game closing procedures are initiated when all top prizes in a game have been claimed, when games reach 85% sell-through, or when a sales analysis determines a game is underperforming compared to games with similar price points and print quantities.

General holiday strategies:

The Texas Lottery produces a more whimsical ticket at the \$1 and \$2 price points, a "words" themed game at the \$3 price point and more traditional holiday themes at the \$5 and \$10 price points. Due to reductions in the Lottery's advertising budget, the holiday games were supported

with only in-store POS, ESMM (in-store advertising display) slides and social media. The POS features only the holiday scratch ticket games. ESMM slides are produced to match the look/feel of the scratch holiday POS, but the jackpot awareness slides on ESMM are updated every year during the holiday season with snow, holiday lights, etc., to give draw game messaging a holiday feel.

Holiday prize structures, if different from typical games:

Typically, the \$1 game will have more prizes at the churn levels and a top prize of only \$500 to allow all prizes to be cashed at retail.

Major lessons learned in 2021:

We believe the ClearPlay feature was well received and the Texas Lottery will continue to watch for new production innovations from our scratch ticket manufacturing vendors to incorporate into our future holiday games!



Virginia Lottery

Virginia’s holiday lineup included four games: one each at \$1, \$2, \$5 and \$10.

Most successful game(s):

Our most successful game this year was \$10 Winfall. It featured a \$500,000 top prize, lower than our standard \$1,000,000 offering to allow extra funding to load the no-break-even game with \$20 to \$100 prizes. We also added three bonus spots to provide additional chances to win, supporting our research that shows this appeals to our players. The strength of Winfall’s prize structure required a larger print quantity than we have offered at the \$10 price point over the holidays, so we used a pulse tactic to allow it to blend in with the holiday theme. One-fourth of Winfall’s print run featured a red and green color scheme before transitioning to black, a more standard \$10 visual offering, entering the market around December.

Launch and end dates:

We launched our holiday games on the first Tuesday of November. Generally, we plan the print runs to have enough inventory for the games to last through the holiday season to limit the number of returns. This year, we developed two holiday games (\$1 Holly Dough and \$2 Holiday Cheer) that sold out by the new year, eliminating the need for our sales representatives to remove inventory from retailers in January. Both \$5 Winter Winnings and \$10 Winfall were still in the market by the end of February. Even though Winter Winnings was included in a holiday second-chance drawing opportunity, it had a winter theme, allowing it to live in the market after the holiday rush.

General holiday strategies:

Our strategy was focused on enhancing the winning experience for our players. We optimized our prize structures by reducing the prize funding percentage away from high-tier wins in favor of low- and mid-tier wins. We used our aptly-named “meaningful win” research to provide directional insight on what players consider a satisfying win or an extremely gratifying experience, and whether they would tell others about a certain prize level win. We had a robust ad campaign around our holiday scratchers that started in the middle of November and ended in January. We incorporated a second-chance drawing for the holiday \$1, \$2 and \$5 games. It provided players the opportunity to enter non-winning tickets into a weekly drawing for thousands of \$100 prizes. Due to how well players received this, we will include these opportunities in the future.

Holiday prize structures, if different from typical games:

To offer a more robust winning experience, we will add a 0.5%-1% payout to our holiday games, mainly if the additional funding covers a second-chance promotion.

Insights on eInstants:

Unlike holiday 2020 where we aligned our first holiday eInstant launch with the scratcher holiday games in early November, we started launching holiday eInstant games after Thanksgiving in 2021. In our second holiday season for iLottery, we launched four eInstant games on a weekly cadence from November 30 to December 21. Our normal launch cadence is a new game every two weeks. The

first two games were new holiday-focused games (Merry Money Bonus and Holly Jolly Combos) and the second two games were more winter-focused games (Winter Cash Drop and Polar Payout). While three of the eInstant games were new, Winter Cash Drop was originally launched in January 2021. Due to strong performance last year, we wanted to bring it back as a player favorite. We use winter-themed games because it allows a longer period of relevant time to promote the game than a holiday specific game. We do not keep holiday and seasonal games available all year because we believe that the limited availability adds to what makes a game special. To close a game, we start by deprioritizing it in our games lobby and then slowly remove it during late winter/early spring.

Other holiday games, promotions or activities:

This year, our new holiday campaign included our holiday scratch games, raffle and eInstant games. We worked to ensure that our players got to experience all of our gaming opportunities across all platforms. Our holiday campaign performed well and we will continue to find ways to apply this integrated strategy in future work.

Major lessons learned in 2021:

Our holiday second-chance promotion was well received and was successful in adding newly registered players to our MyGameRoom database. Over the nine-week promotional period, 582,000 tickets were submitted, 37,000 unique players participated, and a little over 9,000 were newly registered players. Due to this level of interest and activity, we plan to incorporate a similar offering in FY23.

Washington's Lottery

Washington's holiday lineup included five games: two at \$1 and one each at \$5, \$10 and \$20.

Most successful game(s):

Our \$5 Twelve Elves was our most successful game. It was a combination of the cute graphics and the find play style utilizing 3D fonts from Scientific Games.

Launch and end dates:

We launch our holiday games the middle of October, and start the closing process the first of January. This has been our launch schedule for a long time.

General holiday strategies:

Our \$10 game was a large-format ticket (8" by 10"). This was the first year we launched a holiday \$20 game and we were pleased with the reception by our players. We used whimsical themes on our \$5 game and one of our \$1 games. Sales for these two games were great, and reinforced the fun and whimsy of the holidays.

Major lessons learned in 2021:

Because the \$20 game was received well by our players, in 2022 we may do another \$20 and skip the \$10 large format game. We'll also look at bringing in a holiday-themed extended play game at the \$2 or \$3 price point.



West Virginia Lottery

West Virginia's holiday lineup included four games: one each at \$1, \$2, \$5 and \$10.

Most successful game(s):

Our \$10 Big Country Christmas Super Ticket was our launch of the super ticket product line. It proved to be the best selling \$10 ticket to date in the initial weeks and boosted awareness of the other holiday games with dedicated display at the counter for participating retailers.

Launch and end dates:

We launched the holiday games on November 2, keeping with requests from retailers to not start before Halloween. Most of our tickets are actually second pulses of games we offer for both Halloween and the holidays. We do typically remove the holiday games after the holiday has passed, although we did allow a few games to continue into January this year to meet player demand. We had even adjusted order quantities up this year to meet possible increase based on the super ticket factor.

General holiday strategies:

West Virginia tries to keep games at the \$1, \$2, \$5 and \$10 price points for the holidays each year. The games usually have a common theme for that year to appear as a family and create a hook for advertising as a group. We do not usually offer a promotion, as it is difficult to cut through the advertising clutter during holidays. However, we do television advertising specifically for the holidays.



Holiday prize structures, if different from typical games:

Our holiday games typically have lower top prizes to allow more wins at the low- and mid-tiers to create more win experiences for gift-giving. The payout is also slightly higher, similar to all of our family games.

Major lessons learned in 2021:

The super ticket will be the hallmark ticket in 2022, based on the additional attention and sales it provided. We will also keep the cohesive feel of our holiday tickets in our advertising and communications with the players.

Western Canada Lottery Corp.

WCLC's holiday lineup included 11 games: two each at \$1, \$3 and \$5, plus one each at \$2, \$4, \$10, \$20 and \$30.

Most successful game(s):

Player's Choice Mega Pack is by far WCLC's most successful ticket; it comes out over the holidays but runs a little longer. It does well because it has a lot of play (10 tickets inside) and is a guaranteed win. The second highest seller was our \$30 offering, Christmas Countdown.

Launch and end dates:

Release of our WCLC's holiday games is staggered a little to get all of them to retail, from the beginning of October to the beginning of November. They are typically removed from market after Christmas, but with Player's Choice and more winter-themed games without specific holiday looks, they can still be selling through January.

General holiday strategies:

Our strategies were a little bit different this season due to COVID-19 and it is difficult to compare the past two holiday seasons. For advertising and support, we used TV, digital

and social for Player's Choice Mega Pack; we also did digital, social and POS for our Holiday Fan of Tickets, which include most of the offerings in all categories. WCLC has done the second-chance opportunity Pick Your Present for quite some time and we continued with that offering this past holiday season. It has done well for WCLC in bringing in new players. To enter the contest, players must be a member of our MVP Service club. Pick Your Present features a variety of prizes from which entrants get to choose, including electronic merchandise, travel vouchers and cash prizes to drive consumer participation.

Holiday prize structures, if different from typical games:

We do alter prize payout structures for our holiday games; we mix them up between all of the offerings but we give a bit of a higher payout on the holiday games. For example, we try to focus on chatter prizes, and make changes to the top prize in some categories, specifically \$2 to \$10 games. For example, we might add a bit to the top prize, going from \$20,000 to \$25,000.

Other holiday games, promotions or activities:

National tickets are traditionally used for other promotions that are focused on certain retailers, and this does change from year to year.

Major lessons learned in 2021:

WCLC has already started to look at holiday 2022, and we are definitely going through all the information we have gathered from our partners and marketing and advertising. We continue to take into account our merchandiser and try to figure out if we have the right amount of tickets to be successful without overwhelming the retailers or the consumers.

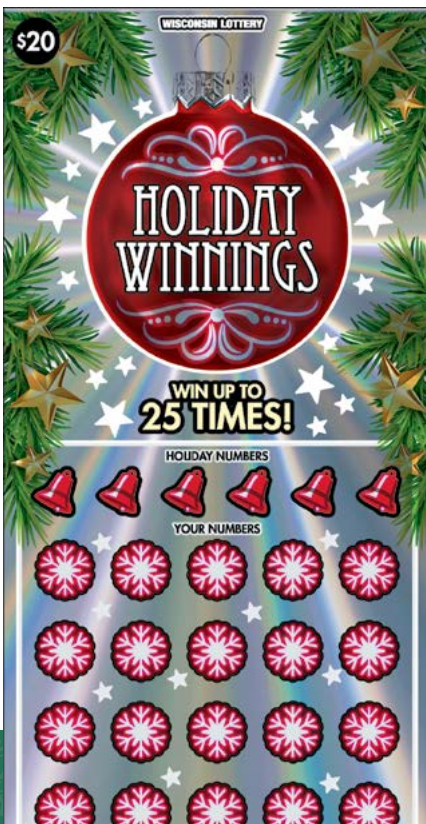


Wisconsin Lottery

Wisconsin's holiday lineup included six games: one each at \$1, \$3, \$5, \$10, \$15 and \$20.

Most successful game(s):

We always take pride in our \$15 oversized ticket, and this year's Gnome for the Holidays was definitely a star. But we also offered our first ever \$20 holiday ticket (Holiday Winnings),



which was not only successful in its own right, but was able to fit in nicely with the other offerings. Considering that we have historically always looked at our \$10 holiday game as the premium ticket, adding a \$20 that was able to shine without sacrificing the high quality of the \$10 was definitely a highlight for us.

Launch and end dates:

Our games launch in mid-October, and we are very intentional with our ticket quantities so that the games will sell out from our warehouse before the holidays. So it is extremely rare that games are still for sale in January. This year saw the trend continue, with all games selling out in November or December. That said, we also regularly choose winter themes over holiday themes for certain games, so any tickets that may sell into the new year are still able to remain "in season."

General holiday strategies:

Recognizing the strength of the high price points and the strength of holiday games, the only significant change we made was the addition of the \$20 price point to the holiday collection. Though we have offered \$20 games for many years, we had

never offered a \$20 holiday game before. Otherwise, we stayed with our customary price points with a \$1 scene game, a \$3 Crossword, a \$5 loaded, a \$10 premium, and a \$15 oversized ticket. We also continued our proven strategy of TV, social, out-of-home, radio, terminal displays or something similar, and POS support for all of the games.

Other holiday games, promotions or activities:

We also offered our popular Holly Jolly Raffle \$5 lotto game, which has become a sort of annual tradition. The advertising supporting this game is not as extensive as our instant products.

Major lessons learned in 2021:

Probably the most interesting thing we learned was about the \$20 ticket. We were not sure what to expect for our first \$20 holiday game, but we were a little surprised that none of the top prizes in the game were claimed prior to the holidays. However, all three top prizes were claimed within the first few weeks after the holidays, leading us to believe that they were given as gifts, which is an important part of the messaging strategy for the holiday games.



NASPL and Lottery Industry Schedule of Events

2022 SCHEDULE

July 25-29, 2022

NASPL Professional
Development Seminar
Indianapolis, IN

Hosted by the Hoosier Lottery

[nasplprofessionaldevelopment.com](https://www.nasplprofessionaldevelopment.com)

August 1-4, 2022

NASPL Directors' Meeting
Nashville, TN

Hosted by the Tennessee Education
Lottery

October 16-20, 2022

World Lottery Summit
Vancouver Convention Center
Vancouver, BC

Hosted by BCLC

[worldlotterysummit.com](https://www.worldlotterysummit.com)

December 2022

NCPG/McGill University
Gift Responsibly Campaign

2023 SCHEDULE

March 2023

NCPG Problem Gambling
Awareness Month

April 23-27, 2023

NASPL Lottery
Leadership Institute

Hyatt Regency Cleveland Arcade
Cleveland, OH

Hosted by the Ohio Lottery

July 17-20, 2023

NASPL Professional
Development Seminar

Denver, CO

Hosted by the Colorado Lottery

October 30 - November 2, 2023

NASPL Annual Conference

Milwaukee, WI

Hosted by the Wisconsin Lottery

December 2023

NCPG/McGill University
Gift Responsibly Campaign

2024 SCHEDULE

March 2024

NCPG Problem Gambling
Awareness Month

April 2024

NASPL Lottery
Leadership Institute

Dates to be Determined

July 22-24, 2024

NASPL Professional
Development Seminar

Omaha, NE

Hosted by the Nebraska Lottery

September 9-12, 2024

NASPL Annual Conference

Kansas City, MO

Hosted by the Missouri Lottery

December 2024

NCPG/McGill University
Gift Responsibly Campaign



Find inspiration inside and out.

**LEADING THE
JOURNEY.
INSPIRING THE
FUTURE.**

The World Lottery Summit 2022 is set to take place in the breathtaking, forward-thinking, eye-opening city of Vancouver, Canada. A perfect location to learn, grow, engage and connect as an industry and discover what's on the horizon for the future. With the ocean, forests and coastal mountains close at hand, you'll wake up every day refreshed and ready to be inspired.

Save the date: Oct 16-20, 2022





Reimagine
Next

Big Things Happen When Small Things Work Together

Strategic Product Enhancements

Some lotteries use their revenues to support a variety of important efforts such as infrastructure, education, and healthcare, ultimately creating a better state for everyone. Scientific Games' Strategic Product Enhancements work the same way. From Sparkle® to Scratch My Back®, from HD Games™ to holographic paper, our Strategic Product Enhancements are designed to grow sales, improve efficiencies, and deliver maximum profits to the good causes our lottery partners support.



Reimagine Next

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