

THE PRESIDENT'S CORNER

Dear Retail Partners.

Brrrr! Are we missing those warm, summer days yet? Maybe so, but I know our fantastic holiday games have kept your customers coming regardless of the cold temperatures outside. Congratulations on another successful calendar year as a Kentucky Lottery retailer. Each of you is a valued member of our network of retailers, and your success is our success.

We have accomplished so much together, and there is more on the horizon. Over the past year, we've had numerous huge jackpot runs for Mega Millions and Powerball, which drive customers to retail locations. We've launched a new \$50 ticket. We just brought you Double Play, a new add-on to the popular Powerball game. But that's not all – there's more coming to be excited about!

Earlier this year, we signed a new contract with our primary vendor that will provide a refresh of much of the equipment that you depend on every day, including a new central system connecting all retail terminals, 850 vending machines, 1,600 new devices to enable game content and lottery messaging, 1,500 new electronic payment/card readers for vending equipment, 500 new TV monitors, and dual cellular network for all retailers – no more satellite dishes!

I'm also pleased to tell you that as part of that contract, we will receive "Connected Play" - a feature that allows the collection of player data and connects retail and iLottery, which equals more traffic at retail. The benefits of our contract extension will hopefully begin in calendar year 2024 and be completely realized during calendar year 2025.

We are constantly innovating and adapting to make the player experience the best it can be. Our goal is to offer new and exciting games and promotions to

bring in those new players and keep our regular players engaged, with the result being more benefits to lottery retailers and more proceeds to fund college scholarships and grants for Kentucky college students. I know each of you shares that same goal as we head into 2024.

All the best.

My B. Handle

Mary Harville Kentucky Lottery President and CEO



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

THE KENTUCKY LOTTERY **CELEBRATES 35 YEARS IN 2024!**

Pick 3 is our longest running draw game. Originally named Kentucky Cash, Pick 3 started in November 1989.



Good causes that we've supported over 35 years:









- SEEK
- COLLEGE ACCESS PROGRAM
- KENTUCKY **TUITION GRANT**
- DUAL CREDIT **KY SCHOLARSHIP**

Over different Scratch-off games have been offered to players over 35 years.

Total payments to retailers since 1989:

OVER BILLION Six KLC employees have been with the company since 1989:







Wes Hardin



Sales Department







SCRATCH-OFFS

By Rhonda Zimmerman, Director, Scratch Games

A NEW X FAMILY DEBUTS JANUARY 3, 2024!

We all know how much our players love multiplier games and this year we'll be launching a brand new "X THE CASH" family featuring all new prizes including a chance to DOUBLE all prizes shown on a ticket and "bonus plays" for even more winning experiences!

\$2 20X THE CASH features a top prize of \$25,000, a chance to win up to 20 TIMES any prize won, and 12 chances to win on every ticket!

\$3 30X THE CASH features a bingo play style with a chance to win up to 30 TIMES any prize won and a top prize of \$30,000.

\$5 50X THE CASH offers a top prize of \$150,000 and a chance to win up to 50 TIMES any prize won as well as three bonus plays for a total of 18 chances to win on every ticket!



\$10 100X THE CASH offers a top prize of \$225,000, with over \$14.4 Million in total cash prizes and over 48,000 prizes between \$50 - \$1,000. This game also features a chance to win up to 100 TIMES any prize won and five bonus plays for a total of 20 chances to win on every ticket, and great odds of winning \$200 and \$500 prizes!

\$20 200X THE CASH features a \$1 Million* top prize (*\$50,000 a year for 20 years or lump sum cash option), including a \$30 and \$100 winner in every pack and at least one \$50 winner per pack, so it's absolutely loaded with mid-tier prizes! In total, there's over \$27.6 Million in total cash prizes, including over 161,500 prizes between \$50 -\$5,000. Also, this will be the replacement game for the very popular \$20,200X, which is expected to sell out about the same time this new ticket hits the market.



BUT WAIT, THERE'S MORE COMING IN FEBRUARY 2024!

\$30 300X THE CASH - The final member of this new X family launches on February 15th and features a \$3 Million* top prize (*\$150,000 a year for 20 years or a lump sum cash option). This game offers excellent odds of winning \$50, \$100, and \$300 prizes with at least one \$100 winner or \$300 winner per pack in addition to \$410 in guaranteed low-tier prizes. With over \$24.5 Million in total prizes, a chance to win up to 300 TIMES any prize won and more fun ways to win, this game is sure become a new player

Other games starting in February include:

\$2 LUCKY CLOVERS with a top prize of \$15,000.

\$5 CLOVER CASH offers players a chance to win up to 15 times and up to \$50,000!

\$5 \$500 FRENZY is the newest blowout game, loaded with \$500 top prizes and four different pulse colors to keep the game fresh throughout the year.

\$10 RED CHERRY TRIPLER features a top prize of \$150,000, with over \$14.2 million in total prizes and over 125,000 prizes between \$30 - \$2,000!

\$10 CASH BLAST offers a top prize of \$175,000 and 21 chances to win on every ticket.

CRACKING THE CODE: COUPONING 101

By Susan Simmons, Marketing Manager, Promotions & Production

Currently, the Kentucky Lottery has two types of coupons - Digital and Printed. Digital coupons are distributed to Kentucky Lottery Fun Club members through the email address associated with their account. Printed coupons are distributed primarily through Lottery Territory Sales Managers and Marketing for promotions and promotional/retail events.

All coupons have a unique validation number and 16-digit barcode that allows them to be validated on your lottery terminal or lottery vending machine. Here are a few reminders when redeeming coupons:

Read the coupon to determine the offer.

Make sure specified tickets are purchased before scanning coupon.

Always scan coupon first before giving tickets to the customer.

All coupons must be scanned at the lottery terminal or lottery vending machine to receive credit.

When scanning or manually validating a coupon, an authorization slip will generate. It's a best practice to staple the authorization slip to the coupon to keep for daily balancing.

To find your credit for coupons, you must first determine if the coupons redeemed were for a Scratch-off or a Draw Game product. If the coupon is for a Scratch-off product, the credit will be reflected in the "DAILY INSTANT TICKET REDEEM REPORT" under the "COUPON" line item. If the coupon is for a Draw Game product, the credit will be on the "ONLINE DAILY SALES REPORT" under the "COUPON" line item. By balancing these reports daily, you will be able to keep track of the coupons you have scanned, and the credit received.

REDEEMING COUPONS (PRINTED OR DIGITAL) ON THE LOTTERY TERMINAL IS EASY AS 1 - 2 - 3:

- 1. Press the "Promotions" button on the main lottery terminal screen.
- 2. Press the "Printed/Mobile Coupon" button on the Promotions screen.
- 3. Once the "Printed Coupon (16 Digits) Entry" screen is on the terminal you may scan OR manually enter the coupon. **If the barcode will not scan - manually type the 16-digit coupon code for redemption.







Digital Example

Here are a few helpful hints to help players redeem coupons at the lottery vending machines:

Scan the coupon barcode at the vending machine.

Player should instantly see the credit applied.

Redeem by selecting the game and price point printed on the coupon.

Scratch-off selection(s) should dispense in the bin located near the bottom of the machine and Draw Game ticket will be printed.

It is important to note that once a coupon has been scanned or manually entered at a lottery terminal or lottery vending machine, the system considers it redeemed. Coupons cannot be scanned or manually entered more than once. If you receive an error message that the coupon has already been scanned, make sure you check the terminal and/or vending machine for credits.

TERMINAL-GENERATED. GAMES By Monica Bischoff, Terminal Generated Games Product Manager

It's amazing that we're only halfway through FY24 and above our sales quota for terminal generated games thanks to our high jackpot runs from Powerball, Mega Millions, and Fast Play. We look ahead to the exciting things that will come in the remaining half of the fiscal year like Fast Play games launching every month from March to May and terminal promotions that will lead us into football's big game and the busy college basketball season.

NEW FAST PLAY GAMES

The past few years, we've been working on building a library of Fast Play games to bring back suppressed games into the market for seasonal periods while also launching new games often for our players.

On March 4, we're bringing back two Fast Play games that launched in February 2023, \$2 Lucky Clover and \$5 Batter Up Bonus ahead of the Spring and baseball season. On March 20, a new Fast Play family will make its debut for "WINnesday!" This new family will be available in \$2, \$5, \$10 and \$20 price points. The higher price point tickets feature multiple ways to play and win.

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

\$2 LUCKY CLOVER – 20% of the jackpot \$2 BIG WIN – 20% of the jackpot \$5 BATTER UP BONUS – 50% of the jackpot \$5 DOUBLE WIN – 50% of the jackpot \$10 TRIPLE WIN – 100% of the jackpot

\$20 MAX WIN - 100% of the jackpot + \$250,000

Lastly on April 15, we're launching our first ever fixed top prize game in the Fast Play category, \$5 FULL OF 250'S. This game is loaded with \$250 prizes and won't be contributing to the progressive jackpot. We've seen great success in the Scratch-off category with the \$5 price point loaded with \$500 prizes and wanted to bring that type of prize structure and ticket art over to the Fast Play category to see its success.

With the launch of the upcoming Fast Play games, there will be a retirement of some seasonal games such as Silver & Gold family (\$2, \$5, \$10, and \$20 price points), \$5 Jackpot Royale, and \$20 Big Money Doubler.



HOW TO PLAY

Match any of YOUR NUMBERS to the WINNING NUMBERS, win the corresponding prize shown below that number.

win \$25 ins

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ize amount once

BERS,

TERMINAL PROMOTIONS

The terminal promotions we've had in Q1 and Q2 FY24 have proven to be successful at keeping our players engaged, increasing their minimum spend, and creating winning experiences.



We will keep full steam ahead kicking off Q3 with a retail terminal promotion on the Keno Bulls-Eye add-on feature. This was originally planned for December, but we chose to move it to January to line up with the football playoff schedule & Big Game! Players who add Bulls-Eye to their Keno wagers will have the opportunity to receive 20% higher Bulls-Eye prize amounts on tickets that match the winning Bulls-Eye number. This promotion will be offered at all retailers statewide.

In addition to the Keno Bulls Eye terminal promotion, we plan to run a few Buy X, Get Y promotions in January where players will need to meet a minimum purchase amount in order to get a free ticket. Our goal is to focus on products that are just shy of meeting the FY24 sales quota such as Lucky for Life and CashBall 225.





In February, we're bringing back the Power Hours promotion for Keno and Cash Pop. On select dates and times, players will meet a minimum purchase amount in a single ticket transaction during the promotional period for a chance to double their Keno or Cash Pop prize winnings! Be on the lookout for more details in the future!

We will end Q3 and start Q4 with our Multiplier Madness promotion that ran in October 2023! The promotion will run for 30 days and fall in line with March Madness season. During the promotional period, the 10X multiplier will be drawn more frequently in our Keno draws at both retail and through the iLottery channel.



WINNERS WINNERS EVERYWHERE!



GEORGE CERVENY

Mega Millions

Circle K #3291, Corbin

"I went to bed a millionaire and didn't even know it," he said. "I've played the same numbers for years and this morning I got a phone call from one of my employees saying, 'Hey, call Circle K, the manager's trying to get a hold of you.'



DALTON THORNSBERRY

\$50.000 Cash

Morehead Shell, Morehead

"I couldn't believe it. You never think this is going to happen."



Powerball - \$150,000

Athens Foodmart, Lexington

"I scanned the ticket and was like, no way. I was relieved. It really has made a difference."

Millionaire Club - \$1,000,000

Kroger C-434, Burlington

"When I saw the 20 matched, I knew I won. I usually see tiny zeroes, but I saw big zeroes and figured I'd won \$1,000. I kept scratching and there were a lot more zeroes."





WILLIAM "LARRY" WADDLE

Powerball

Crossroads #774, Bowling Green

"We always play the same numbers made up of birthdays.

I was starting to think they would never come in and I
almost did a Quick Pick instead. Good thing I didn't."



DANIEL REFFITT

Precious Metals Titanium

Meijer Store #151, Florence

"I was reaching to press the button to buy the Fast Play ticket, then I thought, 'Never mind' and bought the other ticket. I'm sure glad I did."



JAMES KEOWN

Powerball

Circle K #107, Louisville

"I retired today. I called my boss, and I told him, 'I hit the lottery and I'm not coming back.'"



JOHATHAN BAILEY

Millionaire Club

PKE, Jeffersonville

"I got to that first 500x [multiplier], and my heart dropped right there," Bailey said. "It's just one of those feelings you may never get back. I was super excited."

CARLA MULLINS

Six Figures

Quick Mart #10, Martin

"I scratched off \$20,000 and then the multiplier and still didn't believe it until I got here (Kentucky Lottery Headquarters). I thought, there was no way I could've won that much."



CUSTOMER EXPERIENCE (CX) MORE IMPORTANT THAN EVER?

By Greg Wood, Director of Market Research Services, & Tim Menzia, Director Global Consumer Insights, Scientific Games

There's no doubt that if you've been working with your current employer for any length of time, you have been informed of the importance of the "customer experience" in your store. In today's digital world, consumers readily leave reviews of the companies and products they engage with and share their experiences on social media. It has become vital, therefore, that companies have a positive connection with their customers at every stage of the purchase journey. This is what Customer Experience - or CX is all about.

What is Customer Experience (CX)? The Customer Experience Professionals Association (CXPA) defines CX as "a chain of interconnected perceptions that customers have of an organization across all touchpoints and people. It can't be reduced to a number or metric. It's more than a feeling and it's not the same as customer service. Customer Experience is the disciplined practice of analyzing and anticipating customer needs in a wholistic way. Good CX represents promises kept and involves strategy, customer understanding, intentional experience design, and measurement."1

For a C-store, "promises kept" could include delivering on the promise of fully stocked beverage coolers, or perhaps the cleanliness of restrooms. For the lottery, "promises kept" could include delivering on an instant scratch game callout. If, for example, a game claims to be "Loaded with \$50 Prizes!", the prize structure for that game should have significantly more \$50 prizes than other games at that same price point so that players can feel the difference. Otherwise, there is a disconnect between what is being promised and what is being delivered, and players – especially consistent players – will feel that disconnect, creating distrust and potentially reducing the value that players feel when they engage with the lottery.

Why Does CX Matter? Providing customers with a positive experience isn't just a nice thing to do - it has a real impact on a company's bottom line. Studies show that consumers are loyal to retailers, products, and brands that consistently provide exceptional value with minimum friction or stress. In fact, a leading Customer Experience research organization² found that businesses that prioritize and lead with customer experience retain a higher share of wallet and have customers that are:

2X MORE LIKELY TO PURCHASE

8X MORE LIKELY TO TRY OTHER **OFFERINGS**

15X **MORE LIKELY TO SHARE POSITIVE WORD OF MOUTH**







What Makes a Good Customer Experience? PwC, a leading global professional services consultancy, recently found that 80% of American consumers point to the following elements as being key to having a positive consumer experience³:

SPEED

CONVENIENCE

KNOWLEDGEABLE HELP

FRIENDLY SERVICE

These are areas that retailers and the lottery can focus on together to help cultivate that customer experience. From having the right systems in place to facilitate the purchase of games (speed), providing players with access to information and purchase options through POS (convenience), training retailers on the most recent games (knowledgeable help) and encouraging them to be excited to share what those games have to offer (friendly service).

It would be easy to think of CX as just the visible interaction that a customer has with a product or company. But that's just the end result. For the lottery and our partner retailers, the customer experience includes any number of processes and activities that the customer never sees. From lottery game design to inventory solutions that eliminate out-of-stock situations, to security measures that ensure the integrity of every ticket, all these behind-the-scenes components ultimately have a huge impact on the experience our players have.

If you have any suggestions or comments that you think might enhance our player customer experience, please don't hesitate to contact your territory sales representative.

KEES: A LASTING IMPRESSION FOR KENTUCKY STUDENTS

By Stuart Hammer, Content Producer

Being close to home isn't always what Adi Schanie had in mind. She was raised in Louisville and graduated from Atherton High School in 2021. She thought writing her next chapter at a new school, away from the city, might be good for growing and learning.

Schanie's parents, however, seemed keen on keeping their daughter in the Commonwealth. "I was initially super defiant because I was like, 'No, I want to go far!'" she explained with a smile.

"I started actually touring schools," Schanie said, keeping in mind some advice from her parents. "There is this KEES money that's going to go away if you don't use it in-state."

The cost of tuition, paired with a passion she developed in high school, helped guide her decision to Bowling Green, Kentucky.

"I want to be a reporter," Schanie said. "That's what I see myself doing with my life."

Schanie was an original anchor of Atherton on Air, the school's student-led news network. Now a Junior at Western Kentucky University, Schanie studies broadcasting and marketing. She is thankful the Kentucky Lottery helped to make her higher education possible.

"I had that KEES money I couldn't use if I went somewhere else," said Schanie. "It just opens so many doors. Having the experience, getting more education, it's hard to imagine not having those four buffer years to find yourself, and meet people, and learn new things outside my major."

Schanie already has real-world experience working at a television station in Louisville and is well on her way to landing a full-time reporting job after graduation.

But it's not just her dreams she sees coming true. Scholarships from the Kentucky Lottery have helped her friends, classmates, and countless others.

"The KEES award, funded by the Kentucky Lottery, is really having a lasting impact on students all over Kentucky."

A little more than three years ago, Schanie might have told you her next chapter in life would be written in another state, at another school, doing other things. But something pulled her back.

Kentucky Lottery scholarships are more than just financial gifts. They are a venture in the future of our state and proof that writing more stories like Schanie's across the Commonwealth is worth the investment.

JEFFERSON SPOTLIGHT



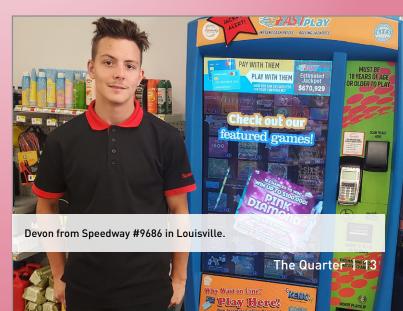










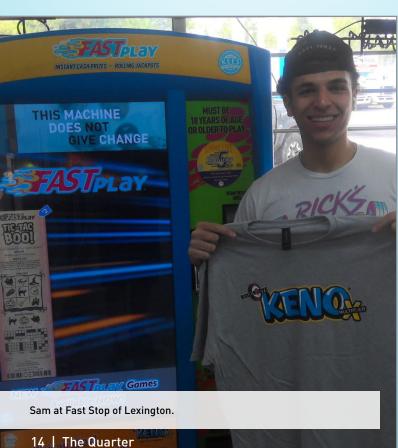


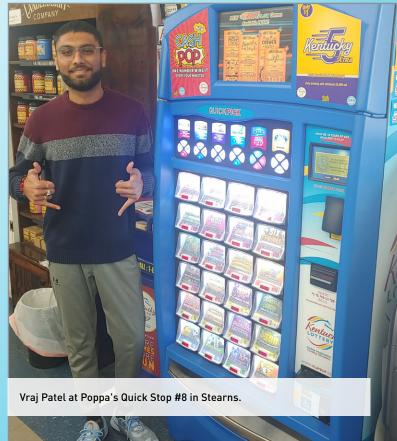
BLUEGRASS SPOTLIGHT











CENTRAL SPOTLIGHT















EASTERN SPOTLIGHT







WESTERN SPOTLIGHT











TSM

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TERRITORY SALES

MANAGER

CORPORATE ACCOUNTS

CAM Alfredo Santana (far left) and VP, Corporate Accounts Pete Ramsey (far right) during HOP SHOP'S visit to the Kentucky Lottery's Corporate Office. Hop Shops have helped raise over \$1.2 million in scholarship and grant money for Kentucky students.

WALMART'S Category Manager Pete Rosen and CAM Alfredo Santana completed a round of stores visits.



CAM Alfredo Santana and Lottery Champion Angela at WALMART #1165's grand reopening event in Radcliff. Walmart #1165 is the number one lottery selling Walmart in the state and Angela is a big reason for its success!



most recent corporate retailer. Senior Regional

UNITED DAIRY FARMERS have become KLC's Training Coordinator Lisa Latham is showing managers the various functions of one of the KLC's vending machines. The 14-store roll out started the first quarter of the fiscal year.

The Kentucky Lottery was a sponsor of FIVE STAR'S Annual General Managers & Vendor Retreat. Tips on taping packs of tickets were given to those in attendance. State Sales Director Lisa Murphy listened to feedback from managers, Pete Ramsey helped attendees sign up for a giveaway and CAM Michael Hayden networked.







IEW FACES



ASHLEE RICHARDS VP, Products



TIM HAGEMAN Territory Sales Manager II Eastern Region

SHARE THE WINS!

Don't forget to share your store's wins! If a Kentucky Lottery player wins on a Scratchoff, 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.









Wow. What a whirlwind 2023 has been! There is no better way to kick off the new year than to take advantage of all the amazing fun that's about to drop at retail in 2024. But first, let's do a quick recap of the great start we've had in the first six months of FY 2024. For starters, how about those Powerball and Mega Millions BILLION-dollar jackpots? While Kentucky didn't have the jackpot winner, the jackpots did drive traffic and revenue right into your parking lot. Those are fun times, but also very busy times. You always make it look so easy. The Kentucky Lottery Corporation is tremendously grateful to have such amazing business partners.

We launched our second \$50 scratch off ticket and our Holiday lineup was successful as always because of each of you. Your support on the launch days is unbelievable and wildly appreciated. You continue to amaze us all with your 98 to 99 percent new game activation percentages and out of stock percentages. Thank you again, your players are looking for lottery products and not only do you make them available on launch days, but every day by staying in stock. I hope your "New Year's" resolution includes capturing as much incentive money as possible.

In January, we will launch the TIMES (X) family of games, and it will be the "Best of Times" to kick off the New Year! Look for Fast Play to add some exciting additions to their lineup also! Watch out for our Product and Marketing teams to bring you plenty of exciting add-ons that will keep your players coming back and check out our social media channels to see how we've spotlighted you and your players.

As we look back on 2023, one thing has remained constant and that is the Kentucky Lottery's gratitude for you, our partners. All your hard work and tenacity has resulted in record sales, revenue and additional scholarship and grant money. We can't thank you enough! Here's to a happy, healthy, and prosperous 2024. Thank you for "Fueling Imagination and Funding Education."

Amy Drooker

Kentucky Lottery Vice President and Chief Revenue Officer

TIPSFROM THE TRAINERS

Did you know you can access your Billing/Accounting Information from the KY Lottery retailer webpage?

Below are the steps that will help you with obtaining the paperwork and password:

STEP 1: First, request the Web Access form from your Territory Sales Manager or go to our website and click 'Retailers' at the bottom of the page and then click 'Forms', select 'Retailer Web Access Form' and print.



STEP 2: Once the form is completed, you can submit it back to our Billing/Accounting Department via email or through your Territory Sales Manager. Once processed, you will gain access to the Retailer Web Billing Portal.

Access to our Billing Portal will provide you with an "Account Detail" section that includes billing details, and four main sections that include Billing Invoice, Unbilled Activity, Billing History, and Total Account Payoff.

SECTION 1: "Billing Invoice" is detailed billing information broken out by Instant (scratch-off game activity) and Online (draw game activity). This screen will display the most recently completed billing period (Sunday – Saturday). Each line item of the invoice can be selected to drill down into details by day, retailer, game, etc.

SECTION 2: "Unbilled Activity" provides information about what lottery activity will be billed in the future, defined as anything with a due date beyond the "Billing Invoice" period. Each line item can be drilled into to see when activity will be marked due.

SECTION 3: "Billing History" you may review previous invoices under the billing history. Invoices and information available for download are consistent with the Billing Invoice tab.

SECTION 4: "Total Account Payoff" provides total account balance information by combining billing invoices and unbilled activity into one place.

*Retailers may also retrieve commission information for any date range under the "Commissions" section.