

\$1.5 Billion Powerball Jackpot Attracts 10 Million New Players

Leger, one of North America's fastest growing research companies, 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, Senior Vice President, one of the world's leading experts on lottery and gaming, Lance Henik, Senior Account Manager and David Montgomery, Account Manager.

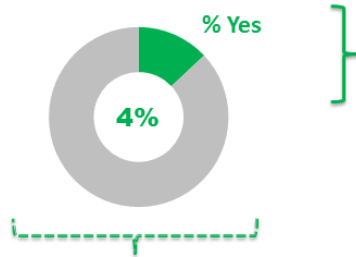
The \$1.5bn Powerball lottery jackpot, hit back in January, 2016, generated approximately 10 million new players to the Powerball game, a historic lift for the U.S. lottery industry, according to one of the country's leading lottery and gaming research companies, Leger.

"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.

Recent historic Powerball jackpot generated 10 million new players!

- 4% of Americans indicated they never played Powerball prior to the January 2016 Powerball jackpot, equating to approximately **10 million new** Powerball players.
- Female players, and those living in the Northeast or South, are **significantly more likely** to be first time Powerball players.

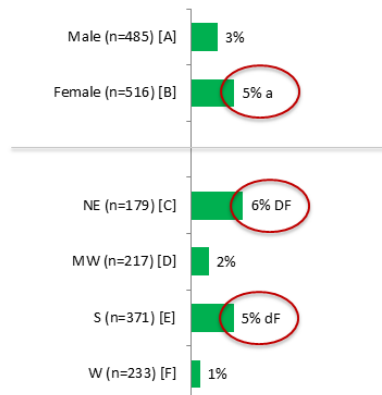
% U.S. population who have never played Powerball prior to the historic jackpot
(n=1,001)



10 million* new Powerball players!

*Based on the U.S. Census of about 248 million U.S. adults (age 18+)

% who have never played Powerball prior to the historic jackpot



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Prior to the historic \$1.5 billion jackpot, which of the following best describes how often you play Powerball?

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Upper case letters indicate significance at the 95% confidence level
Lower case letters indicate significance at the 90% confidence level

5

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, and not just the core national games of Powerball and Mega Millions. 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, other forms of communication helped generate awareness of the record Powerball jackpot. Nearly half of all those aware (48%) reported hearing about the jackpot by word-of-mouth. Sources such as online (31%), social media (30%), in-store advertising (22%), and billboards (18%) also played a role in the marketing mix, driving Powerball sales to a record level, more than twice the previously recorded high.

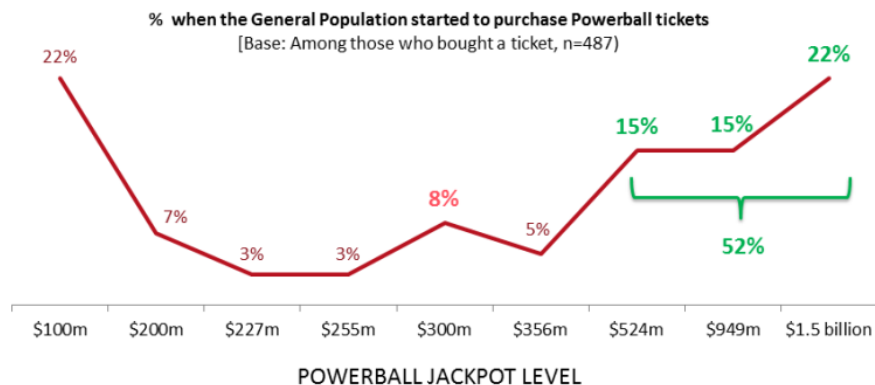
The results of the Leger poll support an analysis conducted by Leger in a previously published [press release](#) earlier this year that detailed how the growth trajectories of lottery jackpots start to speed up at the \$100 and \$200 million levels but does not ‘breakout’ until the jackpots crack the \$300 million level. Specific to this jackpot, just over one in five purchased a Powerball ticket while the jackpot was \$100 million or lower, with 13% of players coming in when the jackpot was in the \$200 millions, and another 13% within the \$300 millions.

However, the key tipping point for the jackpot growth this time occurred at a higher level.

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.

More than half of all those who played Powerball waited until after the \$500m mark to play.

- The \$1.5bn jackpot level enticed 22% of additional Powerball players to play the record jackpot level, who had previously not bought a ticket at the lower jackpot amounts.
- The key tipping point for more than half the players was at the \$500m mark, although there were noticeable bumps in play at both \$200m and \$300m.
- More than 20% of players played on or before the \$100m jackpot level.



“Tracking the Powerball jackpots through consumer research, and the effect the jackpot levels 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 annum.

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 ± 3.1% at the 95% confidence level, and ± 2.6% at the 90% confidence level.

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About Leger

Leger is the largest Canadian-owned polling, research, and strategic marketing firm with 600 employees in Montreal, Quebec City, Toronto, Edmonton, and Calgary in Canada, and Philadelphia in the United States. Leger is part of the WIN network partners in more than 100 countries, making Leger not only the largest Canadian-owned company in its sector, but also an internationally recognized brand.

Leger provides its clients with unique expertise in market research and information technology, in addition to business consulting and strategies in the fields of customer satisfaction, positioning, brand management, communication efficiency, corporate reputation, social acceptability, crisis management and customer experience. For more information on Leger, please consult our Web site, www.leger360.com.



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