

WHAT IS OMNI-CHANNEL?

FY23
SUCCESS

MEET OUR
SECURITY INVESTIGATORS

## the President's corner

From huge Mega Millions and Powerball jackpots to a new Kentucky-only draw game to many successful scratch-offs, Fiscal Year 2023 was a success unlike any other in Kentucky Lottery history. Together we've broken records, hit lofty goals, and achieved so much, all in the name of "fueling imagination and funding education."

This past year saw a number of records broken, including sales, prizes to players, and transfers sent to the Commonwealth. Our retailers play a critical role in this success, so we want to thank you. Beyond all the behind-the-scenes work you do to ensure sales are the best they can be, you are also a key conduit between the Kentucky Lottery and the public.

But success in FY23 does not guarantee success in FY24, and we know there are always challenges on the horizon. Still, together I am confident that we can overcome whatever unexpected twists and turns are thrown our way. In addition, we have a slew of brand-new games launching this month that you can read about in the following pages.

I know there will always be worries and concerns about how to make your business as successful as possible. Trust me; we have those conversations every day. But know that the Kentucky Lottery stands as a partner for you in both good and uncertain times, and that means we are always looking for new and innovative ways to keep those players coming into your stores.

All the best,
Mr R. Haical
Mary Harville
Kentucky Lottery
President and CEO


# FY23 SUCCESSES and recoros broken 

FY23 RECORD SALES
\$1,840,9管管000
$\$ 164.5$ million
more than last year

# CASH PAYMENTS TO KENTUCKY TO FUND SCHOLARSHIPS AND GRANTS 

## \$380,341,000

\$19.5 million
more than last year

## Rusise <br> OMNEGIANNE GANE

The Kentucky Lottery is launching our first true "Omni-channel" game using the same game, Precious across all three game channels - Scratch-off, Fast Play and Instant Play - on August 31st. Precious feature a $\$ 10$ Scratch-off ticket, a $\$ 10$ Fast Play draw game and an Instant Play game.

The launch of Precious ry's includes events around the state to build excitement of the game, as well as drive play from one game channel to the next.



## PRECIOUS 聞'S

In September, our Promotions Team will be back out and about creating positive player and retailer experiences! Instead of a traditional second chance promotion, for the Precious 탒's launch, we will be trying something a little different. We will not only be visiting various retail locations, but also utilizing Kentucky Lottery sponsorships at college football games in all corners of the state to show the various ways to play Precious 留's. We hope these onsite activations at retail and sporting events will be interactive, fun, and engage players all across the state to want to try this exciting new game!


## POWER © 1 <br> FIRST Winlu Mane OF THE YEAR ${ }^{\circ}$

live on NEW YEAR'S ROCKIN'EVE

## POWERBALL FIRST MILLIONAIRE OF THE YEAR SECOND CHANCE PROMOTION

We're bringing back the Powerball First Millionaire of the Year Promotion where players could win the trip of a lifetime to New York City AND a chance to win $\$ 1$ million. Be on the lookout for promotional POS placed at retail locations in August.

Promotion period:
Monday, August 21 - October 1, 2023

## TERMINAL PROMOTIONS



During the Q1 FY24, we're planning a few terminal promotions to run during the upcoming Fall sports season. To kick-off football season, we will have a Cash Pop Bonus Hours terminal promotion where players will receive $50 \%$ higher prizes on winning tickets. Following this promotion in October, we will launch the first ever increased 10X multiplier promotion where our system will draw the 10X multiplier on a more frequent basis during the promotional period.



At the Kentucky Lottery, we want the public to feel secure and confident with all lottery practices when they play our games. Every lottery ticket, whether scratch-off or draw game, represents a fair and equal chance to win - for everyone! By sharing knowledge on how to report security issues and how to protect players, our experienced security team works together with the public and law enforcement to prevent fraud and reduce unfair practices. Our Investigators routinely visit retailers and perform Retailer Security Reviews. These include but are not limited to checking the placement of lottery equipment, proper security of scratch-off inventory, review of daily tracking forms, checking the security of paper stock and consulting with our retailer partners on the proper use of their site security surveillance equipment.

Our security team includes highly qualified investigators in five different regions across the state. This location diversity allows our investigators to focus the necessary time and attention to each individual case. Additionally, we have a staff of trained security operations employees who monitor our security hotlines. We also assist retailers when they have suffered a loss from external or internal theft and support law enforcement in prosecutorial matters.

## MEET OUR Investicators

KEVIN NALLY is our Security Field Manager. He is responsible for conducting all investigations within the Eastern and Bluegrass Sales Regions, as well as the development, implementation, and management of various regional and departmental training programs. Kevin manages all KLC Security sworn field investigators/investigations and is also responsible for the onsite administration of the KLC's Retailer Integrity Testing Program.

JEFF SURATT is our Senior Investigator for the Bluegrass/Central Regions.

MATT CONLEY is our Western Region Investigator.

RACHEL HARROD is our Corporate Investigator. She handles security issues initiated from the corporate office, iLottery and various other investigations throughout the regions. Rachel is also the primary case intake and background investigation officer.

# SCRATCH-OFFS UPDATE 

By Rhonda Zimmerman, Director, Scratch Games

## SPOOKTACULAR FUN

 COMING YOUR WAY!On August 31, 比new games launch, including four Halloween-themed games at multiple price points:
\$1 HALLOWEEN CASH offers a
\$600 top prize.
\$2 LUCKY 13 has a $\$ 13,000$ top prize, including a $\$ 31$ winner in every pack.
\$3 SUGAR SKULL CASH, features a brand-new linked-grid play style with a $\$ 25,000$ top prize.
\$5 GRAVEYARD GREEN has a $\$ 31,000$ top prize and $\$ 4.2$ million in total cash prizes.


## NEW \$20 GAME!

NOTHING BUT CASH! offers a $\$ 1$ Million* top prize $1 * \$ 50,000$
year/20 years) and over \$1闖. 2 Million in total cash prizes!


# TERMINAL GENERATED GAMES UPDATE 

By Monica Bischoff, Product Manager of Terminal Generated Games

Retail sales for Terminal Generated Games finished the year above sales quota. Sales for Powerball, Mega Millions and Fast Play remained strong all year thanks to high jackpots.
The Fast Play category continues to grow. We're excited for new seasonal games, the omni-channel launch of Precious

## NEW FAST PLAY GAMES LAUNCHING AUGUST 31

In this launch, we have three seasonal games for the Halloween and the Fall season. In addition, we have our new omnichannel game, Precious 盷's that will also have a \$10 Scratch-off and Instant Play game to accompany the $\$ 10$ Fast Play ticket. The new Fast Play games are at various price points with each game eligible to win a percentage of the rolling jackpot:
\$2 Tic Tac Boo-20\% of the jackpot
\$3 Harvest Bingo - 30\% of the jackpot \$5 Cobweb Cash - $50 \%$ of the jackpot \$10 Precious唒's - 100\% of the jackpot With this launch comes the retirement of our \$10 VIP Platinum Fast Play game that launched August 2022 as our first bi-channel game with the $\$ 10$ VIP Platinum Scratch-off.


## COMING SOON

## NEW - Powerball's Double Play Add-On Feature!

On Sunday, November 12th, players will be able to add Double Play to their Powerball tickets at retail. The Double Play add-on feature gives

## KENTUCKY



DOUBLE PLAY $Z$ POWGRPLAY players the chance to win up to $\$ 10$ million in a separate drawing held following the Powerball drawing, using the same numbers played on their Powerball ticket. Double Play tickets cost an additional $\$ 1$ per play. New play slips with the new add-on feature will be shipped to all retailers in early November to replace the current Powerball play slips. More details to come in the Holiday edition of The Quarter!

## WINNERS WINNERS EVERYWHERE!

By Jennifer Cunningham, Sr. Communications Specialist


CHRISTINA BALLMAN
\$2,000,000 Diamond Dazzler
Clark's Pump-N-Shop - Georgetown
"Am I seeing that right?... I was in complete shock. You always think about it (winning), but when it really happens,

I couldn't believe it."


## Pick 4

## BP Fastrac - Bowling Green

"I saw my numbers and told her, 'I think I just won \$140,000.'
"I had just been saying to my girlfriend, you have to play to win."


## Wild Numbers 100X

## Fas Mart \#51島8 - Dry Ridge

"I saw the $5 X$ symbol on the first one, then again, then again." There were wins on all 20 spots on the ticket, totaling the game's \$500,000 prize.



## STACEY MOORE

## Bluegrass Blowout

Clark's Pump N Shop \#笣2 - Greenup
"I went out of the store screaming. A lady even asked me if I was okay. I told her, 'I couldn't be better.'" around several times. If anyone was watching, they would think I was crazy.


NORMAN REED 500X

Huck's \#52 - Kuttawa
"I started scratching the prize and saw zeroes and they just kept coming."

M\&S Food Mart - Louisville
"I saw it and hopped out of my truck, put my hands on my head, and spun


## RYAN GILKEY

## 500X



TIFFANY WILLIAMS

## 500X

Retailer: Sav A Step - Louisville
"I was freaking out when I saw $\$ 50,000$ pop up on the screen."

## JOSE GUTIERREZ

## Mega Multiplier!

## Dixie Market - Florence

"I saw $\$ 50,000$ on the screen and thought, I won $\$ 5,000$ but looked at it again and was like, 'No wait - that's $\$ 50,000$ !' I was so excited. I was like, 'Wow,wow,wow!'"


# RESEARCH SUMMER OF CONVENIENCE AND "THE MOST CHANCES TO WIN!" 

By Greg Wood, Director of Market Research Services \& Rebecca Kubran, Market Specialist-Key Accounts

People like what you sell: convenience.
The U.S. convenience store count rose $1.5 \%$ in 2023, an impressive feat given the economic factors of the past year. There are now an estimated 150,1侮4 convenience stores in the country. Putting that into context, this number would be about the same as adding all the country's grocery stores $(45,380)$, drugstores $(40,008)$
 McDonald's (about 13,000 stores).*

Convenience stores conduct an estimated 160 million customer transactions a day, which is equivalent to serving about half the U.S. population on any given day. Put another way, it's very likely that more people went to a convenience store on Super Bowl Sunday than watched the "Big Game," which had 113 million viewers.
It's not easy to serve millions of people every day but customers do value the customer experience convenience stores provide-and the personal connection. The majority still prefer to check out the "traditional" way-interacting with your teams at the register-although there are some variations by age. Customers under age 35 are almost twice as likely to want to use self-checkout machines ( $44 \% \mathrm{vs}$. $25 \%$ ). Similarly, most Kentucky Lottery players prefer to purchase tickets at the counter vs. the vending machine when given an option. That's why having lottery tickets available at the counter whenever possible as well as through vending is so important to your customer base.
"How do you prefer to make your purchase transaction in-store?"

|  | Total | Under <br> Age 35 | Age <br> $65+$ |
| :--- | :---: | :---: | :---: |
| Interact with a live cashier | $50 \%$ | $48 \%$ | $52 \%$ |
| Use Self-Checkout | $36 \%$ | $44 \%$ | $25 \%$ |
| No Preference | $14 \%$ | $8 \%$ | $23 \%$ |

"What did you do the last time you went in the store?"

| Bought a drink (fountain or packaged) | $\mathbf{4 3 \%}$ |
| :--- | ---: |
| Bought a snack | $32 \%$ |
| Bought cigarettes/vaping product | $28 \%$ |
| Bought lottery tickets | $21 \%$ |
| Bought beer/wine | $14 \%$ |

The price of fuel remains the top reason customers pick a specific location to fill up, and the importance of price as the leading factor has greatly increased over the past several years. It is critical to get drivers to the forecourt, as a record percentage of drivers ( $59 \%$ ) now say that they go inside the store after they fill up. And what do they buy once they get inside the store (other than gas)? The chart on the previous page indicates the top five most common items. How then do you get more drivers to your store to purchase gas and in-store items? Survey responses indicate that consumers crave a sense of normalcy. They want things to feel like they remember them-even if their memory paints an overly positive picture of the past. They also want the basics -- safety, security, cleanliness, and full shelves are paramount.
So while keeping your lottery bins full with a variety of Summer Scratch-off games will be imperative, the Kentucky Lottery will be assisting your efforts by debuting our newest $\$ 50$ Scratch-off game in September, titled "Kentucky's Millionaire Club"! Millionaire Club will feature four \$1 Million-dollar top prizes and over twelve-hundred \$10,000 prizes. To prepare for the launch of this game, the lottery conducted a survey among members of the Kentucky Lottery "Fun Club" to determine playing habits and ticket preferences among \$50 players. Players were shown four different $\$ 50$ ticket options and asked to rank them from most appealing to least. "Kentucky's Millionaire Club" was ranked first most often at $32 \%$. Respondents were also asked to explain why they chose their 1st place ticket. The reason mentioned most often for Millionaire Club was that it had the "most chances to win" out of all the tickets. Many respondents listed the specific " 39 Chances" call-out at the bottom of the ticket as their primary reason


Ranked 1st or 2nd*
*Percentage numbers represent the combined \% of respondents who ranked each game as either their 1st or 2nd favorite. for choosing it.

When asked to rank different ticket attributes in order of importance when buying a $\$ 50$ Scratchoff ticket, $28 \%$ of respondents ranked "the best odds to win regardless of the prize amount" as most important. The second most ranked number one attribute was "the highest top prize" at $22 \%$, followed closely by "the newness of the game" at $21.6 \%$.


In summary, consumers are seeking comfort, normalcy and fun opportunities that won't cost them an arm and a leg. The personal connection that players feel when they walk into your store, along with the fun and excitement of Kentucky Lottery games make for a winning combination-not only for the players themselves, but for students all over the state.

## WHERE DOES THE MONEY GO?

Helps Kentucky's most needy financially attend in-state colleges and universities
Recipients: 53,100
Total Money given: \$1范0,65雨,400

## COLLEGE ACCESS PROGRAM (CAP) GRANT



Assists Kentucky students pursuing degree or certificate for a high-need job in healthcare, advanced manufacturing, transportation/logistics, business/IT, and construction Recipients: 4,600
Total Money given: \$13,341,500


Provides incentive-based award to Kentucky high school students. Award amount depends on GPA and/or test scores
Recipients: 64,9뿡
Total Money given: \$111,311,500

| THE KENTUCKY LOTTERY ALSO FUNDS THE FOLLOWING PROGRAMS: |  |
| :--- | :--- |
| Dual-Credit Scholarship | Veterinary Contract Scholarship |
| Optometry Scholarship National Guard Tuition Grant |  |
| Teacher Scholarship | Early Childhood Development Scholarship |

## KEY ACCOUNTS



Key Account Manager Alfredo Santana is with employees at the grand opening of the WALMART in Danville.

Key Account Manager Alfredo Santana with WALMART employees at the grand opening in Paintsville.


COX'S SPIRITS AND SMOKE SHOPPE - Kentucky 5 Ask for the Sale winners. The promotion helped increase Kentucky 5 sales at Cox's by over 20\%.


COX'S SPIRITS AND SMOKE SHOPPE \#1管 in
Louisville - Alfredo with Tori, Julie, Pam and Alec.


COX'S SPIRITS AND SMOKE SHOPPE \#32 in Louisville Key Account Manager Alfredo Santana with Jeremy and Leo.


COX'S SPIRITS AND SMOKE SHOPPE \#21
in Shelbyville - Michelle, Elizabeth and Mom

Sales of scratch-offs are up 12\% at HUCK'S \#3笣4 in Owensboro since the menu board was placed in a more prominent location and they went from a 24 to a 36-game plan-o-gram.
Key Account manager Michael Hayden is with Christian. Christian said he loves that they now have more variety of exciting games to offer to their customers.


## Jefferson spotight

## FEATURED RETAILER

Dixie Food Mart, Louisville


Dixie Food Mart is one of the top selling retailers in the Jefferson Region. They recently hosted a Grillin' \& Chillin' promotional event.


[^0]

Sandy and Asha at Next Door Convenience Food Mart in Louisville.


[^1]

> Lisa at Super USA \#5 in Louisville


Sunny Patel \& Asha Patel at Pleasureville Food Mart Express in Pleasureville.


## bLUEGRASS SPOTLIGHT

## FEATURED RETAILER

Gasoline Alley, Winchester



Owners Randy and Mrs. P of Beni Corporation in Lexington.


Sumii and Herae Patel of J D's Food Mart in Burlington.
 Mart in Georgetown.


Owner Amrit Karki at Shell Food Mart in Frankfort.
$1-1 \times 1=$


## central spotlight

## FEATURED RETAILER

Flying Horse, Edmonton


Flying Horses is one of the top selling retailers in the Central Region. They recently hosted a Grillin' \& Chillin' promotional event.


Donna, Gayle and Ryan at Powers Express \#2 in Hawesville.


Vijay and Jay at TMart \#503 in Bowling Green.


General Manager Jai Chavda at EZ Market in Munfordville.


Nick Patel at D\&D Shell in Science Hill.


Roshni and Raj at Fort Logan Trading Post in Stanford.


Managers Melissa and Sherry at Parkway Valero in Lawrenceburg.
SRFORM
WBOUNANCE

## EASTERN SPOTLIGHT

## FEATURED RETAILER

Quality Mart, Grayson


Crystal Decker and Dylan Clendenen at Convenient Food Mart in Corbin.




## western spotlight

## FEATURED RETAILER

Lotto Xpress, Guthrie



Fran and LSR Melissa Gable at Smoke Shop \#2 in Paducah


## Allie at Little General \#3268 in Benton




## SHARE THE WINS!

Don't forget to share your store's wins! If a Kentucky Lottery player wins on a Scratch-off, ask if your store can share it on social media! Be sure to ask if the player if they would be ok with a photo and then post on your social media feeds. If the winner doesn't want a photo, you can always include a picture of the winning ticket! Our players love seeing how others have won. Don't forget to tag @KYLottery in the post as we love celebrating our winners.


## SCAN HERE FOR A DIGITAL COPY OF THE QUARTER!

Want to download a copy of this issue or send a copy to someone? Scan the QR code below and you'll be all set!


## THERE ARE 39 MINI

 PRECIOUS 第'S IN THIS ISSUE!How many did you find?

## AMY'S CLOSING THOUGHTS

Well.... that's a wrap for FY23. This year has had it all! Large Jackpots, I mean BILLIONAIRES everywhere, a \$50 scratch-off, our very own Kentucky jackpot game, new Fast Play price points, and of course, our continuously fantastic lineup of scratchoff games at retail.

Here is a quick recap!
The first quarter supplied us with a $\$ 1.3$ billion Mega Millions jackpot and 12 new scratch-off games! The second quarter highlighted our highly successful family of Holiday Games, our NEW \$50 ticket, 500X, and a \$2 BILLION Powerball Jackpot. The third quarter was just as full of "WILD NUMBERS" Yes, we launched our Wild Numbers family and another $\$ 1.3$ billion Mega Millions jackpot. The fourth quarter ended the same way it started rounding out with new Fast Play games and $1 \mathrm{~T}_{4}$ new scratch-offs to drive the summer traffic right to your front door.

The Kentucky Lottery Corporation finished the year at \$945 million in scratch-off sales and a record-breaking total sale of $\$ 1.8$ Billion. How did we do this? We achieved our goal because of you, our partners, our expert field staff, the KLC corporate support team, our vendors and, of course, our players. We will continue to develop exciting products to drive business to your stores and add value as your trusted business partner.

The students of the Commonwealth thank you all for your hard work and daily contribution to their continued success. Congratulations on the \$4.8 billion contributed to our beneficiaries. Thank you again for "Fueling Imagination and Funding Education."


Amy Drooker
Kentucky Lottery Vice President and Chief Revenue Officer


## tIPS from the trainers

The Kentucky Lottery Retailer website is a wonderful resource where you can easily find information about the KLC's processes, events, new game launches and more. Go to kylottery.com and click 'Retailers' at the bottom of the home screen.

Scan the QR code below to go to the KLC's Retailer website for up-to-date information. You'll find recent events, helpful guides, training videos, notices and much more. If you need help with any training needs at your store location, please contact the KLC Training Team at trainingßkylottery.com and we will schedule a visit.



[^0]:    Meisha at Speedway \#9뛸12 in Louisville.

[^1]:    Prince Patel at Smoke Palace in Louisville

