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

INSIGHTS

MARCH/APRIL 2023

DEBUNKING LOTTERY MYTHS

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expanded review
of common lottery
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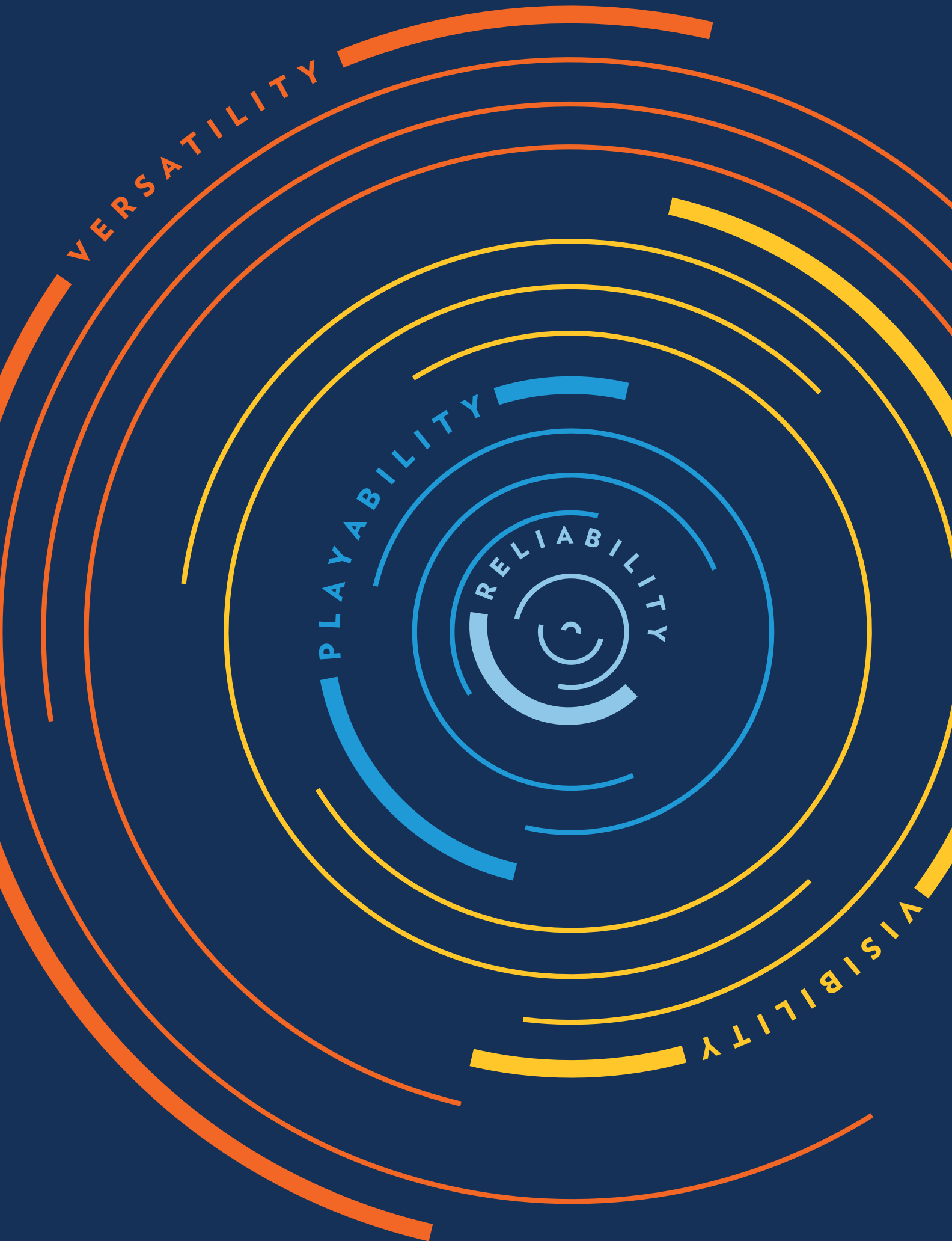


VERSATILITY

PLAYABILITY

RELIABILITY

VISIBILITY





From the
NASPL
PRESIDENT



Many of us consider ourselves to be lifetime learners. Professional education can be beneficial to your career, to your mental stamina, and for your overall happiness. NASPL holds several continuing education events each year aimed at providing opportunities for everyone in the lottery industry. Whether you're one of our new(er) lottery leaders or have been around long enough to remember when states could only sell Powerball OR Mega Millions, these conferences have something for you.

In April, NASPL is hosting Lottery Leadership Institute, being held in Cleveland, Ohio. This four-day training event, held April 24-27, will provide attendees with tools to grow their foundation in the industry and connect with others who have "been there, done that." Through a partnership with Franklin Covey, attendees will receive 3.0 Continuing Education Units, upon completion of the institute. This event is hosted by the Ohio Lottery.

For those lottery executives wishing to come together and discuss the business of NASPL, we invite you to head down to the Big Easy for the Lottery Directors' Meeting, June 12-15, hosted by the Louisiana Lottery. During this event, representatives from our Level I, II and III Associate Members also have a chance to share valuable insight on various important topics.

Next up, we'll head out west to the Mile High City for the Professional Development Seminar (PDS), held July 17-20 in Denver, Colorado. This event is a great chance for lottery professionals to attend a series of workshops, no matter the focus of your role. Whether you are in public relations, accounting, auditing, legal, IT, security, or sales, PDS has something for you. This year's event, hosted by the Colorado Lottery, is sure to live up to all your "Mile High Expectations!"

Lastly, we'll enjoy Halloween during NASPL's 2023 Annual Conference held October 30 through November 2 in Milwaukee, Wisconsin. Join us for exciting keynote speakers and timely educational sessions, as well as the prestigious NASPL Awards. This event will also feature dozens of industry vendors available to help with every facet of the lottery business. NASPL Associate Members do an amazing job of innovating and modernizing for better player experience.

I hope to see each of you this year at one or all of these events. For more information and to register, visit [NASPL.org/events](https://www.naspl.org/events)

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All Aboard for Education!

In 2023, the NASPL conference train rolls through Cleveland, New Orleans, Denver and Milwaukee.



The last week of April kicks off what will be a very exciting NASPL conference season, as Lottery Leadership welcomes an overflowing crowd to Cleveland. Attendees are always eager to learn a variety of leadership skills that will serve them well in their lottery careers and beyond.

For the second straight year, NASPL has partnered with Franklin Covey to develop principle-based leadership content specifically for the lottery industry. Franklin Covey is the world's most trusted provider of leadership solutions that unleash the full potential of leaders and their teams. Their leadership program will be presented over two days of Lottery Leadership, April 25 and 26.

The conference begins on April 24 with general sessions about NASPL, responsible gambling, innovation and research. Later in the week, there is a

detailed presentation about creating a diverse, equitable and inclusive workplace, along with sessions on digital engagement and connected play (redefining the player experience).

From June 12-15, lottery chief executives will assemble in New Orleans for the annual Directors' Meeting and Dialogue. It's an association event where NASPL business is conducted and where our top-level Associate Members can have one-on-one conversations with industry leaders.

Our signature event of the summer season is the Professional Development Seminar, held this year at the Grand Hyatt Denver from July 17-20. It's a time-tested small-group format where hands-on industry professionals can meet with their peers for real-world sharing of ideas, innovations and problem-solving. Disciplines include Accounting, Audit, Information Technology, Legal, Product Management, Public

Relations, Research, Sales and Marketing, and Security. Combined with always-insightful keynote presentations, this year's PDS is sure to live up to its theme, Mile High Expectations!

At the end of October, join us in Milwaukee for what will surely be a smashing edition of the NASPL Annual Conference. Our host, the Wisconsin Lottery, is pulling out all the stops for a fabulous event, scheduled for October 30 to November 2. Program details and keynote speakers will be available soon, but we already know that you will want to explore all that our vendors have to offer on the trade show floor! After all, it's your last chance to do so until 2025 – the NASPL membership recently voted to move the trade show part of the annual event to every other year.

We hope to see many of you at one or more of these events, and safe travels everyone! ■

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Brent Lape

Senior Graphic/Web Designer, Mississippi Lottery

For a graphics designer, especially one who is also responsible for web design, a startup entity provides a unique opportunity to define the character of the business. It also requires a wide range of knowledge and the ability to shift gears on the fly. No one knows that more than Brent Lape, who helped define the personality of the country's newest lottery.

"We needed someone in that role who was capable, versatile, creative, attentive to detail and fast," said Dan Turner, the Mississippi Lottery's Vice President of Marketing. "I worked with Brent before coming to the Mississippi Lottery, and I knew I could rely on him to be all those things. He's played a remarkable role in the success we've had, especially in terms of our website looks and functions and the overall presentation of the artwork we utilize. In terms of being a co-worker, he's hard to beat, and if you throw in the work he and his wife Kristin are doing with The Lily Pad, you almost start wondering if this guy is real."

Lape is very real, of course, and joined the Mississippi Lottery in August 2019, about four months before ticket sales began. He was no stranger to government work, having spent the previous 2½ years with the Mississippi Development Authority, managing graphics and web design for economic development and tourism.







As he learned about the lottery industry, and where the money goes, he is impressed with what he sees from the Mississippi Department of Transportation. The first \$80 million of Lottery proceeds goes to improve roads and bridges, and every year MDOT publishes a list of those projects. Lape is working on developing a better way to present that information on the Lottery's own website. "It's really good to have that transparency in place."

Away from the job, he and his wife Kristin (together since college) are the proud parents of two children, Lily (10) and Langston (6). And they have their hands full with a project near and dear to their hearts. This summer, they hope to open The Lily Pad Cafe in Ridgeland, just outside of Jackson, Miss. It is a non-profit venture that will employ and train young adults with special needs in every aspect of food and hospitality

service. The restaurant is the next step in the couple's journey inspired by their daughter Lily, who has Down syndrome. "Our daughter is our daily motivation," explained Lape. "When you have kids, you do everything you can to make sure they have the best future possible, whether they have a disability or not."

Yet he is quick to point that the cafe's name comes not from their daughter, but from the underlying philosophy of the project – to give young adults with disabilities the training and opportunities to obtain gainful employment in the community. "Like a frog using a lily pad, we want to be a stepping stone to their next path," explains the nonprofit's website, www.thelilypadms.com. More about The Lily Pad later.

Brent and Kristin have a strong history of turning a life challenge into opportunities to help others. Their first non-profit venture – this

one WAS named after their daughter – was Running for Lily, a fundraiser established years ago that benefited two non-profits that provide assistance for families with children with special needs. That has morphed into Leap 4 The Lily Pad, scheduled for April 15 this year, raising revenue for the restaurant's operations.

Lape has a Bachelor of Fine Arts, with an emphasis on graphic design, from Mississippi State University.

Why did you take the job at the Mississippi Lottery?

I was actually not even looking for a new job at the time. I was approached by a former boss about a potential opening at the newly-started lottery, where I would be in charge of web and print. As a graphic designer, to be a part of a startup is always exciting and a dream gig. You get to set the standard for all visuals and be 100% responsible for the new



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company's identity. While I knew it was going to be a challenge, I was excited for the opportunity!

What were the most challenging or interesting projects you worked on for the Lottery startup?

For someone who has never played the lottery, not even a scratch-off game, the most challenging thing at the very beginning was having to design graphics for player-facing machines and displays when I had no idea what those even looked like. I had to request photos of similar equipment in other states, and I also needed a list of all the acronyms that are common in the industry so I could learn what people were talking about. What I had the most fun with was creating the Lottery's website from the ground up. We learned a lot from players here who were used to playing in neighboring states, and they had their own set of expectations about what we were doing.

There's one other thing that really stands out. The initial plans for our

claims room consisted of white walls decorated with framed artwork. The designer in my brain was screaming "no" – we need to have something that has energy from the moment you walk in. I took the bright green from our logo and created a full wrap of the room. I was nervous when I first proposed it because I was so new to the industry, but it worked out well!

What were the key elements involved in building the website for the new lottery?

I looked at other lottery websites and took note of items that were repeated as focal points on home-pages, figuring those would be the most important things to include. We continued to analyze website analytics through the first few months and then launched a pretty substantial redesign that took the top pages visited on average and put those higher up on the home page and made them easier for the player to access. Our goal is to provide access to key parts of our website that the

players and retailers both access in as few clicks as possible. Of course, draw results are at the top of the list, and our results are all there with one visit to the home page. Our players also always want to see the latest scratch-off games, so those are also showcased high on the home page.

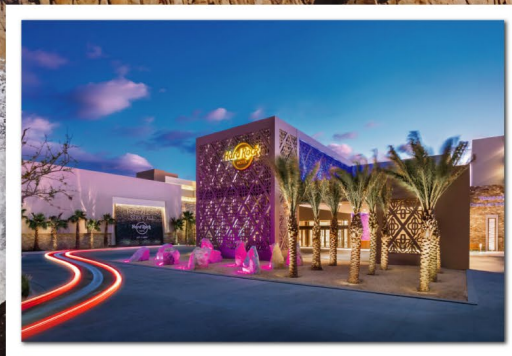
Although our initial website design was responsive and worked well across all platforms, I had focused on desktop use. After a few months, we learned that about 80% of our visits were on mobile devices, so I really started honing in on how much effort it takes players to get to the pages they want the most. Our goal was basically to find ways for a player to get where they need to go with as few clicks as possible.

As a newcomer, what surprised you most about the lottery industry?

Mostly just seeing the way things work. I had no idea that lotteries use third parties for ticket printing, for example, and for other products and services. And what was really

“revenge travel”

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cool for me was seeing how the actual drawings are conducted, all the behind-the-scenes processes for the RNGs.

I was also a little surprised at how quickly our players and retailers alike grasped the concept of a lottery. Some of our players probably had played in our border states, but our retailers really stepped up. They (and even our staff members) were trained and ready to go within a very short time frame and they made the launch almost seamless.

Is there anything you wish the Mississippi Lottery, or lotteries in general, could do differently?

Well, players always complain that there aren't enough winners, so maybe just have more tickets win? Seriously, though, my immediate thought goes to the way some information could be presented on our website, and in part it addresses the winner issues. I'd love to find a solution that presents a dynamic map, updated in realtime, that shows the prize amount and location for every winning ticket claimed (over a certain threshold). This would definitely help educate players on the varying locations of our winners.

What do you enjoy most at the Lottery? Do you have a favorite story?

The diversity of our staff is incredible – age, gender, race and everything else you can think of. I really enjoy being able to talk to so many different people from different backgrounds, every single day. It's something people outside the state might not think that we have here.

I also enjoy the times when our communications folks are not reachable and I am next-in-line for our claims specialist to contact if we have a winner who wants to take a photo. Being able to talk to our winners and hear their stories is something that absolutely makes your day! It's unfortunate that with so many people preferring anonymity, we can't always share those amazing stories.



The Lily Pad work in progress.

My favorite winner story was an older gentleman who spoke about having an “itch” in his right palm. He said when his right palm itches, something good is going to happen to make him happy. He just happened to feel that itch and a few days later stopped and purchased scratch-off tickets. He went to his truck, scratched them off and was in disbelief when he saw that one was a winner. He went back into the store, the clerk yelled in excitement for him that he had won \$3,000. He decided not to share the news with anyone else yet. Later that day, his wife just happened to go to the same store. The clerk told her about a man that came in earlier and won \$3,000. The gentleman took her to dinner that night and told her to put on her glasses to help him read something. He presented her the winning ticket and revealed that he was the \$3,000 scratch-off winner.

Tell us more about The Lily Pad.

A few years after our daughter was born, we started talking with parents who had older kids, to learn what to expect as Lily grew older. Most commonly we heard that after high school, there are not many opportunities for young adults

with disabilities. We started doing research, and learned that there were cafes that offer meaningful employment popping up in other states. We teamed up with another family and came up with the idea of The Lily Pad Cafe. Our goal is to provide a place for people to learn safely, comfortably, and on their own time.

The response has been fantastic. We've raised about \$750,000 over the past three years and were able to purchase and renovate an ideal building with about 2,400 square feet. The tradesmen working on the project have been outstanding, often offering to do the work at no charge or at cost. And all that was taking place during the height of the pandemic, when there was so much negativity everywhere. We were getting to see the best of humanity!

At launch, The Lily Pad will initially offer a typical lunch menu, with both seating and grab-and-go options. We expect to start by providing employment for about 18 to 20 people with disabilities. There are a lot of different positions that I think we might be able to offer, and we are still figuring all that out while we iron out the hiring/training process. You can keep up with our progress at www.thelilypadms.com. ■



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The Arkansas Scholarship Lottery Research Agenda



Mike Smith

Gaming Director,
Arkansas Scholarship Lottery

Ashley McNatt

Advertising and Marketing Director,
Arkansas Scholarship Lottery

Insights gained from research are critical for the Advertising/Marketing and Gaming departments at the Arkansas Scholarship Lottery (ASL). Most of the research we commission is mainly consumer and retail focused. Recommendations and findings help shape future game launches, marketing campaigns, the lottery brand, loyalty program enhancements, and promotions. Listening to the feedback and needs of our consumers requires inputs from several sources, including research data that provides a basis for supporting future decisions. We carefully choose the types of research to be carried out, with the goal of obtaining useful insights that will help the ASL improve and achieve our main objectives.

Besides biannual Brand Tracker research, we do not typically budget for research, nor do we have an Insights department – yet clearly we do a lot of research. How, you

might ask? Our Gaming department leverages the ASL loyalty program, The CLUB, which was the first lottery loyalty program in the U.S. The CLUB has approximately 310,000 registered members. We also work with our instant ticket vendor, Scientific Games (SG), and our central gaming system vendor, Intralot, through contractual terms to carry out two to three instant scratch-off research studies and one draw game research each year. These projects are conducted by independent research firms.

The main objective of our typical gaming research project is to prequalify game concepts prior to launching into market. Though there are no silver bullets here, research helps us have a more precise approach to ensure we offer a comprehensive product line to maximize revenue and keep our players engaged with the products they like to play. The research also allows us to eliminate potential game concepts and program enhancements

that have little chance for success in the market. We also work with our ad agency, CJRW, and a third-party research firm, Consumer Insights Group (CIG), to conduct the Brand Tracker research projects.

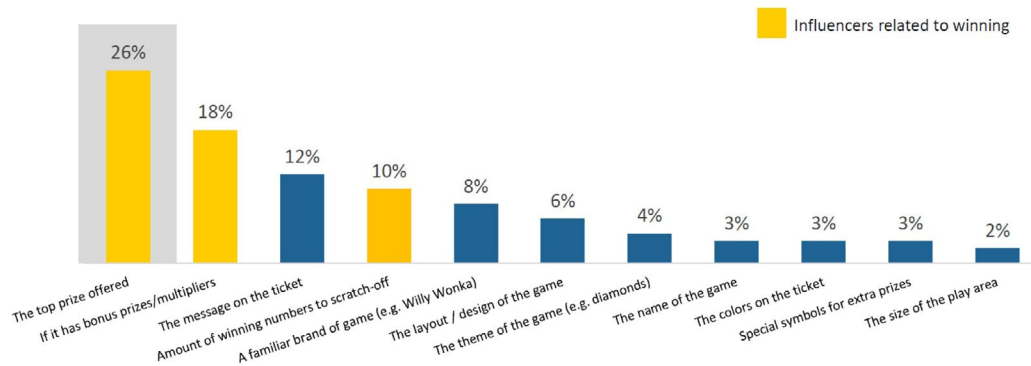
There are several research options available which can be overwhelming and confusing, so we work closely with our vendor partners and independent research firms to carefully select and apply some of the different methodologies they offer. Some of the primary and secondary research we conduct are as follows.

Qualitative – In-Person Focus Groups

On average, nine in-person focus groups are conducted, each consisting of 60 to 90 players. Most are from The CLUB and augmented from the research firm as necessary. Two-thirds are typically core/weekly players, and the remainder are light/monthly players, infrequent and

Purchase Behavior Influences (Total)

- Across all respondents, ticket features related to winning or a larger jackpot/prize are more influential than the design of the ticket (theme, color, name, etc.).



lapsed players. We include fairly balanced demographics including gender, age, location/region, and player segments (motivational/behavior).

Our overall objectives for focus groups include:

- Explore respondent reactions, perceptions and preferences for each concept to gain insight on which games are most likely to succeed in market.
- Identify what changes, if any, would improve each concept before proceeding to additional quantitative research or before going directly to market.
- Evaluate player perceptions about features presented including ticket art, play styles, game themes, licensed properties, second-chance promotions, new product innovations and/or special features, top prizes, bonus boxes, additional play features, ticket callouts, win-belief, etc.
- Understand the main drivers and barriers for purchasing specific price points and games.

- Explore which ticket/game attributes have the greatest potential to drive players to initially purchase and to repeat purchase of our products.

Quantitative – Online Surveys

These provide larger sample sizes for player feedback and can reach a more balanced demographic population. Typically they include between 1,200-1,400 players; more than half the sample size comes from The CLUB and the remainder are Arkansans from our third-party research firm's player panel. Various exercises can be used in this area, including:

- **MaxDiff Rank and Rate Exercise Analysis.** First is popularity, where respondents analyze sets of games (usually four at a time) and choose their favorite and least favorite from the groups. They will see approximately 12-15 sets of games in total, including a couple of games that have been launched before to act as benchmarks for the MaxDiff exercise. Respondents then take part in a second exercise that addresses power by ranking

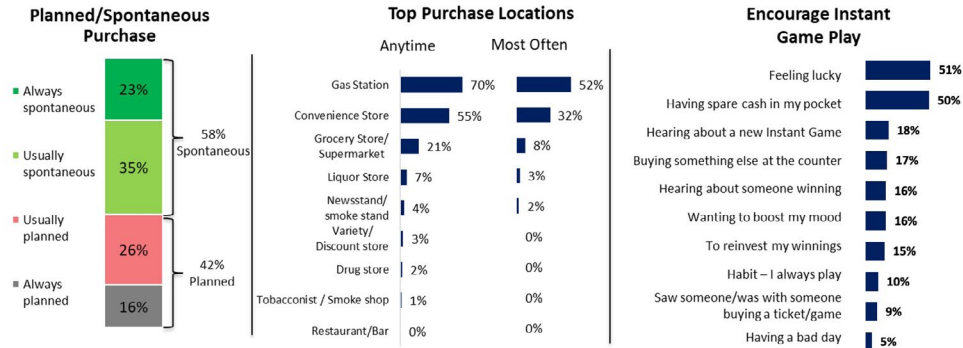
their favorite tickets. This provides an additional attribute to help us make better decisions.

- **DUEL Methodology.** Engineered specifically for the mobile respondent (though it works just as well on a computer), DUEL is a gamified testing design that pits pairs of concepts together on-screen in a series of "duels" using a round-robin, bracket-style design (like a sports tournament). Respondents see pairs of items and are asked to tap on the item they prefer. This process continues until all items have been randomly seen, with winners advancing to the next round until a winner is identified. What makes DUEL unique is that it produces two key pieces of data: Preference and Punch. Preference represents an explicit, behavioral choice by the consumer, and Punch represents an implicit measure of conviction/passion and provides an additional dimension of evaluation above and beyond consumers' behavioral choices. The results of these two scores produce a combined metric called Promise, which is a simple combination of

Purchase Behavior

Purchase Behavior – Total Respondents

- Nearly one quarter of players (23%) are *'always spontaneous'* with Instant Game purchases.
- Purchases in Gas stations (70%) and Convenience Stores (55%) are the primary purchase locations for Instant Games.
- More than half cite feeling lucky (51%) and having spare cash (51%) as reasons for being encouraged to play.



the Preference and Punch KPIs (both given equal weight) and is used to provide the final ranking of the items – a single index representing both explicit behavior (Preference) and implicit response (Punch).

- **Wallet Spend.** This exercise closely simulates the player experience at a lottery retailer location. In our past studies, respondents were shown 12 different screens of 12 ticket graphics representing various price points, and given a budget to “spend” on each screen. The budget on each screen is set at 150% of the respondent’s past month stated spend on scratch-off games; it ranges from \$30 to a maximum of \$200.
- **Licensed Property Research.** This research takes the form of an additional MaxDiff exercise, where respondents select their favorite brands for potential Instant Game tickets, such as MONOPOLY, MAGIC 8 BALL, BETTY BOOP, SCRABBLE, etc. This research enables us to get insight on which

brands have the best chance for success in the Arkansas market, and in which demographics and/or player segment(s) did it perform best.

Segmentation

We last conducted a segmentation study back in 2016. In 2023, SG along with a third-party research company will be refreshing the segmentation study. The main goals are to help determine:

1. What motivates our customers to purchase and play our lottery games.
2. What will enhance the customer experience and drive incremental revenue.
3. Which segments are most valuable and align marketing strategies to maintain and grow our player base.
4. Which segments are most profitable and align marketing strategies for growth.

5. A better understanding of lottery customers to enhance their experience and drive incremental revenues.

Brand Tracking Research

Our Marketing and Advertising department works with a third-party vendor, CIG, to implement brand tracking research twice per year, during the second and fourth quarters, to inform our marketing and communications plans. Data is collected every day during a three-month period. The 15-minute online survey meets the following parameters and assumptions:

- N = 600 persons 18+ per wave (N=200 per month).
- Must live in Arkansas.
- Mix of weekly, monthly, infrequent, lapsed and non-players.
- Incidence: 90% after finding people 18+ in Arkansas.
- Demographics to fall out naturally (i.e., gender, age, income, etc.)

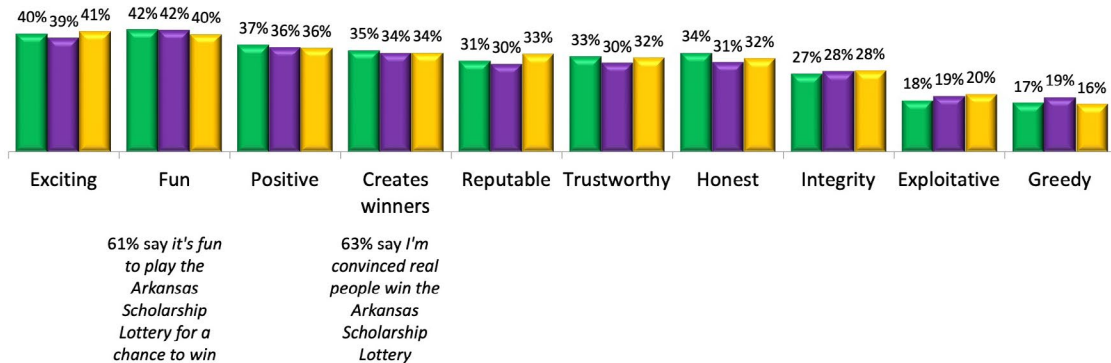
The brand tracker looks at performance insights in the following areas:

Brand Perceptions: Characteristics Associated with ASL

Positive characteristics associated with ASL all remained on par with prior levels. The percentage who associate *Trustworthy* with the Lottery is 32% for this wave.

Characteristics Associated with ASL - Strongly Associate

N=600 All Respondents
 ■ 4Q21 ■ 2Q22 ■ 4Q22



Q4. To what extent do you associate the following characteristics with the Arkansas Scholarship Lottery?
 Q5. Below are some statements that could be made about the Arkansas Scholarship Lottery. Please indicate how much you agree with each statement. Base: 600 All Respondents

- Lottery awareness and player participation.
- ASL brand link to scholarships.
- Winner awareness and other metrics related to brand health.
- Play motivation.
- Campaign effectiveness.

Ad-Hoc Research

Why stop at a few rounds of research per year, when there are so many tools and data available to learn more about our players/market at little to no cost? So that's why we dedicate approximately 10% of our work hours to research/insight each year!

Aside from the more large-scale research projects we already mentioned, we also leverage other resources and channels such as quick surveys using national panels; various data analytics reports provided by our vendor, SG; and retailer and field surveys carried out by our marketing

sales representatives and/or our vendor partners. Moreover, we can put out a survey to The CLUB members, which is a great way to quickly gain insight. All the previously mentioned resources provide valuable insight in an agile manner that can be useful for questions and initiatives such as changes to our products, promotions, and other important updates to our programs and organization.

Key Insights From Research

- There is a huge element of spontaneity when purchasing instant games – triggered by impulse, spare cash/feeling lucky and being bought on-the-go.
- Specifically, players are looking for cues about winning – the prize amount or number of chances to win – so these messages need to be prominent on our products.

- Ticket features and accurate prize messaging are crucial, as these are the primary elements players focus on when making a purchase decision.
- We need to always find ways to offer something engaging or “innovative and exciting” to keep the portfolio fresh, especially for our frequent/weekly players.
- We strive to maintain and grow all of our main player groups: core/weekly players, light/monthly players, and infrequent/every 3-4 months players.
- We want to attract new players and bring back lapsed players, and engage more with infrequent players. ■

DEBUNKING LOTTERY MYTHS

Y

ear after year, erroneous beliefs about lottery operations and games proliferate through mainstream and social media. These lottery myths can lead the uninformed, the critics and even the players to believe what is simply not true. That is never more true than in today's environment of highly polarized opinions on just about every subject imaginable.

Historically, NASPL has countered some of the most common myths with the underlying truths. A few years ago, the organization's Public Relations Committee took on the task of updating those myths, and it is time to modernize them once again in light of continued developments in the industry and new research findings. We therefore present this update of our debunked lottery myths, developed in conjunction with lottery public relations professionals across North America. After all, they are the front-line communications experts who regularly share the issues and concerns lotteries have to deal with on daily basis.

MYTH #1

The odds of being struck by lightning are better than the odds of winning a lottery.

While lightning may strike somewhere in the United States 40 million times a year, that doesn't mean 40 million people are struck by lightning. And since almost 90% of people struck by lightning survive the experience, the most important statistic is lightning fatalities. From January 1, 2018, through June 30, 2022, the National Oceanic and Atmospheric Administration (NOAA) reported 65 lightning fatalities in the United States (considering only those in states with lotteries). By comparison, during the same period there were 81 jackpot-winning tickets for Powerball, Mega Millions, Lucky for Life and Lotto America combined. Beyond jackpots, 1,287 tickets won at least \$1,000,000 just from Powerball or Mega Millions tickets during that time frame. In truth, then, you have a better chance of striking it rich than you do of dying from a lightning strike in the United States. Of course, there is one fact we do know: players have a zero chance of winning the jackpot if they never purchase a ticket.

MYTH #2

Lottery is a form of taxation.

A tax is compulsory payment to support government. Citizens have no option in contributing to government revenue with mandated levies and other tariffs. In fact, they may go to jail if they don't pay their taxes and fees. In contrast, playing the lottery is entirely voluntary. Buying a lottery ticket is an individual choice just like buying any other product. The only consequence to not playing lottery is missing some fun and possibly a prize.

Some people argue that the lottery is an implicit tax, claiming there are high administrative costs and it's a less efficient way of raising money. In actuality, lottery operating costs average only about 5% of sales. Across the United States, prizes for players make up about 65% of sales and retailers receive about 6% to help their businesses. That leaves about 24% of sales for the good causes lotteries support, such as education, economic development, the environment, senior services – whatever programs a state decides its lottery should support. The lottery is simply a form of entertainment that happens to benefit your state.

MYTH #3

If you don't win a lottery prize, you're left with nothing from your lottery purchase. And since there are relatively few winners, hardly anyone actually benefits from lotteries.

All residents benefit financially from having a lottery in their state or province. Each jurisdiction decides how to spend its lottery revenue, and all revenue goes to such worthy causes as education, economic development, veterans, tourism, the environment, senior programs and much more. Without lotteries, governments would have to pay for these programs with taxes. On average across the United States, for every \$1 spent on traditional lottery tickets, about 24 cents goes to the beneficiaries lotteries support. A lot more than that, about 65 cents of that \$1, goes back to players in the form of prizes. And don't forget about retailers! On average, the small and large businesses that sell lottery tickets get more than six cents of every lottery purchase dollar, benefiting those local businesses every single day.

Lotteries also create jobs, directly employing from a few dozen to hundreds of individuals, depending on the jurisdiction. The product and service vendors they choose also provide employment, at both their corporate headquarters and with support staff in every lottery jurisdiction.

Not everyone wins a jackpot or a life-changing prize, of course, but millions of players win every day. Which brings us to the whole idea of why people play the lottery in the first place. Lotteries provide fun and exciting entertainment that lets players imagine what they would do if they won. In our stressful world, the ability to dream is well worth the price of a lottery ticket.

MYTH #4

The lottery makes and keeps all the money.

As much as 95% of funds generated from traditional U.S. lottery games goes directly back into the economy through prizes, public beneficiaries and retailer commissions. While individual jurisdictions vary, across the industry lotteries return an average of 65% in prizes to players, 24% to public beneficiaries and 6% to retailers. The remaining 5% supports lottery operations, providing direct and indirect employment and other benefits. Most lottery operating budgets include responsible gambling and positive play initiatives to keep players informed, while statutes in numerous jurisdictions also set aside a portion of lottery revenues for problem gambling treatment and services.

Lottery proceeds fund different programs according to each jurisdiction's guidelines and are dedicated to a variety of causes, including education, the environment, health care, capital construction projects, programs for seniors, cultural activities and more. According to NASPL, U.S. lotteries generated more than \$28.6 billion for beneficiaries in fiscal 2022 alone, including additional revenue coming from lottery-operated casino-style games in some jurisdictions.



MYTH #5

Gambling addiction has grown because of lotteries.

- Playing lottery games is a popular form of gambling in the North America and around the world.
- Based on reviews of gambling prevalence studies from around the world, lotteries and instant lotteries appear to be less risky in that they are not linked to a moderate or higher risk of gambling problems.¹
- Many research studies note that the past year problem gambling prevalence rate is between 0.1% to 6.0%.² A 2022 Canadian study reported a 1.6% past year moderate-severe problem gambling risk.³ In the United Kingdom (2022), the past year problem gambling rate was stable at 0.3% and the moderate risk rate is 1.1%.⁴ A meta-analysis of 23 gambling prevalence studies from a number of countries between 2016-2022 reported an overall problem/pathological gambling rate of 1.29% and a moderate/at risk rate of 2.43%.⁵
- Overall, the problem gambling rate has remained relatively stable even with the introduction of new forms of gambling. In some cases, the problem gambling rate may rise slightly after introduction of new gaming options and then returns to the previous rate.⁶
 - A 2018 research report noted that exclusively lottery gamblers (France and Quebec), who represent two-thirds of lottery players, generally exhibit less intensive gambling patterns.⁷
 - Members of NASPL (U.S. and Canada) are committed to preventing or reducing the potential for harm from gambling involvement. This is done in each jurisdiction through the funding of player information initiatives, research, and funding treatment and Helpline programs.
- A majority of NASPL members are certified under the organization's RG Verification Program, which assesses their efforts to prevent problem gambling and to educate and support players including those who are experiencing gambling-related harm. Many of our lotteries have also attained RG certification under the World Lottery Association (WLA) RG Accreditation Program.

References for Myth #5

¹ Binde, P (2011), What are the most harmful forms of gambling? Analyzing problem gambling prevalence surveys.

² World Health Organization (2017)

³ Stats Canada (2022), Who gambles and who experiences gambling problems in Canada (Roterman, Gilmour)

⁴ UK Gambling Commission (2022), Statistics on participation and problem gambling for the year to Sept 2022

⁵ Gabellini, Lucchini & Gattoni (2022), Prevalence of Problem Gambling: A Meta-analysis of Recent Empirical Research (2016-2022)

⁶ World Health Organization (2017)

⁷ Journal of Gambling Studies (2018), Where Lies the Harm in Lottery Gambling? A Portrait of Gambling Practices and Associated Problems, (Costes, Kairouz, Monson, Eroukmanoff)

MYTH #6

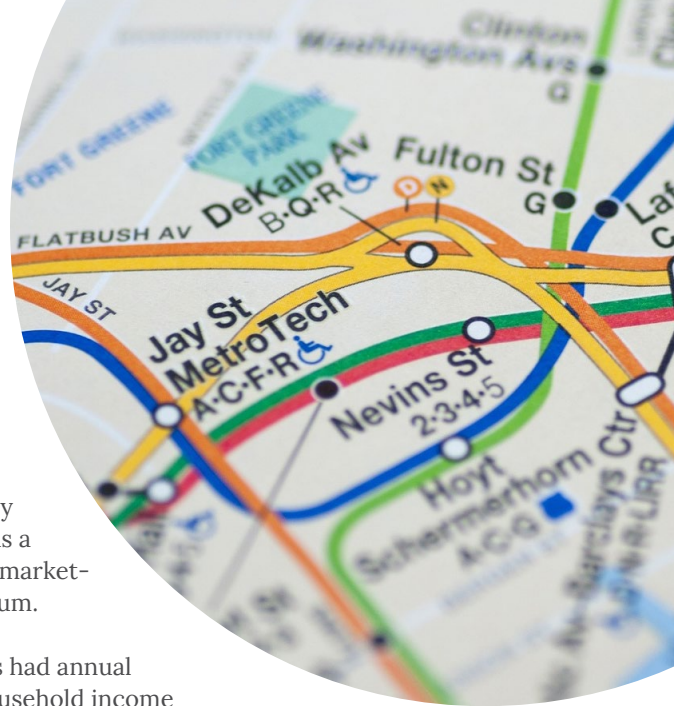
Lotteries prey on the poor and lottery purchases are made mostly by low-income people.

People from all walks of life and all income levels like to play lottery games. Across the United States, lottery players bought more than \$98 billion in lottery tickets in FY22, with another \$9.9 billion in net revenue coming from lottery-operated casino gaming and sports betting. Clearly, the industry didn't achieve sales of that magnitude by focusing on low-income players. Lotteries market games to society as a whole, just like any other business selling a product in a competitive marketplace. The result is that players come from across the income spectrum.

In a 2020 Texas study, almost 57% of past-year Texas Lottery players had annual household income of \$50,000 or more; 27% of players had annual household income greater than \$100,000. In contrast, only 52% of non-lottery players had annual household income of \$50,000 or more, and 25.8% of non-lottery players had income of \$100,000 or more.

A recent North Carolina study found that lottery players mirror almost exactly the demographics of the general adult population in that state. For example, 29% of lottery players have annual household income of \$75,000 or higher, compared to 28% of the general population.

Some lottery critics that want to “prove” otherwise often rely on “zip code studies.” That’s when you take a certain zip code, look at total lottery sales within that area, and then assume that everyone in it has the same income and refuses to play the lottery anywhere else. Of course, the reality is people don’t always buy their lottery tickets in the neighborhoods where they live. They purchase them on their way to or from work, while shopping or running other errands, or even at the airport. Zip code studies fail to take that into account. It’s like saying that gasoline purchases are made mostly by poor people, because there are few gas stations in wealthy neighborhoods.



MYTH #7

If lottery sales are allowed on the internet, retailers will lose considerable sales.

On the contrary! There are now 11 American lotteries that offer sales online, limited to players located within their borders at the time of purchase. The first was the Illinois Lottery in 2012; the most recent was the DC Lottery in late 2020. In every case, retail lottery sales – and retailer commissions – have increased since the advent of iLottery. This is consistent with the long-term experience in other countries, including Canada.

In all cases, iLottery has increased public awareness and interest in lottery games and has attracted new customers for all games. It is important for lotteries to broaden the industry’s customer base by attracting new – and younger – players to their games. If the pandemic taught us anything, it’s that consumers depend on the internet for personal, business and entertainment reasons. Adapting to the widespread use of that technology can position lotteries and retailers for ongoing success in the future.

Offering games through digital channels can also create new sales opportunities for retailers as well as lotteries. For example, lotteries may offer account funding through the retail purchase of online “gift cards,” and also encourage cross-channel play by driving online customers to retail with coupons and special offers.



MYTH #8

If lottery sales are allowed on the internet, gambling problems and underage gambling will rise.

In many respects, online lottery sales provide opportunities for a MORE responsible platform due to key elements that are not available with traditional play at retail. After all, online players are known players, and as such there are tools and techniques available to focus on player health and responsible play. These include:

- Limits on play. Online platforms have daily, weekly and/or monthly deposit limits that address how much a player can put in their account for wagering. In contrast, there's no way we can track how much an individual spends at a retailer on a given day.
- Messages to players. Lotteries can send messages directly to players, such as reminders, timeout inquiries, links to online resources for informed decision-making, and other options based on actual play.
- Self-exclusion. Players can choose to exclude themselves from play for specified periods of time, or even permanently. This is not a realistic option with retail lottery sales.

All of these things and more are spelled out in the National Council on Problem Gambling's Internet Responsible Gambling Standards, a valuable guide for lotteries with online play. Importantly, stringent age verification measures at registration – including checking numerous databases – combats underage gambling issues.

MYTH #9

There is no assurance that lottery drawings are conducted fairly.

Official lottery drawings are carefully watched, closely scrutinized and certified by independent auditors. And they should be. Lotteries are a significant source of much-needed revenue for state budgets – generating millions of dollars (in some cases billions) annually to support important programs and services. Lottery games are also a popular form of entertainment that offers players the potential to win money – sometimes lots of money – literally based on the luck of the draw.

Comprehensive and often tedious security measures and drawing procedures are standard across the industry and crucial to the success of any lottery. As a general rule, all state lotteries are subject to internal and independent audits to verify that their equipment and processes are providing random results. Equipment used for drawings is regularly tested and procedures are recorded on video in the presence of witnesses. In addition, the machines are securely stored, often in a locked vault, and accessed by a limited number of authorized personnel.

While the precise methods vary from state to state, all lotteries have multi-faceted checks and balances to ensure the accuracy, honesty and transparency of every drawing that is conducted. These measures are vital in maintaining player confidence and ensuring the public that the integrity of the lottery is reflected in each and every drawing.



MYTH #10

Big lottery winners become worse off than they were before they won the lottery.

History shows that the vast majority of lottery winners make positive long-term decisions with their winnings to fulfill the real-world aspirations so many of us share: they invest for retirement, plan for their children's or grandchildren's education, buy or remodel their homes, contribute to charities, and invest in their communities. Lottery jackpots are no different in that regard than any other large source of income that a person may receive, from an inheritance to the proceeds from the sale of a business. Careful planning is required to ensure that the money is handled appropriately, and these days we see most big jackpot winners take plenty of time before submitting a claim as they make all the right decisions. Sure, some lottery winners through the years have made poor choices with the money they received, as have other recipients of unexpected windfalls. And perhaps it's just human nature that causes us to remember those few negative examples rather than the multitude of positive ones. After all, numerous academic and business studies have demonstrated that it takes many positive impressions to balance out a single negative one; often the ratio is considered to be five to one.

MYTH #11

Because state governments benefit from lottery proceeds, they can't be trusted to regulate their industry.

We trust states to make their own tax policy – and many other decisions regarding their citizens – so why shouldn't states be trusted to regulate their own lottery organizations? There is nothing to hide. In fact, most lottery files are public record and open to scrutiny by the media and by the citizenry. Lottery board meetings and legislative hearings also are open to the public. And these state lottery proceedings are much more accessible than those of federal regulatory agencies. Thus, states are not hiding lottery information, and if you think they are, you can check it out for yourself. There is no reason not to trust the state's regulation of lottery programs.

MYTH #12

The lottery controls where winning scratch-offs are sold. That's why all the big winners are from big cities, and no one in less-populated areas ever wins. Corollary: "No one in my state ever wins Powerball or Mega Millions."

No lottery has any way of knowing where or when a winning scratch-off for any particular amount will be sold. For each scratch-off game, the number of tickets printed is often in the millions, and the winning tickets are randomly dispersed throughout many thousands of books of tickets during the printing process. At any given time, most lotteries have tens of millions of tickets awaiting distribution to retailers. Retailers receive deliveries of tickets as needed, based on their levels of sales, so retailers in highly populated areas receive new supplies more frequently than retailers in areas with less population. Statistically speaking, it's likely for there to be more winners in highly populated areas simply because there are more retailers and more tickets being sold in those areas.

The same principles apply to draw products like in-state lotto games and big games such as Powerball and Mega Millions. More tickets are sold in areas or jurisdictions with larger populations, so it makes sense that more winners usually come from those areas. That said, lottery games are truly random, and it only takes one ticket to win. Winning tickets can be sold anywhere, from the largest jurisdictions to the smallest.

MYTH #13

The odds to win a big jackpot get worse as more people play the game.

Players often think that the more people who purchase tickets for a draw game, especially the big games like Powerball and Mega Millions, the worse their odds are to win. The reality is that the odds on draw games are set based on the game design and do not change based on play; the number of people playing does not impact your likelihood of winning a prize. That said, as more and more players purchase tickets for a drawing, the odds of having to split the jackpot increase since it becomes increasingly likely that there could be more than one winner.



DEBUNKING LOTTERY MYTHS

MYTH #14

"I've won the lottery because I got an email or phone call that said so. All I have to do is pay a fee."

This is a scam more than a myth but deserves mention here. Scams operated by people claiming to represent lotteries are just one of the ways that criminals today attempt to separate you from your hard-earned money. The scams almost always involve an offer of big winnings in return for a bit of your personal information – and more than a bit of your cash. Maybe you've gotten an email, text message, letter or phone call saying, "You've won the lottery!" And for a split second you wonder if it's real. The first question you should ask yourself is: Did I buy a ticket? The only way to win a lottery prize is if you've purchased a ticket or entered a drawing.

Never believe someone who claims they can guarantee you a prize. Legitimate lotteries do not guarantee that you will win and do not require people to join prize pools to play.

Never pay processing fees, insurance or commissions to claim a lottery prize. Legitimate lotteries do not require winners to pay anything up front to receive their winnings.

Protect yourself by never giving out your personal information to strangers or sending money to someone who says you've won a prize. Remember, if you didn't play, there's no way you could have won. Even if you are a regular lottery player, you could still be the target of a scam, so be vigilant – the warning sign ALL scams have in common is that you are asked to pay money up front to receive your "winnings."



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Understanding Trust to Drive Sustainable Growth



An increased focus on responsible gaming informed by consumer research.

Research shows that high-trust companies are 2.5 times more likely to be high-performing revenue organizations, outperforming other companies by up to 400%, according to *Harvard Business Review*.

A June 2022 Gallup poll indicated trust in U.S. businesses and institutions, including government, has plummeted to its lowest point in decades. While companies and organizations work to enhance the customer experience, they cannot elevate that experience if consumers don't have trust.

In simple terms: The more consumers trust a brand, the more loyalty they have to that brand. So much so that they are 88% more likely to buy from that brand again.

How do lotteries, which uniquely operate at the nexus of business and government, overcome this growing decline in consumer confidence to grow proceeds sustainably and responsibly for beneficiary programs?

"Trust must be earned, and that begins with understanding the why inside the science of consumer behavior," said Jen Welshons, Chief Marketing Officer for Scientific Games. She has led the company's global analytics and insights for 23 years, digging deep into data gleaned from thousands of player research studies and focus groups. "A lottery's success is rooted in the public's perception of its integrity and intent.

Over the past 50-plus years, lotteries have exceeded expectations in building trust and funding for good causes. But to sustain continued growth and returns to beneficiaries, lotteries must be proactive in increasing lottery literacy among 100% of stakeholders. When lottery literacy plummets, trust goes with it."

Lottery Literacy (n).
When all stakeholders are educated about the lottery, including its games and offerings, how to play, the odds, minimum age, where the money goes, what healthy play looks like, and what to do if it becomes unhealthy.

"The increased focus on responsible gaming has led many in our industry to look for additional guidance and support," said Carla Schaefer, VP of Responsible Gaming for Scientific Games. "We ramped up resources to help our lottery partners continue to grow funding for good causes in responsible, sustainable ways."

As part of its Healthy Play program, Scientific Games conducted extensive research to develop tools, best practices and messaging that educate all stakeholders, increasing

lottery literacy and fostering the healthy enjoyment of lottery games to help lotteries sustain growth today and in the future.

National Responsible Gaming Survey

A key component of Healthy Play was commissioning a National Responsible Gaming Survey.

- 3,000+ people across the U.S. participated.
- Participants were 18 years of age or older.
- All participants resided in a lottery state.
- Sample based on specific proportions for gender, age, ethnicity, income and region.
- Survey included questions from multiple responsible gaming entities to ensure it reflected comprehensive findings from studies on which our lottery partners relied and our own Scientific Games' Lottery Literacy survey questions.
- Survey conducted by Leger, an expert in gaming research.

"Our National Responsible Gaming Survey had multiple goals, including being able to analyze responses by

Public Perception by Jurisdiction

	% Nationally Who Said 'Yes'	Lottery A	Lottery B	Lottery C	Lottery D	Lottery E
The Lottery makes it easy to find the odds for different Lottery games.	40%	38%	45%	42%	41%	36%
The Lottery does a good job of promoting responsible gaming hotlines and websites if someone needs it.	42%	40%	46%	52%	50%	40%
The Lottery makes it easy to understand how different Lottery games are played.	43%	40%	49%	50%	47%	37%
The Lottery does a good job communicating the minimum age to buy and play the Lottery.	49%	49%	53%	50%	54%	44%
Lottery proceeds fund good causes in my state.	47%	56%	46%	45%	57%	40%

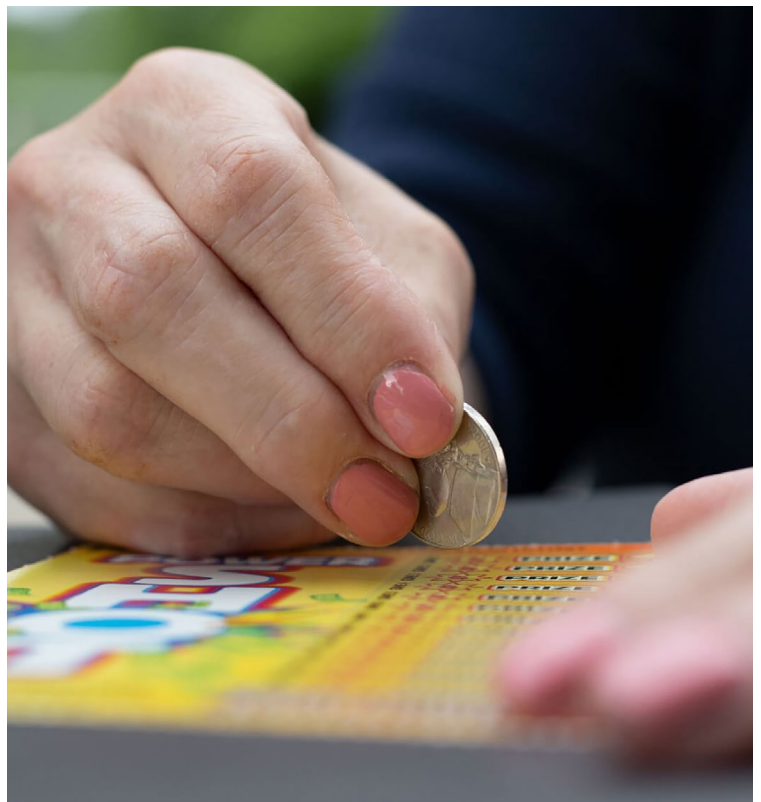
consumer segments from our ONE Segmentation Study,” explained Welshons.

Survey questions were carefully culled, centering around trust, the truth about prizes and odds, lottery myths, and setting limits, as well as overall mental and physical health, and playership across all forms of gaming.

Actionable Research

The actions driven by our National Responsible Gaming Survey are research-backed and shifting the focus.

“One hundred percent of people in a state are lottery stakeholders, and when they have easy access to trustworthy information and a solid understanding of the facts, lottery literacy increases and people make better choices. We believe this is achievable through increased transparency into lotteries and educating everyone about healthy play, including what it looks like and what to do if play becomes unhealthy,” shared Schaefer. “With the insights gleaned from our National Responsible Gaming Survey, we can now better identify where the industry needs to focus responsible gaming efforts and develop





best practices and programs increasing lottery literacy among all stakeholders, not just the less than 5% of the population suffering from a gambling disorder.

In addition to establishing a national benchmark, the study also provided jurisdiction-specific insights into those areas where a lottery had excelled at promoting lottery literacy and those areas where improvements could be made. The chart on the previous page, which has been anonymized, is a sampling of these results.

Data-Backed Decisions

Rather than focus on a smaller group of the population, actions are turning to unified responsible

gaming messaging that resonates with all consumers and is easily accessible so that everyone can be educated about lottery literacy.

“Like any business decision, lotteries should make responsible gaming decisions backed by data. As a high-trust form of gaming, lotteries can sustain revenues for the good causes they fund through the science of understanding their consumers,” said Welshons.

Now that a national benchmark is in place, results can be measured annually to determine if trust in lottery operations and responsible gaming solutions are working in the U.S. And states can benchmark against the national data. ■

SOURCES: Ashley Reichheld and Amelia Dunlop. (2022). 4 Questions to Measure and Boost Customer Trust. Harvard Business Review; Jeffrey M. Jones. (2022). Confidence in U.S. Institutions Down: Average at New Low. Gallup; Leger national research study (2021-2022); Scientific Games National Responsible Gaming Survey.

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Vermont Lottery

8 31 185

Feb 23 1978

Take a chance on Vermont!
Play the

Green Mountain Game

Vermont Lottery

The sign is a large, rectangular board with a light-colored background. At the top, it features a silhouette of mountains and the text "Vermont Lottery". Below this, the numbers "8 31 185" are printed in a large, bold font. In the center is a large wheel of numbers, divided into ten segments, each containing a number from 0 to 9. A small ball is visible in the center of the wheel. Below the wheel, the date "Feb 23 1978" is printed. Underneath the date, the text "Take a chance on Vermont! Play the" is written in a smaller font, followed by "Green Mountain Game" in a large, stylized font. At the bottom of the sign, there is another silhouette of mountains and the text "Vermont Lottery".



Still Generating the Green After 45 Years

The Vermont Lottery packs a lot of punch, with instant games and Fast Play leading the way as operations are streamlined.

By Patricia McQueen

The Vermont Lottery may look a lot different than it did just a few years ago, but the goals are the same as they have been for 45 years – to provide a safe, responsible gaming platform for residents while benefiting the Green Mountain state. Since its launch on February 14, 1978, the Lottery has raised some \$765 million, first for the state’s General Fund and then, beginning in July 1998, for the Education Fund.

The operational differences come from 2018 legislation that formed the Vermont Department of Liquor and Lottery. It took a while for the integration of the two agencies to happen, but things are in full swing

now, explained Deputy Commissioner Andrew Collier. He and Commissioner Wendy Knight assumed their current roles in late 2021, and “we started the process of actually integrating the teams and processes within the

in Vermont state government to find efficiencies and better align operations.”

Today, the blended operation is in high gear. Some of the employees focus solely on lottery, such as the

retail sales team, while others handle tasks for both divisions, like marketing, finance and administration. Just 21 employees are dedicated to lottery work. Yet even the five-member lottery sales team keeps in close contact with its counterpart on the liquor side, sharing information about common retailers and operational strategies. “That part of the new

organization has been phenomenal, with both sides working together,” noted Collier.



Department to align with the goal and spirit of the legislation – to combine two of the smallest departments

Vermont Lottery at a Glance

	Sales				Total Prizes	Proceeds to Education
	Instant	Draw Games	Fast Play	Total Sales		
FY 2022	\$121,324,105	\$22,699,520	\$7,460,007	\$151,483,632	\$100,687,913	\$31,073,856
FY 2021	131,683,523	23,592,449	6,251,509	161,527,481	108,154,780	31,888,700
FY 2020	111,112,687	19,258,982	7,051,288	137,422,957	91,645,984	27,522,561
FY 2019	107,038,489	26,573,286	5,656,162	139,267,937	90,892,067	29,179,325
FY 2018	101,999,595	23,953,670	6,466,735	132,420,000	87,436,351	27,153,843

Current games:

Instant tickets: Approximately 55 new games launched annually; \$1, \$2, \$3, \$5, \$10, \$20 and \$25

Terminal games: Tri-State games (Megabucks, Gimme 5, Pick3, Pick 4), Powerball, Mega Millions, Lucky for Life, Fast Play

Vital statistics:

Number of employees: 21

Number of licensed retailers: 580

Self-service equipment: 125

All the restructuring was happening at the same time the Vermont Lottery underwent a major system conversion last fall, changing vendors to Scientific Games. Things are starting to come together after that challenge, and Collier looks forward to the new capabilities the equipment brings, particularly new data reporting, larger and clearer player-facing displays at retail, and modern self-service vending machines that not only have strong visual appeal, but have cashless capabilities as well with debit cards accepted. The new contract even expands the number of self-service machines in the market, from a little over 100 to more than 150 by the end of this year. And while historically vending has been offered primarily in grocery stores, things are changing. “There has been a lot of demand from retailers like c-stores and gas stations, as they try to streamline checkout processes with reduced staffing.”

As a relative newcomer to the industry, Collier is most impressed with the money the Lottery has sent to the

Education Fund over the years, although he is also excited about another program that benefits schools – Educate & Innovate. In partnership with the Vermont Agency of Education and funded through the Lottery’s marketing budget, the program provides equipment for special programs. Requests made by teachers and schools are evaluated by a committee and the winning applications receive funding. “We get to support some really cool and innovative things this way, such as equipment to create 3D holograms for learning.”

Product Developments

Of course, game sales are what drive the business, and most of the Lottery’s revenue comes from instant tickets, which accounted for 80% of sales in fiscal 2022. Currently on the market are games ranging from \$1 to \$25; the latter price point was introduced in 2017 upon the recommendation of Pollard Banknote. “We didn’t think we’d get people to buy at \$25, but we



introduced a ticket called 25 Grand that was loaded with \$25,000 prizes,” explained Senior Director of Agency Operations Danielle Jensen, who has been with the Lottery for about six years. “It was one of our best-selling tickets in the field, and we thought it was a home run!” A current version of 25 Grand remains in the market and is now considered a core game, supplemented by another \$25 game with a higher top prize and a different value proposition.

Currently under consideration is adding the \$30 price point. “We’ve seen players moving up to higher price points,” said Jensen. If the \$20 and \$25 games continue to be successful, the \$30 price point would be a natural progression.

Player adoption of higher price points is also reflected in changes to the ticket array presented at retail. Generally speaking, the number of \$1 and \$2 games in its retail dispensers will be cut in half, while \$10, \$20 and

“We have such a small group that we can all sit around a table and decide what we want in the market.”

-Tammy Pidgeon

\$25 game facings will increase. That said, the Lottery doesn’t use planograms, so the actual tickets in the displays will vary based on the sales in any given store.

Since instant games make up so much of the Lottery’s sales, it’s important to keep players engaged by offering different price points and different types of games and play



styles. “We really try to listen to what our players want,” said Lottery Sales Manager Tammy Pidgeon, who has been at the Lottery longer than most of the current staff at more than eight years. “We don’t have a data analyst here, so the sales team brings back a lot of important information that they hear from retailers and players. We have such a small group that we can all sit around a table and decide what we want in the market.”

On the draw game side of the equation, only Fast Play is a Vermont-only game. As a member of the Tri-State Lotto Commission with Maine and New Hampshire (which introduced the first multi-jurisdictional lottery game in the U.S.), Vermont offers the Tri-State games Megabucks, Gimme 5, Pick 3 and Pick 4. Also available are the national games Powerball and Mega Millions, plus Lucky for Life, which has its roots in New England.

A \$366.7 million Powerball jackpot last summer gave a big boost to the small state, where winability

can come into question with multi-jurisdictional games. It was Vermont’s first jackpot win in the game, while there has yet to be a big Mega Millions winner in the state. “Draw games are definitely on the harder side of the Vermont Lottery in terms of getting our players to really buy in on a weekly basis,” said Jensen. Huge jackpots will drive sales, of course, but otherwise the Lottery keeps trying to think of different ways to develop sales at lower levels, such as buy one, get one or other promotions.

That game mix is likely a big reason why Fast Play is so successful in Vermont; players know that winners will only come from their state. In fact, per capita sales of Fast Play rank Vermont among the top lotteries in the country by that measure. The Fast Play Progressive games with growing jackpots are particularly popular; a new record prize was won in February at almost \$275,000. “Fast Play outsold all our other draw games that week,” noted Jensen. “It blew them out of the water.”

It's therefore not surprising that there will be more to come with Fast Play. The current portfolio has about 10 games on the market, split between regular and progressive products. Progressive games go to \$20, but regular games currently top out at \$5; the addition of a \$10 game is being considered.

“Our new vending machines are very attractive to many of our current agents, especially chains that are reducing their employee numbers.”

-Danielle Jensen

Retail Challenges

With only about 580 retailers, a population just shy of 650,000 (the lowest of any American lottery jurisdiction except Wyoming), and a mostly rural geography that limits retail expansion opportunities, the Vermont Lottery has plenty of challenges for retail growth. However, Walmart stores are expected to be on board at some point, and the new vending equipment will also help other retailers. “We’re seeing a lot of our retailers expanding self-service checkouts,” said Jensen. “Our new vending machines are very attractive to many of our current agents, especially chains that are reducing their employee numbers.”

With that retail environment, it's

important to optimize existing retail locations. As noted, price points are one tool, and retail promotions are another. There is also a push towards more winner awareness. Last summer's big Powerball jackpot provided a lot of chatter, with everybody asking if the winner had claimed yet. “Now that we finally have a Powerball winner in Vermont, we are trying to make that real, to show that people in Vermont really can win,” said Pidgeon.

With the bigger and clearer screens on the new retail displays, it's easier to showcase winners, especially store-specific winners. And the new self-service vending machines have been driving sales simply because of their larger capacity and eye-catching displays that include Fast Play. “We've noticed a huge increase in Fast Play sales through self-service,” she said.

Pidgeon's staff of five typically visit their retail accounts every two to three weeks, although the best-selling retailers are often seen weekly. She is happy that both the Lottery and Liquor sales teams willingly share information. “We have many of the same accounts, and if one sales rep on either team sees anything new or interesting in the stores, they will pass along the information.”

Paths for Growth

While the capabilities and potential of the new gaming system are still being explored, the biggest keys to the Lottery's future growth are two legislative efforts that would bring new forms of gaming to the state. First up is sports betting, which in early April was gaining momentum. Proposed legislation would have the Lottery regulate up to six online/mobile operators.

Beyond that, the goal is to modernize lottery operations and get a better understanding of who Vermont's lottery players are and what they look for in lottery games. “A big issue across the industry,

for those who are all cash-based, is how you identify exactly who your players are,” explained Collier. “We have a general idea, but we'd like to tap into and grow that base player, really making sure that we're hitting everything they are looking for in playing games.” And importantly, finding ways to grow participation in the young adult population. Bringing in iLottery is critical to address all of these issues in order to reach that population, so after the sports betting push will come an effort to authorize iLottery.

Beyond things that need legislative approval, there are a few operational tools that will help maintain growth. A new second-chance app is coming to market before long, and Fast Play will continue to be heavily supported. And new Marketing Director Tom Remp will be using his social media skills to expand the Lottery's presence in those channels.

Jensen reflected on the remarkable resilience of the lottery industry. “It's always amazing to me how lotteries, even through the toughest of times, continue to sell games and engage with players. We put out products that our players really enjoy. Here in Vermont we've undergone so many changes, and we look forward to what the next decades bring.”

“The Vermont Lottery is really part of the fabric of Vermont and Vermont's economy,” added Collier. “Vermonters are very passionate about home-grown products. We want to maintain the games that Vermonters want, to the level of satisfaction that they deserve and require. We have an extremely dedicated and passionate staff here in the Department of Liquor and Lottery, and our number one priority is providing the best experience for players in Vermont and maintaining safe and dependable games while really focusing on the customer experience and customer service for the players.” ■

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Lotteries wrapped up yet another successful holiday season at the end of 2022, showcasing the fun and creativity that the festive season deserves. As always, instant tickets provide opportunities to celebrate with a mix of whimsical and classic holiday imagery, and most lotteries depend on the season to anchor their entire year. Sellouts and record sales were reported in many jurisdictions, yet there was still some concern that inflation was having at least some impact on holiday sales.

For the 2022 holiday season, North American lotteries reported offering a total of 252 holiday games (including seasonal games in some jurisdictions), five more than the previous year. Many lotteries also take the opportunity to offer holiday themes for Fast Play and eInstant games, and even monitor games adopt a festive appearance during the season. Raffles are still important elements of a few lotteries' portfolios.

The most popular holiday instant price points remain \$5 and \$1 games, with 54 and 53 games across North America, respectively – identical to the year before. Just behind are \$2 games, with 49 offered. For the most part, these price points are still considered critical for the holiday gift-giving season. All U.S. lotteries still offer \$1 holiday games, while in Canada, Atlantic Canada and Ontario have dropped that price point from

their holiday lineups. All but six lotteries offer \$2 games, and Iowa leads the way with four games at that price point.

The \$10 price point is gaining ground, with 44 such games in 2022, up from 41 the year before. Connecticut, Nebraska and Rhode Island each offered a \$10 holiday game for the first time in 2022, and now all but 11 North American lotteries offer at least one holiday game at that price point. British Columbia, Illinois, Iowa, Massachusetts, Ohio and Western Canada each offer two of them.



The highest holiday price point continues to be \$30, but Western Canada is no longer alone at the top. In 2022, \$30 holiday games were

added in Florida and Pennsylvania for the first time. Florida replaced its \$20 holiday game with a \$30 as part of a five-game family, while Pennsylvania introduced a \$30 while keeping a \$20 in the holiday lineup.

The number of \$20 games actually dropped by two, with Maryland adding one while Florida, Kentucky and Massachusetts dropped the price point from their holiday lineups.

The \$25 and \$15 price points are rare. Atlantic Canada's \$25 Holiday Pack provides a guaranteed win in every pack, and is the only lottery with a holiday offering at that level. At \$15, Québec joined Wisconsin in 2021, and both continue to have great success at that price point.

Gift packs containing multiple tickets remain popular in Canada, with four of the five Canadian lotteries offering these packs, albeit with different strategies. The packs offered by Atlantic (\$25 as noted, also including a free \$2 promo code) and Western Canada (\$20 for 10 tickets) each have a guaranteed winner. British Columbia's \$20 Holiday Gift Pack (with nine games) has great odds of 1 in 2, while Ontario's \$20 Gift Pack (up from \$10 in 2021 with higher prizes available) has regular odds for the price point, but includes a \$3 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

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points. For the holidays, lotteries may alternate families and games with different themes, to keep the season fresh year after year.

For this past holiday season, 10 lotteries offered families as some or all of their holiday offering, up from seven the previous season. Those using primarily families with identical or common graphical themes were Florida (Florida X the Ca\$h), Kansas (Winter Magic Cash), Maine (Holiday \$100's/\$200's/\$500's), Nebraska (Holiday Wishes), New Hampshire (Festive \$50!/\$100!/\$250!/\$500!), and North Carolina (Holiday \$50's/\$100's/\$500's, Holiday Ca\$h for Word\$, Holiday Cash Blowout and Holiday Spectacular).

Those with some family games were Georgia (\$10 Jingle Jumbo Bucks and \$20 Millionaire Jingle Jumbo Bucks), Iowa (four holiday Crossword

games), Massachusetts (three Holiday Bonus games), and Minnesota (Holiday \$500s and Holiday \$1,000s).

The Iowa Lottery continues to lead the way in terms of number of holiday games offered during the season, with 13 on the market. British Columbia and Western Canada offered 11 games each, while Ohio introduced 10 games (including winter themes).

We continued with a series of new questions that we began for the 2021 holiday review, so scattered among the responses you'll see how some lotteries with Fast Play and eInstant games handle the holidays. You'll also get different perspectives on whether it's helpful to change the prize payouts or top prize values on holiday games.

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 2022 initiatives.

On the following pages you will find insights into lotteries' holiday offerings – there are some great ideas and promotional themes throughout! As always, we thank the lotteries who have shared their experiences and how they will use what they learned to guide them in 2023. Their edited responses follow, as compiled in March. For reference, images and details for all the games may be found in the holiday ticket gallery in the November/December 2022 issue of *Insights*. ■



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Arizona Lottery

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

Most successful game(s):

Several price points saw a year-over-year increase, but the largest gains came from the \$10 game, 25 Days of Winning. This is the fourth year in a row this game has been offered, yet it continues to grow in sales each year, with a 6% increase over 2021.

Launch and end dates:

The holiday games followed the same schedule as previous years, with a launch on the first Tuesday in October. The games stayed in market until the end of December, when most retailers replaced them with our January family of games. They officially ended on Jan. 9.

General holiday strategies:

Holiday games are offered at almost every price point in Arizona, with each game filling a different strategy. The \$1 Stocking Stuffer focused on gift giving, while the \$2 Polar Payout was targeted to casual players looking for a holiday option. The \$3 Candy Cane Crossword had a similar purpose as the \$2, but was a targeted holiday version of the popular \$2 Crossword. The \$5 Sleigh Bell Bucks was also geared toward our extended play players, and the \$10 was an advent calendar format. Lastly, we pulsed a new \$20 multiplier ticket (100X the Cash) which started with a holiday pulse, and was then replaced with a normal pulse in December. The January family was also multiplier-themed, so this allowed us to roll the \$20 ticket into two families. The tickets were accompanied by a Holly Jolly Jackpot Players Club promotion, allowing players to enter their tickets into a progressive jackpot that grew each time a ticket was entered. Players got to play the Holiday Winnings digital game to reveal their entries into the promotion.

Holiday prize structures, if different from typical games:

Generally, the prize structures are consistent with normal Scratcher games; however, as is traditional for our \$1 holiday games, a \$500 top prize was offered again instead of the stereotypical \$1,000. For Fast Play, we did make modifications to the holiday games this year as we offered a \$5 price point for the first time. Additionally, in previous years the Fast Play games had normal top prizes and almost no top prizes were claimed before the games ended in January. This year we reduced the top prizes for both games so players could see the top prizes more frequently.

Other holiday games, promotions or activities:

Two Fast Play games were offered in 2022, the \$2 To Me, From Santa and the \$5 Holiday Cash Drop. And in addition to the Holly Jolly Jackpot Players Club promotion and the Holiday Winnings digital game, we ran an Eight Days of Holidays bonus campaign in the Players Club. Each day, a different ticket received 2X Players Club Points, bringing awareness to each individual ticket.

Major lessons learned in 2022:

The pulsing of the \$20 game continues to be successful, so we are looking at ways to include this game in both the holiday and January families again. Our \$2 and \$5 games saw a year-over-year decline and featured less traditional artwork, so we may consider more traditional themes for those games.



Arkansas Scholarship Lottery

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

Most successful game(s):

Both of our holiday games were successful, but the \$1 White Elephant was more successful because it sold out in about 10 weeks.

Launch and end dates:

We launched in November. Ideally we like to start the end of game process in March or earlier for holiday games.

General holiday strategies:

We launch lower price point games with whimsical holiday themes. For several years we were just launching a \$1 holiday game, but this season we added a peppermint-scented \$2 Peppermint Payout. There was generic advertising support regarding gifting, and December is also a time for responsible gifting messages.

Holiday prize structures, if different from typical games:

In 2022, we reduced the inventory levels and the amount of the top prize. Typically, the top prize for \$1 games is \$5,000 and the \$2 top prize is \$20,000. We made the holiday top prize \$500 on the \$1 game and \$1,000 on the

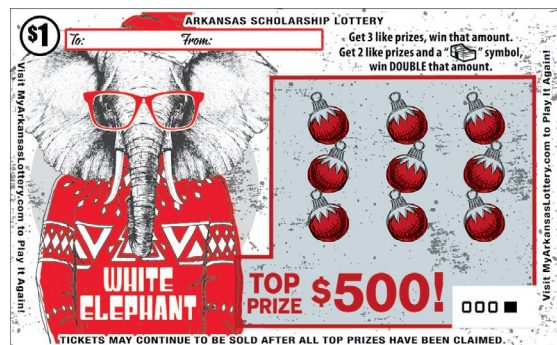
\$2 game. Rather than just three top prizes in each game, we had 44 \$500 top prizes for the \$1 game and 40 \$1,000 top prizes for the \$2 game.

Other holiday games, promotions or activities:

We launch two holiday Fast Play games every year (\$1 Holiday Cash and \$1 Candy Cane Cash).

Major lessons learned in 2022:

We learned that there is an appetite for two holiday games in market together at \$1 and \$2 price points, so we will continue launching a \$1 instant holiday game and likely a \$2 instant holiday game next year.



Atlantic Lottery

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

Most successful game(s):

The most successful holiday ticket we offered this year was our \$25 Holiday Pack, as we surpassed the sales target. This was the second year for the Holiday Pack and we will be bringing it back again next year.

Launch and end dates:

All three of our 2022 holiday games launched in October. We typically remove any unsold holiday games at the end of February.

General holiday strategies:

For our ongoing second chance drawing program, 2Chance, players received bonus entries on the Holiday Pack, but we had no additional drawings specific to the Scratch'N

Win holiday tickets. From an advertising perspective, this season we did have additional support and our media spend did exceed last year's. The focus of the campaign was on the Holiday Pack, for which we did hit our sales target. We also hit an all-time sales record for the week of Christmas.



Holiday prize structures, if different from typical games:

We do alter prize structures for holiday tickets to ensure that players experience more wins. The Holiday Pack had a guaranteed winner in every pack, and our \$5 game offers better odds than typical \$5 games in the tray.

Insights on eInstant:

During the months of November, December and January, we work with our vendors to target more winter-, holiday- and Christmas-themed eInstant game launches. We also coordinate with our marketing team to highlight past games with similar themes to reintroduce them to players. When it comes to life cycles, all of our holiday

games are available year-round. As an example, a past holiday game has been in our top 20 games for the last year, and our winter-themed game still remains the top 10 games late in March after launching in early November. In regard to cross-promotion, we offered a \$2 promo code in the Holiday Pack of Scratch'N Win tickets this year to encourage players to play on alc.ca.

Major lessons learned in 2022:

We are not currently planning to deviate from this year's tickets or strategy for next holiday season. However, there is always the possibility that we could still decide to deviate from a strategic perspective after further evaluation.

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 \$20 Holiday Gift Pack celebrated its 10th Anniversary in 2022. With nine fun holiday tickets in each pouch, great odds (one in two packs is a winner) and two top prizes of \$150,000, this eye-catching product had something for everyone. Players enjoyed gifting this to their loved ones as well as themselves! In addition, for the second year in a row, BCLC launched \$10 Treasure Tree, a die-cut Christmas tree ticket. The ticket was sold flat but could be assembled into a festive 3-D Christmas tree centerpiece or ornament. Using Pollard's die-cut innovation allowed us to provide a unique ticket that was both fun to play and aesthetically pleasing. Both the Holiday Gift Pack and Treasure Tree sold out prior to Christmas.

Launch and end dates:

BCLC launched the games in two waves as per our usual holiday cadence. The first five tickets (the \$20, both \$5 games and one each of the \$3 and \$10 games) were launched on Oct. 11, after the Canadian Thanksgiving weekend, and the remaining six on Oct. 24. All tickets were in market until the end of 2022.

General holiday strategies:

BCLC launched 11 holiday tickets, allowing for a diverse offering of price points, game play and ticket design. For each price point, there are typically two tickets: one that uses more classic holiday color palettes and designs to

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appeal to the holiday traditionalists, and a second that is lighter, more modern and whimsical, like the \$2 Bah Humbucks, which featured a grumpy dog and cat, and the \$1 Ugly Sweater tickets which were die-cut into ugly sweater shapes.

For the eleventh year, we offered our popular digital second chance contest called Tech the Halls, which was advertised on all holiday tickets. Players entered a scratched-off code from any of the holiday tickets into a contest site for chances to win additional prizes.

In terms of promotional support, BCLC provided retailers with POS materials including store posters, banners and digital signage to promote the holiday Scratch & Win campaign. The POS materials were in market from the beginning of November to the end of December.

BCLC's marketing campaign ran for the month of 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 marketing primarily focused on "gift givers" and secondarily on core players with two messages and creative concepts. 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.

Holiday prize structures, if different from typical games:

We alter the prize payout structure slightly for our holiday games and add additional free ticket prizes and multi-wins. This offers players additional chances to win and extends game play in the hopes of engaging more players, especially new and seasonal players.

Other holiday games, promotions or activities:

For select retailers, BCLC created a premium holiday greeting card made of recycled paper that customers could receive as a gift with the purchase of \$25 in Scratch & Win products. The high quality, festive greeting card had pockets inside to hold Scratch & Win tickets for gifting. This promotion ran during the month of December.

Major lessons learned in 2022:

As the saying goes, variety is the spice of life. BCLC knows its customers enjoy variety, particularly during the holiday season. Each year, players anticipate the launch of 11 new holiday season tickets, and those who gift Scratch & Win tickets to their (over 19) loved ones are excited that there are many festive options to choose from. To continue engaging customers through variety, BCLC works to make sure its designs and games are constantly evolving with new and digital technology, are innovative and unique, and offer an exciting winning experience to players.

California Lottery

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

Most successful game(s):

The \$10 Perfect Gift was our most successful \$10 holiday game in four years. For this year's game, we increased the luxuriousness at the price point, adding features that made the game feel more premium and giftable. The ticket design featured a less traditional holiday color scheme, with blues, greens and whites, and featured an eye-catching, silver holographic gift bow. The game tested extremely well in player research with players stating they would gift it year-round.

Launch and end dates:

Our games launch in late October to take full advantage of the holiday shopping season and gain two sales spikes – one at Thanksgiving and another before Christmas. Our holiday games are usually out of the market by the end of January, although this past year our \$10 game remained in for another month since it was less specifically holiday themed.



General holiday strategies:

Our holiday marketing strategy continues to emphasize the giftability of Scratchers while reinforcing the “play” message featured in our year-round marketing. For several years, we have focused on Scratchers as a fun holiday gift and recognize that the holidays are a time when new players may be trying or purchasing Scratchers. As a result, our product development strategy includes a diverse array of games and themes for consumers to choose from during the holiday period. This strategy also supports our long-term goals to expand our player base and offer games that will appeal to many types of consumers in California.

Holiday prize structures, if different from typical games:

We do ensure there are a number of smaller prizes and free tickets in the lower price point holiday games to ensure a good experience for new players, knowing that many of these games are gifted.

Major lessons learned in 2022:

Players have come to expect premium features on these tickets – whether metallic inks or specialty paper. We saw that removing these elements on one game potentially slowed its sales, while adding more to another game helped boost its sales. We are also seeing some slowing of sales of our annual \$20 New Year’s game, first launched for 2020, which we will continue to watch to see if it bounces back or has incurred wear-out after launching four years in a row.

Colorado Lottery

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

Most successful game(s):

While we think all of our holiday games performed quite well (the lineup sold out over 90% of available inventory), due to the success a year ago, once again we included the \$10 price point in the holiday mix – that price point has become extremely strong in Colorado. That game, Holiday Treasure, sold out 100% of available inventory prior to Christmas and proved to be quite popular.

Launch and end dates:

Our holiday games launched Oct. 17, which is consistent from year to year. As mentioned above, more than 90% of all inventory was sold, so there was very little to remove from the market. However, any holiday inventory left after Dec. 31 is usually removed from our retail locations.

General holiday strategies:

The Colorado Lottery’s strategies remained consistent with previous years. We have been very successful promoting our holiday lineup over the years, and this year’s efforts incorporated all methods of support – TV, radio, POS, out-of-home, digital, social, second-chance drawings, etc.

Major lessons learned in 2022:

We were pleased with the sales and marketing efforts pertaining to this year’s holiday lineup. Once again, the \$10 price point will be included moving forward, and depending on the market/inventory needs, we may add a \$20 holiday game to the mix in 2023. We will continue to focus on that time of year as it provides great momentum as we move into the second half of the fiscal year.



Connecticut Lottery

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

Most successful game(s):

\$5 Holiday Riches and \$10 Holiday Bonus were both strong sellers for the 2022 holiday season. These price points sell well for us throughout the entire year, and both price points are popular for gifting. Additionally, the art was nostalgic and graphically appealing.

Launch and end dates:

We typically launch holiday games the last week of October and remove any remaining games at the beginning of February.

General holiday strategies:

We typically launch \$1, \$2, \$5 and \$10 games. For advertising, we produce TV, radio and digital. We work with the sales team to create a POS kit for our LSRs; having everything bundled makes it easier and more efficient for placement. We also put a lot of focus on inventory management, which leads to a successful holiday season. Due to the short selling period, we closely monitor holiday game inventory to ensure the retailers who do well selling the games are stocked throughout the season and inventory is not sitting unopened where it is not selling as well.

Major lessons learned in 2022:

We didn't offer a \$10 winter-themed ticket this season, and while our \$10 holiday ticket sold well, we will likely replace it with a \$10 winter-themed ticket. We look forward to adding one back to the mix next season.



DC Lottery

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

Most successful game(s):

Our \$5 Festive \$500s – Holiday Edition ticket was our most successful holiday game this season. Keeping with the concept from last year, we've learned that having a loaded-tier game is always a hit in our market, especially around the holidays. Players love an attractive prize that they don't have to pay tax on, and it's a great win/stocking stuffer for the gift-giving season.

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/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 someone special. Our tagline this season was "Give the Gift of Joy," and we included it our radio, POS, out-of-home (OOH), and holiday television commercial. We changed our strategy of launching a second-chance contest since it's been done for the past five years. Instead, we decided to launch a television commercial and produce OOH creative to promote the new campaign. Unfortunately, it didn't boost our holiday sales numbers, but we received positive feedback from players – particularly those that hadn't purchased our holiday games prior to this launch.

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. This year, as noted, we made sure to include loaded-tier prizes so that players (or gift recipients) have a better play experience for the holidays.

Insights on eInstants:

We learned that our holiday games tend to be some of our top performing eInstant games. We moved to a bi-weekly launch schedule (we previously launched games every three weeks), and it provided us with the ability to give players more of the themed games they love during the holiday seasons. We also implemented a cross promotion with our scratch tickets (Merry Multiplier eInstant and Merry Money Multiplier Scratcher).

Other holiday games, promotions or activities:

We introduced a new CRM program that helped us incorporate holiday promotions for our players with each holiday weekend. Our email campaigns proved to be very beneficial.

Major lessons learned in 2022:

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 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 \$30.

Most successful game(s):

The \$2 and \$5 games in our Florida X the Ca\$h family were the strongest performers, outselling the prior year's holiday games at the same price point.

Launch and end dates:

We do not always immediately end holiday games the next quarter, but they are typically phased out of plan-o-grams and replaced with newer games being introduced. We have had success in recent years by including a limited pulse featuring holiday art on a higher price point game, following its initial launch in the fall. This allows us to advertise (or readvertise) the

game, including the higher price offering alongside the \$1 to \$10 holiday family of games, then shift back to the non-holiday pulse when the limited-run sells out. This year we applied that strategy across the entire family of Florida X the Ca\$h games so that we can continue selling the non-holiday versions beyond the seasonal period.

General holiday strategies:

We continue using Bonus Play (for non-winning scratch-off tickets) as a major component of the holiday campaign, as we know from research the additional chances to win drives purchase intent and early sales. We also incorporate a select draw game into the promotion, which allows us to promote that game in advertising, reach and engage draw players, and provide cross-promotion and cross-play opportunities. The number of draw entries earned per ticket are weighted by ticket price. In the past we've used promo codes in advertising, social media posts, etc., to allow players entering the promotion a chance to utilize the code

to earn extra drawing entries. This year, however, we offered players the chance to earn bonus entries or instant-win cash prizes of \$50 if they entered a Cash Pop ticket of \$5 or more. And players who entered the complete family of non-winning holiday scratch-offs earned bonus entries or \$200 cash! There were more than 4,000 instant-win bonus prizes, and in an internet player survey, half of respondents stated they purchased the entire family of games for the chance at the bonus entries/bonus prizes.

Major lessons learned in 2022:

Encouraging players to try the family of games and offering instant-win bonus opportunities for prizes and extra draw entries will certainly be part of our strategy moving forward. Also, potentially extending the holiday promotion period into early January to offer those who received tickets as gifts to enter, and to encourage play in the weeks that follow the peak holiday period until the next major game launch in January.

Hoosier Lottery

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

Most successful game(s):

We feel that overall we had a successful holiday sales season. A standout this year was the \$2 Holiday 7s ticket, which outperformed last year's \$2 holiday game despite overall weak sales at the \$2 price point.

Launch and end dates:

We launched our extended play \$3 Holly Jolly Bingo in October, and followed up with the rest of the holiday games in November. We also launched three holiday Fast Play games later in November. We remove all of our holiday games with our usual January launch cadence, which is first Tuesday of the month for scratch-offs and third Sunday of the month for Fast Play. We have followed this strategy for several years now.

General holiday strategies:

Overall our holiday strategy was similar to what we have done in previous years, although this was the first year we offered Fast Play games with a holiday theme. Additionally, all four holiday scratch-offs were eligible for a holiday 2nd Chance promotion



where players could enter to win up to \$10,000. Our marketing campaign kicked off mid-November as holiday shopping begins to heighten. We promoted our efforts through TV (broadcast/OTT), radio (in-store, broadcast and streaming), outdoor (pump toppers, digital and vinyl billboards), promotions (sponsorship integration, retailer events and promotions, media giveaways, myLOTTERY 2nd Chance), retail signage (indoor/exterior signage), digital (myLOTTERY digital game, paid ads, website and app content), social media (paid and organic social posts, influencers), and public relations. Our Fast Play holiday offerings were featured with point-of-sale placements at retail and through digital and social media support.

We also utilized our myLOTTERY player program to promote the gifting messaging in a few different ways, including email messaging and in-app notifications, a 2nd Chance promotion for all non-winning holiday tickets, and the Flurry of Fun! digital game. The promotion began with the launch of our first holiday ticket in October and wrapped after the holidays in January; it offered 10 prizes ranging from \$1,000 to \$15,000. Flurry of Fun! was a myLOTTERY member exclusive experience where players searched for wonders within a virtual snowfall. Using the interactive mobile version, players could

explore surroundings to find hidden holiday jingles, including augmented reality technology with a custom selfie camera which creates social moments as unique as every snowflake. And by coming back each day to explore, players could find even more hidden surprises.

Other holiday games, promotions or activities:

This year, we launched three Fast Play holiday games: \$1 Jingle Bucks, \$2 Peppermint Payout and \$3 Frosty Fortune. In addition to the marketing efforts captured above, we utilized integrated QR codes within the standee and play center insert retail signage. We also designed “cardvelopes;” shoppers could place their tickets inside to help package the gift. We layered in in-store radio and pump toppers and unique retailer promotions at select retailers to help extend the promotion.

Major lessons learned in 2022:

Year-over-year holiday game sales performance is very similar. We strive to learn from previous years, be it order quantities, ideal prize structures, successful themes, etc., and apply those learnings to the planning process for future holiday seasons.

Illinois Lottery

Illinois’ holiday lineup included eight games: two each at \$2 and \$10, plus one each at \$1, \$3, \$5 and \$20 (including seasonal games).

Most successful game(s):

Our most successful holiday game this past season was the \$20 Merry Mega Multiplier. While the sparkle design helped it stand out in retail, it also offered a multiplier theme and play style, which have historically done well in Illinois. It featured a \$1 million top prize, lower than our standard \$2 million offering, allowing extra funding to load the game with meaningful \$50 to \$500 prizes. We made the multiplier theme and winning experience prominent by increasing the winning percentage on any prize level multiplied by 5X, 10X, 20X, 50X, and 100X. A multiplier row and bonus spot provided additional chances to win, which research has proven our players seek out.

Launch and end dates:

Holiday games launch on the first Tuesday in October, and are placed on cleanup in January to make room for a new family of games.



General holiday strategies:

From an instant product standpoint, we maintain the same launch cadence, continue to leverage consumer testing, and invest in value-added printing to drive appeal and trial. We leaned heavily into holiday themes, adding bonuses and multipliers to satisfy the core players. To pique the interest of new or infrequent players, we offered the National Lampoon's Christmas Vacation licensed property at the \$2 price point. Instant ticket support followed a two-pronged plan during the holiday season. October support focused on encouraging core players to "try before they gift," and in November, we transitioned to a gifting message ("Gift Instant Joy") with cross-channel messaging. A cohesive look and feel supported the holiday campaign across channels, and additional tactics elevated messaging and provided engagement with consumers for consumer holiday sweepstakes, retail promotions and incentives, PR event supporting a good cause and rewarding giving players, and 'Tis the Season to Gift Responsibly messaging.

Holiday prize structures, if different from typical games:

Understanding that the holidays are the most opportune time of the year to engage with new and infrequent players, we increase payouts 0.5%-2.5% to improve the winning experience to drive future reinvestment and engagement, especially at the lower price points.

Major lessons learned in 2022:

Given the ongoing sales trends of the lower price points, we plan to reduce the \$1 and \$2 order quantities and increase the runs at \$10 and \$20. Additionally, we are exploring options to improve the long-term innovation pipeline and offer players a second chance for the holiday lineup next year. Other learnings and observations for consideration next year include a heavier push to distribute inventory earlier and an increased marketing spend.

Kentucky Lottery

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

Most successful game(s):

The \$2 game Elf was the runaway holiday favorite! We were the first lottery to bring it to market and it sold out in 10 weeks with final sales of \$4.6 million. The \$1 White Elephant also sold out in 11 weeks with final sales of \$3.8 million.

Launch and end dates:

We launched on Oct. 20 and started promoting holiday messaging on Thanksgiving Day, through Christmas Day. This is our typical timeframe for holiday introductions and advertising. The lower price points (\$1, \$2 and \$3) sold out by Dec. 30. The \$5 and \$10 games remained in market through the end of February.

General holiday strategies:

This year, we again veered away from a holiday family in favor of individual games. We also soft launched our first \$50 game at the same time we launched our holiday lineup, with resounding success. In addition to in-store POS from curb to counter along the player journey, we utilized broadcast TV and radio spots as well as digital and social media, a holiday landing page featuring



all KLC holiday/seasonal games, and even used local Kentucky influencers as part of our social media/digital campaigns. While we did not conduct a second-chance promotion this year, we did have a sales contest among LSRs to help drive year-over-year sales increases around the state.

Holiday prize structures, if different from typical games:

We typically do not modify prize structures on the higher price points. On the lower ones, we do put more money than usual into the low-tier churn prizes to ensure lots of winning experiences, and we'll most likely be doing that across the board with 2023 holiday scratch games.

Insights on eInstants:

We offered two new holiday eInstant games, Yuletide Treasures and North Pole Cash Dash, in addition to bringing back three previous holiday favorites. Our iLottery players love any holiday game and the two new games offered very different play styles. Yuletide Treasures was a multi-ticket symbol match, and players could customize their experience for the right price point

and odds experience they prefer, while moving through the game quickly. North Pole Cash Dash offered a longer play experience and a possible bonus, appealing to a different style player.

Other holiday games, promotions or activities:

We launched one holiday Fast Play game, \$3 Winter Wild Time, in December. With the launch of Kentucky 5 for retail at the end of November and then its online launch at the beginning of December, we didn't have a lot of bandwidth in our batch schedule to do more than one holiday terminal game for the 2023 holiday season.

Major lessons learned in 2022:

We usually don't sell out of \$2 holiday games, so having the brand recognition of a licensed property worked well; we'll most likely look at another property for the 2023 season. The \$500 top prize games are always a player favorite so we'll most likely look at another one of those or may try a \$250 top prize to double the number of winners during this special time of year, especially if inflation remains or worsens in the months ahead.

Loto-Québec

Loto-Québec's holiday lineup included seven games: two at \$3 and one each at \$1, \$2, \$10, \$15 and \$20.

Most successful game(s):

Only two products had better sales than the previous year, our Mots Cachés édition des fêtes (Crossword Holiday edition) and our Advent Calendar. The Advent Calendar is our top performer, after having two record years in a row. Since we changed the format in 2021, consumers are very enthusiastic about the new ticket's six panels and 30 games. The timing of the launch, the second week of November, may also have been a factor in its success.

Launch and end dates:

We had a four-week launch period this season compared to three weeks a year ago. First, the national ticket was launched on Oct.10, then three of our games on Oct. 17 and two others on Oct. 31. Finally, we launched our Advent Calendar for the first time in November instead of late October. Our distribution team requested that we have fewer tickets to distribute in a same timeframe. As already mentioned, we did have some success with the game



this year probably be due to the timing of the launch, since it is a ticket that players are supposed to scratch one day at a time in December. Tickets are removed in January, one or two per week.

General holiday strategies:

This year's collection had the same offer as the previous year: same tickets, new look. The collection's visuals were filled with classical Christmas elements and colors with a crafty twist. For advertising, emphasis was made on our 7 Chanceux (\$1 gift tag), Cadeau Surprise and Celebration tickets, and they were all supported by TV ads. The holiday collection as a whole was supported by POS and social media promotions.

Holiday prize structures, if different from typical games:

The only game that had an altered prize payout compared to its regular version was the \$1 7 Chanceux, since it was

a gift tag to be given to non-players or occasional players and we want to provide them with an enhanced winning experience.

Insights on eInstants:

We typically launch our five Christmas online scratch tickets the first week of November and add a new game every two weeks until Christmas. We have promoted our printed holiday tickets with our online scratch ticket on our website.

Major lessons learned in 2022:

We noticed that higher price points are becoming more and more popular, so we will upgrade our \$3 Crossword to \$5 and our \$2 Cadeau Surprise will now sell at \$3 with increased odds at winning a gift. We will also keep the launch of our Advent Calendar in November since it was successful.

Louisiana Lottery

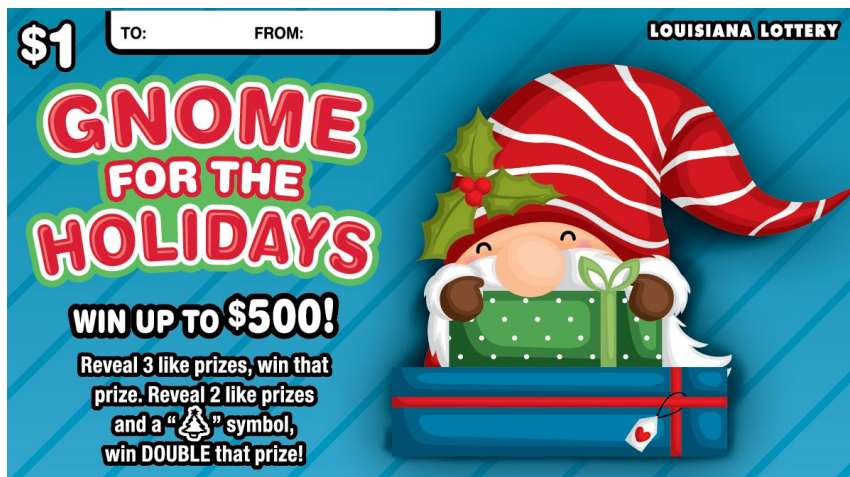
Louisiana's holiday lineup included four games: one each at \$1, \$2, \$3 and \$5.

Most successful game(s):

Our holiday games typically perform above average, appealing to both loyal scratch-off enthusiasts as well as a gift-giving novelty which works especially well at lower price points according to recent research by Scientific Games. Case in point, we are particularly pleased with the performance of our \$1 whimsical Gnome for the Holidays, which indexed the highest at 135. The game featured four different scenes with holiday yard gnomes, which we then used as art on promotional socks for a web-based holiday player promotion.

Launch and end dates:

We launched our holiday games on Oct. 31, which is about typical for us. Our strategy is to remove games from the market when they sell out or when all top prizes are claimed. For holiday games, that is usually the first week of January.



General holiday strategies:

For advertising/promotional support, we created a tagline across all marketing mediums: "It's Beginning to Look a Lot Like...Winning!" This tagline was used in television, radio, POS, digital outdoor, print, online banners and pre-roll, and pump-top digital displays. Through our media partnerships, we also conducted statewide on-air radio promotions after our paid radio flight ended, to extend into the last push of the holiday season. The top two or three stations in each Designated Market Area (DMA) were provided holiday prize packs, promotion details and suggested talking points for a two-week promotion. Stations gave out 150 prize packs over that period throughout our seven DMAs. We also hosted a website promotion where entrants shared photos of themselves in their "Favorite

Holiday Look.” The winner received a pair of our Gnome holiday socks plus other branded merchandise. The giveaway was promoted on social media where the winners’ photos were shared afterwards.

Holiday prize structures, if different from typical games:

We did not make changes to the payout or prize structures, but our \$1 Gnome for the Holidays was loaded with top prizes of \$500. We don’t always include a holiday extended play game in our lineup, but the schedule fell

such that a Crossword game launch would fall in line with our holiday games, so we decided to pulse the game to offer a holiday theme for the first half of the tickets. That strategy proved to be quite successful with the game indexing at 171!

Major lessons learned in 2022:

There is a definitive demand for lower price-point games during the holidays, and artwork pulses work well to carry a popular niche game efficiently through the holidays!

Maryland Lottery

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

Most successful game(s):

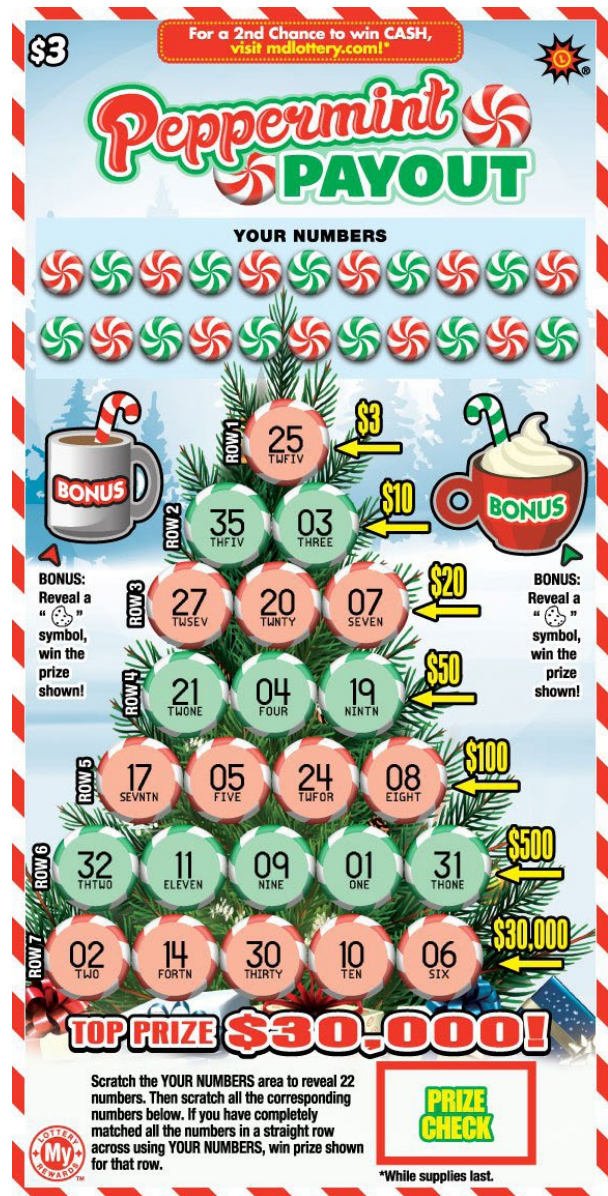
Of all the games in the holiday suite, our \$3 Peppermint Payout ticket continues to be a player favorite. To differentiate each year’s Peppermint Payout ticket from prior years, we have updated the art, added bonus features and experimented with scented inks to add fun and variety. Since licensed properties tend to over-index in Maryland, we decided to launch The Game of Life as an oversized \$20 ticket with our holiday suite of games. Oversized tickets do not fit into our self-service vending machines, so distribution of this game was limited. Nonetheless, the game was popular with players and indexed over 140 where it was available for sale.

Launch and end dates:

We typically launch our holiday games the third week of October and evaluate the closing strategy for each game individually. The \$3 extended play and \$10 winter-themed games both tend to stay in market a little longer, and are usually removed by the end of March. Since it is a licensed property and not technically a holiday design, we will leave our \$20 The Game of Life ticket in the market until sales dictate its removal.

General holiday strategies:

We launched the same price points as previous years, with the addition of the \$20 oversized game. This season’s holiday games all used a symbol reveal play style instead of key number match, but we do not believe this made a difference in sales. Our holiday second-chance promotion was similar to the prior year. There were 12 weeks of cash drawings with five winners of \$2,500 each week, with an additional five winners of \$25,000 in the final drawing.



The goal was to keep players engaged throughout the promotion, and we had more than 50 million entries from 346,000 unique participants.

Advertising consisted of five weeks of statewide support that spanned from Thanksgiving through Christmas Eve. We looked to engage players from various touch points including television, cable TV, over-the-top content platforms, terrestrial radio, streaming audio, various out-of-home avenues, digital display and video units and social media. “Take Some Home for the Holiday!” was a tagline that appeared throughout the campaign. Our social and digital media focused on creating engaging content that encouraged players to give holiday scratch-offs as gifts. We used retargeting audiences in our social media ads to keep our products top-of-mind during a hectic holiday season.

Other holiday games, promotions or activities:

We had three holiday Fast Play games: \$1 Candy Cane Cash, \$5 Snowflake Ca\$h and \$10 Holiday Money Match. To support our monitor game category, we ran a holiday Keno Sprinkler promotion where players could double or triple their winnings. We also have several holiday-themed Keno screens that rotate throughout the season and help cross-promote our Fast Play games. On these screens, we also promoted our “Let It Snow” Pick 3/4/5 promotion during which players received instant-win vouchers and free \$5 Snowflake Ca\$h Fast Play games.

Major lessons learned in 2022:

Since our distribution network is limited for oversized tickets, we are likely to stay away from launching this type of game during the holiday season.

Massachusetts Lottery

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

Most successful game(s):

Our \$10 Winter Cash Blowout ticket performed the best, indexing at 158. Since the 2018 introduction of the blowout concept, with prizes of \$50, \$100 and \$500 exclusively, demand for these tickets remains high and it is a proven winner as part of our holiday launch.

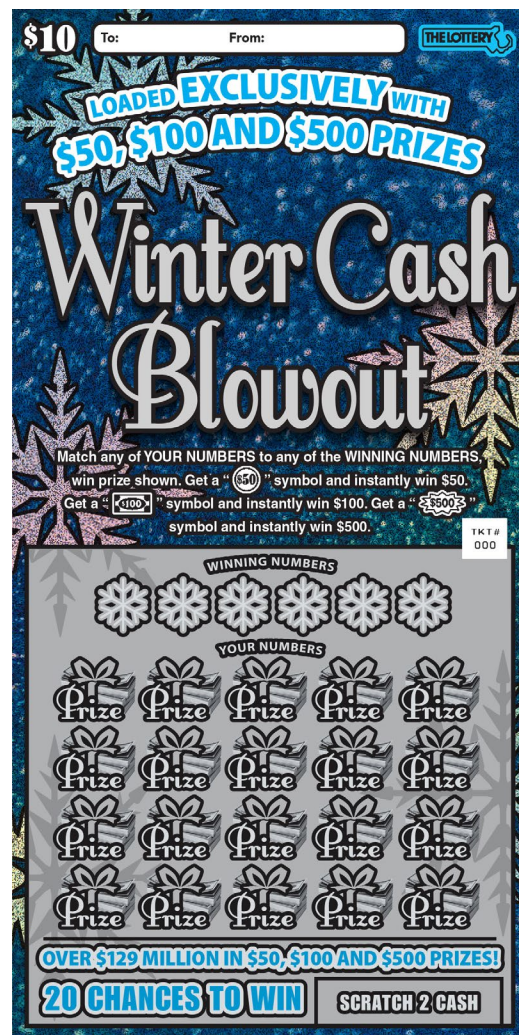
Launch and end dates:

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

General holiday strategies:

This year’s holiday launch included two specialty tickets at the \$10 price point, along with a family of three Holiday Bonus tickets at the \$1, \$2 and \$5 price points. Building off of the success of our first oversized ticket, \$50,000 Jumbo Bucks, we introduced When It’s Gold Outside, our first oversized holiday ticket, also with a top prize of \$50,000. We tried something new with the \$1 ticket in the Holiday Bonus family, making the top prize \$500 instead of the usual \$10,000, resulting in better overall odds of winning a prize.

For the sixth 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. This year’s promotion featured a fun interactive bonus game that revealed the number of entries a player received with each ticket entered. We supported our holiday tickets with a multi-channel advertising campaign that included a produced digital video spot. The



theme of the campaign was “The best gifts are made from scratch.” In the video spot, this message was delivered through a humorous take on a gingerbread house baking competition in which the winner, an unassuming Gen Zer, built their house out of scratch tickets, leaving the other contestants aghast.

Other holiday games, promotions or activities:

We conducted an interactive draw and monitor game promotion titled Holiday Word\$. From Nov. 23 through Dec. 13, all draw and monitor game tickets had a holiday keyword printed on them, with a different keyword each day. Players could go to our website to enter the keywords and complete one online entry form for each one. There were three entry periods over the course of the promotion and one winner from each entry period was randomly selected to win a \$7,500 prize. The winners

were announced on Holiday Word\$ Live on Facebook following each of the three entry periods. During each Holiday Word\$ Live event, viewers could participate in a Bonus Round by responding with a comment and a dedicated hashtag. Bonus Round winners won prizes ranging from \$100 to \$500. We received 195,848 entries, and grew our entire email database by 16% in just three weeks (24,361 new addresses). We reached 99,322 people with the Facebook Live shows, with over 10,000 comments on those shows; we also obtained a 2% increase in the number of likes on our Facebook page.

Major lessons learned in 2022:

We continue to adjust print quantities and prize structures in an effort to not disrupt our existing ticket portfolio and to manage our holiday inventory so that the games don't remain in the market for an extended period.

Michigan Lottery

Michigan's holiday lineup included four games: one each at \$1, \$2, \$5 and \$10, plus an additional winter \$5 game.

Most successful game(s):

The \$1 Tinsel Town ticket was most successful. The game had a 10-week index of 127 and sold out in seven weeks. It was a unique ticket this year as it was printed in a horizontal orientation with a continuous scene that was displayed across five tickets. We think that feature is well-liked, as other continuous-scene games we have done in the past have always indexed high and sold through.

Launch and end dates:

Holiday games launched Oct. 25. Tinsel Town sold through and the remaining games were ended in early February.

General holiday strategies:

All of our holiday games were focus tested to provide the best quality games to players. Holiday games were supported with point-of-sale, TV, radio, and social media.

Major lessons learned in 2022:

We will continue to scene-pulse \$1 holiday games as they have proven to be popular amongst players. Next year we will offer a variety of holiday games with unique titles and ticket art to keep players intrigued and provide giftable values at all price points.



Minnesota Lottery

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

Most successful game(s):

The \$5 Holiday 500s ticket is and continues to be our best-selling holiday ticket. We stayed with the same name and prize structure that we had success with the previous year. The large amount of \$500 wins creates a lot of buzz.

Launch and end dates:

As in past years we launched in November and ended in February.

General holiday strategies:

We launched \$1, \$2, \$5 and \$10 tickets to ensure we have price points at several different levels for holiday gift giving. All of our holiday tickets have their own second-chance drawing that included cash and a theme that made sense for the specific ticket. Our advertising campaign tagline was the "Perfect Gift," which lends itself well to the season and allows for a variety of digital and social extensions to support the campaign. One new item we launched in retail this season was a gift cardboard counter display that featured the holiday tickets. This was well received, and we are looking to mirror something similar next holiday season.

Other holiday games, promotions or activities:

Raffle launches in October and is the precursor to our holiday game launch and often pitched as a great holiday gift item. However, Raffle often sells out before December hits.

Major lessons learned in 2022:

The \$5 Holiday \$500s and \$10 Holiday \$1,000s have continued to perform very strong and we are looking at similar price points and prize structures for the next holiday season. The counter display was well received and helped grab the attention of the busy consumer during the holiday season.



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Mississippi Lottery

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

Most successful game(s):

Our most successful ticket was our \$1 Festive 50s ticket. This ticket offered a top prize of \$50 and was loaded with these top prizes. When looking at our data figures, this game sold the most of all holiday games this year.

Launch and end dates:

We launched our holiday games on Nov. 1, which is typical for us. We time their removal from the market to coincide with game endings occurring in the summer or early fall.

General holiday strategies:

We launched a \$1 with several \$50 top prizes; this is different from past seasons. Our \$2 ticket included an image of our mascot "Lucky Buck." We also included TO and FROM gift tags on each game to promote responsible gift giving.

Holiday prize structures, if different from typical games:

We increase the payout on our holiday games to drive sales. As noted, this year we included a Festive 50s ticket which included several \$50 top prizes.



Other holiday games, promotions or activities:

We ran a Super Santa promotion through our Lottery Insiders (e-mail newsletter) during the holiday season, and we also launched Cash Pop at the end of November.

Major lessons learned in 2022:

We learned to lower our order quantity so that the games will be in and out of market during the holiday season. We also learned our players like the nostalgia of the holiday season. We will lean into that when planning 2023's holiday launch.

Missouri Lottery

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

Most successful game(s):

Our \$20 Holiday Gold recorded historical highs for holiday game sales and generated great player feedback. The \$10 Silver Bells ticket was our second best-selling \$10 holiday game ever, and our \$5 O' Christmas Tree and \$1 Gnome for the Holidays games both outsold last year's holiday games at those price points. The \$10 and \$20 games featured Sparkle printing technology, and our \$5 game featured Scratch FX for an extra festive look at retail. Like last year's \$20 holiday game, this season'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 Sept. 28, 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 a new family of Money Multiplier games.

General holiday strategies:

Missouri Lottery players continue to enjoy variety within our holiday games. This includes variety in both play action and price. Holiday Scratchers were supported by a

holiday-themed "Chillin' & Thrillin'" second-chance promotion that offered players the chance to win taxes-paid adventure trips via ticket entry into our Players Club. Eligible tickets included holiday Scratchers and/or draw game tickets purchased during the promotional period. The Chillin' & Thrillin' promotion received a total of 3.2 million entries into the monthly drawings and 30 million entries into the weekly drawings – which translates to more than \$30 million worth of holiday Scratchers and draw game tickets entered. That is just under our record setting numbers.

Due to continued and significant cuts to our advertising budget, we did not have paid advertising support that was specific to our holiday games and

promotion. Point-of-sale materials at retail, as well as organic social media posts, were our main communication tools. The small advertising budget was instead used for a “Lottery as Gifts” campaign that ran throughout the holiday season. This was an evolution from our traditional “Scratchers as Gifts” campaign, as “Draw Games as Gifts” coupons are now available for our players’ gift-giving needs.

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:

As noted, draw game tickets purchased and entered within the promotional period were also eligible for our Chillin’ & Thrillin’ promotion along with the holiday Scratchers. We also do several holiday-esque skins throughout the year on our Club Keno shows, including St. Patrick’s Day, Halloween, Thanksgiving, Christmas and New Year. These holidays usually resonate with those who frequent Keno retailers.

Major lessons learned in 2022:

We will continue to use surveys of our loyalty club members to help guide our selection of tickets and provide the best mix and variety possible. Evaluation results of added play options and specialized printing techniques will always be a consideration. We’ll also continue to tie our holiday games into second-chance promotions to extend the holiday purchase for our players.



Montana Lottery

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

Most successful game(s):

For scratch, our \$2 Holiday Delight and \$5 Winter Cash generated the best sales and sell-through rate compared to previous years’ games. For Treasure Play (our version of Fast Play), \$5 Frosty Fun performed the best.

Launch and end dates:

We launched our holiday scratch games on Oct. 4. We remove them from the market when our warehouse inventory drops below 20%. Treasure Play holiday games launch in mid-October and are replaced the second week of January.

General holiday strategies:

For scratch, our strategies remained the same as the past two years with price points and themes. At the \$1 price point, we offer one strong holiday theme and one winter theme.

Our \$2 game is a strong holiday theme, while the \$5 is a winter theme. This year, all games were supported by a full ad campaign including TV, radio, outdoor, digital and social. The ad campaign helped us sell out all games in record time. For Treasure Play, holiday games repeat from year to year. Typically, they have not had ad support.

Holiday prize structures, if different from typical games:

For scratch, the only adjustment made is a lower ticket quantity for the \$1 games. For Treasure Play, holiday games have lower top prizes than regular games in order to create more winning lower-tier prizes.

Other holiday games, promotions or activities:

Although only lightly winter-themed, a promotion called Weekly Grand coincided with the holiday season. It allowed members of our Player’s Club to enter codes from scratch tickets into a series of weekly drawings for \$1,000 each.

Major lessons learned in 2022:

Creative execution of the marketing campaign resulted in a good but expensive TV commercial. We were happy with that commercial, and could potentially reuse part of it next season.

Nebraska Lottery

Nebraska’s holiday lineup included three games: one each at \$1, \$5 and \$10.

Most successful game(s):

Our \$10 Holiday Wishes 20X was the most successful. We recently launched our first \$30 ticket and its sales were cannibalizing products at our other higher price points. Holiday Wishes 20X was our first ticket at the \$10 price point to be included in our annual holiday promotion.

Launch and end dates:

The holiday games launched on Oct. 24. They were removed from the market on Jan. 20 if they didn’t naturally close. This is the second year we have set an end date on holiday tickets. In 2019, we moved the launch date of our holiday games from late September to late October with favorable results.

General holiday strategies:

For the three Holiday Wishes family games, we offered the Holiday Wishes Second-Chance Promotion, where players could enter non-winning tickets for a chance to win \$1,000, \$5,000 or \$10,000. The contest prizes were determined by the ticket entered, with \$10 Holiday Wishes 20X tickets eligible to win the biggest prize. Marketing pieces played on the Holiday Wishes theme with imagery of a shooting star falling over a winter scene and headlines such as “Holiday wishes do come true.” Both the Holiday Wishes campaign and the accompanying gift-giving campaign were supported with TV, radio, digital outdoor, print, digital ads and social media.

Holiday prize structures, if different from typical games:

The prize payout structure of holiday games is slightly altered to promote higher winning experiences at the breakeven and 2X levels. The top prizes last season were standard at the \$1 and \$5 price points and lower-than-standard at the \$10 price point. This was done to churn the



\$10 game in three months. Moving forward, we plan to utilize lower-than-standard top prizes at all price points while ensuring that we have alternative standard top prize games available concurrently.

Other holiday games, promotions or activities:

In addition to marketing our holiday scratch games and second-chance promotion, we also did a holiday gift-giving campaign that included our in-state lotto game, Nebraska Pick 5. Our player favorite Twice as Nice social

media giveaway returned for a fourth year in 2022. Players entered via our Facebook page to win \$100 in holiday scratch tickets for themselves, and \$100 in scratch tickets for a friend. A total of 2,696 contest entries were received between Nov. 21 and Dec. 1.

Major lessons learned in 2022:

We learned that there is a market and an opportunity for our holiday family of games and holiday promotion to include \$10 and \$20 options for our players.

New Jersey Lottery

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

Most successful game(s):

The \$5 Peppermint Payout was considered the most successful with its sell-through rate of about 80% by the end of January, as well as achieving weekly sales more than double the average \$5 games. It featured a peppermint scent that garnered attention and chatter by retailers and players alike.

Launch and end dates:

The holiday games annually launch at the beginning of November. Over the years we have adjusted and managed print quantities for each price point, allowing for a quick sell-through rate for the \$1, \$2 and \$5 games during the holiday season. They will go through the game end process in April 2023. The \$10 Winter Wishes remained in the market longer to sell through its remaining inventory and will go through the game end process in July 2023. We typically keep games on sale until all top prizes are claimed or 90% of inventory is sold out.

General holiday strategies:

The 2022 holiday scratch-offs strategy was reminiscent of past years in regard to price points but slightly different in theme. We took a more whimsical approach with the lower price points this season, with \$1 Sleigh Bills, \$2 Snow Me the Money and \$5 Peppermint Payout; the latter had a peppermint scented enhancement and was well received by players. Relaunched for the 2022 holiday season, \$10 Winter Wishes



outperformed the 2021 \$10 holiday game (\$50 and \$100 Blowout) by 56% in its first 10 weeks. These refreshed and fun tickets allowed for an exciting marketing campaign with a callout “Spread Cheer This Year!” All four tickets were included on point of sale, which remained at retail through December. Specialty pieces were also printed, such as a wreath and envelope holder, to stand out at retail.

During the holiday season two second-chance promotions gave players the opportunity to submit non-winning tickets for a chance to win prizes. During the Lottery Bonus Zone December “Festive Fridays” promotion, players entered eligible \$20 games for a chance to win additional scratch-offs. The promotion was well received and saw over 140,000 entries for the four

drawings. The \$5 Peppermint Payout ticket was featured for Million Dollar Replay, where players received 8X their entry into the program.

Other holiday games, promotions or activities:

New Jersey offered the \$5 Merry Money Match as one of the twelve Fast Play games. The second week after launch Merry Money Match was the best performing \$5 game, outperforming the popular \$5 Jersey Jackpot. It got some of its own point-of-sale support at retail; our marketing campaign primarily focused on scratch-offs.

Major lessons learned in 2022:

The scented ticket was well received, as such we’ll be considering a redux of that for the 2023 holiday lineup.

New Mexico Lottery

New Mexico’s holiday lineup included four games: one each at \$1, \$2, \$3 and \$5.

Most successful game(s):

Both \$1 Gnome for the Holidays and \$3 Holiday Cash were successful. Gnome for the Holidays had the highest index of all four holiday games and sold out of the warehouse in ten weeks. The game was loaded with \$25 top prizes, which made it a perfect choice for players to give as gifts. We printed a small quantity of Holiday Cash, and it proved to be a perfect print run since the game sold out of the warehouse in just seven weeks and was ended in just 15 weeks.

Launch and end dates:

We launched our four games on Oct. 3. Typically, we do not remove the games from the market until late spring. The games tend to stop being ordered and basically end themselves.

General holiday strategies:

Advertising was introduced with “Tis the season for winning” featuring the holiday Scratcher second-chance promotion. We followed it with a traditional holiday campaign, “It’s a season of giving” to promote the concept that Scratchers make great gifts. No Christmas cookie was left unturned to promote these games!

We kicked off the season months before launch, teasing the holiday games on a Christmas in July live event on Facebook, Instagram and YouTube. The live



event promoted our HGTV’s My Lottery Dream Home Scratchers with the holiday sneak peak. Live games offered players a chance to guess (through comments) to win prizes. More than 850 viewers watched the live event and 45 players won prizes.

We also held a retailer activation promotion to motivate retailers to get the tickets out for sale soon after launch. One corporate retailer and one independent each won \$500 and up to 25 holiday prize packs for employees.

A second-chance promotion was launched with the games to encourage early player sales. Non-winning holiday Scratchers could be entered until Dec. 10; six drawings were held, each with 10 players winning \$1,000, for a total of 60 winners.

Finally, we conducted holiday radio promotions prior to Christmas to remind players that Lottery tickets make great gifts. From Dec. 5 to 16, 25 New Mexico radio stations promoted holiday Scratchers with a call-in contest. Daily winners received two stockings and 22 Lottery bucks – one prize for themselves and one for a gift!

Holiday prize structures, if different from typical games: We typically load our \$1 holiday game with small top prizes of \$20 to \$25. We also try to keep the odds low for all the holiday games so that non-traditional players, who may purchase or receive Scratchers as gifts, have positive experiences.

Major lessons learned in 2022:

Finding the right number of tickets to order is our biggest challenge. We were successful with the number of tickets ordered for the \$1 and \$3 games. However, we probably need to reduce the number of tickets ordered for the \$2 and \$5 games. We'll never know for sure the impact of the Christmas in July holiday teaser, but it certainly didn't hurt and was a great crossover.

New York Lottery

New York's holiday lineup included six games: two at \$5 and one each at \$1, \$2, \$10 and \$30 (including seasonal games).

Most successful game(s):

The \$10 Holiday \$1,000,000. Players enjoy playing for its top prize, and the game is profitable.

Launch and end dates:

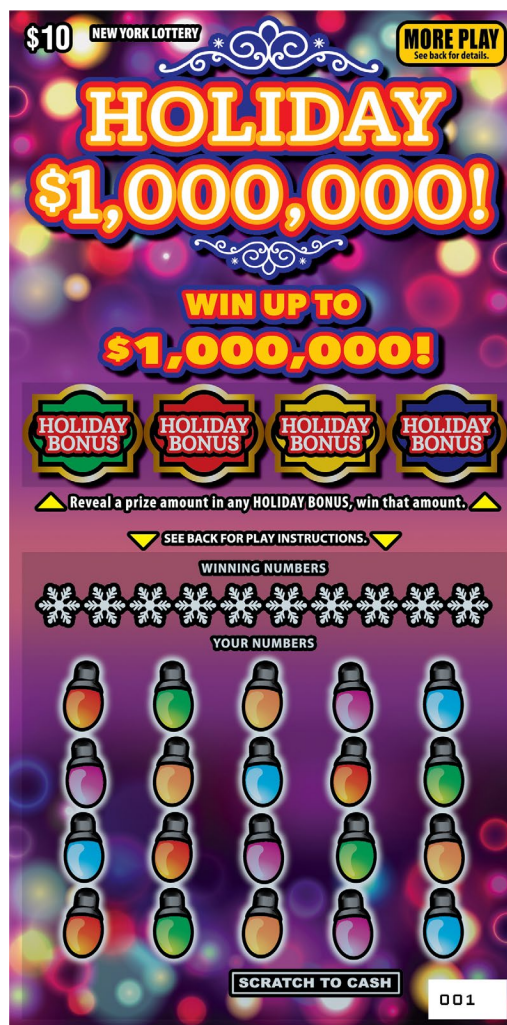
Our primary three holiday games were launched on Nov. 1, a week earlier than usual. That, plus the decision to launch a multiplier family in early December, were the only changes to our normal holiday routine. That change will likely not be incorporated going forward.

General holiday strategies:

Our strategy was to launch games that would be seasonal, but have staying power through the winter. We maintained the revised launch schedule, as it was accepted by players, and the decision to launch a \$30 multiplier game in early December. There was traditional advertising around the holiday season, as well as second-chance drawings.

Major lessons learned in 2022:

We learned that players are accepting of seasonal games having a bit more time in market before launching new games.



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):

Our \$10 Holiday Cash Blowout, back for a second time, became our most successful holiday game. Based on the success of this type of game the previous year, we decided to launch it again this season with a new look, and printed it on foil. The game featured three prize tiers; \$50, \$100 and \$500, and was loaded with prizes. Players liked the game so well that even with an increased quantity over last year, it sold out by the first week of December.

Launch and end dates:

We always begin marketing our holiday games on First Tuesday – the launch day for our monthly scratch-off launches – in November and typically pick them up by April if they don't sell out. This year, a majority of tickets moved out of our warehouse by the end of December and by the end of January all holiday games had been distributed.

General holiday strategies:

The strategy aims to create a group of holiday tickets with the same look and theme that will make for a successful holiday season given the short length of time we expect these games to be in the market. We are alternating this strategy now every other year with our holiday games. This season we launched our six holiday games (the \$20 game was a large-format ticket) with a unified look, all printed on foil and featuring the "loaded" theme. The \$1 game came loaded with \$50 prizes, the \$2 with \$100 prizes, and the \$5 with \$500 prizes.

Similar to prior years, all of our holiday games featured holiday



second-chance drawings. The holiday tickets could be entered into two second-chance drawings, one on Dec. 7 and the other on Feb. 9. Each drawing offered one prize of \$150,000, two prizes of \$10,000, and 100 prizes of \$500. The second drawing had 9.5 million entries. A comprehensive advertising and marketing campaign with the theme of "Gifts With Endless Possibilities" supported holiday games with three weeks of TV and radio in both November and December along with social media, digital and point-of-sale. And to celebrate the season and offer more winning opportunities, players could visit a microsite and play a racing reindeer game called Reindeer Relay. Race scores could be shared and players could enter for the chance to win packs of holiday scratch-offs. The fun social promotion generated great

engagement, including 6.6 million impressions on social media, 36,000 site clicks via social, and more than 10,000 entries submitted on the microsite.

Holiday prize structures, if different from typical games:

Our holiday games provide the same payout per price point as other games, but generally offer lower top prizes. The lower top prizes align with the short shelf life and limited print runs that accompany holiday games.

Other holiday games, promotions or activities:

For the first time, holiday-themed Fast Play games entered our holiday game lineup. Our Fast Play players could join the fun of holiday tickets with either a \$2 Merry Money ticket or a \$5 Holiday Luck ticket. A BOGO promotion in November added to the fun. Players who bought a \$5+ Keno ticket received a free \$2 Merry Money ticket. And we brought the BOGO promotion back on Dec. 26, during a week's worth of daily promotions leading up to the New Year that we called "Countdown to 2023."

Major lessons learned in 2022:

We experimented for the first time by leveraging the proven "loaded" positioning for all holiday games. All but one of the six games performed better than holiday games last year. Holiday games made November our best performing month for scratch-offs based on year-over-year sales, jumping 17.6% in monthly sales. The \$10 Holiday Cash Blowout performed really well in its second year. We'll refresh the look of this ticket and launch it again next year. The timing of the first second-chance drawing helped support sales – to get in the first \$150,000 second-chance drawing on Dec. 7, players had to enter tickets by entries Nov. 30.

Ohio Lottery

Ohio's holiday lineup included six games: one each at \$1, \$2, \$3, \$5, \$10 and \$20; there were also four seasonal games.

Most successful game(s):

This season, our \$20 \$1,000,000 Merry Multiplier scratch-off was the most successful, based on a percentage increase in sales. Customers purchased more than \$44.9 million worth of tickets, a 21% increase over the \$20 holiday scratch-off the prior year. Our best game, based on total sales, was the \$10 Holiday 50x the Money, which generated more than \$46.7 million in sales. The \$1 Holiday Cash is a very popular holiday game and has been a staple in our holiday game lineup for decades. Customers purchased more than 11.9 million tickets through Dec. 31, making it our top-selling holiday game in terms of number of tickets sold.

Launch and end dates:

Our standard practice has been to release holiday scratch-offs mid-October. That pattern continued this past season, with our release on Oct. 11. An October release allows us to capture the attention of customers wanting to be among the first to purchase our new games and get a jump on holiday gifts purchases. Demand is consistent throughout the holiday season and peaks the last two weeks of December as customers look for convenient, portable and last-minute gifts. Typically, holiday scratch-offs sell out. Any holiday games still on retailer shelves are closed in April.

General holiday strategies:

We offered six holiday scratch-offs. And to make sure winter-themed games are available throughout the holiday season, we released four additional seasonal games Nov. 22. Those games included \$1 Frosty the Doughman, \$2 Winter Winnings, \$5 \$150,000 Winter Spectacular, and \$10 Holiday Countdown.

The holiday program was designed to achieve three goals: be educational, be inspirational, and be responsible. This combination allows us to be playful when promoting our games, to accent the heart-warming tone of the shared experiences from gifting tickets, and to remind everyone that our products are not appropriate for kids. This multi-layered approach helps us break through the clutter during the holiday season.

This year, we debuted a new holiday promotion via our player loyalty program, MyLotto Rewards, with a risk/reward component. The Naughty or Nice second-chance drawing was offered to holders of non-winning tickets from October's holiday scratch-off game release. The



promotion, which ran from Oct. 11 to Feb. 13, consisted of a series of four drawings, each awarding 100 \$500 cash prizes. Each ticket entered also provided an entry in the grand prize drawing. The twist? Players had a choice – enter the Naughty grand prize drawing which publicly showed the prize tiers and payouts, or risk it with the Nice grand prize drawing, which hid the prizes and additional prize offerings. The Naughty drawing offered more winners of smaller prizes ranging from \$500 to \$5,000,

with 90 entrants receiving prizes. The Nice drawing offered 10 cash prizes, ranging from \$5,000 to \$50,000. Each winner of the Nice drawing also received a special prize, including custom gifts, travel, retail, airline, fuel, and grocery gift cards, and a book of \$5 scratch-offs for the next four game releases. The Naughty or Nice promotion netted more than 7.2 million entries from more than one million members of MyLotto Rewards. We held a Naughty or Nice ExtravaGAMEza Facebook live event on Dec. 13 to reinforce interest in holiday scratch-offs and the Naughty or Nice promotion. We gave away \$5,000 in digital Lottery Cash, scratch-offs and gift cards. The event peaked at 6,650 viewers, with 123K comments and more than 12K engagements.

Holiday prize structures, if different from typical games:

Historically, holiday game payouts are increased when compared to other games in their price points.

Other holiday games, promotions or activities:

In addition to holiday scratch-offs, we released four holiday/winter themed EZPLAY games Nov. 13: \$2 Stocking Stuffer, \$1 Santa’s Snowball, \$2 Snowflake Melt and \$10 Blustery Bucks. We also launched several Touch & Win games to fill in the season for games played on our MP

terminals, mainly in our bars, taverns, restaurants and clubs: Thanksgiving Cash (Oct. 21); Merry Money (Nov. 11) , New Year’s Cash (Dec. 2) and Snowman Surprise (Dec. 9).

Major lessons learned in 2022:

Inflation appears to be a driving force in the softening of holiday scratch-off demand. Using data analytics to capitalize on the play style and themes customers enjoy, while keeping close track of sales and inventory, we were able to minimize the impact of these U.S.-wide economic factors. Total scratch-off sales for the week ending Dec. 31 were \$47.4 million, just shy of records set Christmas week 2021 and 2020. Total holiday scratch-off sales for the 12-week period ending Dec. 31 were \$148.7 million, up \$2.6 million or 1.7% compared to the previous year.

In looking at promotions, we switched up the holiday promotion from 2021 to 2022 significantly. This year’s promotion lasted for three months vs. a month-long promotion, and added a choice element for second-chance drawing entrants. The 2022 promotion also focused on cash prizes, rather than home, healthy and family fun bundle prizes. While experiential prizes add a unique, story-worthy element to promotions, cash prize drawings often outperform merchandise and experiential prizes.

Ontario Lottery and Gaming

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

Most successful game(s):

\$20 Instant Gift Pack was the top performer this year, achieving the highest sales volume of this year’s holiday products at \$26.3 million. It is designed for gift-giving, and we saw great demand for these packs at retail during the holidays. The standout product of the season with the greatest sales growth from the previous year was the national \$10 Holiday Fortune ticket. The collaboration ticket across multiple lottery jurisdictions in Canada offered players a chance to win a top prize of \$250,000. It experienced an 11.15% increase in sales and a 9.37% increase in sell through as compared to last year’s \$10 ILC offering.

Launch and end dates:

A staggered launch approach is used for the holiday games to ensure that demand is satisfied during the gifting season. The national game launched Oct. 10, two games launched Oct. 24, one on Oct. 31, and the final three on Nov. 7. In order to maximize sales and sell through, 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 sale by Jan. 13. This date was to align with the end of the second chance contest, 7 Weeks of Winning,



that was on all holiday tickets (except for the national \$10 Holiday Fortune ticket).

General holiday strategies:

The strategy was giving the products a traditional holiday look and feel. While the early-launching \$3 Snowball Frenzy and \$5 Winter Wild Card were more winter-themed, the rest of the tickets leaned more heavily into holiday festive designs with use of traditional reds, greens and dark blues, and festive symbols and imagery. Compared to 2021, the Instant Gift Pack price was changed from \$10 to \$20, driven by an increase in the top prizes available to be won and higher value of the tickets available in the pack (five tickets in the pack resembled \$5 price-point tickets compared to the previous resemblance to \$2 to \$3 price-point tickets).

The 2022 holiday gifting campaign leveraged the new “Give the Gift of Instant Possibilities” positioning and featured new creative across online channels, social, out-of-home, and retail POS, displays and Powerwalls. This campaign was in market from Nov. 28 to Dec. 25. The new positioning played into the idea that an OLG holiday instant ticket is a thoughtful gift with the ability to excite its recipient with the many possibilities of what could be unlocked if it’s a winning ticket. This campaign had strong performance with 40% recall.

In 2022, OLG introduced a new second chance contest for our own holiday tickets called 7 Weeks of Winning. The objective was to drive engagement, incent the purchase of instant holiday tickets, and increase player participation

across lottery. Both winning and non-winning holiday tickets could be entered via an online code printed on the tickets, for a chance to win seven \$1,000 weekly prizes plus a \$25,000 grand prize. More than 2.27 million unique codes were entered into the second chance contest.

Holiday prize structures, if different from typical games:

Holiday instant tickets are a seasonal product offering for the instant category. This is a unique opportunity to reach net 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.

Major lessons learned in 2022:

For the \$20 Instant Gift Pack, although there was a strong growth in sales, we experienced a lower sell through versus the \$10 Instant Gift Pack in 2021. As a result, we will optimize the order quantity for the \$20 Instant Gift Pack for next season to reduce costs. Additionally, next season we will be focusing the strategy on new player acquisition. Therefore, we will be removing the \$3 free ticket voucher that was in the \$20 Instant Gift Pack, and instead provide a guaranteed winner in every pack (\$5 minimum win) to give players the feeling of winning.

Oregon Lottery

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

Most successful game(s):

Our \$5 Stocking Stuffer, \$10 What’s Under the Tree? and \$20 Winter Bucks all sold through faster than forecast in 2022. It’s been a good problem to have, but we’ve been selling out a week or two before Christmas on some of those price points over the past few years. Our customers have been trending toward higher price points in the portfolio for a few years, and we’ve put some extra effort into specialty inks, papers, high-definition symbols and advertising focus as a result.

Launch and end dates:

We launched our five holiday games on Oct. 4. We allowed retailers to continue selling the holiday games until Jan. 31. We’ve been in these sales windows for the past several years and have no plans to change them until performance shifts.



General holiday strategies:

Each year, our holiday sales and promotions present our best opportunity to re-engage with lapsed customers and make an excellent impression with new ones. There's a halo effect that extends our sales bump into the new year across all of our product categories, so we engage across every paid and owned media channel we can in Oregon. We've sold at the \$1, \$2, \$5, \$10 and \$20 price points for years and have added some double entry second-chance perks for our customers as a part of our holiday promotions over the past few seasons as well. It has all proven to be very effective so our adjustments have been limited and carefully crafted year over year.

Other holiday games, promotions or activities:

We're always looking at new or trend-worthy messaging and media channels. For instance, we created a Reel/Tik Tok video on [how to wrap a holiday gift](#) in a way that left

a pocket for a Scratch-it that we flighted as an ad across a few digital channels. It was very organic in nature and that "authentic" content performed above benchmark and was very well received.

Major lessons learned in 2022:

We've worked closely with our Analytics & Insights team to make minor adjustments in the packs printed for higher price point tickets to keep from selling out of market too early. We'll take in all the market data against forecasts for next year and adjust again. Additionally, we shifted a significant percentage of our advertising budget away from television four years ago and continue to trim or move those dollars to digital and streaming/connected channels each year. We'll evaluate that advertising allocation again in 2023 to optimize our performance in the Oregon market.

Rhode Island Lottery

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

Most successful game(s):

The \$10 Holiday Blowout. It had a relatively short print run and was full of lower-level top prizes (\$500).

Launch and end dates:

We launched our holiday games on Oct. 1, and they usually sell out by sometime in early March.

General holiday strategies:

The tag line this year was "Making Gift Giving Easy." In all our ads, we used a local social media influencer who has a strong Tik Tok and Instagram following. He also did additional videos on social media promoting the holiday games. As in past years, we did a second-chance promotion that included a drawing before and after Christmas. We play up the chance to win some extra cash for shopping for the first drawing, and then the second drawing gives us a chance to encourage anyone that received the tickets as gifts to join our VIP Club and enter. This is a good opportunity to grow the VIP Club database. The second chance prizes ranged from \$500 to \$2,500, but the winners had to come to the Lottery and randomly select a wrapped envelope to open and find out how much they won. This made for some exciting video footage of the winners unwrapping their envelopes and reacting to what they won.

Holiday prize structures, if different from typical games:

We typically set a uniform payout percentage on all holiday games regardless of price point, which is a little higher than non-holiday games. We usually have at least one game with a lot of lower-level top prizes.



Other holiday games, promotions or activities:

We did a Christmas Day iLottery promotion that performed very well. Players who made a \$5 or higher iLottery wager received \$10 in iLottery Bonus Money that day. We had five times as many players that day than on an average day, and sales reached the highest level to date (although we have since passed that record). This year also saw the return of our Black Friday promotion at Lottery headquarters. We had more than 350 people come that day and broke all previous sales records. We also do

a holiday promotion at a retailer in a local shopping mall. Both the mall promotion and the Black Friday promotion required a \$20 purchase of our holiday instant games. With a \$20 purchase, the customer was able to pick a gift tag which had a prize listed on the back.

Major lessons learned in 2022:

Traditional holiday scenes, short print run and a lot of lower-level top tier prizes seem to perform well.

South Carolina Education Lottery

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

Most successful game(s):

SCEL usually only launches \$1 and \$2 holiday tickets. Our whimsically-themed holiday tickets generally outperform other themed tickets. In the past two years, we have launched Holiday Animals, Happy Pawlidays! and White Elephant, and all indexed above average for holiday tickets. Our \$1 ticket is typically most successful due to its gift-giving nature.

Launch and end dates:

We launched our 2022 holiday games on Oct. 4 – this is always the same week of the year for us. We make every effort to adjust quantities and pricing so that these games sell out on or around the end of December, but if they don't, we will end the games in January.

General holiday strategies:

We usually do one more whimsical themed ticket (Holiday Animals this season) and one more generally themed ticket (Seasons Greetings). As noted, we usually only offer \$1 and \$2 holiday games, but this year, as part of our 20th Anniversary Promotion ticket launches, we launched a \$5 holiday ticket for the first time, \$200,000 Holiday Jackpot. This ticket was an extended-play ticket that was a throwback to the \$100,000 Holiday Jackpot ticket we launched for holiday season 2004. It was eligible for our 20th Anniversary Promotion second-chance drawings of 20 winners of \$2,000 each month of the year; as a result of being part of the promotion, this holiday ticket indexed at 105. As always, we advertise holiday during the month of December on digital outdoor boards and in-store with ticket toppers and playstation posters.

Major lessons learned in 2022:

After testing a holiday ticket in the \$5 price point, we may continue to apply holiday themes to our higher price point tickets in 2023 to allow for more seasonal play and gift-giving. We will most likely not incorporate extended play back into a holiday ticket, but due to its success as part of a larger promotion, we may consider having holiday-themed promotions for our players in the future.



South Dakota Lottery

South Dakota's holiday lineup included four games: one each at \$1, \$2, \$3 and \$5.

Most successful game(s):

Our \$5 Holiday Classic generated the most sales, but we were also very happy with our \$1, \$2, and \$3 tickets. These lower price points are often given as gifts, and we believe that really helps us attract new players.

Launch and end dates:

We launched all four tickets on Oct. 4. We try to print limited quantities of these tickets so they run out by January and are out of the market by February. This is consistent with what we've done in previous years.

General holiday strategies:

We have been consistent with our strategies in recent years. We allowed players to enter their non-winning holiday tickets into a second-chance drawing. This not only extended our players' experience, but it also helped acquire new members to our players club. Our advertising efforts featured a similar push compared to previous years. This was once again our largest campaign of the year in terms of marketing efforts.

Holiday prize structures, if different from typical games:

While our overall holiday prize payout is similar to other games throughout the year, in order to give potential new players a better chance at a winning experience, our holiday tickets have lower top prizes. This allows for more prizes throughout the game.

Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win the PRIZE shown for that number. Reveal a "🔔" symbol, win the PRIZE shown for that symbol. Reveal a "🎁" symbol, win ALL 15 PRIZES!

Tennessee Lottery

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

Most successful game(s):

The \$20 holiday ticket, Merry Money, was the most successful holiday ticket we launched. It was released in October, before the remaining four holiday tickets launch in November, so it had a month longer for sales. This allows us to offer a \$20 ticket, and it consistently contributes the most to holiday sales.

Launch and end dates:

We launched the \$20 game on Oct. 4, and the remaining games on Nov. 1. We brought the \$20 game back into the schedule the last couple of years but otherwise the price points have remained consistent for the holiday launch every year. The games mostly sell through by January.

General holiday strategies:

Each year we incorporate a unique mix of games, and we always try to include some games with scenes to

encourage multiple ticket purchases. Other than bringing back the \$20 price point a few years ago, we have not changed our strategy as it has been successful.

Holiday prize structures, if different from typical games:

We strategically lower the quantity ordered as well as the top prizes; however, we maintain the same game and prize integrity that players have come to trust and expect from the Tennessee Lottery. We also take the opportunity to load the games with more lower-tier prizes for more winning experiences – with the intent being that new and/or lapsed players have more winning experiences.



Texas Lottery

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

Most successful game(s):

The \$5 Game Nutcracker Cash. This ticket was die-cut to be shaped like a nutcracker, had three different colorful scenes and was well received by the players. The ticket was unique due to its die-cut feature and had a 12-week index of 1.21.

Launch and end dates:

The four games launched on Nov. 7. If the games do not sell out, we keep them in market according to our business needs and game closing process for individual price points.

General holiday strategies:

With a limited advertising budget, we were strategic and opted for a 4-week campaign that included

digital ads and social media spots to grab consumers' attention during the busy holiday season. The social media spots included a series of festive 10-second videos that excited our players. We use our holiday scratch tickets to reach light and first-time players.

Holiday prize structures, if different from typical games:

The only significant prize structure change for holiday games that is different than our typical portfolio is the \$1 price point having a \$500 top prize to keep all of the prizes cashable at retail. The \$1 price point in our families typically has a \$5,000 top prize.

Major lessons learned in 2022:

We learned social media is great for driving more awareness and may consider more social media contests or even player-generated content to capture those real moments of holiday joy.



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):

In 2022 it was \$5 Peppermint Payout, based on its combination of play style, graphics and peppermint scent.

Launch and end dates:

We launch holiday games in the middle of October, and close them the beginning of January.

General holiday strategies:

In 2022 we added a \$20 to the mix, and did not launch a \$10 big ticket. Our sales at the \$10 were significantly higher without the big ticket – we have about 2,300 vending machines and the big tickets are not vendable, so the majority of our retailers (3,300) did not carry the big ticket. It made a huge difference having a \$10 game that was vendable and the addition of the \$20 was a positive. We supported our tickets with social media and “attract” screen shows on the vending machines. Those screens are very dynamic, with animation showing tickets going into the stockings, causing the stockings to sway.

Major lessons learned in 2022:

The entire product mix was very successful. We offered a \$1 game with a \$50 top prize, and we would not do that again. Players were definitely looking for a bigger top prize. The \$10 and \$20 were well-received and we will be launching the same price points again in 2023.



West Virginia Lottery

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

Most successful game(s):

We consider our \$2 Scream/Peppermint Bark 7s our most successful 2022 holiday ticket. This game is a play on our players' favorite sevens game. It featured 10 play spots; reveal a “7” to win that prize or reveal a “Dog Bone” and win 2X the prize. For this ticket we had two pulses, one for Halloween (Scream) and one for the holidays (Peppermint Bark). Halloween tickets do really well in West Virginia so we always pulse them with holiday. The holiday pulse was four scenes of peppermint and puppy dogs, a cuteness overload. This game's sell through was 93.8% in 21 weeks.

Launch and end dates:

We launched the holiday portion of this \$2 game on Nov. 1. It was a hard switch from the Scream Halloween pulse that launched Aug. 30. Typically this and the other holiday games are removed from market either after the last top prize is hit or around the end of January to allow retailers who wish to carry them a little past the holiday season.

General holiday strategies:

Our theme for holiday 2022 was “Winnings Are Pawsible,” and we played off that with fun animal themed tickets, excluding our \$10 Super Ticket that was holiday cookie themed. As noted, we typically run Halloween and holiday tickets as pulses of the same game to have appropriate

print runs for sellout yet achieve the best prize structure as possible.

Holiday prize structures, if different from typical games:

For our holiday games we typically boost the payout of the prize structures by 1% to 2% from our Unclaimed Prize Fund. We also have lower top prizes and a more mid-tier loaded structures so that non-players who are gifted tickets have a positive experience.

Major lessons learned in 2022:

At this time we feel our current holiday game strategy is working well for us, but we will continue to monitor sales and adjust next year's quantities and change up prizes some from the previous year.



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Western Canada Lottery Corp.

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

Most successful game(s):

Year over year, our \$20 Player's Choice Mega Pack continues to be a key contributor to sales over the holiday period. For over 15 years, we've been launching the pouched product with 10 games inside, winnings up to \$1 million, and a guaranteed prize in every pouch. Player's Choice, together with our \$30 offering and \$10 national ticket, accounted for over half of holiday ticket sales this year.

Both \$5 products, Christmas Riches and Festive \$500s, were strong holiday themes at the price point compared to previous years. Festive \$500s featured a significant amount of low top prizes and Christmas Riches had a popular extended play mechanic – both with eye catching ticket design. \$2 Gnome for the Holidays was also a popular ticket, improving year-over-year sales at the price point and receiving positive feedback from retailers on the trendy theme.

Launch and end dates:

We launched 11 holiday tickets this year, starting with our Player's Choice Mega Pack Sept. 26. Other launches were spread out weekly from Oct. 10 to Oct. 31.

General holiday strategies:

Our general strategy for holidays is to make the most of a key sales period when we know consumers are purchasing gifts. We aim to provide a variety of ticket price points, themes/colors, play styles, etc., so there's a bit of something for everyone. This year, we infused some unique features such as the \$10 3-D Treasure Tree pop-up ticket and the \$1 die-cut Gift Tag Greetings ticket.

Our holiday advertising campaigns in the past have been focused primarily on \$20 Player's Choice. This year we broadened the messaging to focus on the gifting of our products overall, bringing to the forefront three of our unique holiday tickets. The campaign this season was "Win the Holidays" – focused on putting the last touch on the holidays with instant scratch tickets, particularly Player's Choice, Treasure Tree and Gift Tag Greetings. While we did not feature any non-holiday tickets in our marketing campaign, we do see all products (holiday-themed or otherwise) experience a spike in sales the weeks surrounding Christmas.

We offer an online contest, Pick Your Present, on nine eligible holiday tickets. Players enter codes on the contest site to gain entries into prize draws of their choosing.



They essentially get to pick which presents they would most like to win – from travel to gaming to smart home packages, and of course, cash. There are also instant prizes of \$50 prepaid credit cards awarded throughout the contest period. Pick Your Present provides extra value at a key time of year for players, as well as those who are gifted instant tickets. Whether they win or lose on the physical ticket, they have the opportunity to extend their play experience and chance to win.

Holiday prize structures, if different from typical games:

WCLC enhances the prize payout percentage on all holiday games to allow primarily greater focus on churn prizing. With gift giving being a large driver of sales around the holiday season, we aim to have players, many potentially new, experience as many wins as possible during that time.

Major lessons learned in 2022:

We will look to refresh a number of products that are strong performers for us year over year, as well as continue popular play mechanics with updated themes.

Of course, we are evaluating tickets that perhaps didn't perform as well to see if there are improvements to be made or new concepts to try altogether.

Wisconsin Lottery

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

Most successful game(s):

As always, we saw great success with our \$15 oversized calendar ticket (the 2022 version was Holiday Party Countdown), which continues to be a player favorite in Wisconsin. We were also impressed with the sales of the \$1 game Chillin', on which we increased the print quantity, and still saw a sell-through in just over six weeks. That said, all of the games proved popular, from the whimsical \$5 Festive \$500's to the \$10 and \$20 tickets, both of which had a classy and premium feel.

Launch and end dates:

We launch all of the games in mid-October, and rarely have issues with them not selling out by the end of the year. We are very deliberate with our order quantities and aim to have the games sell out of the warehouse in about mid-December, and have been very successful doing that. 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:

We tend to have a mix of holiday and winter themes, and did not change price points from 2021. We offered a whimsical \$1, a \$3 Crossword, a "loaded with top prizes" \$5, a classic \$10, the oversized \$15 calendar, and premium \$20. Our advertising was similar to past years as well, with TV and radio advertising, POS, out-of-home, and social posts.



Other holiday games, promotions or activities:

As in previous years, we also offered the popular \$5 Holly Jolly Raffle on the lotto side. The advertising supporting this game is not as extensive as our instant products, however.

Major lessons learned in 2022:

Every year, we evaluate the ticket quantities to find the perfect quantities to have enough tickets but not too much, and we will continue to do so as we move into the future.

Diving Deep Into Holiday in Pennsylvania

Most of the lottery responses for our holiday roundup range from brief summaries to somewhat more detailed reviews. When the Pennsylvania Lottery offered an exceptionally deep dive into their holiday season, including their iLottery efforts, we thought it was worth including it all in a special case study. Contributing were Director of Products Kara Sparks and Director of Marketing Kelly Cortez.

Pennsylvania's holiday lineup included seven games: one each at \$1, \$2, \$3, \$5, \$10, \$20 and \$30.

Most successful game(s):

We were very excited by this year's lineup of designs and themes for our seven – yes, seven – holiday games. For the first time ever, we added a \$30 game to our holiday lineup! All seven games featured HD printing. The \$30 \$3 Million Snow Bank featured teal Sparkle Select and premium metallic silver throughout; \$20 We Wish You a Merry Million featured gold Sparkle Select in a star-pattern; \$10 Ho Ho Holly \$50 or \$100 featured a customized MicroMotion holly pattern; \$5 Oh Ca\$hmas Tree utilized Ice Ink to add a holiday shimmer; \$3 Sleigh Ride used a fun player-favorite play style; \$2 Let It Snow used a unique layout and premium silver metallic ink; and \$1 Cash Yet-tacular featured a playful

holiday Yeti character and a new twist to our typical match style with multiplier play style.

We knew that game sales would be a little wonky this year with the addition of that seventh holiday game, especially when that new game is a higher price point. The \$20 game saw a decline in sales, but things look merry and bright when you combine the \$20 and \$30 games. Over the 10-week sales period, the \$20 and \$30 games together brought in over \$110.6 million in sales. The \$20 game alone in 2021 brought in \$86.7 million. While we are overall down in comparison to the 2021 games by just under 2% as a result of much lower sales from the \$1 to \$5 price points, these higher price point games helped to rebound and balance out the \$217.5 million total brought in from holiday games alone this past season.

The \$30 game was also strategically designed to be more winter-

themed to carry us through the winter months and last a bit longer than the normal high price point holiday game. There was also careful consideration taken to ensure that the \$30 and \$20 price points were differentiated, and then that expands into all the subsequent price points to allow each game to be unique... just like a snowflake.

Launch and end dates:

We launched our holiday games on Oct. 25, similar to past years. We generally look at the period of holiday sales as a 10-week timeframe 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 each game's life cycle and determine 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:

We were very excited about this season's lineup of holiday scratch-off games in Pennsylvania. We successfully launched both a \$20 and a \$30 game together for the first time ever. Generally, we pair a \$10 game with a \$30 game and alternate the

\$20 game launches to differentiate the price points. Combining them in October was done intentionally because we were planning to launch our second \$50 game at the end of December, so we moved our normal \$30 game that launches in November to the holiday blitz in October to allow time between all of these higher price point games. We didn't want the \$30 game to get lost in the shuffle. We are looking closely at sales of that \$30 holiday game, as compared to the previously-launched November \$30 games, to see if there is an opportunity to rearrange the \$30 launch pattern to get an additional game in the calendar.

Our slogan for the holiday scratch-off advertising campaign was "Spread the Joy." Our holiday

advertising utilized an integrated campaign. It included two television spots: One featured our scratch-off mascot Gus sledding and the other was the Lottery's nostalgic holiday commercial that has been airing for more than 30 years, called "Snowfall." Other support elements included online video, online banners, rich media, radio, out-of-home, print, social media influencers, and paid social.

In addition to the seven traditional holiday scratch-off games, we offered four Fast Play games at varying price points and themes to offer something for every player. We also offered our online players seven new holiday and winter-themed instant games from early November to mid-December. We were able to cross-promote all these holiday games to

create an omnichannel approach to our holiday season. Players could receive \$10 bonus money online when they played \$10 on the Jingle Buck\$ eInstant game. For this offer, a special code was on the back of every holiday scratch-off. In addition, players could get \$10 bonus money online when they played \$10 on the Winning Tree eInstant game. A different special code was at the bottom of every Fast Play holiday 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 they 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 to 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), although we also did this at the \$5 price point. Based on a comparison of sales between the 2021 game and 2022 game, we need to take a better look at that approach and make some adjustments for 2023.

The \$10 price point featured only \$50 and \$100 prizes this year, which was a completely new approach for us for a holiday game. We did this to try to offer our players something fun, since games offering only two prizes have been well-received during non-holiday seasons. This was, however, a one-time switch and we do plan to return to a more traditional prize structure at the \$10 price point for 2023.

Prize structures for our higher price point games, the \$20 and \$30 games particularly, are treated like any other launch and payouts are similar to other core games at each of those price points. If we focus the play style around a certain tier (i.e.,

\$200 or \$300 instant win), then we make sure that win is attainable, so players feel those wins when playing. Players have come to expect certain prizing at these higher price points, despite the more whimsical and festive themes typically used around the holiday season.

Insights on eInstants:

This past holiday season, we maintained every-other-week launches online with a twist. The first game, Jingle Buck\$, launched the same day

as the Fast Play games on Nov. 1. We then launched the Winning Tree progressive game, featuring the Holiday Bonus Jackpot, on Nov. 2. On Nov. 3, Cashing Through the Snow was the last new game to launch that first week. This launch pattern allowed us to start cross-promoting traditional games with new holiday eInstant games immediately, while also allowing time for the Halloween eInstant games to have their spotlight.

Two weeks later, on Nov. 17, we launched Winter Green. Then, on

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Fast Play: Enter starting November 1, 2022
Draw Games: Enter starting November 1, 2022

Starting Monday, October 24, 2022, enter non-winning Scratch-Off tickets: \$30 \$3 Million Snow Bank (PA-1606), \$20 We Wish You a Merry Million (PA-1607), \$10 Ho Ho Holly \$50 or \$100 (PA-1608), \$5 Oh Ca\$hm\$ Tree (PA-1609), \$3 Sleigh Ride (PA-1610), \$2 Let It Snow (PA-1611), and \$1 Cash Yet-tacular (PA-1612). Starting Tuesday, November 1, 2022, enter non-winning Fast Play tickets: \$10 Big Holiday Blowout (PA-5176), \$5 Cash Flurry (PA-5177), \$2 Cookies for Santa (PA-5178), and \$1 Ugly Sweater (PA-5179). Also starting Tuesday, November 1, 2022, enter winning and non-winning Draw Game tickets: Millionaire Raffle, Derby Cash, Xpress Car Racing and Draw Games purchased online are not eligible for entry.

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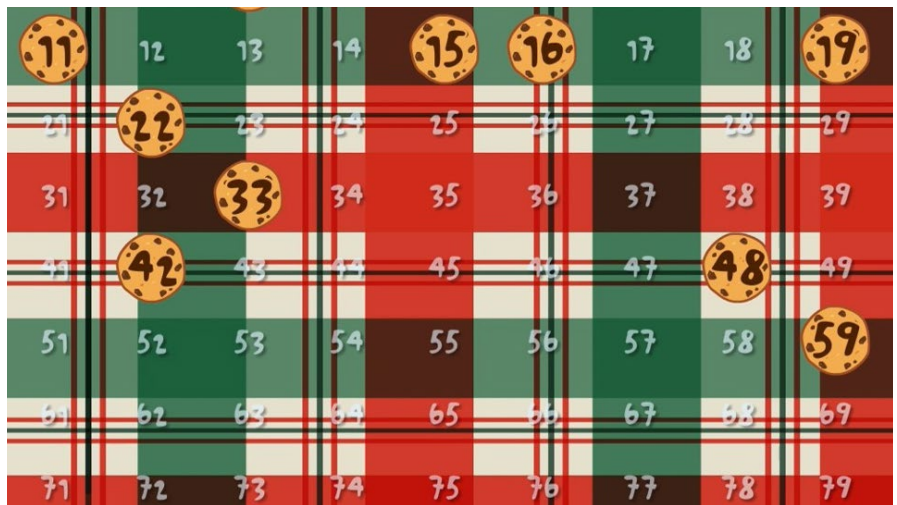
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Dec. 1, the Stocking Stuffer Multiplier progressive game went on sale, joining Winning Tree in contributing to the shared Holiday Bonus Jackpot. Our final two new winter-themed games launched in the middle of December with Frosty Winnings on Dec. 14 and Arctic Cash on Dec. 15. These games were produced by a mix of IWG and Scientific Games, and while the various promotions have ended, the games are all still active on our site today.

We also made seasonal updates to IWG's Mine Blowing Jackpot progressive game via their InstantPulse technology. The background received various updates between snow, string lights and fireworks. The miner swapped outfits a few times during the season to feature a Santa-inspired suit, a tuxedo for the New Year, and finally, a winter vest and boots as we approached the middle of January. This allowed us to continually promote the game with each outfit change throughout the season without having to create entirely new games. The New Year update was conveniently timed with a high jackpot run, and we saw amazing success when the miner switched to his fancy tuxedo and 2023-framed glasses. This technology allowed us to make a change and take advantage of a time period we have never been able to capture in the traditional space due to the time and seasonal relevancy limitations.

Other holiday games, promotions or activities:

We conduct a very successful holiday second-chance drawing each year. In 2022, we featured the #sELFie Second-Chance Drawing with prizes of up to \$100,000. Players could enter all non-winning holiday scratch-off tickets. On Nov. 1, the Fast Play holiday games (\$10 Big Holiday Blowout, \$5 Cash Flurry, \$2 Cookies for Santa, and \$1 Ugly Sweater) were eligible for



entry. Also beginning Nov. 1, qualifying draw game tickets (excluding draw games purchased online, Xpress Sports, and Millionaire Raffle) were eligible for entry.

In addition to the drawing, we promoted our custom “Elf” lens on Snapchat, where players could transport themselves to the North Pole and take an Elf-themed selfie.

We also had three Keno skins created to continue the festive theme at monitor game retail locations. The Cookies for Santa skin paired perfectly with the \$2 Fast Play game, and the snow and ice skins came in at the end of December. We plan to pull assets from other traditional games for Keno skins in the future, as this approach has worked well for us over the last few months.

Major lessons learned in 2022:

We learned that we could start to rethink our approach to game launches with the success of launching a \$20 and \$30 game together. As players continually gravitate toward higher price points, we must be ready to adjust; this new pattern was the first step.

Along the same lines with realizing the demand for higher price point games is strong, the \$5 price point, in general, has been suffering for us and many other states over the last few years. The holiday \$5 game also saw significant declines compared to last year's game. We need to take a good look at our value proposition for that price point specifically and re-evaluate things for next year. ■



NASPL and Lottery Industry Schedule of Events

2023 SCHEDULE

April 24-27, 2023

NASPL Lottery Leadership Institute

Hyatt Regency Cleveland Arcade
Cleveland, OH
Hosted by the Ohio Lottery

June 12-15, 2023

Directors' Meeting and Dialogue

Omni Royal Orleans
New Orleans, LA
Hosted by the Louisiana 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 15-18, 2024

NASPL Lottery Leadership Institute

Hilton Nashville Downtown
Nashville, TN
Hosted by the Tennessee Education Lottery

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

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