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\$1.5 Billion Powerball Lottery Jackpot Attracts 10 Million New Players

The \$1.5bn Powerball lottery jackpot, hit back in January 2016, generated approximately 10 million new players to the Powerball game, a historic lift for the U.S. lottery industry, according to one of the country's leading lottery and gaming research companies, Leger. One of North America's fastest growing research companies, Leger dives into the consumer behavior around the largest jackpot in United States history. The lottery and gaming sector of Leger is led by Simon Jaworski, SVP, one of the world's leading experts on lottery and gaming, Lance Henik and David Montgomery.

"During the dizzying heights of early January, news of the astronomical Powerball jackpot ruled the news media, and the buzz created was the talk of most homes and work places, not only in terms of the size of the prize, but also the dreams and wishes of what a lottery win of this size could do for ordinary members of the American public. The lottery industry has never seen such an explosion of completely new players in its history," claims Simon Jaworski, Leger's Powerball expert and a 15 year lottery research veteran.

The recent blockbuster jackpot generated strong game awareness and playership among U.S. adults, with seven out of eight adults (88%) aware of the record Powerball jackpot.

Unsurprisingly, higher levels of awareness of the record jackpot were driven by older Americans, and those living in the Midwest and Northeast regions of the United States, cornerstone regions for Lottery play. However, there still appears to be areas of potential growth for the Powerball game, as both younger adults (18-29 year olds) and residents in the West region of the country saw the lowest awareness and playership levels for the \$1.5bn jackpot.

One of the key factors driving the Powerball phenomenon was the fact that three-quarters of the U.S. public heard about the record jackpot through TV news. "With the NFL Free Agency

season now underway, news stories will be released about athletes who are going to sign multi-million dollar contracts playing football. Yet, rarely do we see news stories about lottery winners or jackpots unless the amount passes \$300 million," said Lance Henik, Senior Account Manager at Leger. "A recent exception is the story about the two Florida brothers who both won playing Powerball: one of them hit the jackpot of \$291 million while the other sibling settled for \$7."

For the industry in general it appears that any news stories about lottery winners, even at lower price points below the breakout or tipping points for Lottery jackpot games, can generate excitement about the lottery in general. When you add in the 'good causes' state lotteries support financially, the industry should be able to evoke more positive feelings with a combination of effective use of both regular and digital media sources.

While the news/media was the key protagonist, nearly half of all those aware (48%) reported hearing about the jackpot by word-of-mouth.

The results of the Leger poll support a previously published article earlier this year that detailed how the growth trajectories of lottery jackpots start to speed up at the \$100 and \$200 million levels but do not 'breakout' until the jackpots crack the \$300 million level.

However, the key tipping point may have changed. More than half (52%) of Powerball players waited until the jackpot went beyond the \$500 million mark to start to play. When "Powerball fever," took control amidst a billion dollar drawing, the final drawing generated an additional 22% of players, who were finally motivated to play at this staggering level; this created an additional 10 million new Powerball players. Perhaps more revealing was the fact that it was the casual female player that drove a majority of the additional sales for the final drawing.

"Tracking the Powerball jackpots through consumer research, and the effect the jackpot levels

For more information on this exciting and topical Gaming research, please contact:

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have on future lottery sales, will be even more critical for lottery jurisdictions, now that the player expectation levels for Powerball and Mega Millions have changed, perhaps indefinitely,” recommends Simon Jaworski. “States that get ahead of the curve in terms of research will certainly have an advantage the next time a billion dollar jackpot rolls around.”

Awareness and playership of this record jackpot has shown that the future of Powerball seems to be bright. For starters, one in ten of Americans plan to play Powerball ‘more often’ in the future, which appears to be driven more by Millennials.

Finally, there was another revealing surprise with Leger’s data; a higher proportion of those players planning to play Powerball again skews towards higher income, with almost half of all \$100k+ income households claiming they will play the nation’s #1 jackpot game again, compared to only one-third of households earning under \$35,000 per anum.

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METHODOLOGY

The latest Leger survey was conducted online with 1,001 respondents, 18 years of age or older, among the U.S. population from February 11th through February 18th, 2016. Data was balanced and weighted to statistically represent the country by age, gender, ethnicity, and region. Based on this sample size, the results carry a margin of error of approximately $\pm 3.1\%$ at the 95% confidence level, and $\pm 2.6\%$ at the 90% confidence level. ■

ABOUT LEGER

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