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FOR IMMEDIATE RELEASE:

Where the Rubber Hits the Road

Chicago, Illinois – August 4, 2006 – Independent Lottery Research (ILR) has compiled data on where lottery purchases are taking place and what players and non-players think of their retail options.

With slowing economic growth, both Joes (core players) and Jacks (lapsed, infrequent, and non-players) have less disposable income to spend. Just 44% of households report higher yearly income (down 2% from last month), and 52% of households now feel it is now harder to get by than a year ago (up 3% from last month).

Also, our data shows that Joes are hit much harder by economic downturns than Jacks; 70% of Joes feel that it is harder to get by this year compared to 53% of lapsed players and 46% of non-players.

In lieu of rising prices and the slowing income growth, ILR hit the street to understand consumers' modified spending and went to the source of lottery purchases, the retail locations.

Our National Jack PollSM found that most core players prefer convenience stores, but one in four (24%) favor gas stations and one in five (19%) favor grocery stores. Joes are very faithful to their retailer – four in five of them (83%) use the same retailer “almost every time.”

In addition, we discovered that the actual type of retailer makes little impact on the player's loyalty. We asked the lottery players to rate the employees of their preferred retailer. On a scale from one to nine (one being ‘very low’ and nine being ‘very high’), the players rated the retailers exceptionally high for employees who made them feel it's easy to play there (mean 7.6), being courteous and helpful (mean 7.3), and knowledgeable about how to play (mean 7.0).

Using the same nine-point scale for retailers, ILR found similar ratings, but the people who favored convenience stores felt the employees were less informed on how to play (mean 6.7), than those who prefer gas stations (mean 7.3) or grocery stores (mean 7.2).

The lottery ticket vending machine, a welcome alternative for many players, has a troubling reputation. Out of one in five users (21%), one quarter have experienced a problem trying to make a purchase (25%). For example, they have experienced the ticket not coming out of the machine (62% of users, 16% of retailers), a malfunctioning machine (23% of users, 5% of retailers), and trouble figuring out how the machine works (15% of users, 4% of retailers).

Based on these research findings, Joes are very loyal consumers who have fixed buying habits and approve of their retail source. Furthermore, lotteries are doing a great job of training employees, and a very high percentage of customers think that those employees are helpful and informed.

Independent Lottery Research (ILR) is one of the nation's foremost lottery market research companies. To find out more, call 312-546-5925 or visit the firm's website: www.ilresearch.net

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