



Oregon State Lottery® Behavior & Attitude Tracking Study

Presentation of Findings November 2012 Wave

Prepared by:



- Brief Overview of Objectives and Methodology
- Key Trends Related to:
 - Attitudes Toward Oregon Lottery®
 - Playership
 - Advertising Awareness
 - Oregon Wins / Responsible Gambling

Background and Objectives

- The Oregon Lottery® has conducted the Bi-Annual Behavior and Attitude Tracking Study with Oregonians since 2000.
- Study objectives include:
 - **Monitor trends in play behavior;**
 - **Measure advertising awareness;**
 - **Track attitudes toward the Lottery and gaming;**
 - Understand trends in shopping and leisure habits; and,
 - Monitor technology trends, including Internet usage, PC / Internet gaming and cell phone usage.

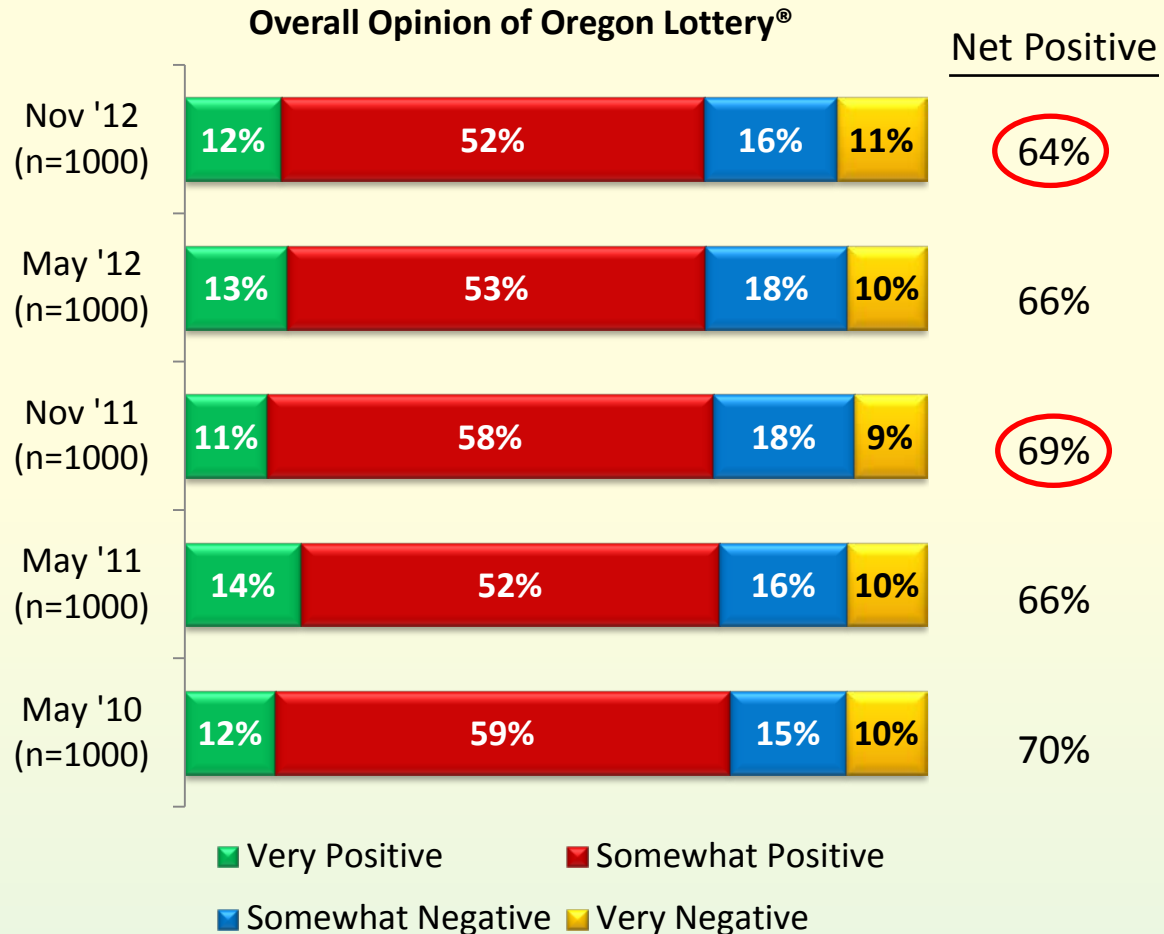
Methodology and Analytical Summary

- Survey conducted Nov 2 – Nov 27, 2012.
- 1,000 telephone interviews – 700 RDD-landline and 300 cell phone surveys.
- Quotas based on region, age and gender, per Census.
- Analyze trends across the following consumer segments:
 - Current Player: has played an Oregon Lottery® game within the past 12 months
 - Core Player: has played an Oregon Lottery® game within the past 12 months, and plays at least once per month
 - Regular Player: has played an Oregon Lottery® game within the past 12 months, and plays less often than once per month
 - Lapsed Player: has played an Oregon Lottery® game, but not within the past 12 months
 - Non-Player: has never played an Oregon Lottery® game
 - New Player: started playing their first Oregon Lottery® game within the past 12 months



Trends: Attitudes/Playership

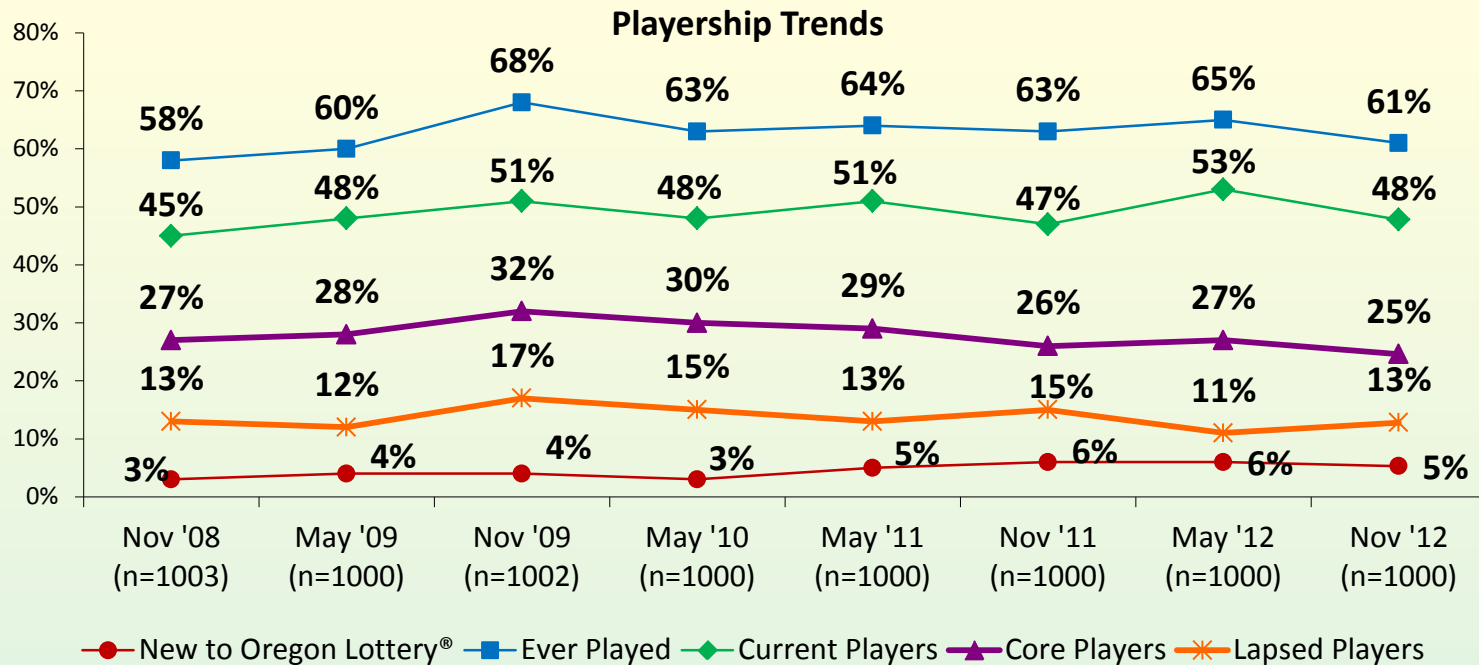
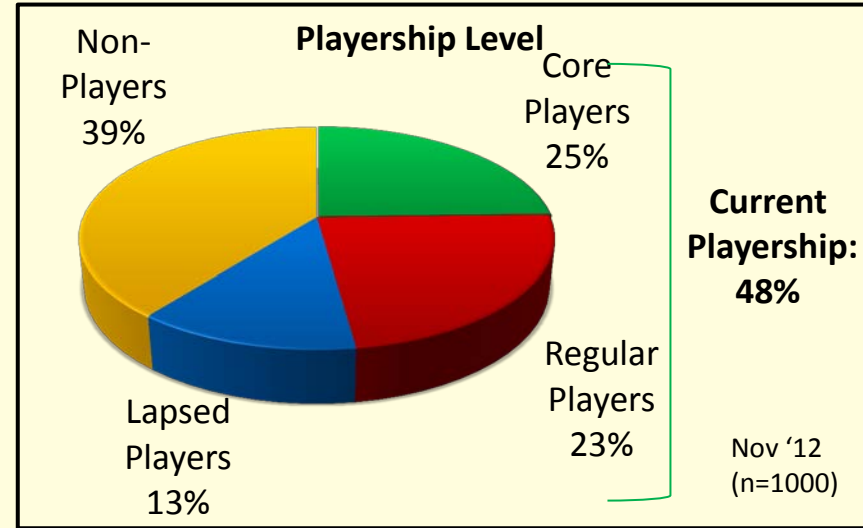
- Although the level of positive opinion of the Oregon Lottery® remains above the annual Business Plan target of 60%, results this wave reflect a 5-point decline since Nov '11.
- As with the past several waves, those aged 18-34 are more likely to exhibit positive opinions about the Oregon Lottery® than older Oregonians.



NOTE: Don't know responses are excluded.

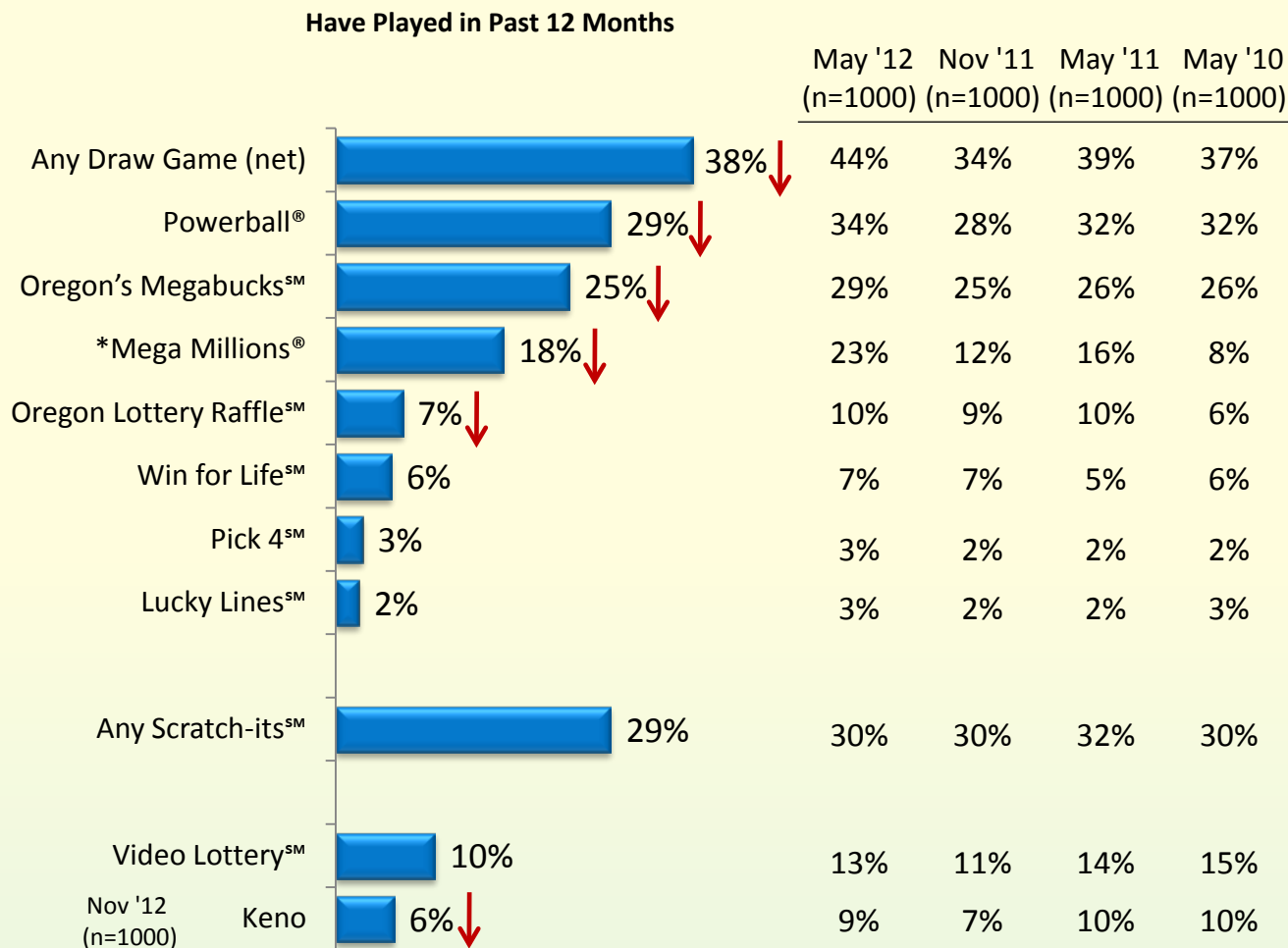
Oregon Lottery® Playership

- Current playership reflects a 5-point decline since May '12, but is stable with Nov '11 results.
- The level of lapsed players remains stable at 13%.
- The incidence of core and new players among adult Oregonians is stable.
- Reported lifetime play is stable with Nov '11 levels, but four points lower than in May '12.



Current Playership of Oregon Lottery® Games

- Current playership of most draw games decreased significantly from May '12, but returned to levels observed in Nov '11.
- Mega Millions® maintained a six-point increase over Nov '11 results, although it experienced a 5-point decline since May '12.
- Current playership of Video Lottery, Scratch-its, and Keno remain stable with Nov '11 levels.



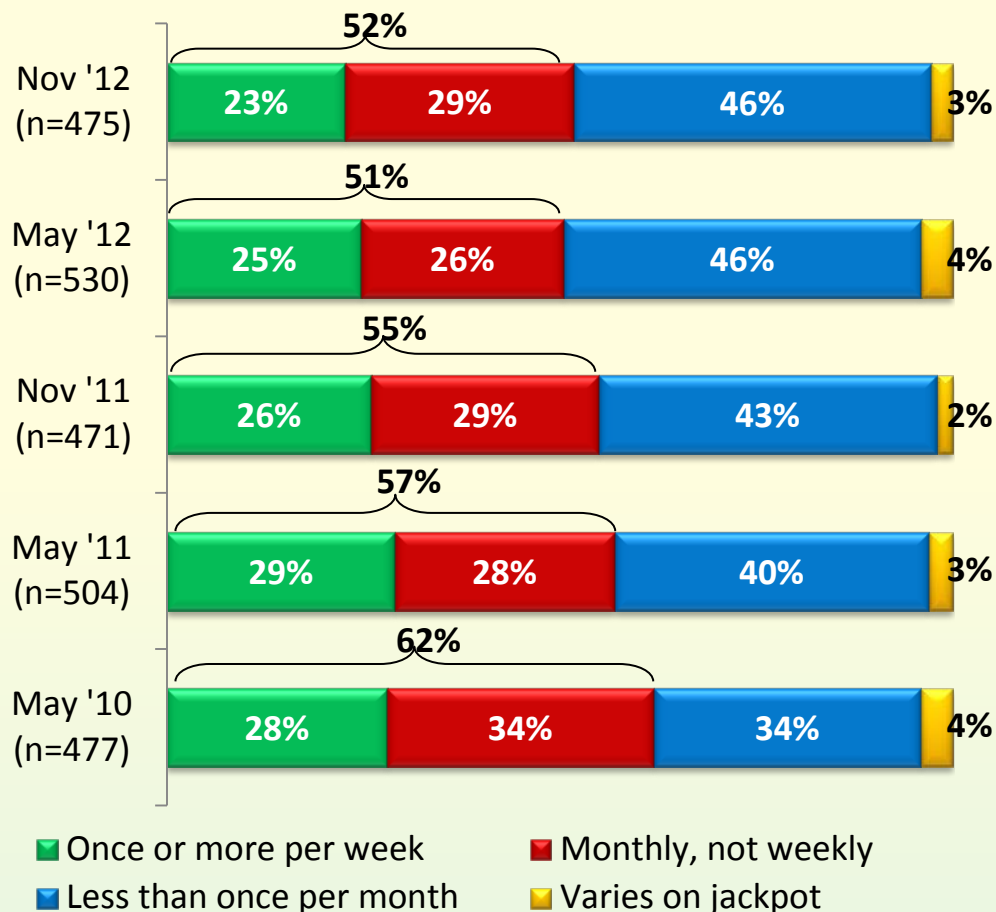
↓ = Statistically significantly lower than May '12 results

*Not asked prior to May '11, May '10 figure is derived from lifetime playership.

Overall Frequency of Play

- Frequency of play remains stable with May '12 results.
- This is the first in several waves of the research that weekly/monthly play has not declined.

Play One or More Oregon Lottery Games® at Least...



■ Once or more per week ■ Monthly, not weekly
■ Less than once per month ■ Varies on jackpot

Issues to Address:

- Continue to monitor opinion levels.
- Consider the following changes:
 - Increase media flighting.
 - Resume Oregon Wins advertising that informs more broadly regarding how the Lottery Does Good Things.



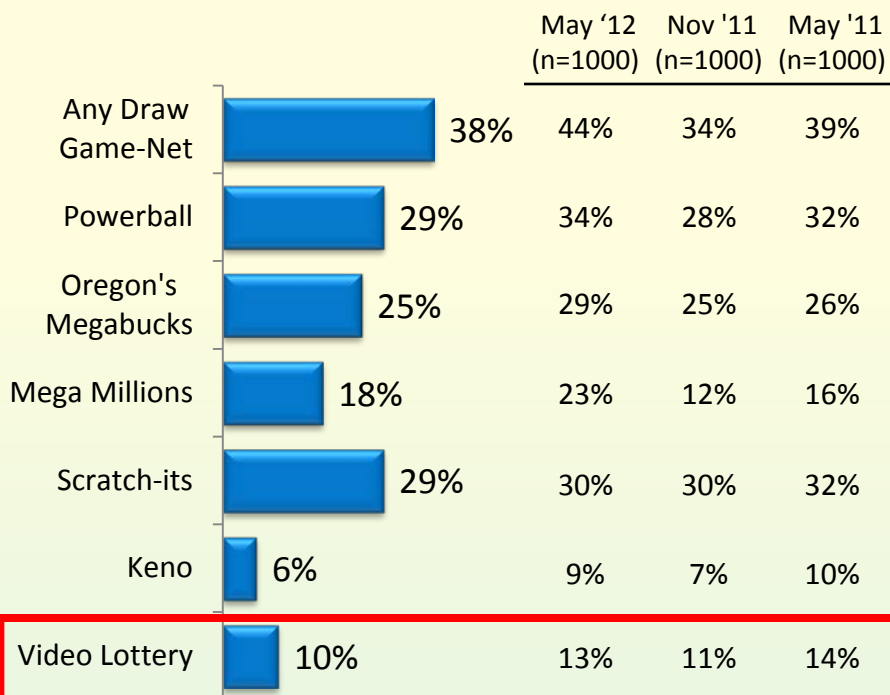
Trends: Video LotterySM

- Current playership of Video LotterySM decreases to 10% this wave (n=1000; compared to 13% in May '12 and 11% in Nov '11).
 - Percent playing monthly (51% of current players) remains stable.
- Among non-players, 64% are not aware that the Oregon Lottery[®] offers line games, and only 19% understand how line games work.
 - Consistent with previous waves, most (85%) lapsed and non-players of Video LotterySM are unaware of the minimum betting levels offered on Video LotterySM line games and 80% are unable to specify which values are available.
- A lack of convenient venues (27%) continues to be the number one factor for lapsed Video LotterySM play.

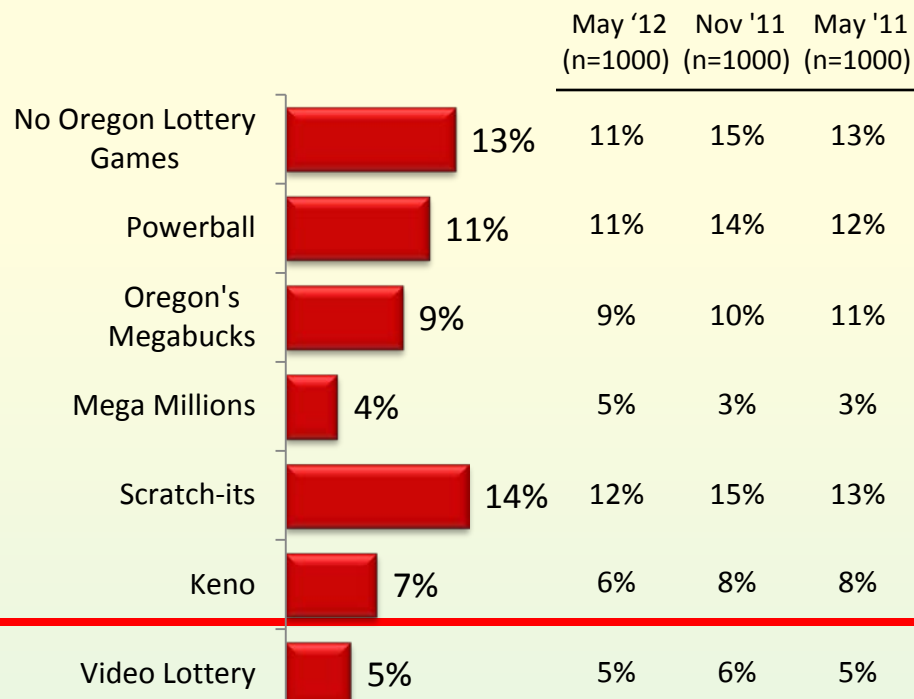
Current/Lapsed Playership – Video LotterySM

- Current Video Lottery play decreases to 10% this wave.
- Level of lapsed Video Lottery play remains stable at 5%.

Have Played in Past 12 Months



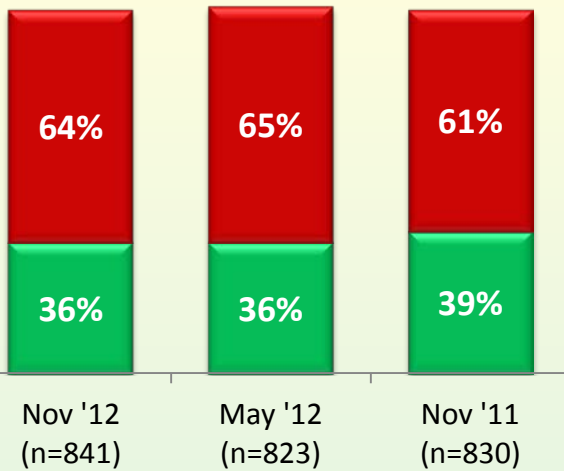
Have Not Played in Past 12 Months



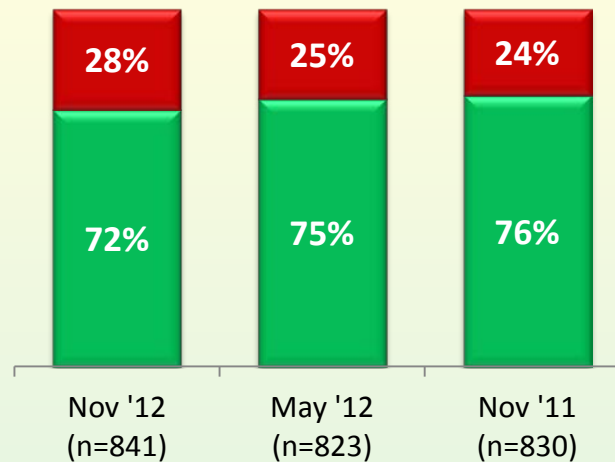
May '12 (n=1000)

- Nearly two-thirds (64%) of Video LotterySM non-players are not aware that the Oregon Lottery® offers line games.
- General understanding of line games versus slot machines among Video LotterySM non-players has not changed: the majority knows what slot machines are (72%), but few know how line games work (19%).

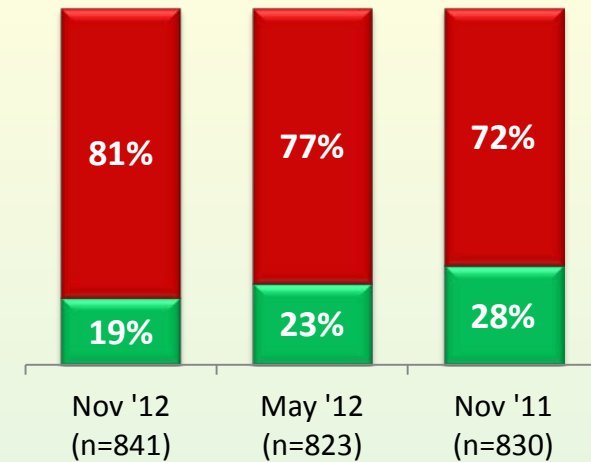
**Awareness of Line Game Offerings
Among Non-Players of Video
LotterySM**



**Understanding of How Slot Machine
Games Work**



**Understanding of How Line
Games Work**

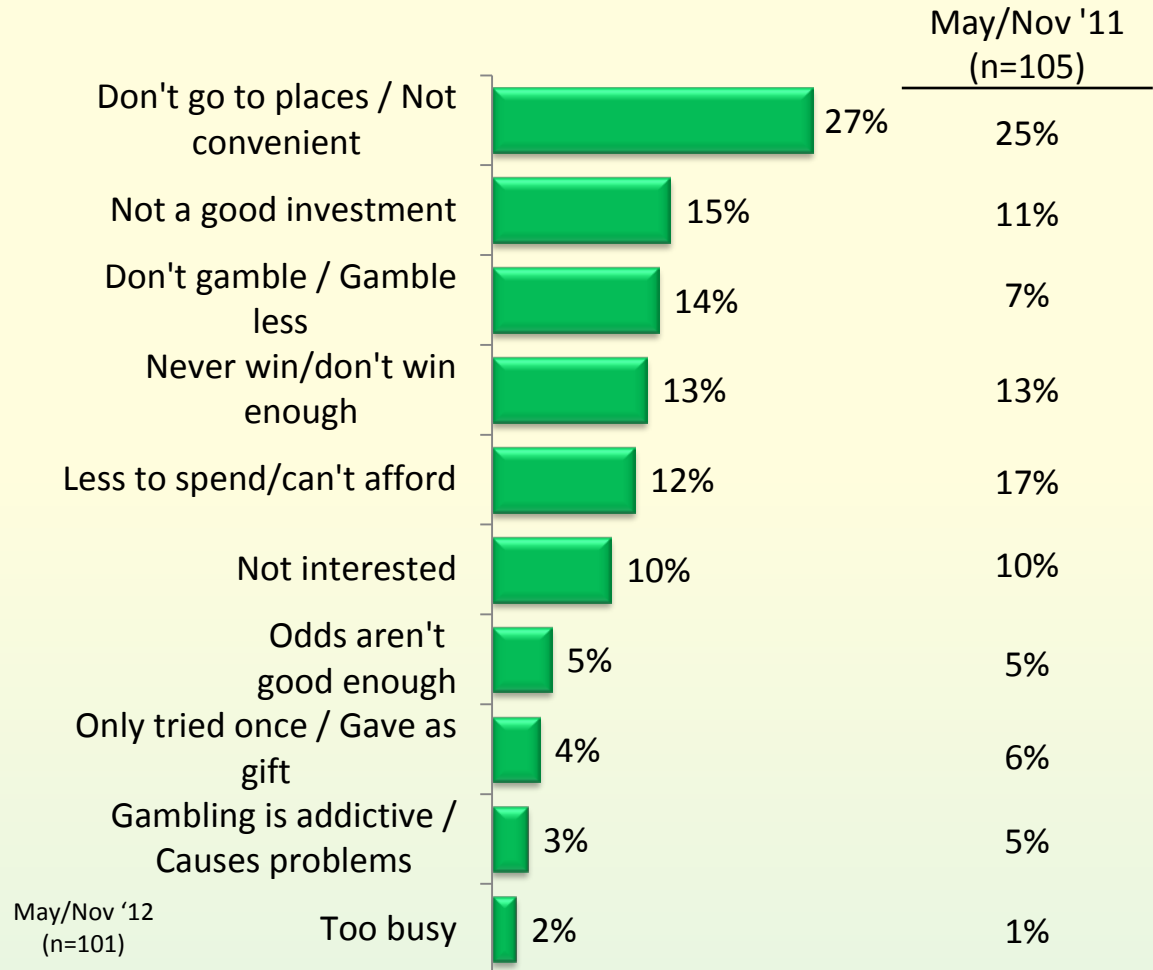


■ Yes ■ No

NOTE: Questions not asked prior to May '11

- “Don’t go places/not convenient” continues to be the top reason for lapsed Video LotterySM play (27%).
- Since 2011, the percentage of lapsed players citing financial constraints decreased five points.

Reasons for No Longer Playing Video LotterySM



NOTE: Responses with fewer than 2% of mentions excluded,
Caution: Small base size

Issues to Address:

- Decline in past-year play levels.
- Decline in level of play among more casual players.
- Very low awareness among non-players.
 - Advertising limited to on-premise.
 - Low game visibility.
 - Low familiarity with “line games” terminology.
 - Misperceptions regarding where and how Video LotterySM is played.



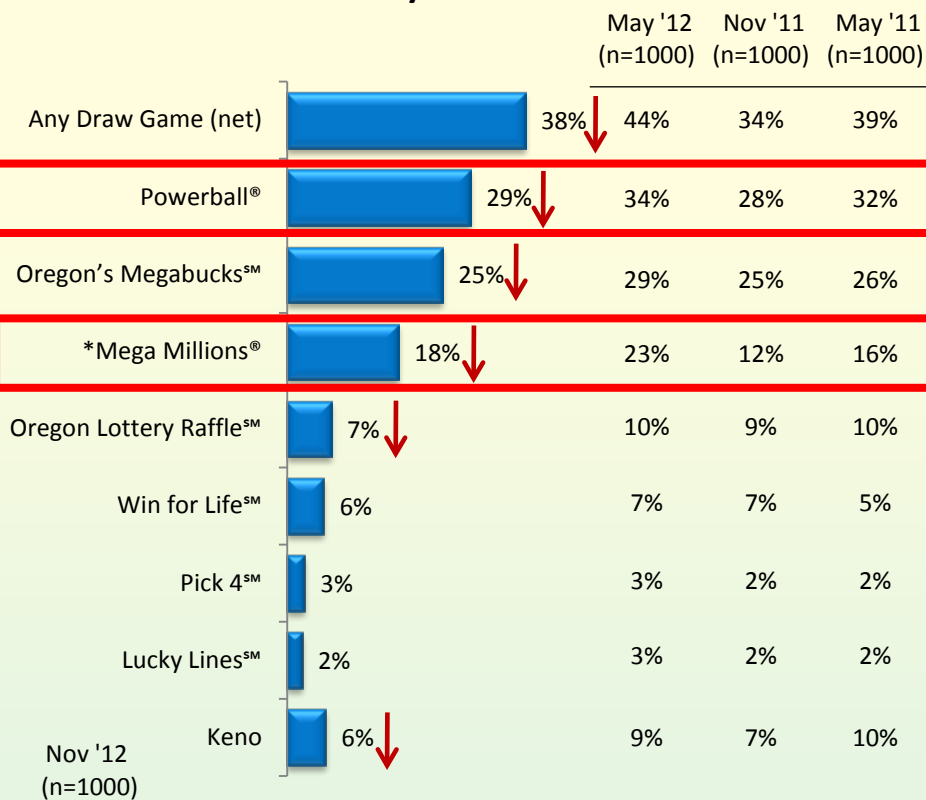
**OREGON
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Trends: Jackpot Games

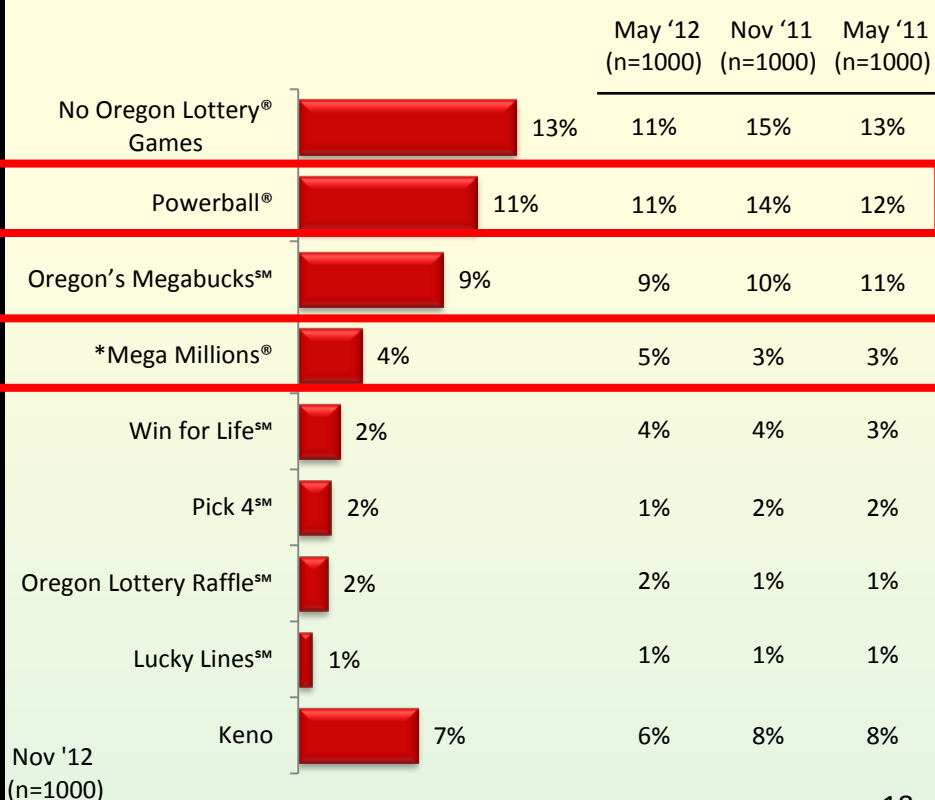
Current/Lapsed Playership – Powerball® / Mega Millions®

- Powerball® continues to be the draw game with the highest incidence of current playership (29%).
- Decreases in current playership for Powerball®, Mega Millions®, and MegabucksSM since May '12 - but stable or improved over Nov '11.
 - Prior to May '12 surveying: 3 consecutive weeks of \$200M+ Mega Millions jackpots – up to \$640M.

Have Played in Past 12 Months



Have Not Played in Past 12 Months



*Not asked prior to May '11, May '10 figure is derived from lifetime playership.

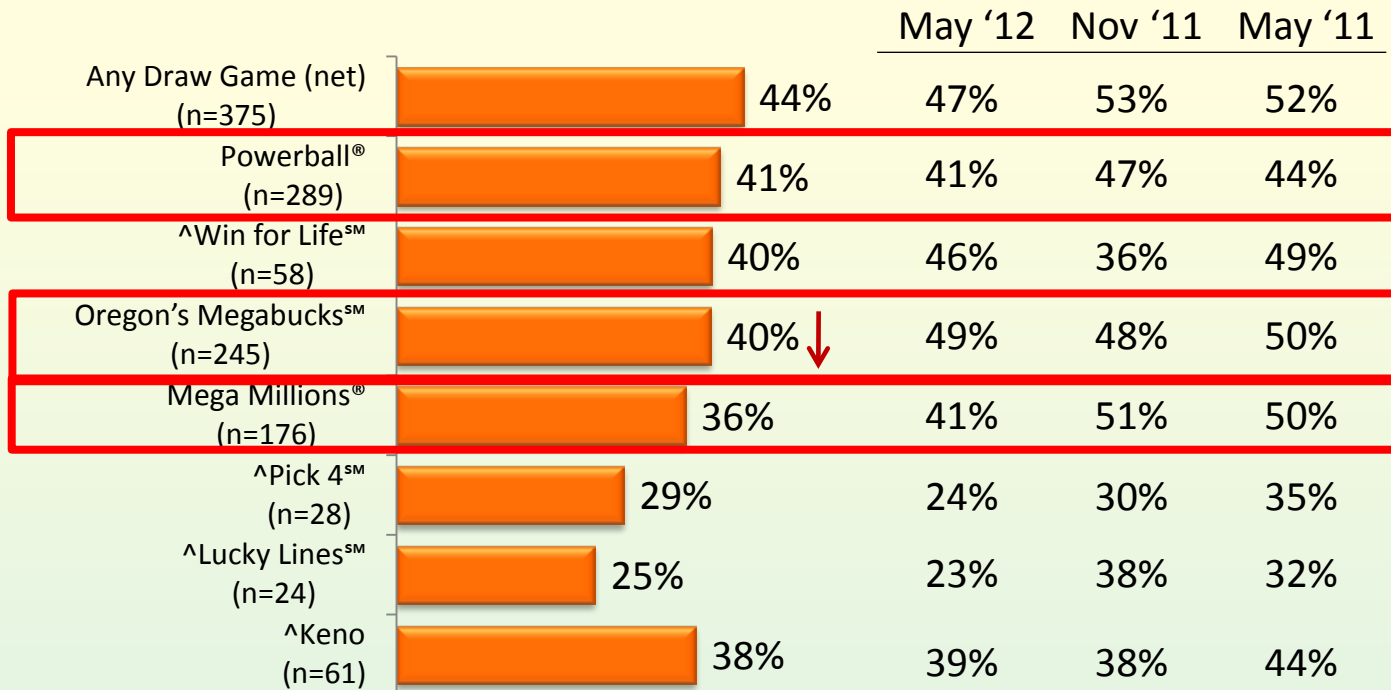
*Mega Millions® was newly introduced in May '10

Core Playership of Oregon Lottery® Games

- Core Powerball play is stable since last wave, but reflects a six-point decrease since Nov '11 ($\pm 5.8\%$ error margin).
- Core Mega Millions play has continued to decline since Nov '11 ($\pm 7\%$ error margin).
- Megabucks reflects the lowest level of core playership over the last four waves ($\pm 6\%$ error margin).

Core Players

(Monthly Play Among Current Players of Each Game)



Issues to Address:

- YOY sales decreases for Megabucks, Mega Millions, and Win For Life.
- Increased “jackpot-chasing.”
 - Record jackpots can have a desensitizing effect (only interested in chance to win \$200M...\$80M doesn’t feel like enough). Most clearly observed for Mega Millions.
- Examine OSL’s draw game portfolio.
 - Find ways to better differentiate games.
 - Consider whether the portfolio is optimized by offering the current seven games – some with relatively low annual sales.
 - Seek ways to ensure games remain profitable.



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Trends: Keno

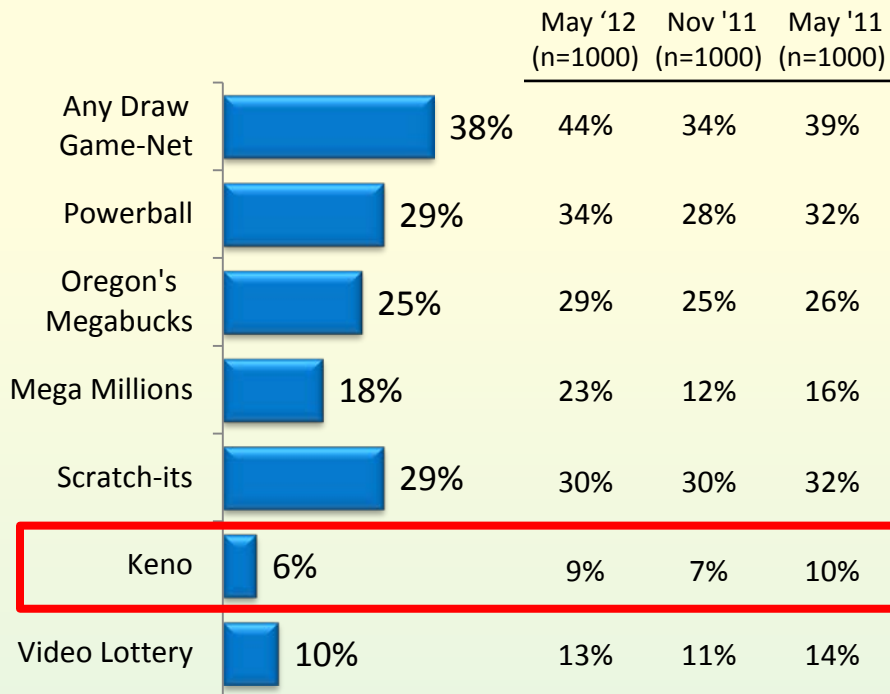
Keno

- Consistent with FY13 vs FY12 sales data, current, core, new, and lapsed Keno playership remain stable.
- Not frequenting venues where the game is offered (20%) and a low incidence of winning (17%) remain the main reasons for lapsed Keno play.
- Awareness of Keno To Go remains low at 10% (vs. 11% in May '12) and no current Keno players who have heard of Keno to Go have actually played it.

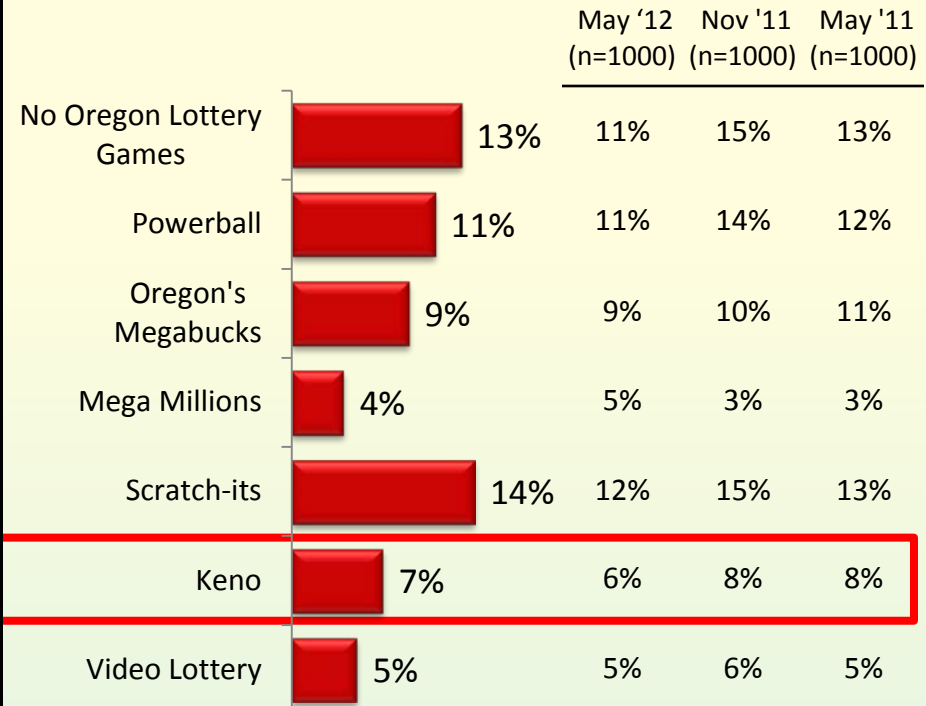
Current/Lapsed Playership – Keno

- Although reported Keno play in the past 12 months decreased three points since May '12, it remains stable with Nov '11 results ($\pm 3\%$ error margin).

Have Played in Past 12 Months



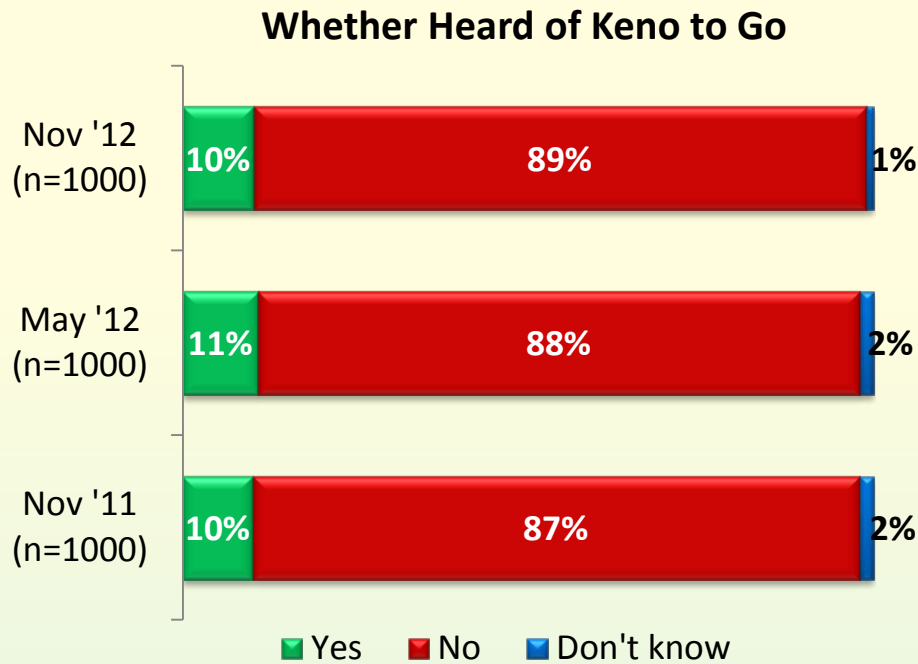
Have Not Played in Past 12 Months



May '12 (n=1000)

Awareness and Playership of Keno To Go

- Awareness of Keno To Go remains low at 10%.
- No current Keno players report playing the game this wave.



NOTE: Questions not asked prior to Nov '11
 Caution: Small Base Size

Issues to Address:

- Playership and sales are relatively static.
- Low awareness of Keno To Go.
- Although Keno is available in a wide variety retail locations – “not frequenting venues where the game is offered” remains the top mention as to why adult Oregonians don’t play.
 - Address perceptions of Keno as an “older person’s game” that is only available in bars.

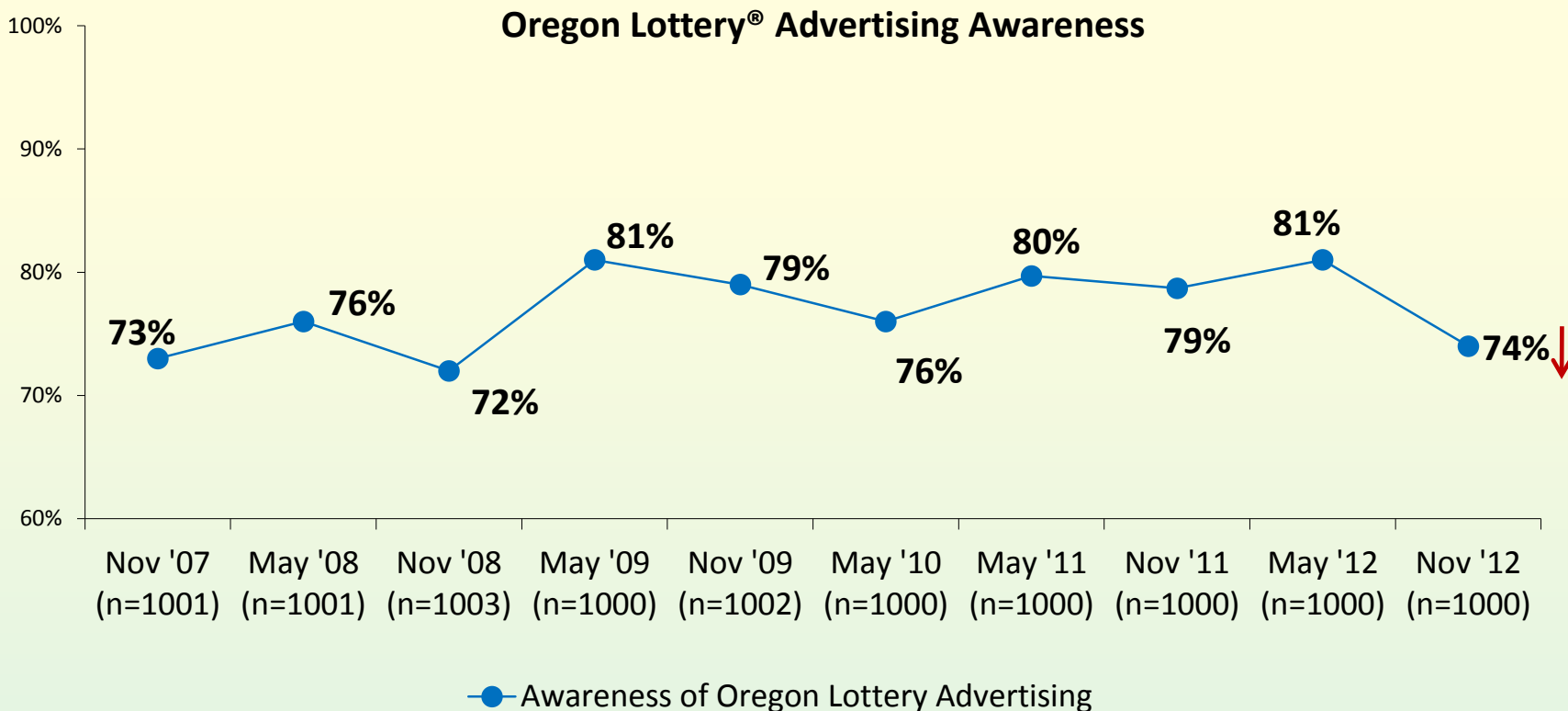


Trends: Ad Awareness

- Unaided awareness of most games remains stable.
- Awareness of OSL advertising is down significantly from last wave (74% vs 81% in May '12; \pm 3% error margin).
- Awareness of Oregon Wins ads decreased to 47% (53% in May '12; \pm 3% error margin).
 - Less advertising leading up to Nov '12 surveying.
 - Recall of economic development as a funding recipient also falls to 11% from 24% in May '12.
- Responsible gambling ad recall also decreased to 30% of adult Oregonians (41% in May '12; \pm 3% error margin).
 - Less radio advertising in the months leading up to Nov '12 surveying.

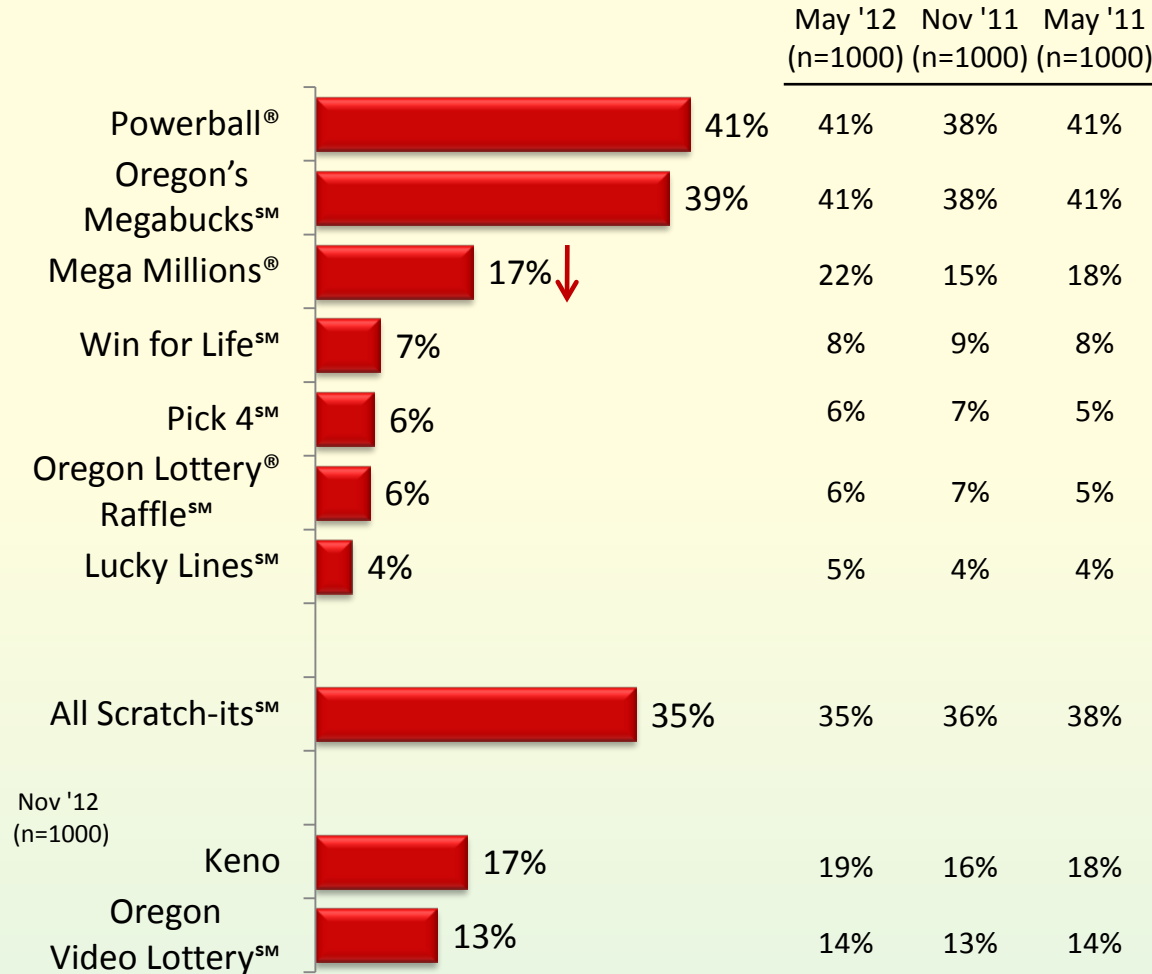
Awareness of Oregon Lottery® Advertising

- Awareness of Oregon Lottery® advertising is down significantly from last wave to 74%. This is the lowest figure recorded since Nov '08.
- Reduced volume of Oregon Wins and Powerball®/Mega Millions® ads/visibility in the three months prior to, and during, fielding likely contributed to this decrease.



- Unaided awareness of most games remains stable.
- A total of 60% of adult Oregonians are aware of at least one core game.
- However, Mega Millions® experiences a five-point decrease from the May '12 wave.
 - The current figure (17%) is more in line with what has been reported in earlier waves.
 - The record jackpot prior to the May '12 wave significantly increased game awareness.

Awareness of Oregon Lottery® Games

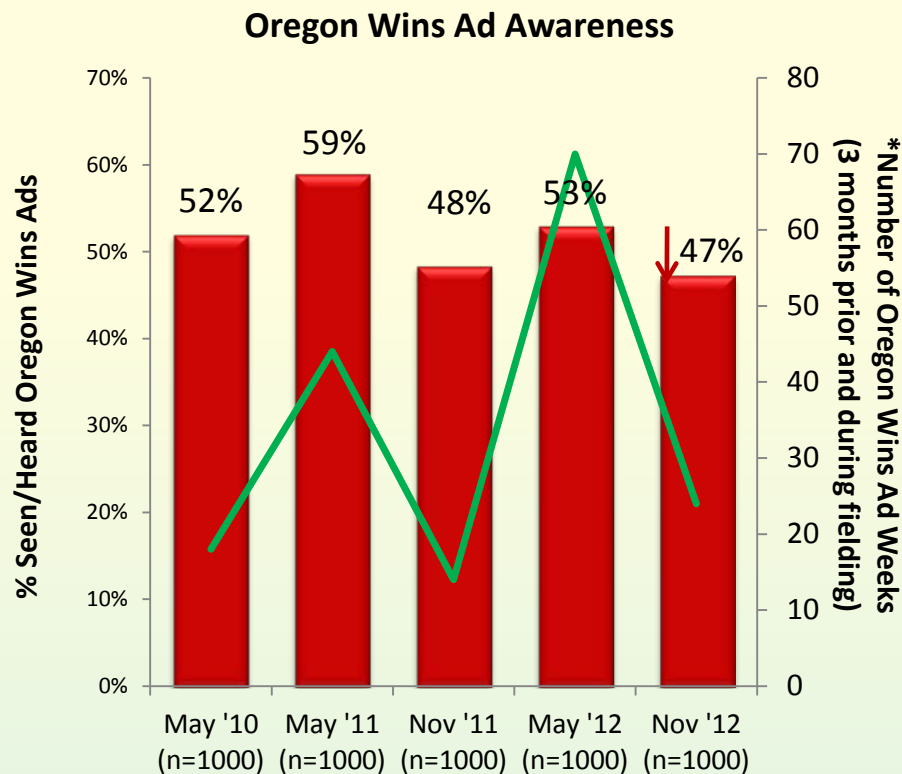




Trends: OWins/Responsible Gambling

Oregon Wins Advertising Awareness

- Overall awareness of Oregon Wins advertising falls to 47% this wave, significantly lower than in May '12.
 - Decreased Oregon Wins advertising during, and three months prior to, fielding.

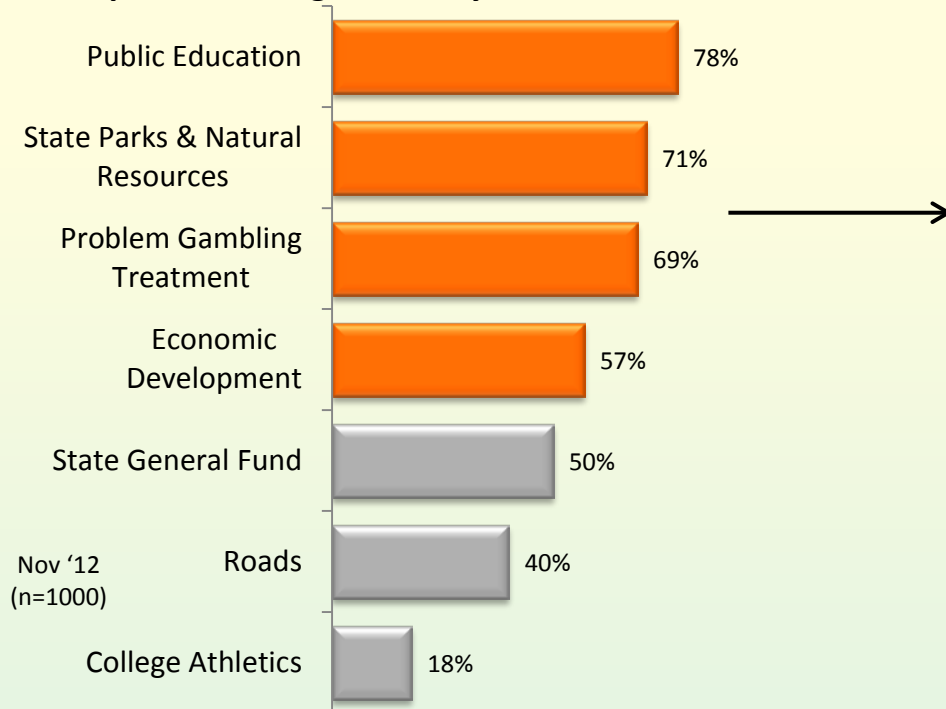


**Indicates the number of weeks an ad was run 3 months prior to, and during, fielding*

Where do Lottery Funds Go?

- **L-TEAMS Outcome Measure: 83% of Oregonians 18+ can correctly identify at least two of the four recipients of Lottery funding.**
- **L-TEAMS Outcome Measure: 69% of Oregonians 18+ are aware that Lottery funds are allocated to problem gambling treatment programs.**
- **The recipient of Oregon Lottery® funds correctly identified most often is Public Education, followed by State Parks/Natural Resources, and Problem Gambling Treatment.**

Recipients of Oregon Lottery® Funds – Aided Awareness



Number of Recipients Correctly Identified

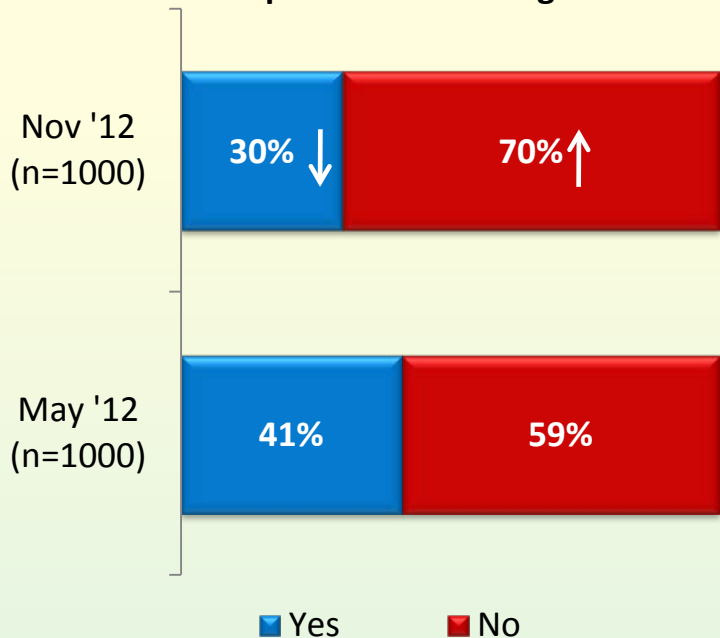
	Nov '12 (n=1000)
Any (net)	93%
One	9%
Two	18%
Three	31%
All Four	34%
None	7%

83% (sum of Two, Three, and All Four)

NOTE: Question not asked prior to Nov '12

- 86% of Oregonians 18+ are aware that problem gambling treatment is available in Oregon.
- Responsible gambling ad recall falls eleven points to 30% this wave.
 - Less radio in the months leading up to Nov '12 surveying.
- Awareness of what the Oregon Lottery® offers with respect to problem gambling is highest for TV ads about gambling responsibly and setting limits on budget and play time; brochures regarding prevention and treatment, and newspaper ads.

Responsible Gambling Ad Recall*



Awareness of Oregon Lottery's Problem Gambling Offerings**

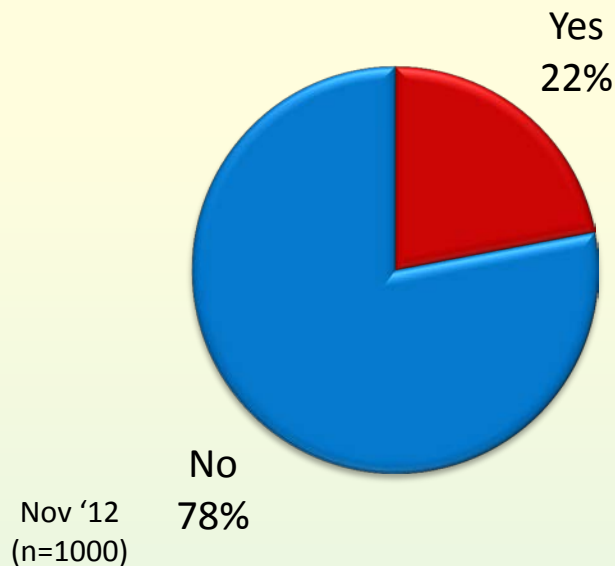
	Nov '12 (n=1000)
TV ads about responsible gambling and setting a budget and time limit	58%
Brochures about problem gambling prevention and treatment	36%
Newspaper ads about problem gambling	32%
Problem Gambling Helpline information sticker on Video Lottery terminals	27%
Link to the problem gambling helpline site from the Oregon Lottery's website	22%
Credits displayed as dollar amounts on Video Lottery terminals	22%
Online banner ads about problem gambling signs and treatment	18%
Clocks displayed on Video Lottery terminals	15%

*Question not asked prior to May '12
 **Question not asked prior to Nov '12

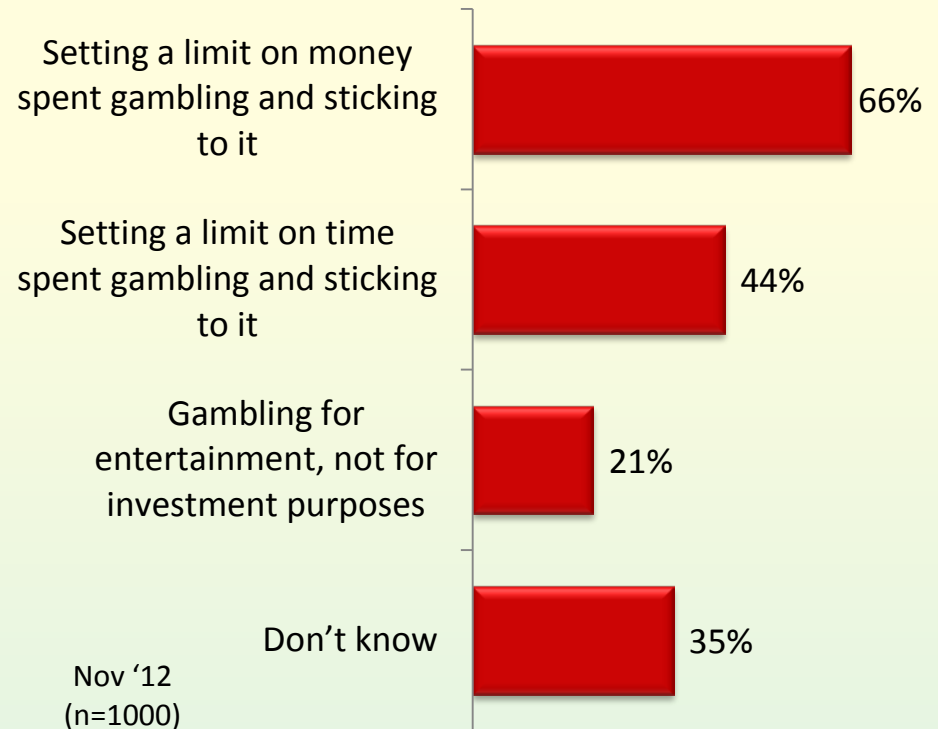
Responsible Gambling

- The majority (78%) of respondents are not morally or philosophically opposed to gambling. Those who are opposed tend to be female and over age 55.
- The tactics for responsible gambling that adult Oregonians are most often able to mention are setting a gambling budget and setting a time limit.

Morally or Philosophically Opposed to Gambling



Ways to Gamble Responsibly



NOTE: Questions not asked prior to Nov '12

Issues to Address:

- Messaging is having the intended effect – maintain:
 - 83% of adult Oregonians can correctly identify at least two recipients of Lottery funds.
 - Adult Oregonians most often mention setting a spending budget, following by setting a time limit, as ways to gamble responsibly.