

IGT's Instant Services Support the Idaho Lottery



The Idaho Lottery has always been on the forefront of technology, innovation, and creativity.

Began in 1989, the forward-thinking Idaho Lottery has generated significant revenue

for their beneficiaries, players, and businesses, Idaho Public Schools and the State of Idaho's Permanent Building Fund. Since inception, the Lottery has generated \$3.7 billion in revenue, returning \$846 million to the Idaho Department of Education and to the State's Permanent Building Fund, for places like Idaho's colleges and universities. This Lottery is known for embracing the mnemonic device "Wooh!" in its advertising and thematic playstyles, while weaving entertainment, fun, and joy into each and every game in their portfolio.

In 2013, the Lottery selected IGT's Instant Services group as their primary ticket partner and awarded them a contract to produce scratch tickets and provide support for game development, marketing, promotional, innovation, and research services. Under the contract, IGT has provided 71% of the Scratch Games for the Idaho Lottery since March 2013; a total of 266 games through the end of 2018.

"The Idaho Lottery has a positive and productive relationship with IGT for the development and delivery of Idaho Scratch Games," said Jeff Anderson, Idaho Lottery Director. "IGT's lottery industry expertise and leadership, along with their ability to develop new and innovative products, has helped us deliver a game portfolio that produces an appealing mix of games for our players and benefits for the people of Idaho."

As an exercise in increasing its dividend returned percentage, in 2016 the Idaho Lottery explored making a slight reduction in Scratch Game prize payouts. As one solution, IGT offered the idea of extending print runs on a select set of core games, to enable the Lottery to gain more flexibility with prize structures and optimize the profitability of each game. Since implementing this strategy, the Lottery has seen consistent year-over-year growth in both sales and profitability. In Fiscal Year 2018 the Idaho Lottery realized a 10.7% growth in profitability from the prior year in their Scratch portfolio, on 7.2% growth in sales. This growth was higher than several peer jurisdictions, and makes Idaho one of the few lotteries in the country to see profitability grow faster than sales.

With the Lottery focused on maximizing their return to education in the state, IGT has supported collaborative opportunities for ongoing lottery initiatives through the Scratch Game portfolio.

One example is their backing of the Lottery's annual "Scratch for Schools" program. Scratch for Schools allows the Lottery to provide needed dollars as resources at the classroom level for all the state's schools, through a one-on-one, more personal connection with their beneficiaries. In 2018 the lottery launched the IGT-printed, \$1 "Straight As" ticket, themed around education and tied directly to the Scratch for Schools program. In addition to the school program, four players had the opportunity to win a second chance draw of \$1,000 for themselves and \$1,000 for the public school of their choice.



IGT and the Lottery have collaborated on several initiatives to bring industry-leading games and innovation to Idaho players, including the Super Ticket®.

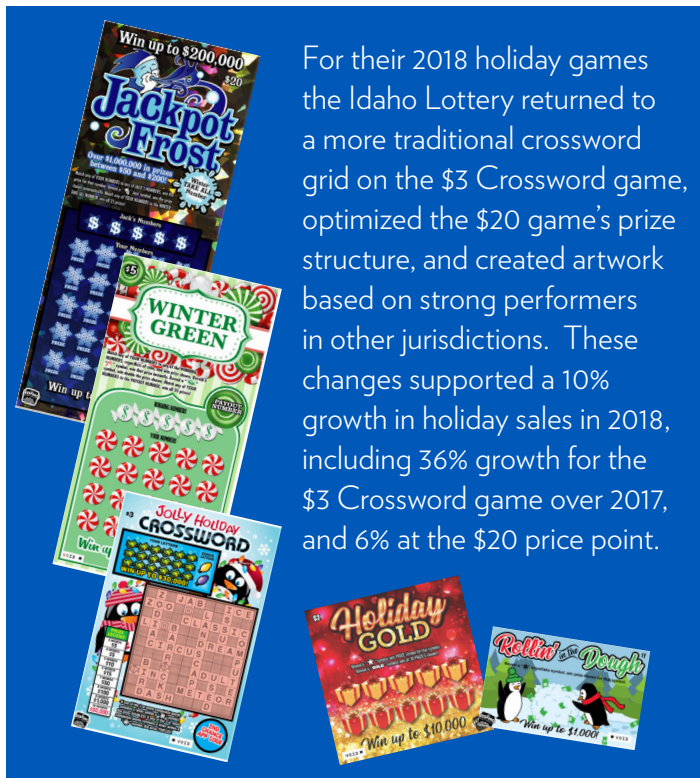
Following on success in Texas, Kansas, and other states, Idaho launched their first Super Ticket, "Jewels", in 2017 at the \$10 price point. Despite being sold in only 60% of retailers the jewels-themed game produced solid sales results and, according to the Lottery, returned more revenue to the state of Idaho than any other \$10 Scratch Game launched that year. Idaho launched their first Super Ticket at 10" by 8". The Lottery has since launched their second Super Ticket, \$10 Lucky Jackpot, and plans to introduce a 12" Super Ticket at the \$20 price point in the future.

"Super Ticket offered Idaho Lottery players a unique game format that we made available at select retail locations across the State," said Larry Polowski, Idaho Lottery Director of Sales. "This game has developed a niche player base that is delivering consistent results for our retailers and the Lottery."



In order to improve their holiday game category, IGT made a series of recommendations focused around industry best practices in holiday game artwork, features, prize structures and related second chance promotions. The Lottery implemented many of these suggestions for their 2018 holiday games, and realized a 10% growth in sales for these games.

“IGT provided valuable insight and industry data into the decision-making process of our holiday game line-up, including working on prize structures and appropriate ticket quantities for each game at the correct price point,” said Sherie Moody-St. Clair, Director of Marketing for the Lottery.



For their 2018 holiday games the Idaho Lottery returned to a more traditional crossword grid on the \$3 Crossword game, optimized the \$20 game’s prize structure, and created artwork based on strong performers in other jurisdictions. These changes supported a 10% growth in holiday sales in 2018, including 36% growth for the \$3 Crossword game over 2017, and 6% at the \$20 price point.

IGT’s support for the Idaho Lottery extends beyond the Scratch Game portfolio and reaches all aspects of their instant operation. Recently the Lottery’s Local Sales Representatives documented concerns with out-of-stock games at retailers, particularly at higher price points. After deliberating possible options, the IGT team devised a solution to keep games in stock longer by doubling pack sizes at higher price points. When implemented, these larger ticket packs will keep games in stock longer, creating additional sales opportunities at retail while saving on administrative costs for the Lottery.

The Lottery has also successfully utilized IGT’s licensed property portfolio to support its Scratch Game™ marketing initiatives. In 2016, the Lottery participated in IGT’s Wheel of Fortune® linked game, promoting custom-created, in-store point-of-sale, radio, television and social media advertising to promote a \$5 Scratch Game and a “money-can’t-buy” Wheel of Fortune-themed experience. The game was a hit with players, indexing 113 over 12 weeks. One lucky winner and his guest enjoyed a five day VIP trip to Los Angeles, where he saw a live, non-broadcast taping of Wheel of Fortune, and spun the wheel to win a cash prize. Based on the previous success of this game, the Lottery will launch two Wheel of Fortune games for the next linked promotion, Big Money Spin; a key number match and a crossword-style, Cashword game, both at \$5.



A group of Lottery winners at the Wheel of Fortune linked program, including Idaho Lottery winner Marshall Thorp (back row, second from left)

IGT and the Lottery are collaborating on several initiatives in the coming months to bring excitement and life-changing prizes to Idaho players. Idaho already boasts one of the largest player bases of extended play games in the country, with crossword-style Cashword games making up nearly 20% of the Lottery’s total sales. Their \$10 Cashword games rank among the best-selling extended play games in the industry. In an effort to diversify play styles at the \$20 price point, and add value for these loyal Cashword players, the Lottery is planning a \$20 Crossword game in the coming months. The \$20 crossword-style game will combine aspects of Cashword games from lower price points to create a unique value proposition for players while offering the highest top prize ever seen on an Idaho Lottery crossword-style game.

Conclusion

The Idaho Lottery has seen great success in recent years implementing strategies to support profitable growth and maximize returns to Idaho’s Public Schools and the State’s Permanent Building Fund. IGT is committed to continuing to provide instant game development, strategic planning and targeted analysis in support of these efforts for Idaho and other lotteries worldwide.



An Idaho Lottery \$10 Cashword game

