



# Washington's Lottery Realizes 5–7% ROI on LED Jackpot Signs

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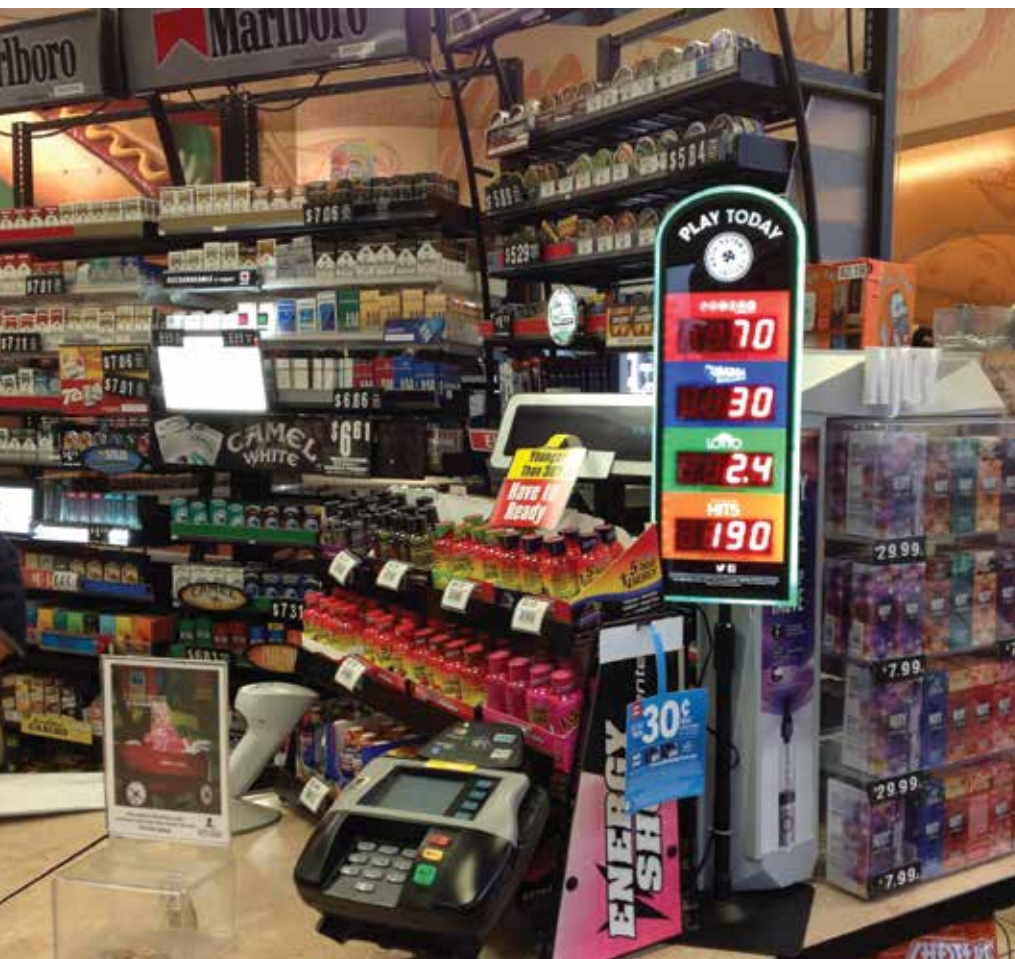
In managing sales for Pro-Lite, a leading jackpot sign manufacturer, the top questions from prospective buyers are “How do I know that jackpot signs really increase sales?” and, “Am I guaranteed a return on my investment?” In July, at the NASPL Professional Development Seminar, hosted by Washington's Lottery, I had occasion to sit with Dr. Stephen Wade of the Lottery's Research and Development Department, who offered to share

data he'd collected on the subject. In August, Wade provided his summary, Positive Effects of Digital Jackpot Signs on Sales of Jackpot Games, which forms the basis for this article.

Washington's Lottery began to install Pro-Lite LED jackpot signs in 2010, with installations continuing into 2015. A mix of window and countertop signs are now in place, with over 1000 Lottery retailers.

According to Wade, “The installations have been managed in “waves,” each comprising roughly 50 to 200 stores. The Research and Development group tested the impact of the signs on sales of the jackpot games in each wave. Very consistently, there has been a significant increase in sales of the jackpot games in stores that got the jackpot signs. The increase is consistently in the range of 5% to 7%.”

In Washington, the Pro-Lite jackpot signs automatically update from the lottery terminal at the retail site, to display the current jackpots for the Lotto, Mega Millions, Powerball, and Hit 5 games. The impact of the two sign types, window and countertop, was tracked independently. Per Wade, the smaller format sign (countertop), when tested in its own wave of installations, pro-



The Pro-Lite countertop sign, shown above on a telescoping pole stand, was custom designed to meet the need for a small format 4-game sign.



A Pro-Lite window sign is used at the majority of Washington's Lottery retail outlets.

duced results similar to the larger-format (window) sign.

Wade explained that the test method used in each installation was a "different stores, same time" comparison. For each wave of installations, the Research and Development department studied jackpot game sales in the six-month period before

the first installation. They were able to develop a highly reliable prediction of the weekly aggregate jackpot game sales in the set of stores that later got signs, from a larger set of stores that did not get signs. Per Wade, sales in the "test" stores were reliably predictable from sales in "control" stores during the same weeks.

Wade elaborated, "Our expectation was that if the jackpot signs had no effect, sales in the test stores would continue to match this prediction week after week, after the all the signs were installed. Conversely, if the signs had a positive effect, actual sales would consistently exceed the prediction."

In conclusion, Wade explained that they saw that actual sales consistently exceeded the prediction by 5% to 7%. Seeing this effect in early waves of testing encouraged the Lottery to continue persuading retailers to place the signs. The most recent wave of placements (in 2015) produced results similar to those seen in earlier years.

For more information about Pro-Lite's wide range of window, floor, counter-top, wall, and outdoor signs, please contact [linda.turner@pro-litelottery.com](mailto:linda.turner@pro-litelottery.com) ■

## Fantasy Sports—Will Regulators Throw a Yellow Flag? ... continued from page 34

regulators, rather than have regulation forced upon them. In this regard, Richard Schuetz, Commissioner of the California Gambling Control Commission, wrote in May:

If any of the participants in the fantasy space believe that they can, in the long run, maintain their present sanctuary from state imposed regulation, it can probably be proposed that they possess a high degree of tolerance toward risk. And while the direct participants in the space may be willing to tolerate this risk, many of the related parties may not, and this would certainly include the payment processors, who do not want to see this layer of golden eggs unduly constrained, and the venture capitalists, who do not want their investments tied up in legal matters for the foreseeable future. What is being suggested is that somebody in the sector better start self-regulating, or running to regulation, and the most logical candidates for providing this impetus are the payment processors and the venture capitalists.

The fantasy sports entrepreneurs are a bit young, unseasoned as to the vagaries of regulation, and are way too busy to appreciate all of this; but the payment processors and the venture capitalists have way too much skin in the game to think that state after state will continue to sit on the sidelines. Pick your poison, be it self-regulation or running to, for the third option state imposed regulation will not make you happy.<sup>51</sup>

Finally, fantasy sports may provide opportunities for state lotteries. The Montana Lottery has operated a NFL-based fantasy-football lottery game since 2008,<sup>52</sup> and also operates a fantasy racing game.<sup>53</sup> In addition, in April, a bill was introduced in Massachusetts that would permit the Massachusetts lottery to offer daily fantasy sports.<sup>54</sup> Expect more state lotteries to explore whether fantasy sports lottery games would enable them to reach a younger player and thereby increase sales and the lotteries' ability to generate revenues for worthy causes. ■

51 "You're Busted: Fantasy Sports and the Need for Adult Supervision," by Richard Schuetz, GGB News, May 21, 2015, at <http://ggbnews.com/issue/vol-13-no-20-may-18-2015/article/youre-busted-fantasy-sports-and-the-need-for-adult-supervision>.

52 "State of Montana to Institute Fantasy-Football Lottery Game," by Nando Difino, *wsj.com*, Aug. 22, 2008, at <http://www.wsj.com/articles/>

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53 Montana Lottery, "Montana Sports Action FAQ," at <http://www.montanalottery.com/msaFAQ>.

54 "Fantasy Sports And The Lottery? Massachusetts Bill Illustrates Another Possible Avenue for DFS," by Dustin Gouker, *Legal Sports Report*, July 7, 2015, at <http://www.legalsportsreport.com/2115/daily-fantasy-sports-lotteries/>.