

THE PRESIDENT'S CORNER

Dear Retail Partners.

Happy birthday to us! The Kentucky Lottery is turning 35 this year, and as valued members of our retail network, I want to extend a heart-felt "thank you" to each of you across the state. Our retail community has been with us since day one and continues to play a vital role in our success year after year.

On April 4, 1989, the first day of Lottery sales, our retailers sold more than \$5 million in Kentucky Lottery tickets. The Lottery's first week of sales generated \$27 million. Today, thanks to our partnership with you, we have 3,400 retailers in our network supporting record sales year after year.

In 2023, we shattered sales records to the tune of more than \$1.8 billion, allowing us to return \$84 million to our retail community. And we just crossed the milestone of \$5 billion in Kentucky Lottery proceeds funding college scholarships and grants for Kentucky college students since 1999.

In 1989, our first instant games were BEGINNER'S LUCK, a \$1 game with a \$1,000 top prize, and KENTUCKY DERBY DREAMSTAKES, a \$2 game, based on the world's most famous horse race, the Kentucky Derby. At the 1989 Derby, Danny Hurley of Chavies, Kentucky, became the first \$1 million winner as Sunday Silence crossed the finish line as part of the \$2 game promotion.

Today, Powerball and Mega Millions billion-dollar jackpots plus the \$50 Millionaire Club and 500X scratch off tickets are driving customers to retail locations in every region of the state. I'm especially proud of our \$20 Kentucky Lottery 35th Birthday Scratch-off ticket that celebrates our ongoing retailer partnership and is loaded with \$35,000 top prizes to mirror our 35th anniversary.

At 35, we are so excited about the milestones surpassed, sales records broken and the many accomplishments that have come from our fantastic partnership and we look forward to even more success with you in "fueling imagination and funding education" in the years ahead.

My B. Handle

All the best.

Mary Harville Kentucky Lottery

President and CEO



Editor of The Quarter Magazine - Sara Westerman, Senior Marketing Specialist

WATCH OUT FOR **CREDIT CARD SCAMS!**

By Rachel Harrod, Corporate Investigator

Kentucky Lottery Security has seen an alarming increase in credit card scams at the retail level. These scams have resulted in significant losses for retailers as scammers are using fraudulent or stolen cards and manipulating clerks into pressing "cash transaction" or letting the scammer manually enter credit card numbers. These tactics are then used to purchase large amounts of lottery tickets. Here are a few tips to avoid falling victim to credit card scams:

AVOID MANUAL ENTRY

Refrain from manually entering credit card numbers to minimize fraudulent transactions.

EDUCATE STAFF

Train employees to recognize suspicious behavior, such as unusual purchase patterns (large purchases), multiple declined transactions, or attempts to distract staff during transactions.

MONITOR TRANSACTIONS

Regularly review transaction logs and monitor for any unusual activity or discrepancies.

REPORT SUSPICIOUS ACTIVITY

Encourage employees to report any suspicious activity or attempted scams immediately to management and KLC Security.

CARDHOLDER NAME

Please be vigilant against credit card scams and report any suspicious or fraudulent activity to KLC Security immediately. Prompt action can help prevent further losses, protect others, and helps to hold perpetrators accountable.

KLC SECURITY 24-HR EMERGENCY NUMBER:

502-560-1910

Notice - Starting in June, the Winning Numbers Hotline (502-583-2000) will no longer be available. Please remind players they can get winning numbers from any Kentucky Lottery retailer, on the website at www.kylottery.com or the official Kentucky Lottery app.

SCRATCH-OFFS

By Rhonda Zimmerman, Director, Scratch Games

FIVE NEW GAMING AND CASINO TICKETS LAUNCH ON MAY 9!

We may not be in Vegas, but we still have a winning hand with the five new games launching in May.

\$5 - CORNER CASH CROSSWORD

This extended play crossword game is sure to entertain players with five different puzzles to solve. It has a \$50,000 top prize and includes a \$30 or \$50 winner in every pack, in addition to the high gleps of \$260, with overall odds of winning at 1 in 3.41!

\$5 - MOOD MONEY

This fun, whimsical game is so on-trend, players will love the quirky cuteness of this ticket that features a chance to win up to 15 times and up to \$60,000! In addition to the gleps of \$213, it also includes a \$30 or \$60 winner in every pack!

\$5 - \$100,000 CASINO NIGHTS

With three different casino-themed games and a chance to win up to \$100,000, your frequent players will love this new game! In addition to the top prize, this game includes a \$50 winner in every pack and over \$13.5 million in total cash prizes and overall odds of winning at 1 in 3.40!

\$10 - GOLDEN CASINO

This \$10 game offers even more play action for your high rollers with five different games plus a bonus play for the chance to win up to 14 times! The black and gold design features an upscale luxury look and feel, with a chance to win up to \$200,000, including a \$50 winner in every pack in addition to the gleps of \$295 and total cash prizes of over \$14.2 million!

\$20 - \$1,000,000 CASINO NIGHTS

For your players who want to go "all in", this is the game for them. With a \$1 million top prize, over \$17.2 million in total prizes, 25 chances to win on every ticket, and overall odds of 1 in 2.74, this simple slots play style with five Fast Cash bonus chances is just the ticket!





"COME ON DOWN" ON JUNE 13 AS WE LAUNCH A NEW VERSION OF THE PRICE IS RIGHT™!

This game features 3 mini games from the show including SPIN THE WHEEL™, PLINKO™, and THE SHOWCASE™. This game will appeal to both frequent as well as novice and non-players due to the long history of this beloved nostalgic brand. Players have a chance to win up to \$75,000 instantly! Additionally, we have an incredible second chance promotion planned to support this game for the duration of time in the market. When entering this promotion, players will have the chance to play an interactive "The Prize Is Right" mini-game to earn multiple entries into each of six drawings to win additional cash prizes. Stay tuned for more details as the launch approaches!

OTHER GAMES LAUNCHING ON JUNE 13 INCLUDE:

\$2 - TRIPLE PLAY featuring a \$15,000 top prize, with 3 ways to play and 3 ways to win on every ticket.

\$10 - THE BIG \$10 TICKET features a \$210,000 top prize and 2 different color scenes in each pack – are you a red fan or blue fan? Why choose? Play both!

\$20 - \$100 OR \$200 LIMITED EDITION features over \$13.8 million exclusively in \$100 and \$200 winners!

\$30 - HIT \$5,000 features 100 - \$5,000 top prizes and 400 - \$2,500 secondary prizes, and over \$24.5 million in total cash prizes! This game will also serve as the anchor for our new HIT family that will kick off the new fiscal year in July!

IMPORTANT NOTICE REGARDING THIS GAME:

To eliminate vending machine dispensing issues on long tickets, this game has been reduced from 12" to 10". Moving forward, all \$30 and \$50 tickets will be 10" just like our \$20 games.



TERMINAL-GENERATED GAMES

By Monica Bischoff, Terminal-Generated Games Product Manager

As we head into the last quarter of FY24, sales continue to remain steady above sales quota for terminal-generated games with games like Powerball, Mega Millions, Fast Play and monitor games like Keno & Cash Pop seeing the largest sales increase.

DOUBLE PLAY LAUNCHED ONLINE

Double Play launched online on April 8. The Powerball add-on feature launched at retail in November 2023. We've had over 20,000 winners since launching the add-on feature. For an additional \$1 per play, players can add Double Play using their same numbers in a separate drawing for a chance to win up to \$10 million!



NEW FAST PLAY GAMES

We're rounding out FY24 with four more Fast Play game launches! Throughout May, we will be launching a new game almost every Monday. On May 6, we're introducing a \$20 Bluegrass Jackpot Fast Play game. This game was launched as a family in October 2020 and didn't have a \$20 price point. On May 13, we're bringing back \$5 5 Card Cash and on May 20, a seasonal favorite: \$3 BBQ Bingo.

The Fast Play games are at various price points with each game eligible to win a percentage of the rolling jackpot:

\$3 BBQ BINGO - 30% of the jackpot

\$5 5 CARD CASH - 50% of the jackpot

\$20 BLUEGRASS JACKPOT- 100% of the jackpot + \$250,000

Lastly on Thursday, June 13, we're launching the first ever licensed property bi-channel game in conjunction with our Scratch-off product, \$5 THE PRICE IS RIGHT™. This game will have a fixed top price, loaded with \$1,000 and \$5,000 prizes and won't be contributing to the progressive jackpot. In addition, the Scratch-off and Fast Play game will hold a second chance promotion that runs through December 2024. See the promotions page for more information.



DRAW GAME PROMOTIONS

To finish FY24 out, we plan to run another terminal promotion and a few second chance promotions.

We're bringing back the successful Pick and Play promotion that ran in November 2023 to increase our Pick 4 sales! Players who meet a minimum purchase of \$10 or more in a single ticket transaction will receive two FREE 50-cent box Pick 3 plays.

Read more about the second chance promotions on the Promotions page.



MAXIMIZE EARNINGS WITH IGIFT AND IFUND



By Ashlee Richards, VP of Products and Matt Nichols, Director of Digital Product

In our continuous journey to support and enhance the success of our retail partners, we want to reemphasize the value of the Kentucky Lottery's iGift and iFund initiatives. These features are pivotal in tying together the digital and physical realms of lottery sales, ensuring growth and success across all facets of our business.

More importantly, we want to remind you that transactions of iGift and iFund earn you a 5% commission, bolstering your revenue while enhancing player engagement.

BRIDGING RETAIL AND DIGITAL: Meeting Players Where They Are

iGift and iFund serve as an essential bridge between the Kentucky Lottery's online platform and our valued retailer network. iGift allows customers to gift lottery funds for any occasion, and iFund enables players to conveniently fund their online accounts without connecting their financial information directly to an online account. Both features not only provide a seamless experience for players but also drive foot traffic and engagement at retail locations.

STRENGTHENING THE LOTTERY ECOSYSTEM: The Retailer Advantage

Our goal is to create a symbiotic relationship between our digital offerings and retail locations. By promoting and facilitating iGift and iFund transactions, you play a crucial role in this ecosystem. This collaborative approach ensures that as the Kentucky Lottery grows and evolves, our retail partners share in this success, benefiting from enhanced sales, customer engagement, and loyalty.

PROMOTING IGIFT AND IFUND IN YOUR STORE

To maximize the benefits of iGift and iFund, we recommend the following strategies:

- Educate Your Staff: Ensure your team understands how iGift and iFund work and the benefits they offer to players. Knowledgeable staff can effectively promote these features.
- Offer Incentives: Consider creating store-specific promotions or incentives for customers who purchase iGifts and iFunds, further encouraging adoption and engagement.

CONCLUSION

iGift and iFund are not just digital conveniences; they are integral components of a comprehensive strategy to ensure the growth and success of both the Kentucky Lottery and our retail partners. By actively promoting and participating in these initiatives, you help create a more connected, engaging, and prosperous lottery ecosystem. We are committed to supporting you in these efforts and look forward to our continued partnership!





PROMOTIONS

By Susan Simmons, Marketing Manager, Promotions & Production

The Kentucky Lottery Promotions Team has lots of fun packed into the upcoming months! There's a wide variety of promotions sure to appeal to all players regardless of their game of choice.

TAKE 2 FINAL QUARTER WITH A 35TH ANNIVERSARY REBRAND

Kicking off the fun this Spring is the final Take 2 promotional period. This promotion supports all draw and scratch-off games and gives players a true second chance with all eligible tickets for entry! We've added a special \$35,000 cash prize to celebrate our anniversary!

Take 2 Promotion Details

Promotion Period: Monday, April 1 - Sunday, June 30, 2024 Eligible Ticket: All tickets purchased at retail are eligible.

The drawing will take place Tuesday, July 2, 2024.



Tier 1:

- Tickets valued between \$.50 \$10.99 are eligible to enter.
- Ten (10) winners will be selected to win \$350.
- In celebration of the KLC's 35th Anniversary, one (1) grand prize winner will be selected to win \$3,500.

- Tickets valued between \$11 \$99.99 are eligible to enter.
- Six (6) winners will be selected to win \$3,500.
- In celebration of the KLC's 35th Anniversary, one (1) grand prize winner will be selected to win \$35,000.

NASCAR POWERBALL PLAYOFFS!

The Kentucky Lottery will once again be participating in the NASCAR Powerball Playoffs! NASCAR and Powerball have created a season-long promotion that will culminate with one lottery player winning a \$1 million prize in a special drawing broadcast live from the Phoenix Raceway during NASCAR Championship Weekend, Nov. 3-5. The Kentucky

Lottery will draw 25 participants in the promotion, and two lucky grand prize winners will receive a VIP NASCAR Championship Weekend experience!



Promotion Period: Monday, May 6, 2024 - Sunday, June 16, 2024

Eligible Ticket: Eligible \$3 Powerball tickets with the Double Play or Power Play add-on feature.





CELEBRATION OF KENTUCKY

This summer will be a celebration of the Bluegrass and all the ways to play with the Kentucky Lottery. We will be highlighting Kentuckythemed tickets as we travel around the state this summer to celebrate 35 years of winning! The Kentucky Lottery will hit the road in May with events all across the Bluegrass.



THE PRICE IS RIGHT™ SCRATCH-OFF AND FAST PLAY SECOND CHANCE PROMOTION

In June, we will kick off a fun interactive player experience and promotion with THE PRICE IS RIGHT™! Scratch-off and Fast Play tickets that include a QR code for players to scan, which will take them to THE PRICE IS RIGHT™ landing page. Players must be Fun Club members to participate and enter the promotion. THE PRICE IS RIGHT™ second chance promotion will include an opportunity for players to play one of four games from THE PRICE IS RIGHT™ TV show and earn extra entries into the promotion. More details to come, but the fun will start June 13 and last through December with drawings every four weeks!



WINNERS WINNERS EVERYWHERE!



JOSELYN BONILLA

Cash Double Doubler

Cave Run Lakemart - Morehead

"We totaled it up, but it only came to \$180,000," he said. Next, Joselyn flipped the ticket over to scratch off the back, uncovering the additional \$45,000.

"I couldn't believe it," Joselyn said. "We checked it using the app, and there it was!"



AMBER SNEAD

25 Days of Winning

Crossroads IGA - Lexington

"I honestly couldn't believe it. The first thing, I was like, we're getting our food truck." That's just my passion, I love elevating food, and seeing people's reaction to food. I'm just ready for it."

GARY STEPHENS | \$50,000 CA\$H

Clark's Pump-N-Shop #52- Grayson

"I started feeling chills running down the top of my head," Stephens said. "It felt pretty good!"



LARRY DUNCAN

Millionaire Club

Dixon Marathon - Dixon

"Something's going on here," Duncan said. "It was just shocking to me; you just don't expect it."



TANYA HAMMONDS

\$50,000 CA\$H

Circle K #3207 - Newport

"Before I scratched the numbers, I scratched off the barcode and scanned it," Hammonds said. "I saw \$50,000 and I thought the app was malfunctioning.



LOTTERY CUSTOMERS RACING" INTO SALES!

By Adam Rosenblatt, Partner, Bold Decision, Jeff Lenard, VP NACS & Greg Wood, Director of Market Research Services, Kentucky Lottery

As the Spring driving season is upon us, and as we approach the 150th running of an important "race" here in the Commonwealth of Kentucky, it is important to make sure that when your customers "race" into your store, you have exactly what they're looking for!

It's impossible to predict what any given customer might do upon entering your store, but 2023 survey data from Bold Decision and NACS sheds light on the journey of many customers and their in-store habits. With this information, you can more effectively plan for adjacencies or targeted marketing that ties into what your customers want.

It is no surprise that the single most common action bringing consumers to c-stores is a fill-up. Half of all Americans say that buying gas was the main reason for their last visit to a convenience store.

According to the 2023 study, more than half of all drivers filling up at the pump go inside the store. This figure has mostly held steady over the past decade—regardless of the price at the pump. In 2023, a record 59% of customers filling up said that they also went inside the store.

Customers who go inside perform roughly two and half in-store "actions" on average (2.58, to be specific). More than nine in ten customers who come into the store perform an action—the most common include paying for gas at the register and buying a drink. However, they often perform many other actions, too, such as purchasing a snack, meal, lottery ticket or tobacco or other non-purchase activities such as using the ATM or the bathroom.

Customers who pay for gas at the register tend, on average, to have 3.10 total actions, which is low. It could be that customers paying for gas tend to be in a hurry and enter the store with just that specific task in mind. Toward the other end of the spectrum, customers who bought a sandwich performed an average of 3.91 actions. And lottery customers performed an average of 3.48 actions.

Buying lottery tickets is a common action for c-store customers, and there are two actions that lottery customers are more likely to perform than average: 20% use the ATM and 16% buy beer/wine. Customers ages 50 to 64 are the most likely to purchase lottery tickets (30%). Lottery customers also tend to be regular customers, returning to your store to purchase their favorite games, as well as the newest games available.

Kentucky Lottery C-Store retailers did a great job of reducing out-of-stock percentages in 2023, allowing for a higher volume of tickets to be sold and allowing for more retailers to become eligible for incentive payments. We encourage all lottery retailers to continue to speak with your Territory Sales Managers about ways to enhance your lottery offerings so that your customers will continue to "race" into your store again and again!

THE MAIN REASON FOR YOUR TRIP?



50% To buy gas



To use the bathroom/ATM



To buy a beverage



7% **Other** (for example, tobacco)



To buy food/meal/ snack/gum

WHAT DID YOU DO INSIDE THE STORE?

(Multiple responses permitted)

45% Paid for gas at the register

43% Bought a drink (coffee, fountain, packaged)

32% Bought a snack

28% **Bought cigarettes**

22% Used the bathroom

20% **Bought lottery tickets**

17% Used the ATM

13% Bought beer/wine

13% Bought a sandwich/meal

12% Bought fill-in groceries

10% Bought gum/mints

8% Just browsed/none of the above

WORK READY SCHOLARSHIP OPENING DOORS FOR STUDENTS

By Stuart Hammer, Content Producer

Shuffling over the ice and mud-caked floor, Tristen Miles takes stock of all he has accomplished in his 21 years. Empty bowls with the remainder of lunch-time chili sit on a card table in the corner, and an industrial heater buzzes overhead, keeping the countless pieces and parts of his operation warm.

"I always wanted to be a plumber," Miles said. "I always wanted to work with my dad."

Parked in front of the shop is a red work truck, covered in road grime from the day-before snow, with his last name painted yellow across the back. The unassuming structure he and his father Lee run a business from is their home of a dream come true.

Tristen was only 16 when he started working for Miles Plumbing. He learned from his dad, but to become a master of his craft Tristen needed more training. The Work Ready scholarship funded by the Kentucky Lottery helped him get there.

"If I hadn't got the scholarship, it would have been a lot harder," he said. "I definitely would not have been able to do as many of the things that I have done without the scholarship."

Earning the Work Ready scholarship was one of the simplest but most rewarding tasks Tristan has ever done. "I got online and just filled out a short application," he explained.

"I got an email from school saying my tuition been paid."

Tristen earned professional certifications by the time he was 18, then he took management classes, and now he can run his dad's business.

"Very proud," Lee said with a smile. "The Work Ready scholarship provided him that opportunity."

Tristen makes daily house calls across Hart County as his father transitions out of the day-to-day process. He credits the Kentucky Lottery for allowing it to happen so early in his career.

"The Work Ready scholarship has opened up doors for me to really excel in places that I wouldn't have been able to otherwise," Tristen said.

For Lee, to see his son, the fourth generation, carrying the wrench of Miles Plumbing, is almost too special to put into words. "It means the world to me," said Lee. "He worked really hard to achieve it."

The shop in Hart County is just one symbol of what the Kentucky Lottery can do. And with more dreams like Miles' coming true, you can believe the Commonwealth is in good hands.



JEFFERSON SPOTLIGHT











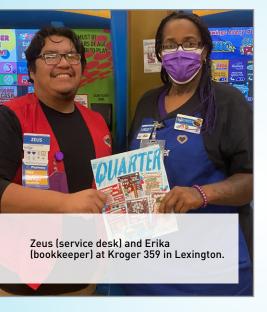








BLUEGRASS SPOTLIGHT



















Ann Damron (recently retired), Cooper, Max, and Cameron at Kroger #361 in Lexington.

CENTRAL SPOTLIGHT



















EASTERN SPOTLIGHT















Kentucky 5 top prize.



Harry and Harry, of Good Spirits Wine & Liquor, are opening a new store in Park Hills.



WESTERN SPOTLIGHT



















CORPORATE ACCOUNTS

Go Time held an Out-of-Stock contest for the month of December. Here are the winners:



1st Place Go Time 2



2nd Place Go Time 7



3rd Place Go Time



Corporate Account Manager Alfredo Santana and Circle K # 3303 manager Joe. The store came in 1st place for the Circle K In-Stock Contest.



Alfredo Santana and Estepp's 1011 manager Matt. The store came in 1st place for Estepp's In-Stock Contest.



Alfredo Santana and Santa at Food City #425's Grand-Opening Ambassador Event!

NEW FACES



MATT **NICHOLS** Director of Digital Product



TERRY **SEBASTIAN** Director of Communications and Public Relations



ANNA **THOMAS** Regional Training Coordinator



SUZI LAZZARI TSM II. Jefferson Region



CHRIS **EPLEY** TSM II. Western Region



KARLA **ASHMORE** TSM II, Bluegrass Region

PROMOTED



LISA LATHAM Senior Sales Operations **Specialist**

+ AMY'S CLOSING THOUGHTS

We are "SPRINGING" into our 35th year here at the Kentucky Lottery Corporation!! That's 35 years of retail excellence driven by your consistent partnership and support.

We have so much to celebrate. First, I'd like to say a few words about three sales department employees that have been a part of your success for 35 years. Wes Hardin is the Eastern Region Sales Manager, Lisa Murphy is our State Sales Director, and Pete Ramsey is VP of Corporate Accounts and New Business Development for the Kentucky Lottery. All have proudly worked beside you, our retail partners, for over three and half decades. Yes, that's right, these three were here to launch the TWO original scratch off games in 1989 and are now part of the eight game launches a year with as many as six games in just one launch!

There are too many accomplishments and initiatives these three have executed to mention here and it's no wonder these original employees are now leading corporate accounts, the field sales team, and the Eastern region. They are considered mentors and friends here at the KLC and by many of you.

Also, the KLC has 45 independent locations and 159 corporate locations that have been selling lottery for 35 years. THANK YOU! Our first three months of sales in 1989 totaled \$124 million. With your help we do well more than that in one month all these years later. We've reached the \$5 billion mark in scholarships and grants and none of this would be possible without you, our partners.

Our marketing and product teams have fantastic lineups in April, May, and June that will continue to drive traffic to your locations and increase revenue. There will be a new \$2, several \$5, \$10, \$20 and a \$30 dollar ticket full of \$5,000 winners and, of course, there will be no shortage of spring giveaways and promotions to keep your players engaged.

Our field staff, corporate account team, and sales operations team consistently look for ways to provide excellent customer service and grow your business. Thank you again for your commitment to excellence in execution and partnering in our continued mission of "Fueling Imagination and Funding Education."

Amy Drooker

Kentucky Lottery Vice President and Chief Revenue Officer

TIPS FROM THE TRAINERS QUICK TIPS TO MANAGE OUT-OF-STOCKS

By Kaleb Johnson, Regional Training Coordinator

"Vending Reports" from your Altura are an excellent tool to assist in managing out-of-stocks in your Kentucky Lottery Vending Machine. There are two reports that are recommended and will be very helpful with this process.

The INVENTORY REPORT that is located within "Vending Reports" shows the Bin number, Game Number, Price Point, Ticket Count, and Pack Value. By using this report to monitor

the Ticket Count, you have a better understanding of inventory inside your Vending Machine. It is also recommended that you tape tickets prior to the ticket count reaching 0. Taping ticket packs together is another way to save you time when managing out-of-stock ticket issues.

To access the Vending Report on the Altura:

- Select "Reports"
- Select "Vending Reports"
- Select "Inventory"
- Select "Print"



The STATISTICS REPORT shows the overall out-of-stock percentage for the last 24-hour period, as well as each individual bin's out-of-stock percentage. Using this report will give

you an opportunity to look at your out-of-stock percentages daily and plan to manage them accordingly.

To access the Statistics Report on the Altura:

- Select "Reports"
- Select "Vending Reports"
- Select "Statistics"
- Select "Today"
- Select "Print"



www.kylottery.com/retailer

@KyLottery





