

THE CASE FOR ILOTTERY HAS NEVER BEEN STRONGER AS ...

THREE QUARTERS OF AMERICANS HAVE NO OPPOSITION TO LOTTERY BEING SOLD ONLINE



THE RESEARCH INTELLIGENCE GROUP

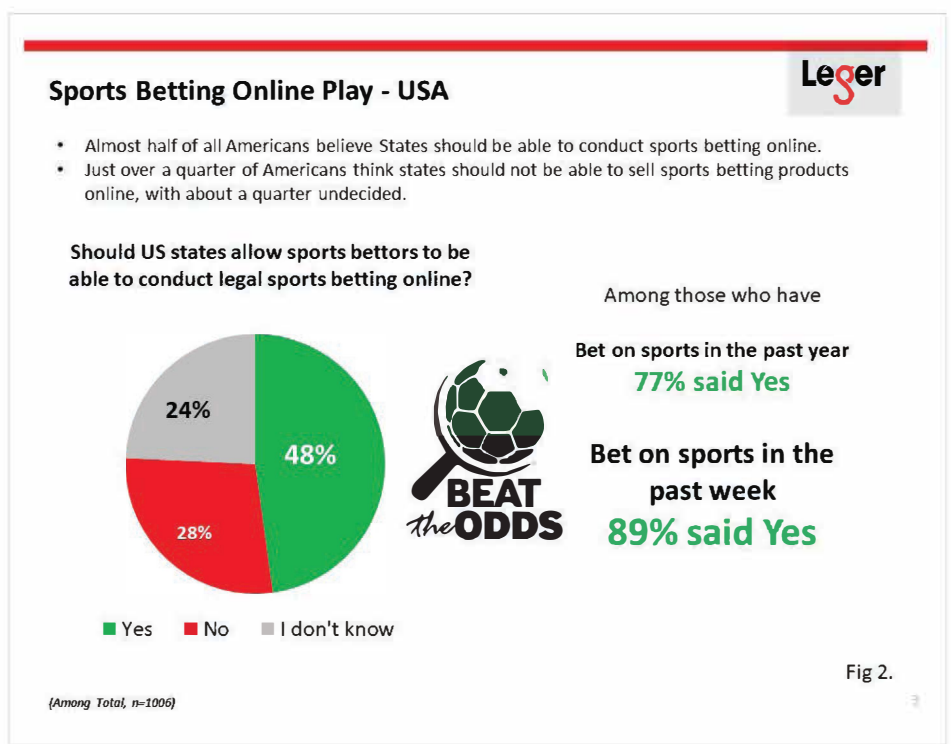
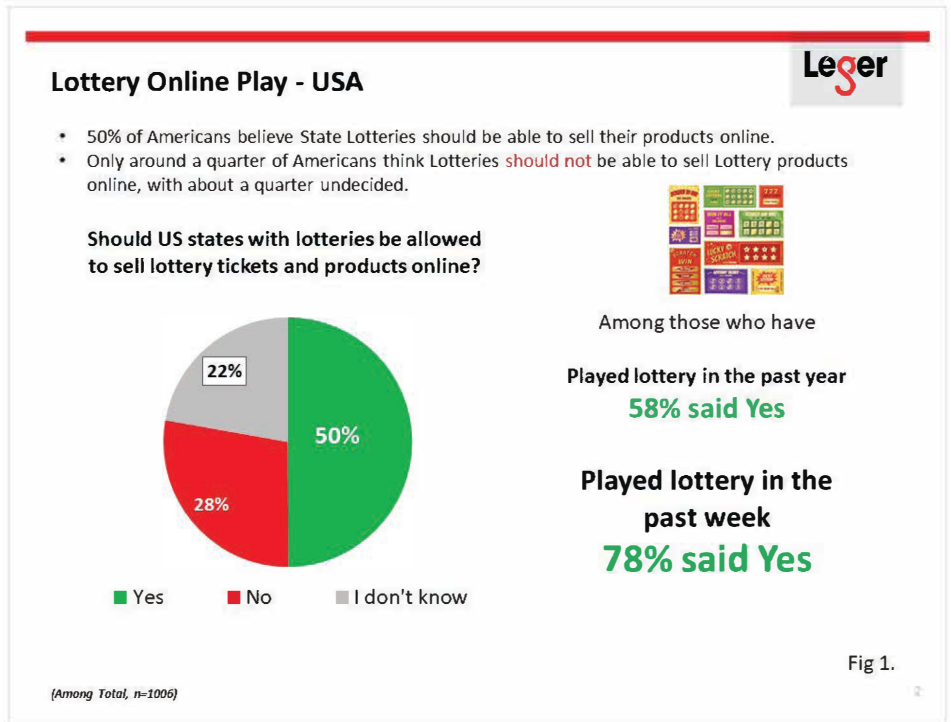
Simon Jaworski, Executive Vice President Lottery & Gaming, Leger USA



Leger's April Omnibus of 1,006 Americans illustrates this perfectly. Not only do half of all Americans agree that U.S. states with lotteries should be able to sell lottery tickets and products online, but another quarter say they don't know, leaving only a quarter in opposition.

However, the support for iLottery is far more pronounced among lottery players themselves, with 58% of past year lottery players, and 78% of past week lottery players wanting at least the option to buy lottery online. [Fig 1.] And why shouldn't they? In a day and age where '1 click' Amazon orders from the tips of people's fingertips, in the comfort of their own home, is the norm, why should the lottery industry be held to a competitive disadvantage? After all, this is the land of free. Right?

Sports betting is in the same boat, and with similar support as online lotteries nationally (48% of Americans support online sports betting, with only 28% opposed), [Fig 2.] but has had little or no issue in getting legislation passed to allow legalized



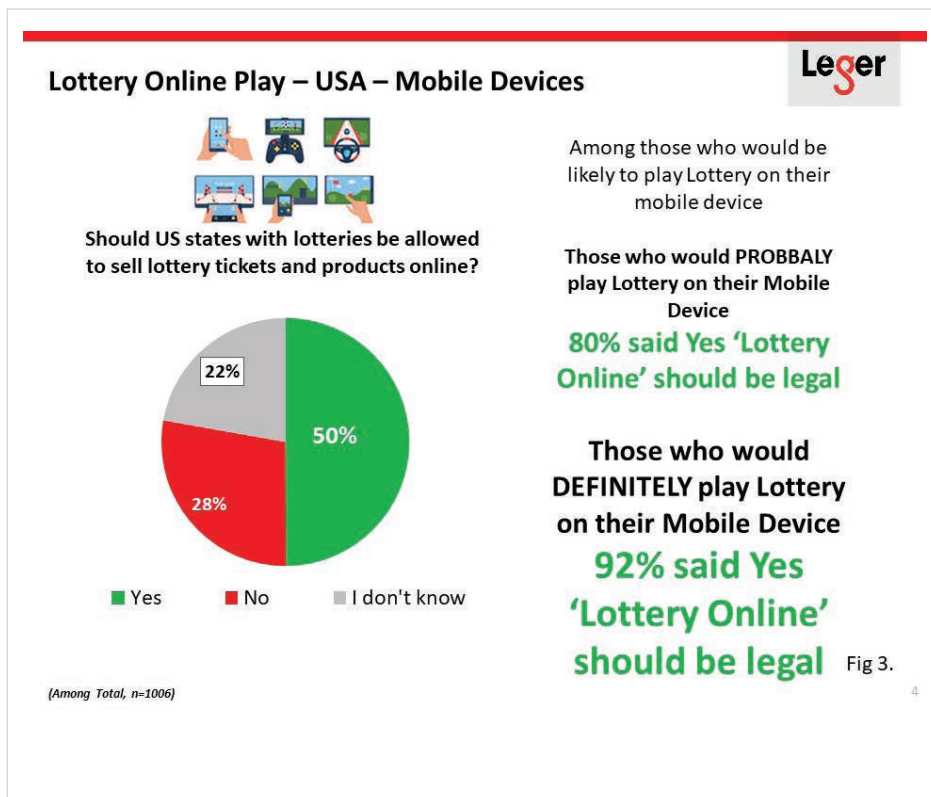
online sports betting in more than half of American states in only five short years. It's almost like the Land-of-the-Free is discriminating against Lottery!

Sports bettors are even more passionate about legalization of online sports betting. 77% of past year sports bettors think it should be legal everywhere online, with a massive 89% of past week sports bettors supporting it. This links in directly with Leger's 2023 Gaming Player Value Study (featured in last month's PGRI magazine (<https://publicgaming.com/PUBLIC-GAMINGMARCHAPRIL2023/Public-Gaming-MarchApril-2023/42/>), where convenience is the key driver for future sports betting play. Convenience is also the key driver for Instant/Scratch games, yet only Georgia, Michigan, Pennsylvania, Virginia and Kentucky can sell this much in-demand product. North of the border in Canada, nine out of ten provinces can already sell eInstants or similar products. How is that possible in socialist Canada?

Mobile play is the way of the future. And that future is already here. Of those Americans who would like to play Lottery on their iPhone or Android devices, 92% want to legalize iLottery. [Fig 3.]

Currently more men (57%) than women (44%) support lottery being able to be sold online, but perhaps the most critical number is among the highest income/ spending age group of 35-54 year olds. An amazing 60% of these quasi-Millennial/Gen Xers support lottery's rights to sell their products to them online. There's a 'higher' number of states with legalized marijuana than iLottery.

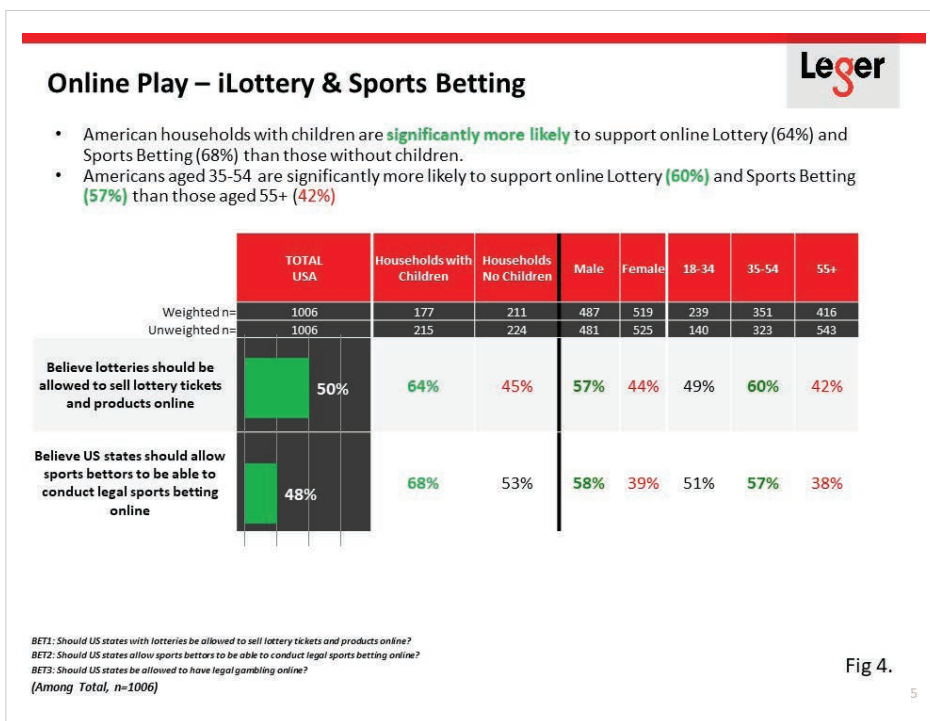
Among America households with children, the consumer who is most hamstrung by their time sensitive life-styles – the endless demands to run their kids to school, soccer practices, children's birthday parties, play-dates, et al drive their pursuit of convenience – is 64%



direct 'Yes' support for online lottery (and 68% for sports betting). [Fig. 4] Insert PPT Slide/ Image_Fig. 4

Only 1 in 8 American families opposes iLottery directly. Now, really, does that sound democratic? Chuck Norris wouldn't say so, and he is an American

man of action. The call to action for 'would you play online Lottery games such as Powerball, Mega Millions, Pick 3 and eInstants' is already growing in support. 33% of all Americans would 'definitely' or 'probably' play a game. Among past year Lottery players, that figure rises to 41%; and even more prevalent among those



households with children, at an impressive 53%. [Fig. 5]

However, saving the best until last, among past week Lottery players it bumps up significantly to 67%. When two-thirds of your core audience want something to happen, you'd be remiss to not do so. Or face the consequences. You know that Chuck doesn't appreciate consequences.

The market for gaming convenience is open for business. The soccer, baseball and martial arts dads of this world (including myself and Chuck), want 'ease' and 'accessibility' to help with the 'escapism' of our busy work/life balance lifestyles, and the data supports our case that most people are with us on this.

Just imagine the considerable uplift in both additional revenues for good causes, and smiles on State Governor's faces, each year, if legislation allowed online Lottery games in all 45 current lottery states. Americans supporting Americans. Chuck

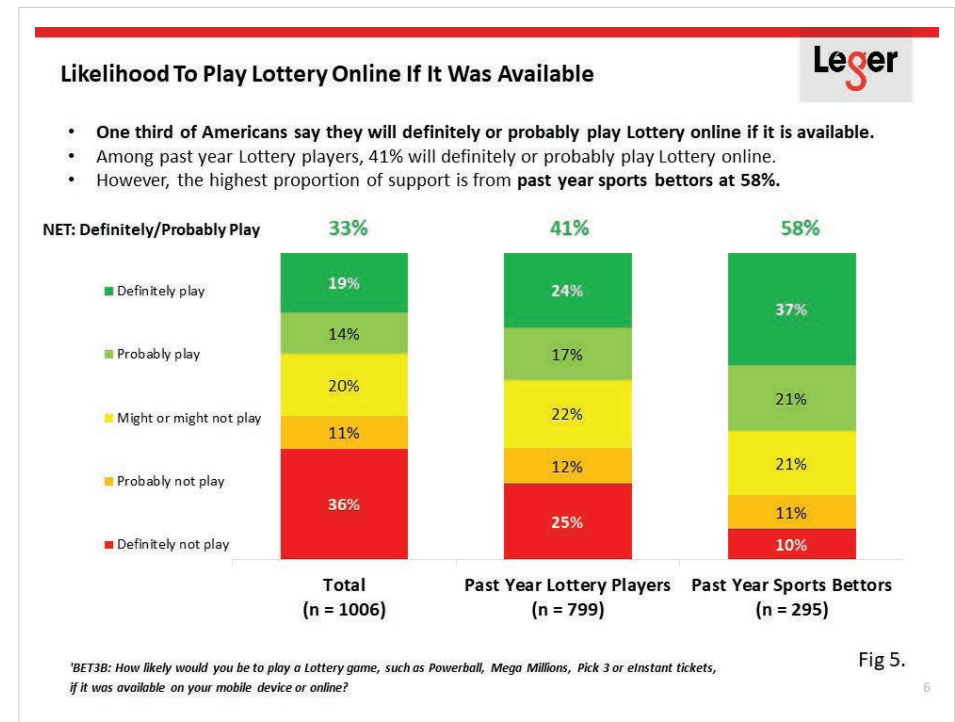


Fig 5.

likes that. He agrees that would be the correct 'home of the brave' decision. And being able to play Lottery games, from the mountains to the prairies, to the ocean's white with foam, seems like the appropriate thing to do.

Trust me I'm a researcher. And you don't want to disappoint Chuck.

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about what you will experience in life, your employer is now helping you enjoy your free time while still providing Airbnb with your expertise. This is just another way to provide younger employees with a reason to work for your company." For the lottery, what does this tell us about this potential new group of players? "It says that millennials and Gen Z's are hungry for a richer life experience more than money. So, imagine a prize of ten years of travel, backed by an airline and Airbnb. That would certainly excite the younger players, and probably would be given a look by your more seasoned customers as well."

Jim emphasized the importance of storytelling in promoting businesses, and lottery is no different. "Steve Jobs once said that the most powerful person in the world is the storyteller," he said. **"The storyteller sets the vision, values and agenda that truly connects with your audience,**

and for the generations to come. In my opinion, the lottery industry has to do a better job of telling its story. Lotteries around the world do so much good for their communities and it's a story that needs to be told better, more loudly, more repeatedly, and more movingly.

"I Googled 'lottery' to find out more about the good things you do, and it took me 19 lines in to find that message," he said. "I saw information such as new point-of-sale technology but nothing about your good works. How do you change that? Well, look at what the younger generation has done with TikTok. Quick videos that tell entertaining and engaging stories. "How about sponsoring a competition for a quarter-million dollars where young people create lottery-related TikToks based on how lottery money supports good causes," Jim said. "Let them create a compelling message in 30 seconds that is also very

funny. This is a great way to engage the younger generation and get them invested in the lottery and what you do for society."

Jim's final thoughts on connecting with the players of tomorrow were to emphasize the importance of non-monetary prizes as much as money. "Remember that there are 300 million hours of volunteer time invested in updating Wikipedia and most of this is from younger people who are just trying to create a better tool for others," he said. "If you can engage with Millennials and Gen Z's beyond just monetary prizes, you'll be creating customers for many years to come. That is how you create a sustainable business model." ■