



## **FOR IMMEDIATE RELEASE**

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### **WHEN IT COMES TO SCRATCHERS, WHAT IS CONSIDERED WINNING?**

Joe and Jack Quantify the Winning Experience

CHICAGO, IL (Nov. 05, 2008) - In the October 2008 Jack Update™ newsletter, Independent Lottery Research (ILR) released its most recent National Poll in which frequent lottery players (Joes) and lapsed and non-lottery players (Jacks) were asked to quantify a winning experience for Scratchers at different price points.

In phone interviews of a national sample involving 450 Americans, Joes consider winning to be roughly the price of a ticket for \$1, \$2 and \$5 Scratchers and Jacks consider winning to be at least twice the cost of a ticket for \$1, \$2 and \$5 Scratchers.

When asked beyond the concept of winning to describe a meaningful win for \$1, \$2 and \$5 Scratchers, Jacks mentioned \$50, \$100 and \$250 respectively, while Joes maintain a \$100 threshold for all three categories.

"For over three years, we have used our National Poll to ask a wide range of adults, questions that are not usually asked by lottery researchers," says Margaret Mueller, director, ILR. "We have asked questions about Joe and Jack satisfaction levels and noted an increase of dissatisfaction over time. Since the scratch product has been leading lottery sales for a number of years, we wanted to investigate reactions to playing and winning. These data are very interesting."

Joes and Jacks were also asked whether they are more likely to play Scratcher games that offer cash prizes as opposed to those that offer non-cash prizes. According to the data, almost all of Joes (93%) and three-quarters of Jacks (74%) prefer to play Scratcher games where they have the opportunity to win cash.

Previous ILR research has shown that non-cash prizes attract people to play Scratchers, though they may prefer to receive the cash in the amount of the prize. "We do not recommend that non-cash prizes be the core offering of lotteries, but they can be used strategically in a multiple Scratcher game approach to entice the one in four Jacks (23%) that are attracted to non-cash prizes," said Matthew Smith, president of Leo J. Shapiro & Associates and a director of ILR.

In July, many Research Camp attendees agreed with preliminary findings on winning and meaningful wins based on their own experience in the lottery scratcher category. They remarked that this data has never been presented as part of their Scratcher portfolio planning.

**-More-**

Michael Jones, an ILR director, who was also director of the Illinois Lottery and quintupled instant sales without reducing profitability, observed during the Research Camp, "Prize structures in recent times have become, to some extent, an exercise in mathematics, not marketing. Increasing prize payouts is an obvious and seductive method of increasing sales hoping, without certainty, that profits will follow."

Previous National Jack Poll results show there is little reported correlation between Joe and Jack's satisfaction levels and higher prize percentage payouts. Lotteries should consider the differences between a win and a meaningful win in prize structure designs.

For more information on Independent Lottery Research or Research Camp, please contact Jessica Ellington at [jessicae@ilr.com](mailto:jessicae@ilr.com) or 312-321-8117.

**About Independent Lottery Research**

Independent Lottery Research provides a breadth and depth of lottery specific marketing and research experience to all sectors of the lottery industry in the United States and worldwide. To learn more about Independent Lottery Research, please visit [www.ilresearch.com](http://www.ilresearch.com).

