MULTI STATE LOTTERY ASSOCIATION

Powerball Segmentation and Brand Study

Montana

June 2008

Table of Contents

INTRODUCTION

- Background
- Survey Method

SECTION 1: SEGMENTATION

- Recap of Overall National Segmentation
- Key Findings
- State Specific Segment Profiles
- National and State Comparisons

SECTION 2: EQUITY BUILDER

- Summary of Results and Implications
- Brand Health Score
  - Brand Equity
  - Involvement
  - Price
- Image and Personality

Appendix

  - Demographics

INTRODUCTION

Background

- Ipsos Reid was commissioned by the Multi-State Lottery Association to conduct a research study exploring the brand and marketing position of Powerball.
- In order to best meet the research objectives of MUSL, a segmentation study that included Ipsos' brand equity model was conducted:
  - The market segmentation was conducted to assess the overall market for Powerball, and;
  - The brand equity component was conducted to look at how Powerball is perceived among its audience and to provide an overall brand assessment.
- Our segmentation approach incorporates a combination of behavioral and attitudinal variables as the core segmentation questions, as well as a variety of topics customized to MUSL.
  - The first section of this report will cover the segmentation portion of the research. A more in-depth description and discussion of the brand equity component is found in the second half of the report.

Background

- The segment names convey a sense of each segment's attitudes, lifestyle traits, and their involvement with lotteries, gaming, and/or Powerball.
  - Within this report, a review of the segments on a national basis is presented before delving into state-specific profiles.
  - The segment characteristics are not shown on a state-specific basis because the overall attributes of each segment are consistent on a national and state basis.
- On the national sample of 3,000 respondents, the margin of error is ± 1.8%. On the Montana sample of 419, the margin of error is ± 4.8%.
  - Please note that the margin of error increases as the sample sizes become smaller. In areas of the report where the sample size falls below 100, there is a cautionary note as the findings are meant to be directional in nature only.

Why Segmentation?

- Market segmentation is viewed as a key piece of strategic research that enables marketers to break up their audience into more manageable sub-groups. Doing this allows for more targeted marketing and product development efforts that can be tailored to the unique dimensions of the key sub-segments of the audience.
- Segmentation itself is the process whereby a population (or customer/player base) is divided into unique and identifiable segments based on their attitudes, beliefs, values, play behavior, and other characteristics.
- The MUSL segmentation study was designed for the purpose of understanding the market in more depth. The segments emerging from the results are a representation of the overall “lay of the land” in terms of involvement with Powerball and with lotteries, as well as key dimensions related to lottery play behavior, motivations for gaming, psychographic and lifestyle characteristics, and social policy aspects related to gaming.

How the Survey Was Done

- The survey was completed on the Internet.
  - Respondents belong to Ipsos' consumer Internet panel and are pre-screened as willing participants in research surveys.
- Panelists were sent an e-mail invitation with a unique web URL (to ensure no duplicate entries).
  - If interested, they could click the link – directing them to the survey
- To qualify as a participant, respondents were screened on the following criteria:
  - Age and Employment
  - Awareness of Powerball
  - Play of Powerball, other lottery products or participation in other gaming
  - Moral opposition to lotteries and gambling
- We surveyed 3,000 respondents from the 30 Powerball states to make up the national sample.
  - Any references to the "National" sample in this report refer to the 30 Powerball states rather than the entire country.
- The nation-wide surveys were collected from February 6 – 19, 2008 and the state boosters (including Montana) were collected from March 6-24, 2008.
- For the state boosters, we set an overall target of 400 respondents per state that combined the completes from the national study and the booster study.
  - Montana ended up with a total of 419 completes.
- The national data was then compared to the state specific data, both on a total basis and by segments (where sufficient sample size would allow).
- On average, the survey took about 20-25 minutes to complete.

SECTION 1: SEGMENTATION

Recap of Overall National Segmentation

Dedicated Dreamers Characteristics

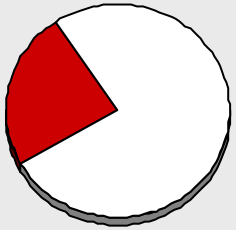
BRAND IMAGE OF POWERBALL

Overall high brand image

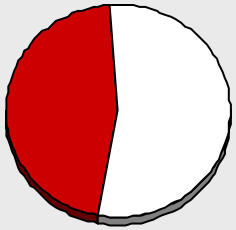
Thinks Powerball is easy to buy and easy to play

A game that can really change one's life

24%
Of National Gaming Market



46%
Share of PY Powerball Spending



DEMOGRAPHICS

Mixed gender

Average age

Lower income levels

SEGMENT NAME:

Dedicated Dreamers

GAMING MOTIVATIONS

For the chance to win a bit of money

For the anticipation of winning big

To dream about winning

Play for entertainment/fun

POWERBALL PLAY BEHAVIOR

Highest past year Powerball participation and spending in past year

Enjoy anticipation of a draw

Emotionally involved in playing Powerball

Not likely to play as part of a group

Social Thrill Seekers Characteristics

BRAND IMAGE OF POWERBALL

High brand image:

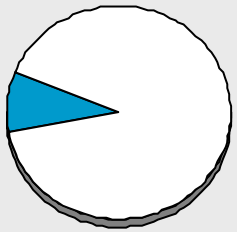
Fun to play as a group

Provides anticipation/excitement

Fun even if I don't win

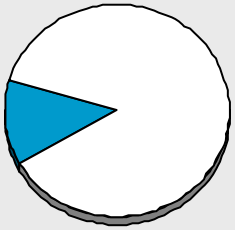
9%

Of National Gaming Market



13%

Share of PY Powerball Spending



DEMOGRAPHICS

Mixed Gender

Youngest segment (38% are 18-34 yrs)

Lower income

Most likely to be single (students)

SEGMENT NAME:

Social Thrill-Seekers

GAMING MOTIVATIONS AND PSYCHOGRAPHICS

Highest on all gaming motivations

A break in the day, feeling lucky, chance to win a bit of money

Competitive and risk-oriented

POWERBALL PLAY BEHAVIOR

Most likely to play PowerPlay and like option of add-on games

Group oriented – most likely to play with a group

Like the anticipation

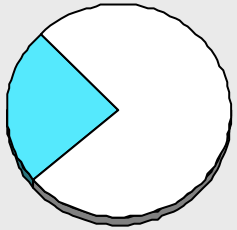
Cautious Players Characteristics

BRAND IMAGE OF POWERBALL

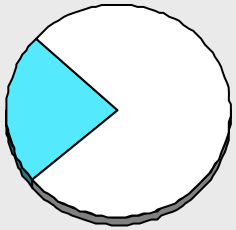
Believe Powerball could really change one's life

Powerball not necessarily good value

24%
Of National Gaming Market



23%
Share of PY Powerball Spending



SEGMENT NAME:
Cautious Players

DEMOGRAPHICS

Average gender and age (nearly half 35-64 yrs)

Highest income

Average education

GAMING MOTIVATIONS AND PSYCHOGRAPHICS

Do not feel lucky

Chance to win a little bit of money or daydream about winning

Do not want to add element of danger or challenge to life

Express mild regret about life

POWERBALL PLAY BEHAVIOR

Powerball is not really part of their routine

Three quarters have played in the past year

Do not enjoy the anticipation of the draw; minimal expectations of winning

Often buy tickets at the last minute

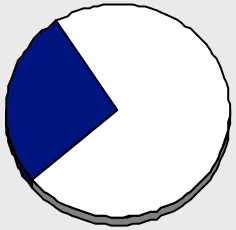
Practical Spectators Characteristics

BRAND IMAGE OF POWERBALL

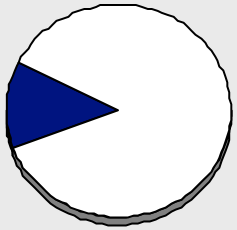
Not considered good value for money; no anticipation or excitement

Some agreement that Powerball can change life; and fun to play in a group/pool

27%
Of National Gaming Market



13%
Share of PY Powerball Spending



SEGMENT NAME:
Practical Spectators

DEMOGRAPHICS

Mixed gender

Second youngest (36% are 18-34 yrs)

Average income and education

GAMING MOTIVATIONS

Relatively neutral attitudes, neither strong nor weak on any dimension

Some element of dreaming, playing for entertainment, or feeling lucky

POWERBALL PLAY BEHAVIOR

Only half have played Powerball in past year; slightly more have played Scratch

Low priority placed on Powerball; often a last minute decision

Second lowest past year spending on Powerball and Lottery games

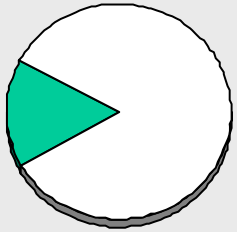
Contented Samplers Characteristics

BRAND IMAGE OF POWERBALL

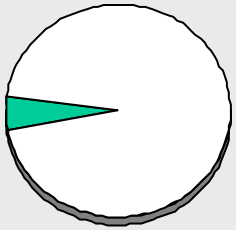
Does not provide anticipation or excitement

Not good value for money

16%
Of National Gaming Market



5%
Share of PY Powerball Spending



SEGMENT NAME:
Contented Samplers

DEMOGRAPHICS

Mixed gender

Oldest segment (41% are 55+ yrs)

Most educated, average income

GAMING MOTIVATIONS AND PSYCHOGRAPHICS

Virtually no motivation to play

Don't daydream about winning

People deserve what they've worked for; Don't believe in luck

Not competitive; Don't seek out a challenge

POWERBALL PLAY BEHAVIOR

Fewest past year Powerball players (39%)

Won't wait in line to buy Powerball

Often buy at last minute or when jackpots are high

Key Findings

Key Findings

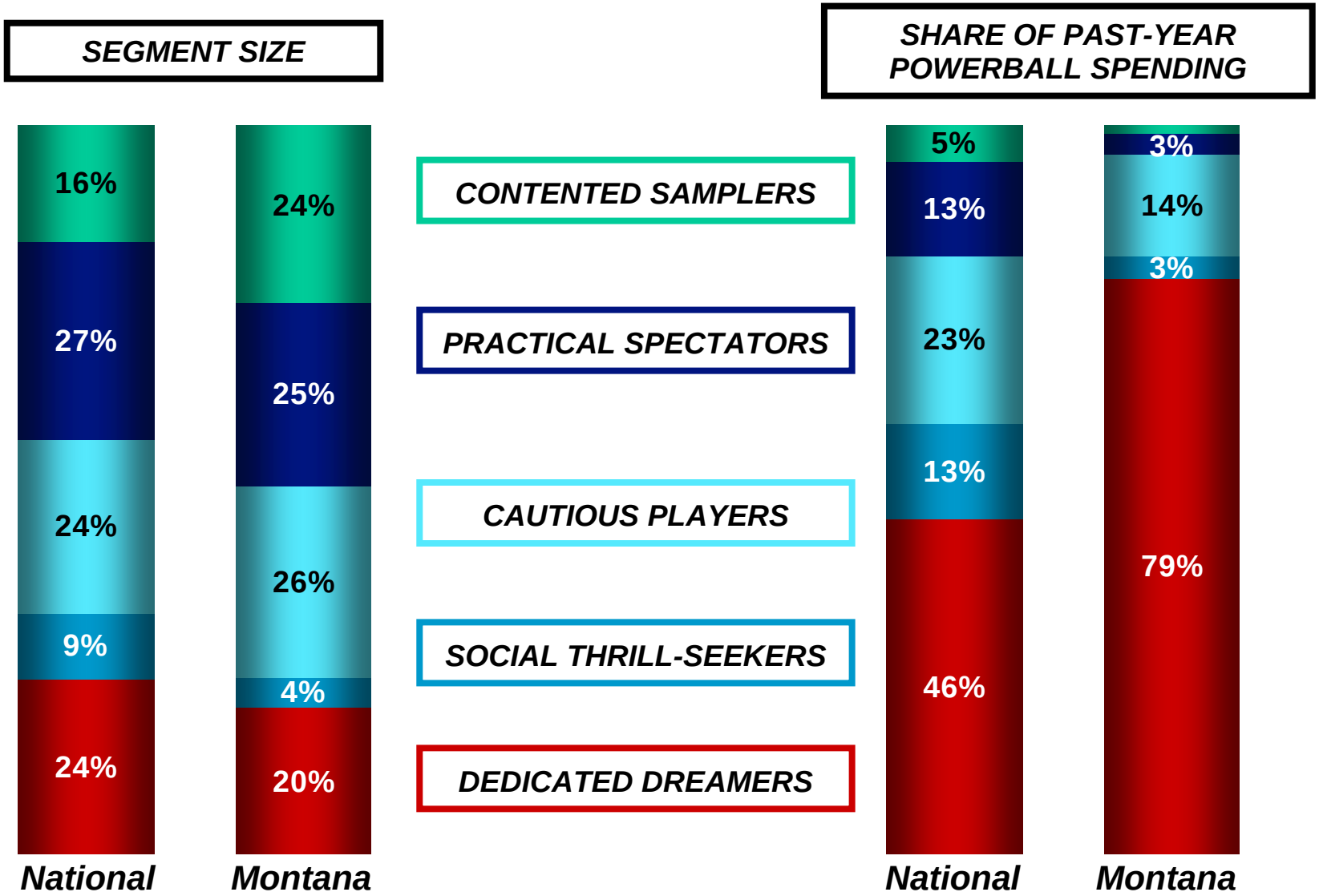
Key Measures	National	Montana
Segment Size	•Dedicated Dreamers – 24% •Social Thrill-Seekers – 9% •Cautious Players – 24% •Practical Spectators – 27% •Contented Samplers – 16%	•The largest shifts in segment composition were seen in the Social Thrill-Seekers (from 9% to 4%) and Contented Samplers (from 16% to 24%).
Share of Powerball Spending	•Dedicated Dreamers – 46% •Social Thrill-Seekers – 13% •Cautious Players – 23% •Practical Spectators – 13% •Contented Samplers – 5%	•There were some sizeable shifts in spending composition that were noted: •Dedicated Dreamers made up 79% of past year Powerball spending, a difference of 33% compared to the national data. •As a consequence of the increase in Dedicated Dreamers share of spend, the share of spending among the remaining segments decreased proportionally.

Key Findings

Key Measures	National	Montana
Lottery Game Participation	•Dedicated Dreamers have the highest past year participation in all games, including Powerball (92%). •Social Thrill-Seekers have the next high participation in all games while Contented Samplers are the least engaged.	•Although the participation in Powerball was the same, the Dedicated Dreamers were more likely to play Powerplay than their national counterparts (26% vs. 37%). •Overall, Montana respondents were less likely to play Scratch games compared to national respondents (56% vs. 38%). •Participation in Hot Lotto and Cash games with Rolling Jackpots* (Wild Card 2 and Montana Cash) was also higher compared to the national data (6% vs. 17% and 12% vs. 32%, respectively).
Frequency of Powerball Play	•Dedicated Dreamers and Social Thrill-Seekers play Powerball most frequently (39% and 40% play once a week or more, respectively). •Practical Spectators and Contented Samplers play with the least frequency (61% and 71% play less than once a month, respectively).	•Frequency of play was consistent across the segments on a national and state basis.

State Specific Segment Profiles

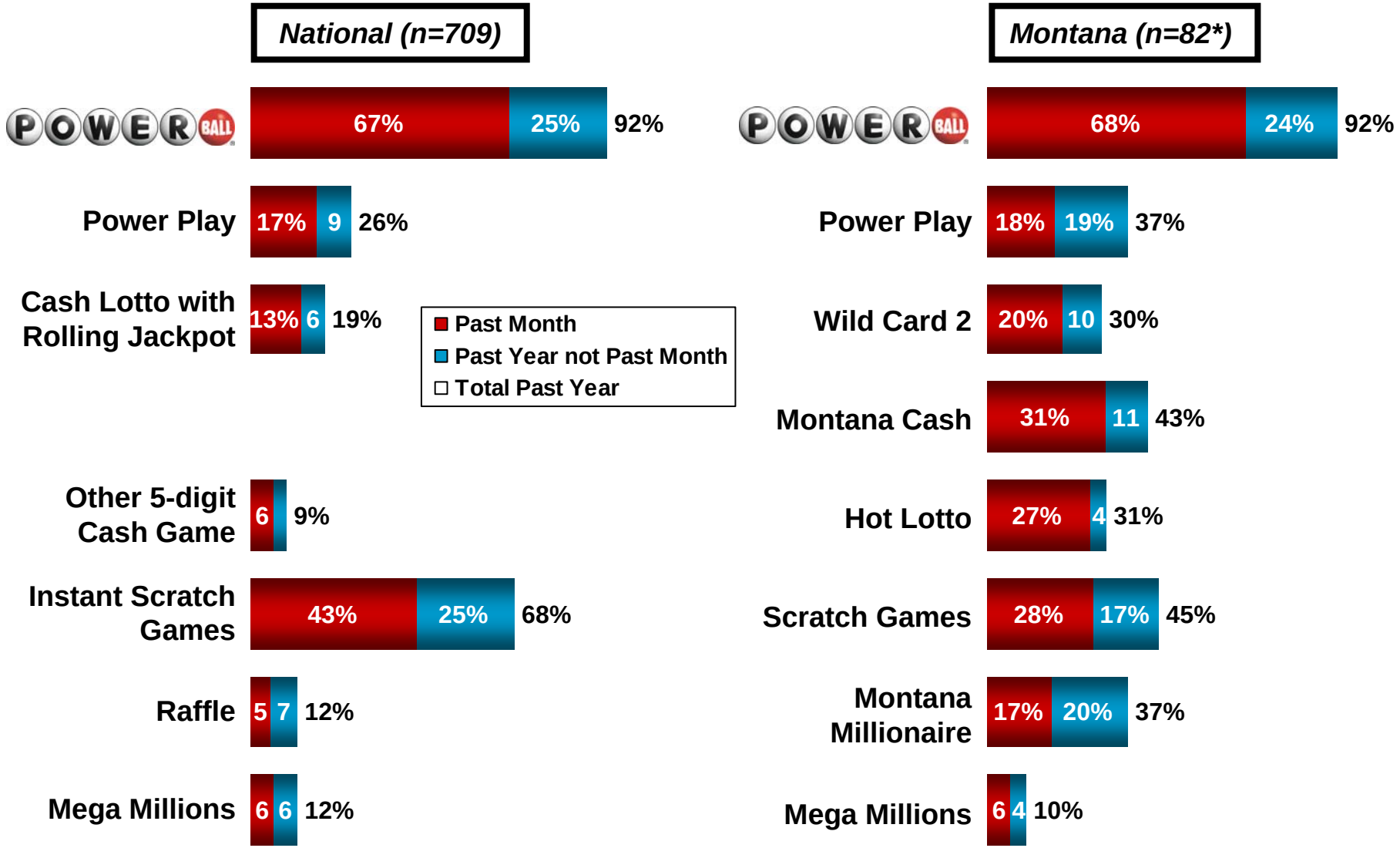
Segment Recap



Base: All respondents

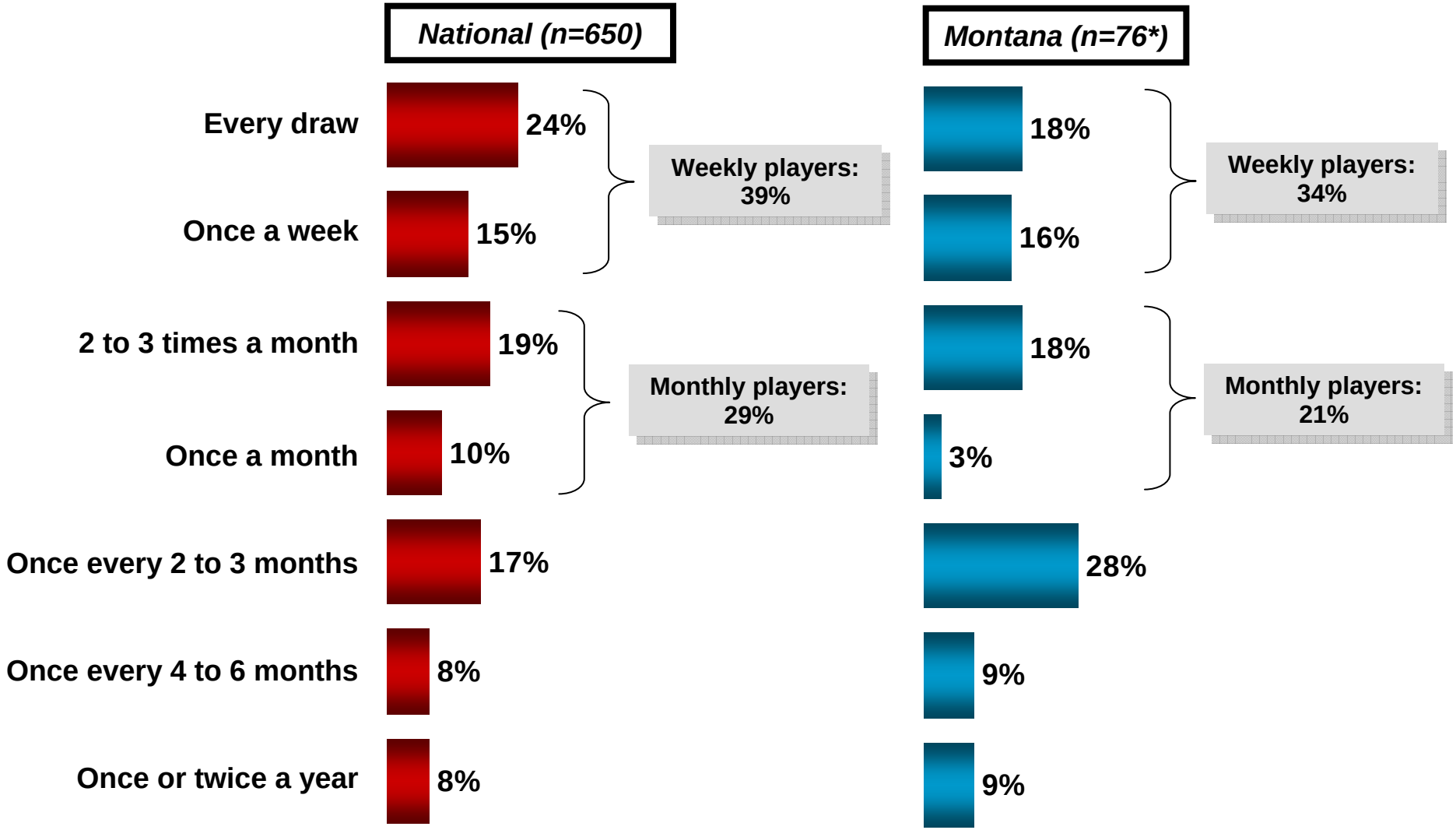
Dedicated Dreamers

Lottery Game Participation – Dedicated Dreamers



Base: All respondents *Small sample size

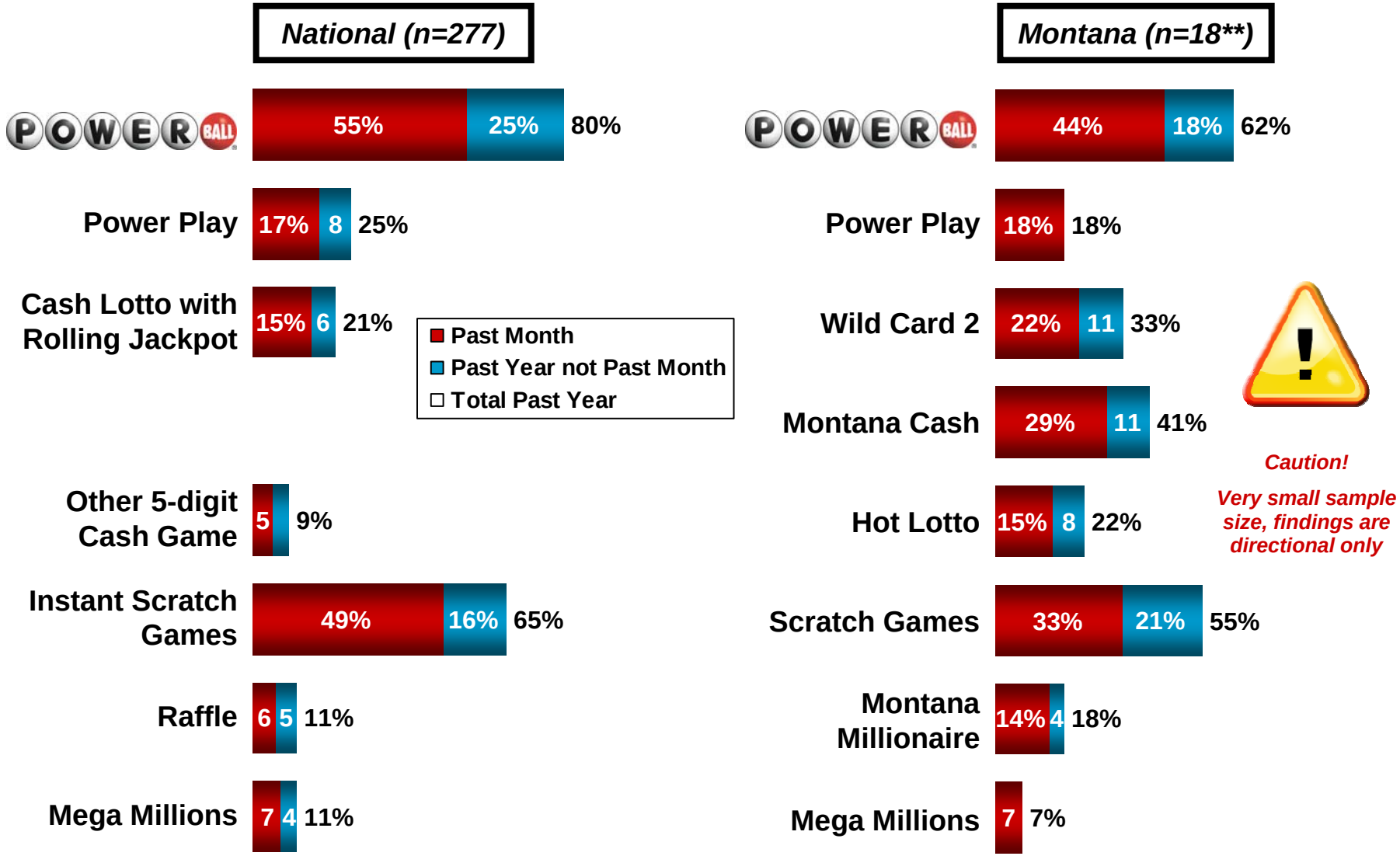
Frequency of Powerball Play – Dedicated Dreamers



QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball' *Small sample size

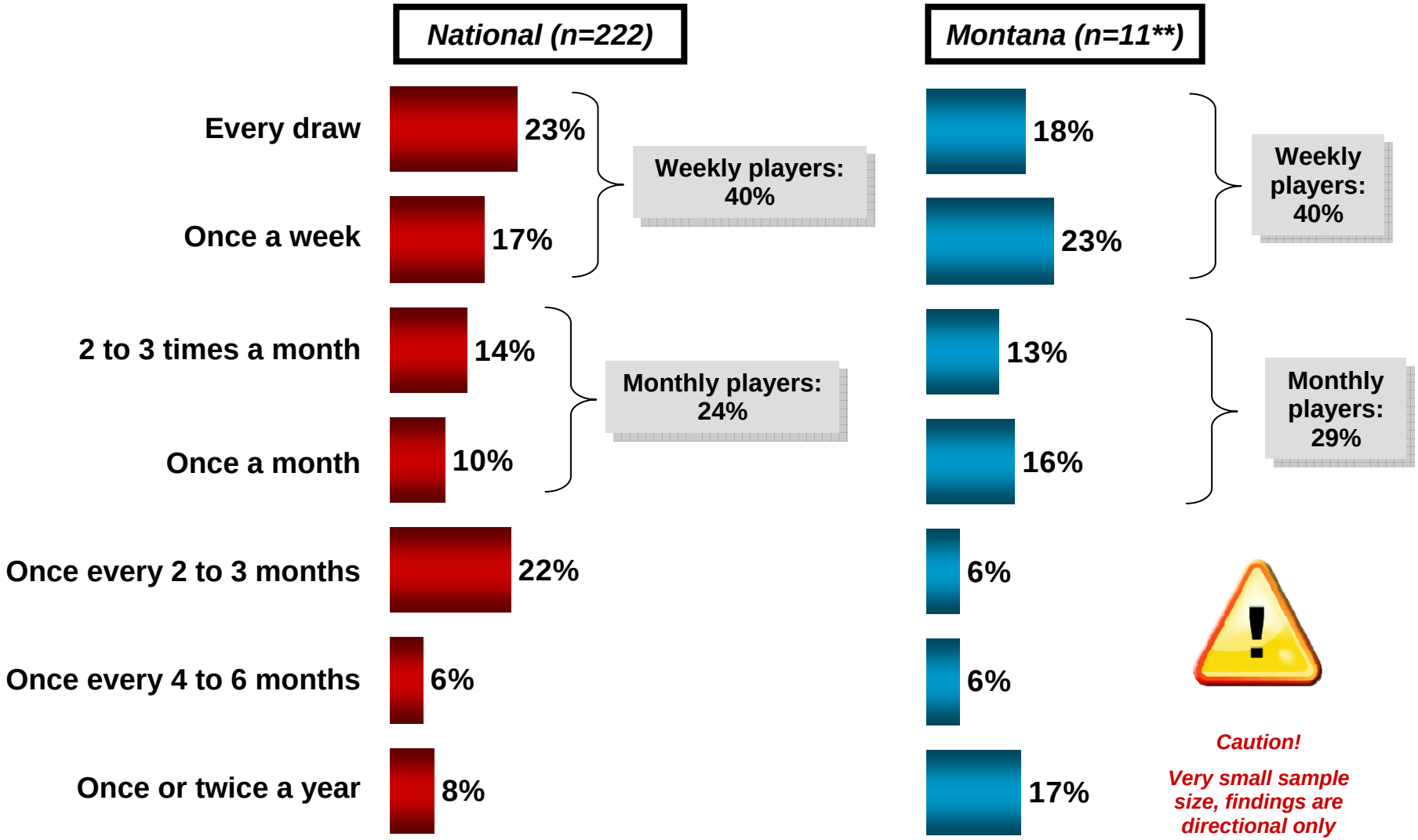
Social Thrill Seekers

Lottery Game Participation – Social Thrill-Seekers



Base: All respondents **Very small sample size

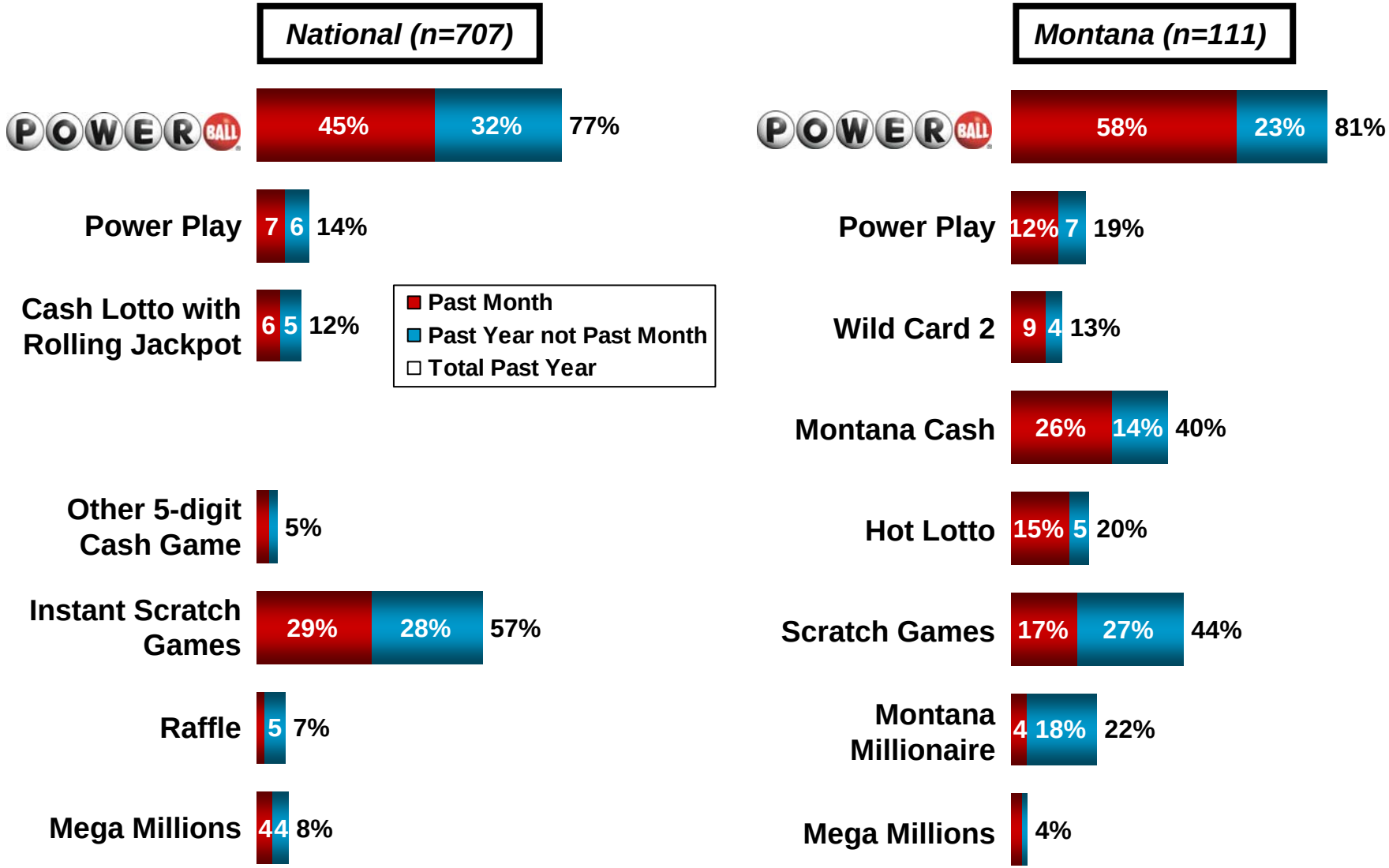
Frequency of Powerball Play – Social Thrill-Seekers



QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball' **Very small sample size

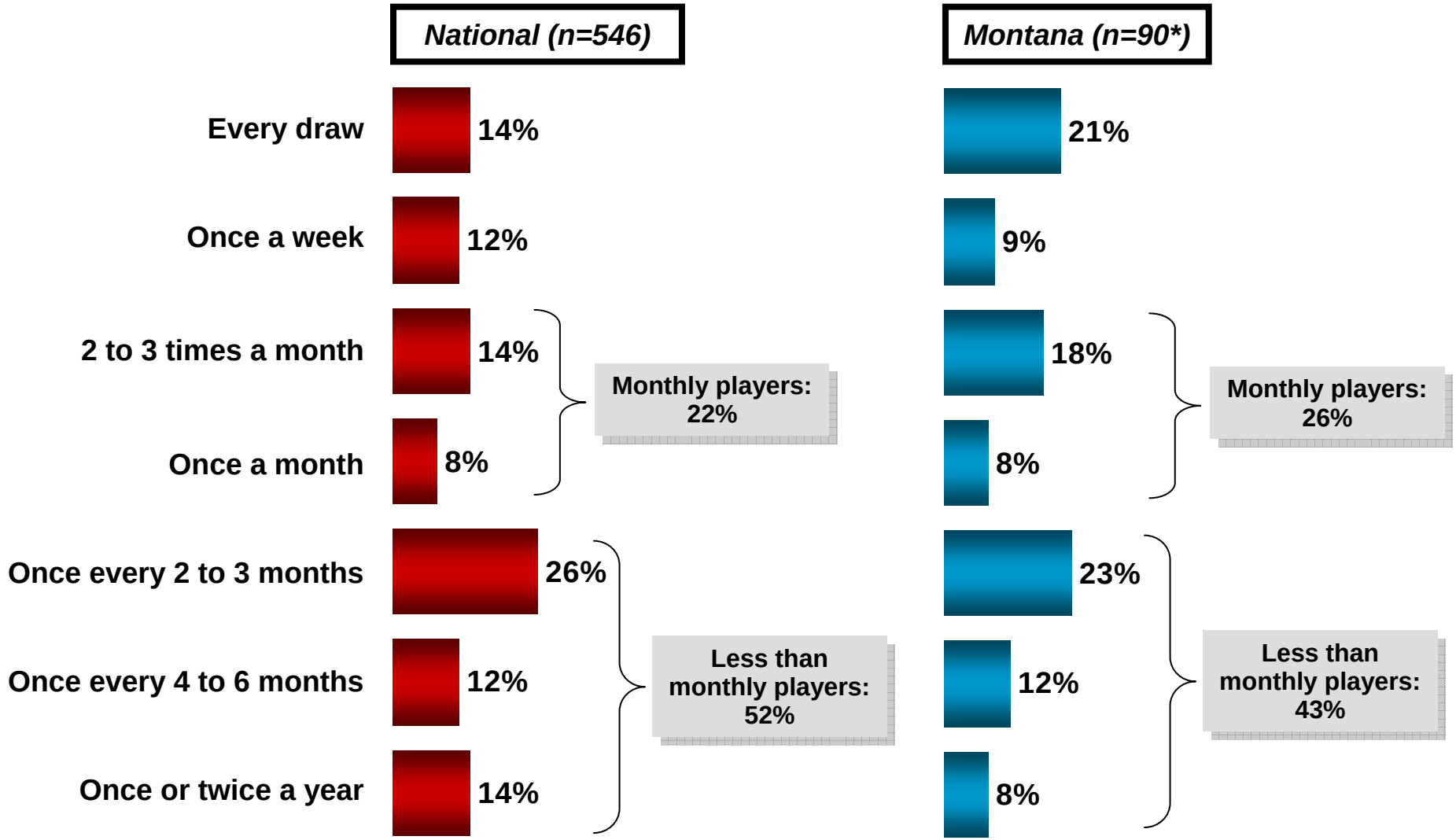
Cautious Players

Lottery Game Participation – Cautious Players



Base: All respondents

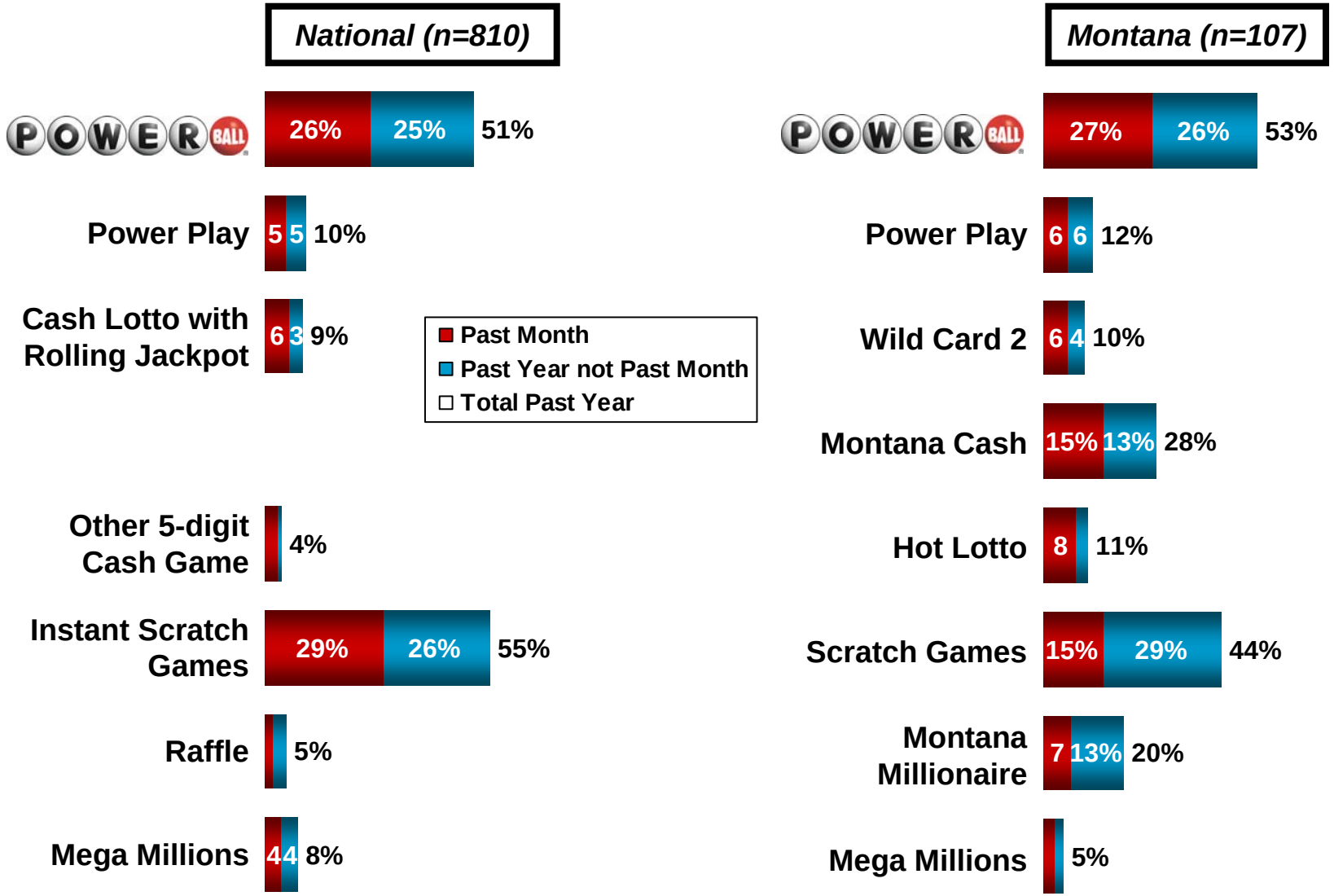
Frequency of Powerball Play – Cautious Players



QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball' *Small sample size

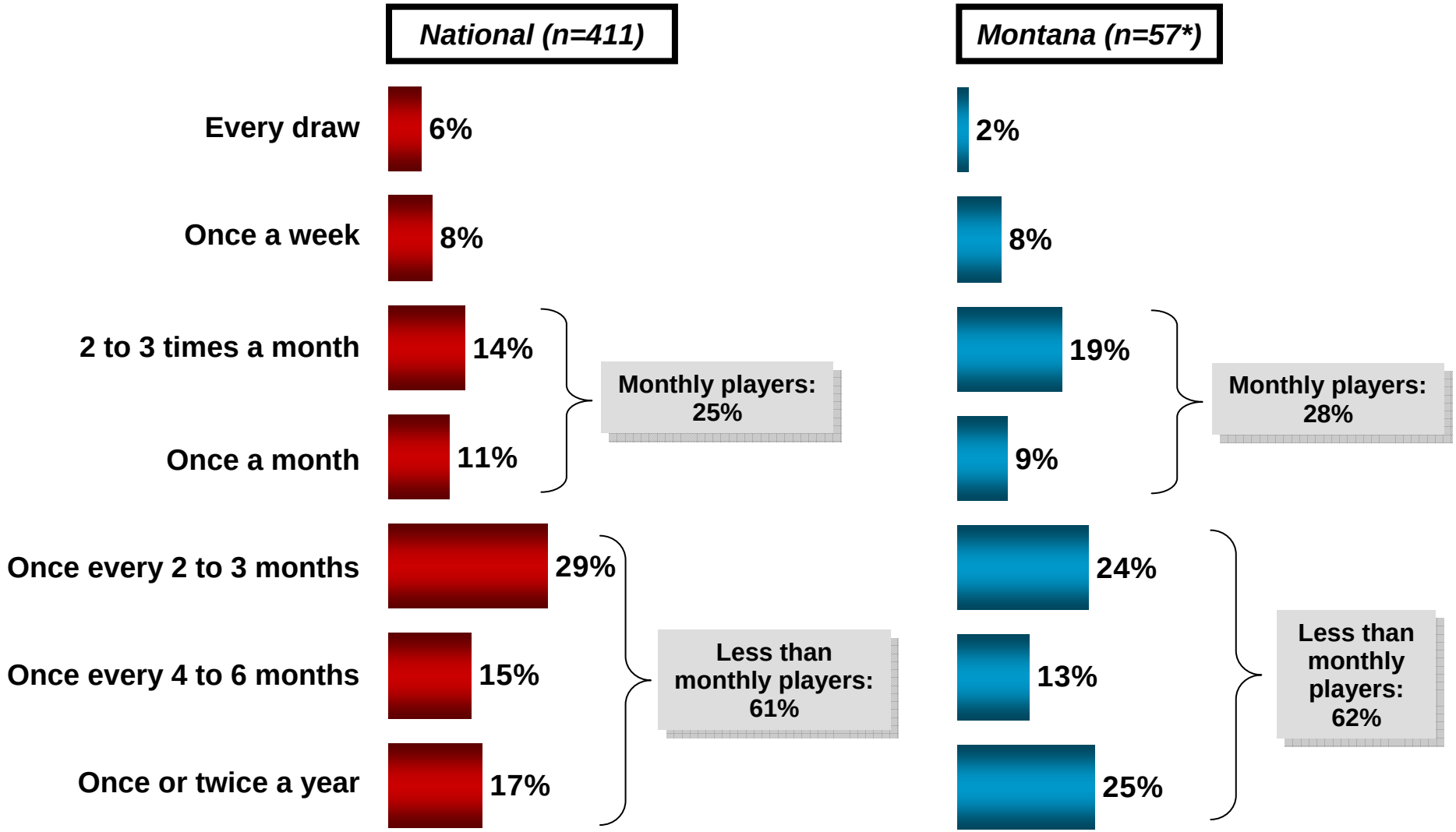
Practical Spectators

Lottery Game Participation – Practical Spectators



Base: All respondents

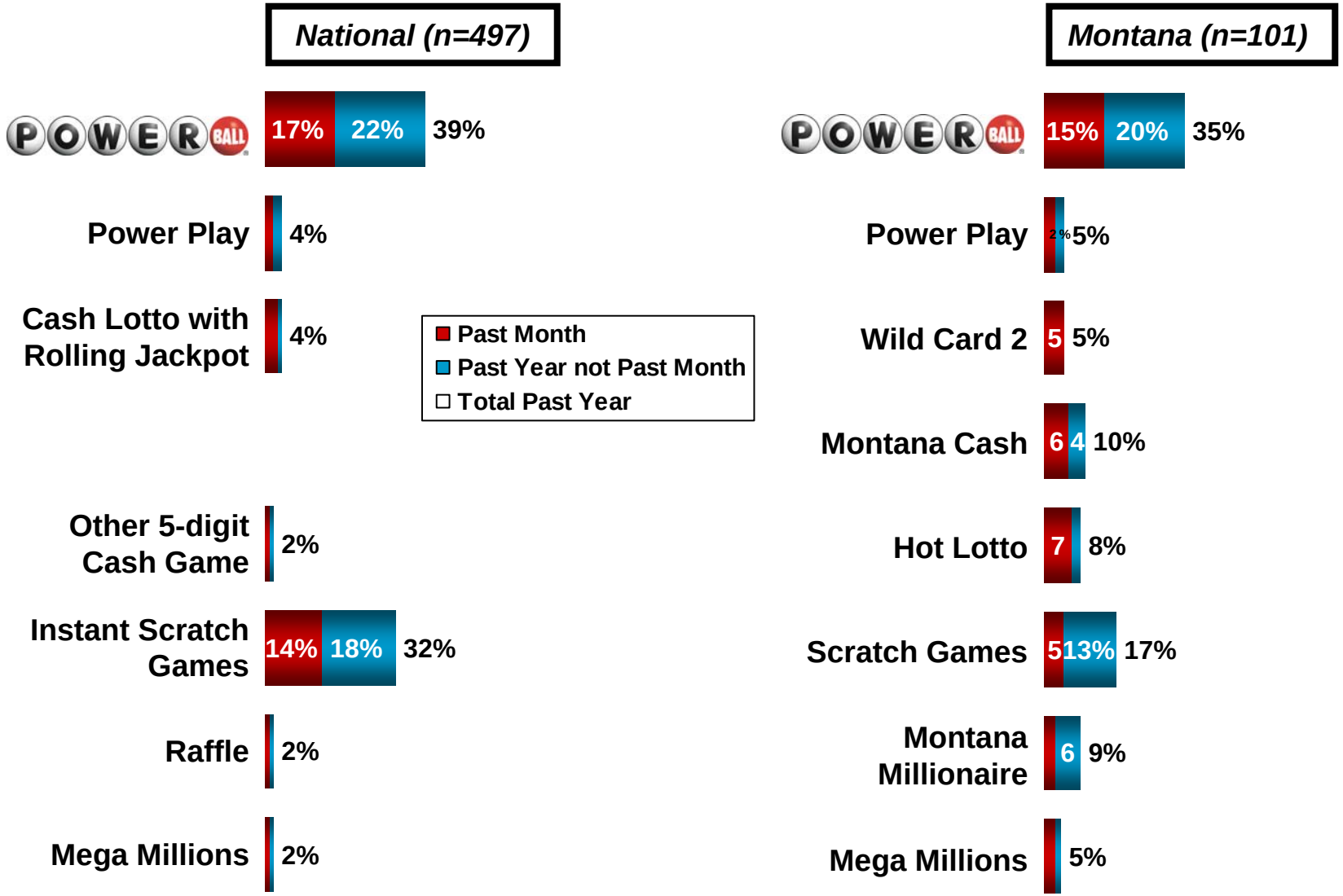
Frequency of Powerball Play – Practical Spectators



QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball' *Small sample size

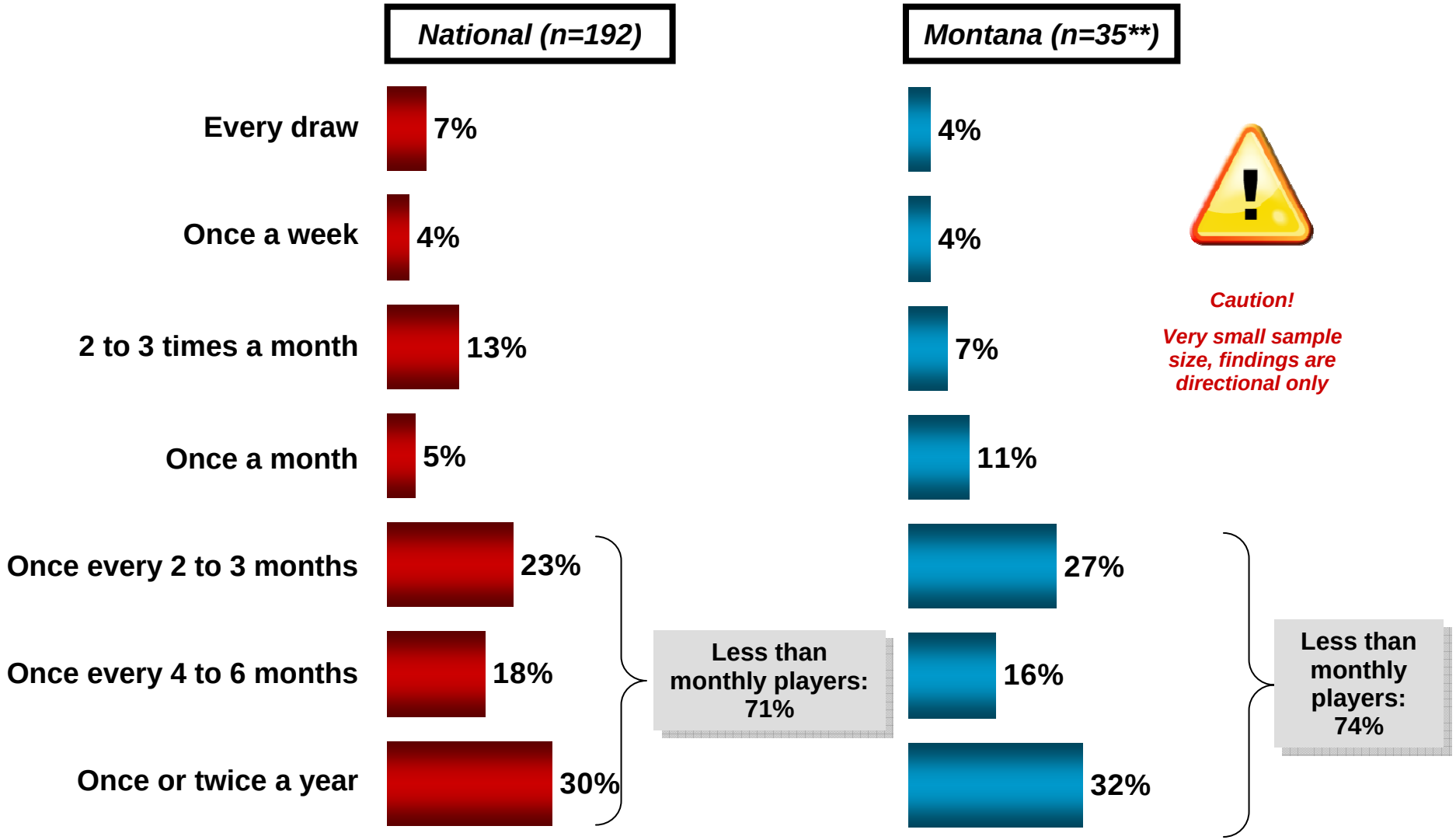
Contented Samplers

Lottery Game Participation – Contented Samplers



Base: All respondents

Frequency of Powerball Play – Contented Samplers

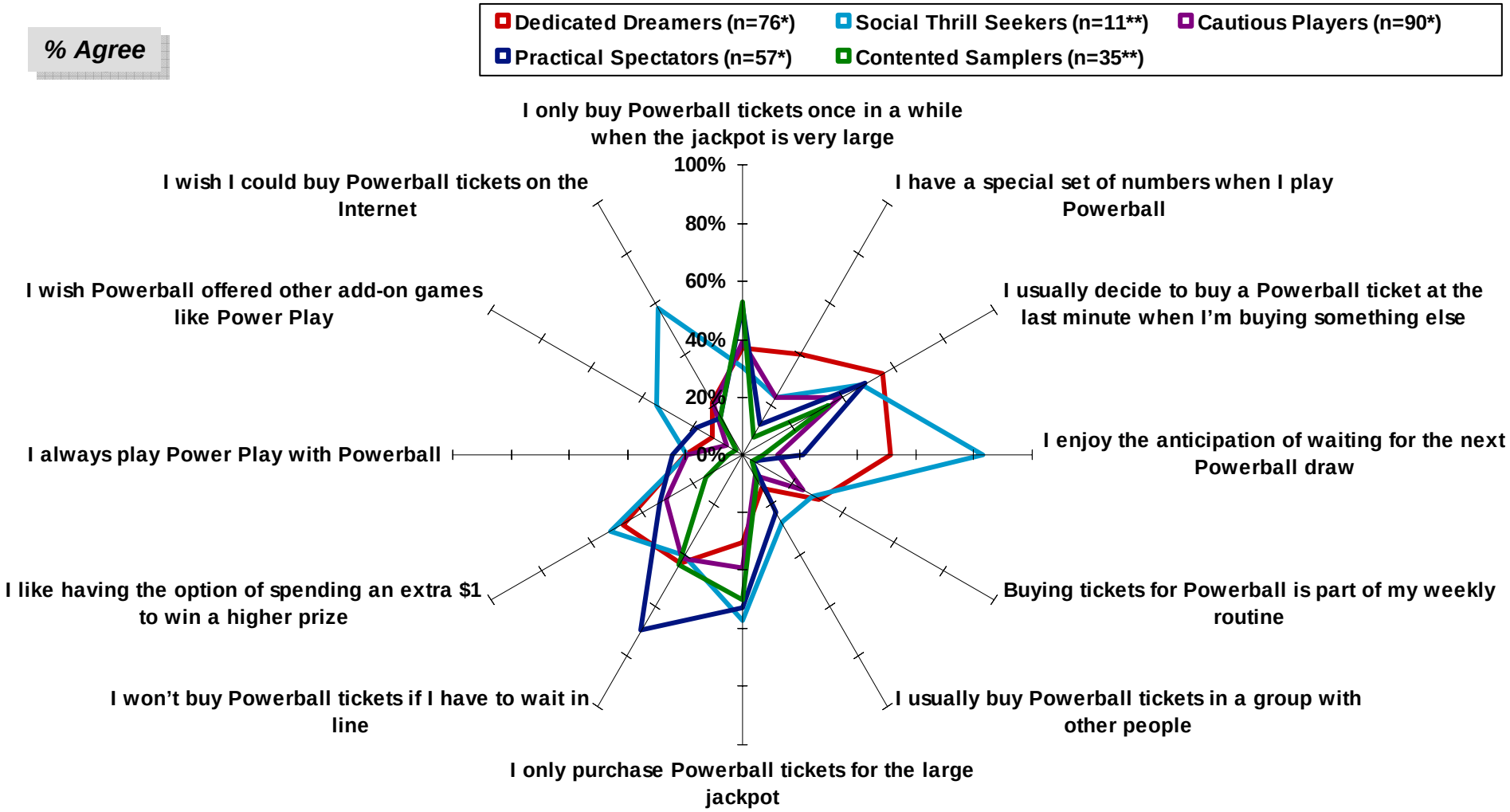


QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball' **Very small sample size

Powerball Play Behavior by Segment

MONTANA

% Agree

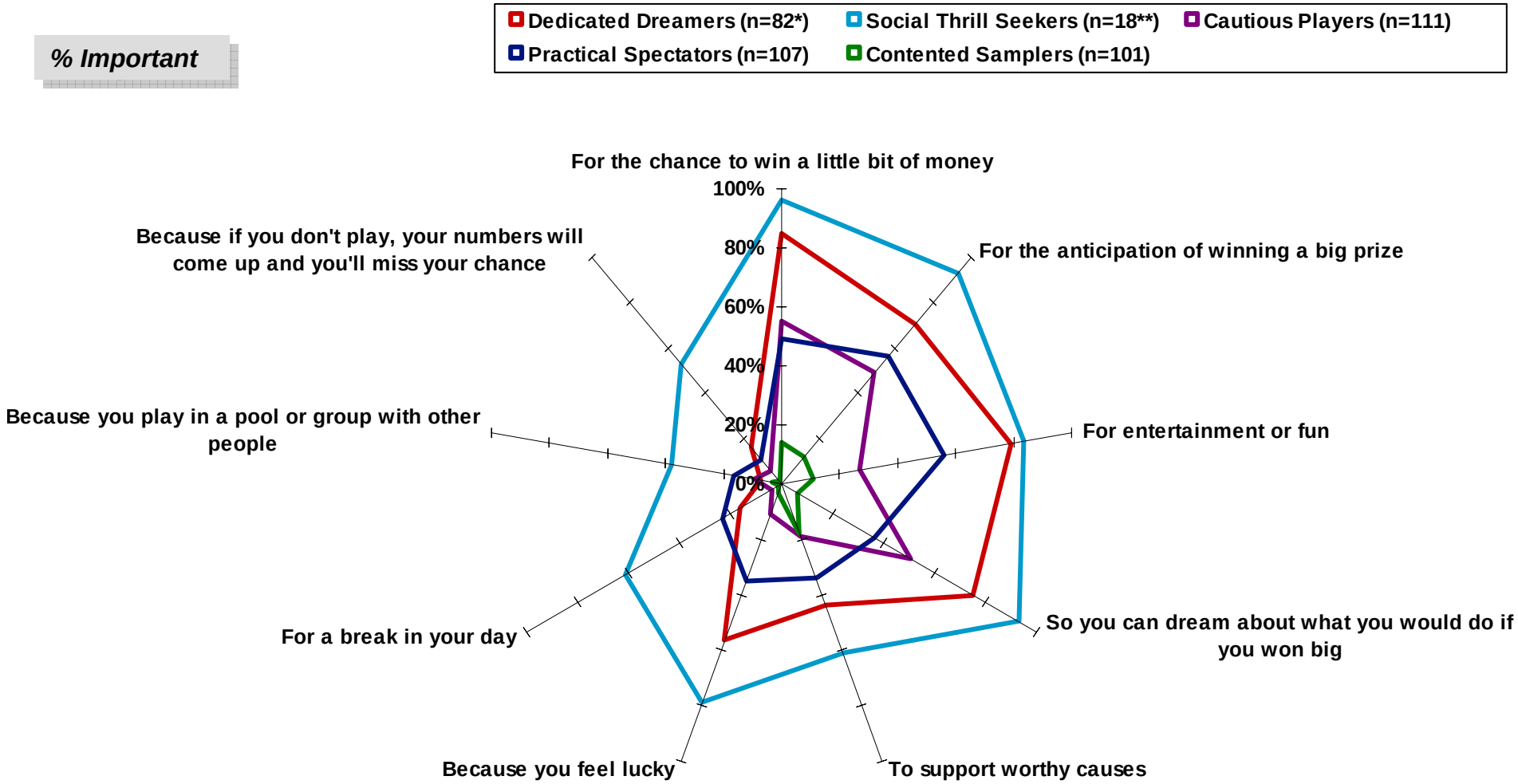


QE4. Here is a list of statements about playing Powerball. For each statement, please indicate how you feel on a scale of '1' to '7'
Base: Spent money on 'Powerball' *Small sample size **Very small sample size

Gaming Motivations by Segment

MONTANA

% Important

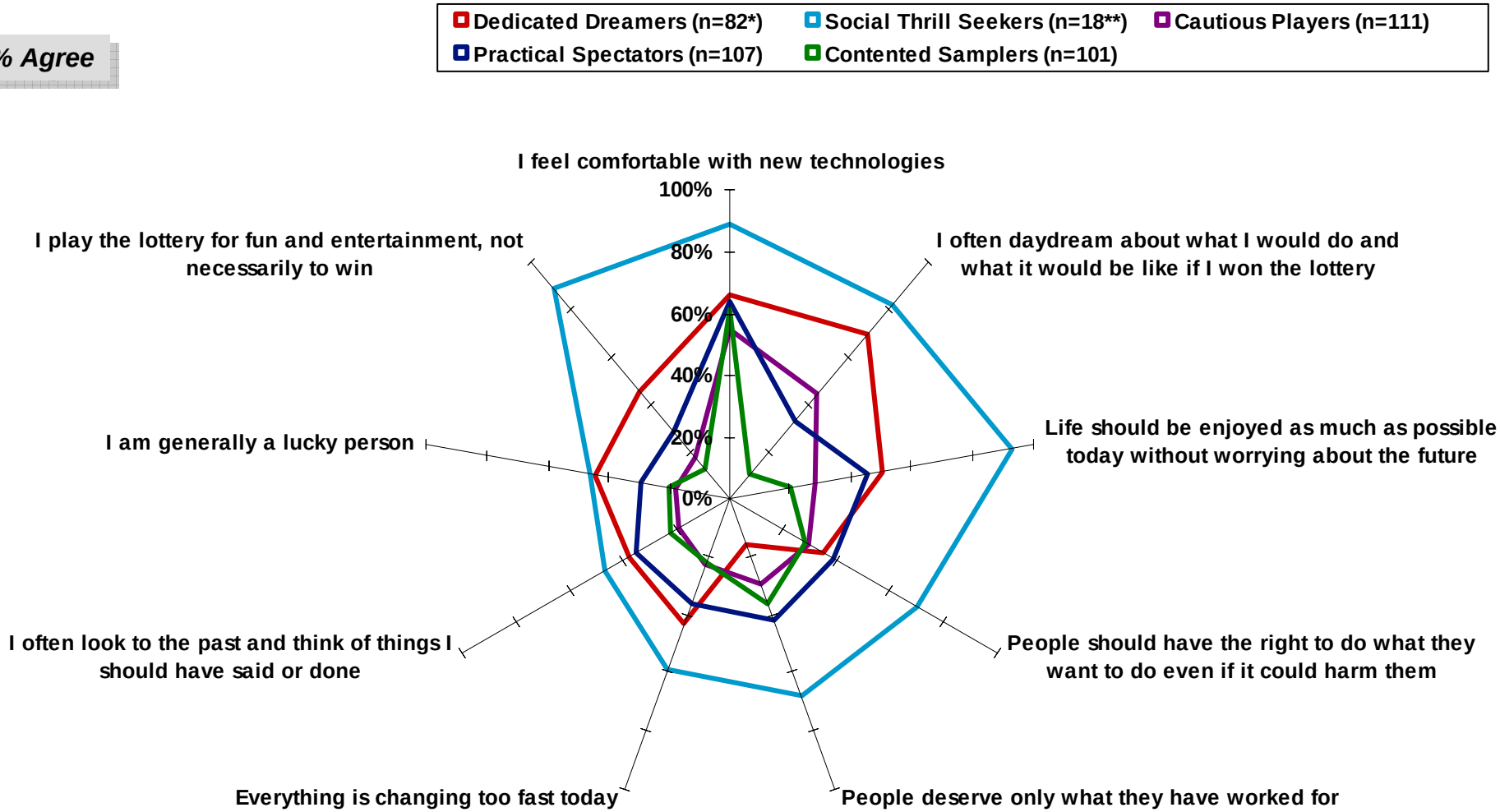


QF1. Here are some reasons why people say they like to play lottery games/other gambling activities. Please indicate their importance on a scale of 1 to 7.
Base: All respondents *Small sample size **Very small sample size

Psychographics by Segment

MONTANA

% Agree



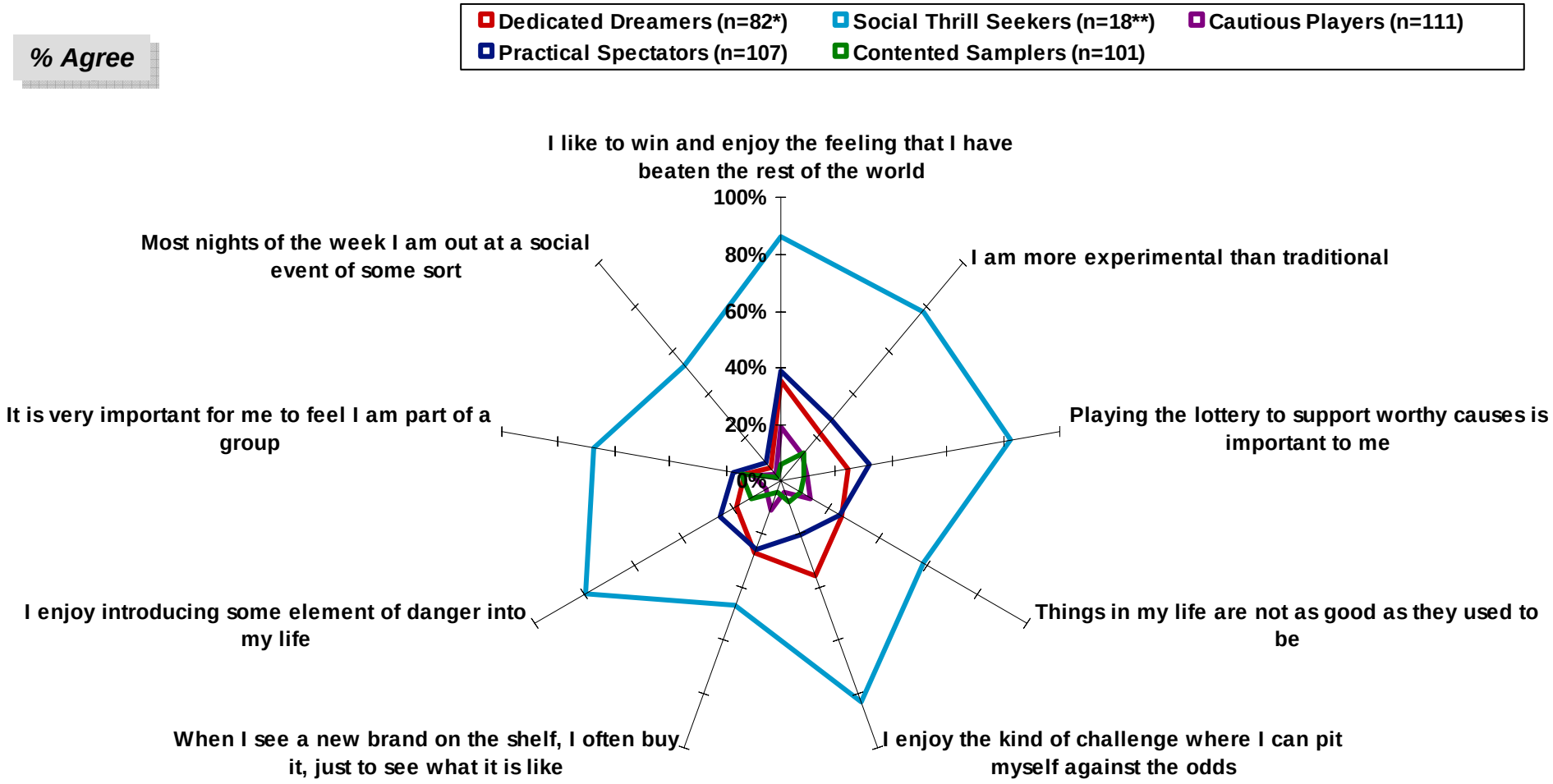
Continued…

QF2. Different people approach life in different ways. please indicate the level to which you agree with the following statements using a scale of 1 to 7.
Base: All respondents *Small sample size **Very small sample size

Psychographics by Segment continued

MONTANA

% Agree



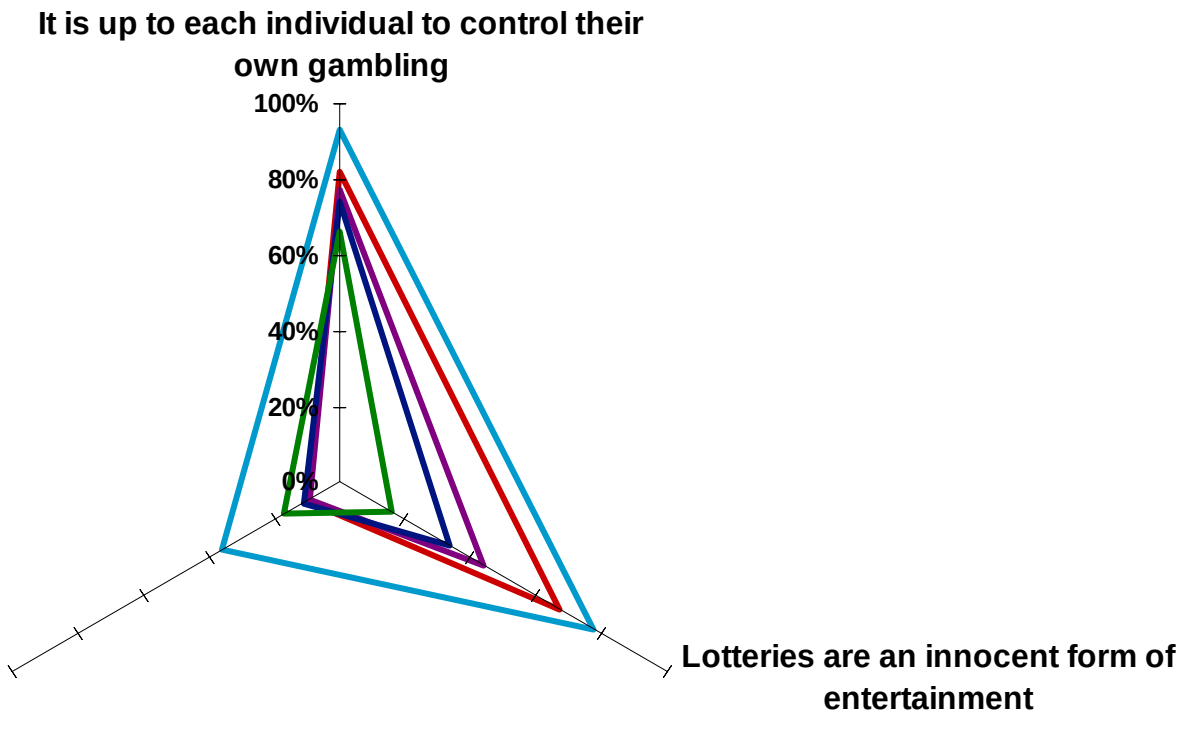
QF2. Different people approach life in different ways. please indicate the level to which you agree with the following statements using a scale of 1 to 7.
Base: All respondents *Small sample size **Very small sample size

Policy Perceptions by Segment

MONTANA

% Agree

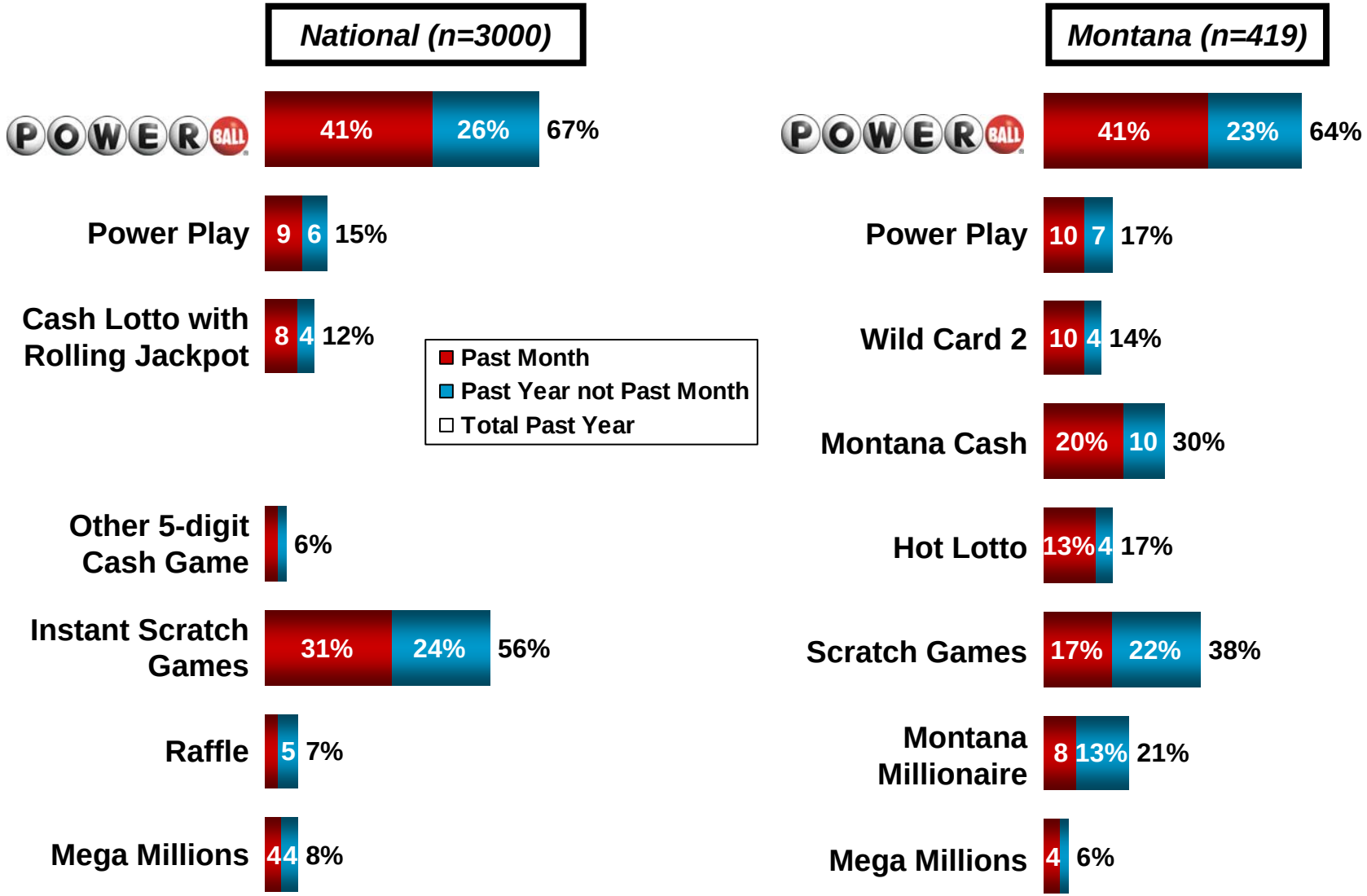
- Dedicated Dreamers (n=82*)
- Social Thrill Seekers (n=18**)
- Cautious Players (n=111)
- Practical Spectators (n=107)
- Contented Samplers (n=101)



QF3. Here are some statements that could be made about lotteries and gaming in. For each statement, please indicate how you feel on a scale of '1' to '7'.
Base: All respondents *Small sample size **Very small sample size

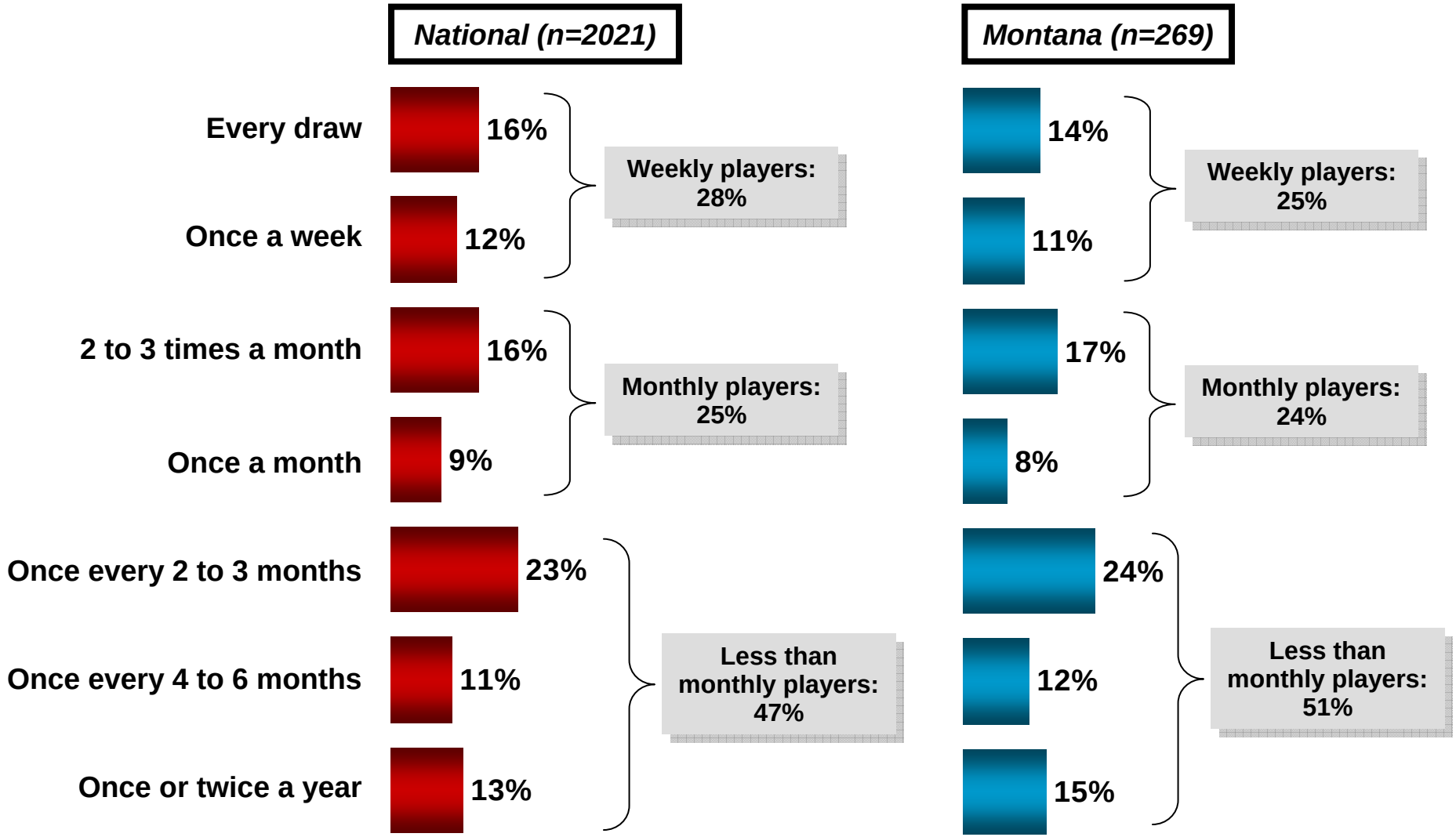
State and National Comparison

Lottery Game Participation



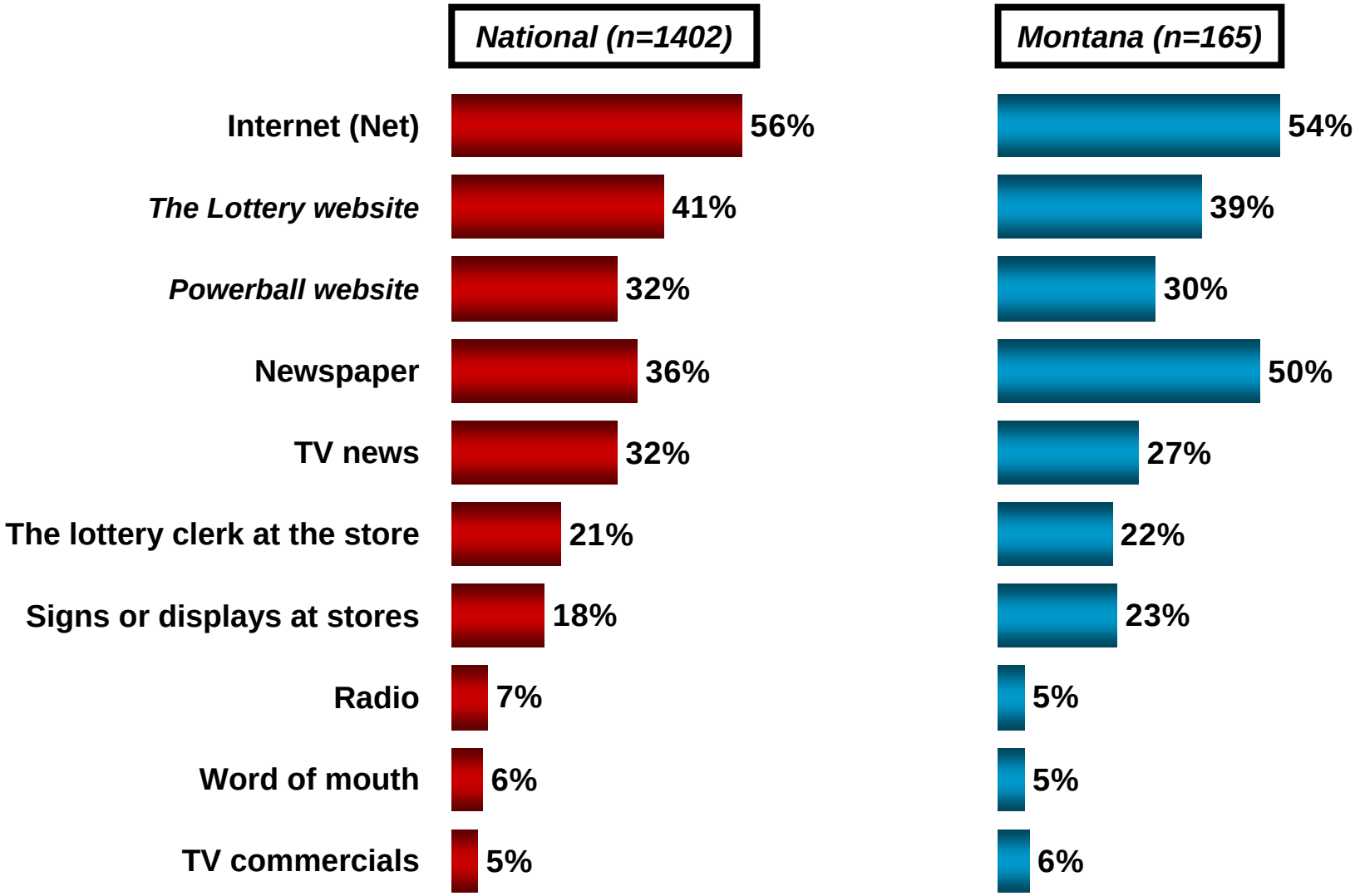
Base: All respondents

Frequency of Powerball Play



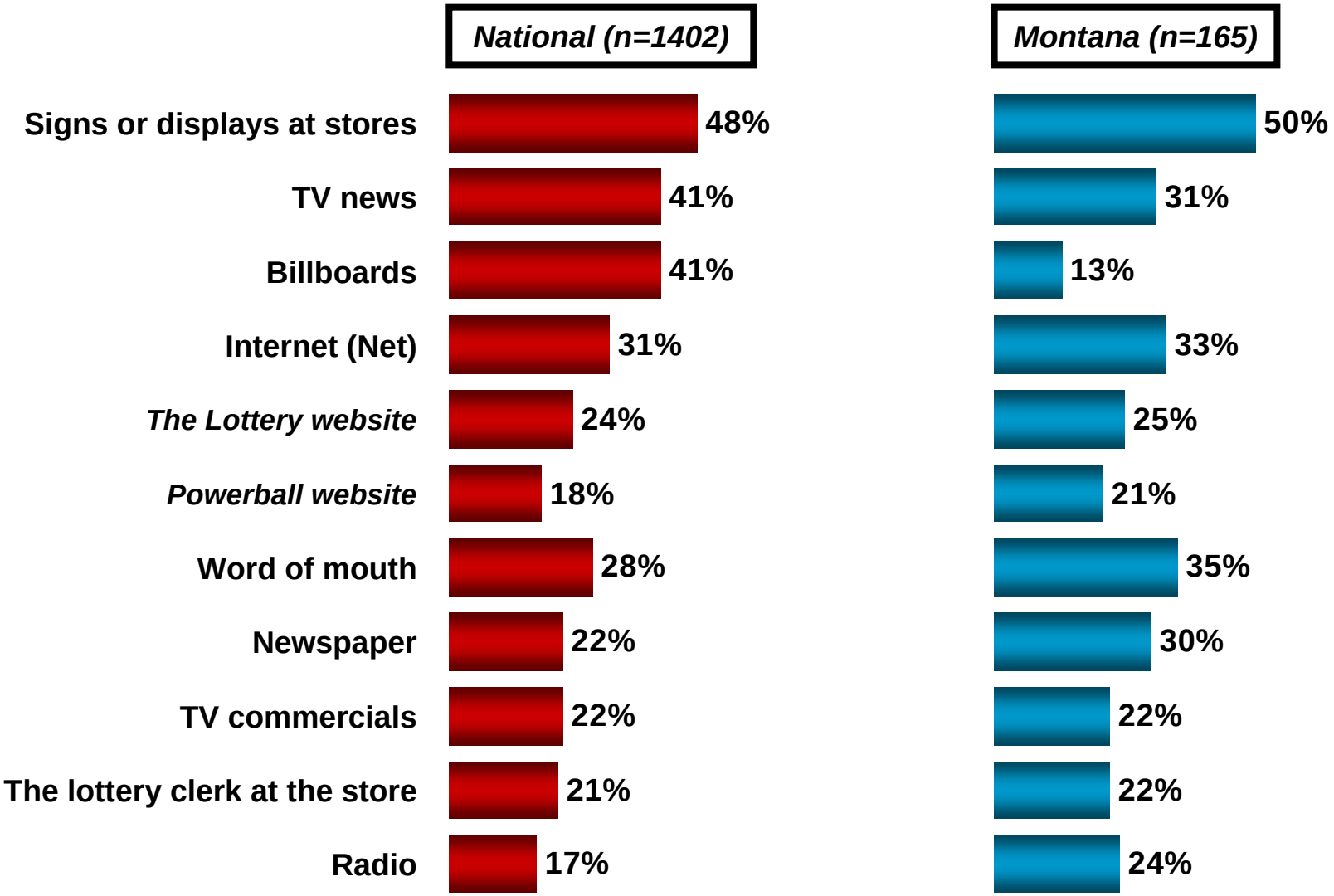
QC2_10. How often do you play 'Powerball' lottery game?
Base: Spent money on 'Powerball'

Sources of Information for Winning Powerball Numbers



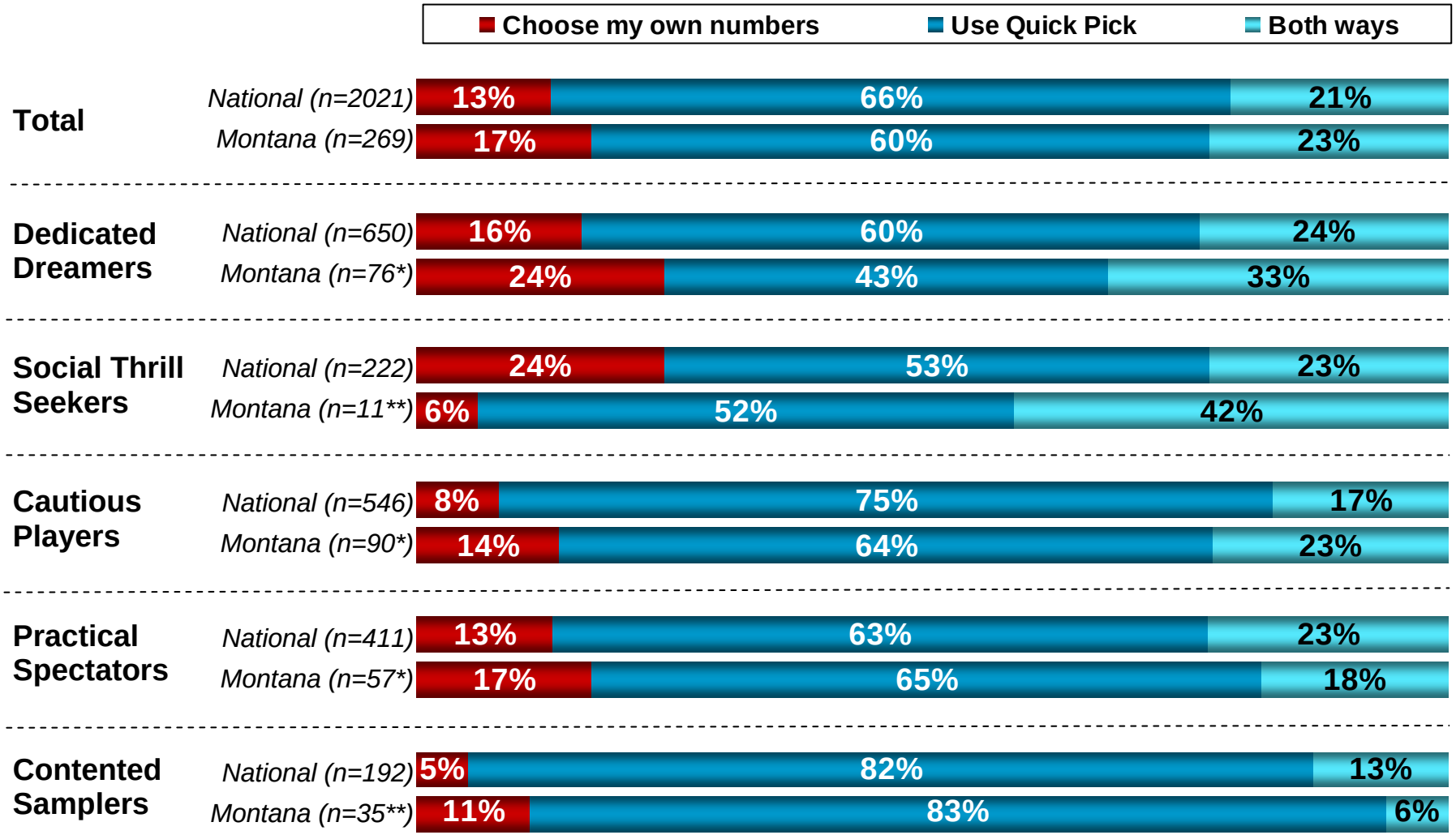
QE2. How or where do you usually find out the size of the Powerball jackpot or winning Powerball numbers?
Base: Respondents who will purchase tickets knowing the value of the jackpot

Sources of Information for the Size of the Powerball Jackpot



QE2. How or where do you usually find out the size of the Powerball jackpot or winning Powerball numbers?
Base: Will purchase knowing the value of the jackpot

Method of Choosing Powerball Numbers



QE5. When you buy Powerball tickets, do you primarily choose your own numbers to play, or do you primarily use Quick Pick?
Base: Spent money on Powerball *Small base size **Very small base size

Reasons for Never Playing Powerball

% Agree

Base: Respondents who have not played and not spent on Powerball	National (n=362)	Montana (n=53*)
The chances of winning aren't very good	81%	87%
I pay at the pump when I buy gas	58%	45%
My social circle doesn't play Powerball	43%	62%
I have little or no money available for entertainment	40%	25%
I don't know how to play Powerball	39%	44%
I don't know where the Lottery proceeds go	33%	46%
It's not fun or exciting	32%	49%
I prefer to spend money on other types of gambling besides lottery games	30%	38%
Big life-altering jackpots don't interest me	29%	48%
It's not convenient for me to play	27%	31%
I don't know where to buy Powerball tickets	15%	19%
I've been playing other lottery games instead	13%	2%
I forget to buy Powerball tickets	12%	13%
Someone else in my family buys Powerball tickets	10%	7%

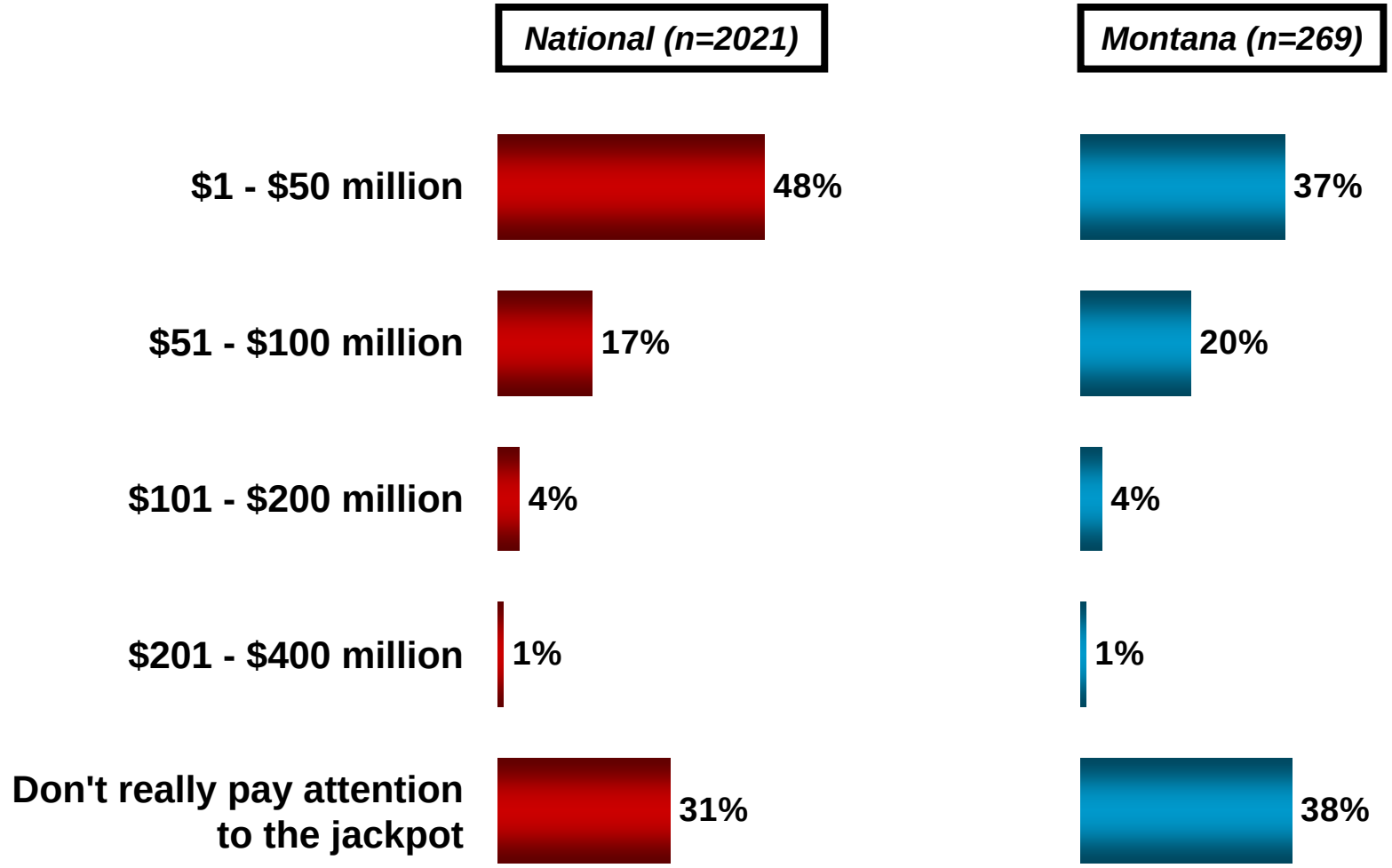
QE3C. Earlier you indicated that you've never played Powerball. Here is a list of reasons that some people have stated as why they haven't played Powerball.
*Small sample size

Overall Awareness of Lottery Games

Base: All respondents	Total		Dedicated Dreamers		Social Thrill-Seekers		Cautious Players		Practical Spectators		Contented Samplers	
	Nat. (n=3000)	MT (n=419)	Nat. (n=709)	MT (n=82*)	Nat. (n=277)	MT (n=18**)	Nat. (n=707)	MT (n=111)	Nat. (n=810)	MT (n=107)	Nat. (n=497)	MT (n=101)
Power Play	74%	73%	84%	83%	82%	75%	73%	81%	74%	74%	56%	54%
Cash Lotto with Rolling Jackpot (Wild Card 2 & Montana Cash)	46%	86%	50%	87%	51%	80%	48%	85%	45%	89%	40%	84%
Other 5-digit Cash Game (Hot Lotto)	24%	53%	27%	58%	30%	64%	23%	65%	25%	51%	15%	36%
Instant Scratch Games Scratch Games)	94%	96%	95%	98%	92%	100%	94%	95%	94%	98%	92%	95%
Raffle (Montana Millionaire)	22%	68%	25%	78%	29%	65%	21%	73%	21%	75%	14%	49%
Mega Millions	65%	53%	69%	67%	71%	79%	63%	53%	67%	50%	54%	39%

QA9. Before today, had you ever heard of each of the following lottery games?
*Small sample size **Very small sample size

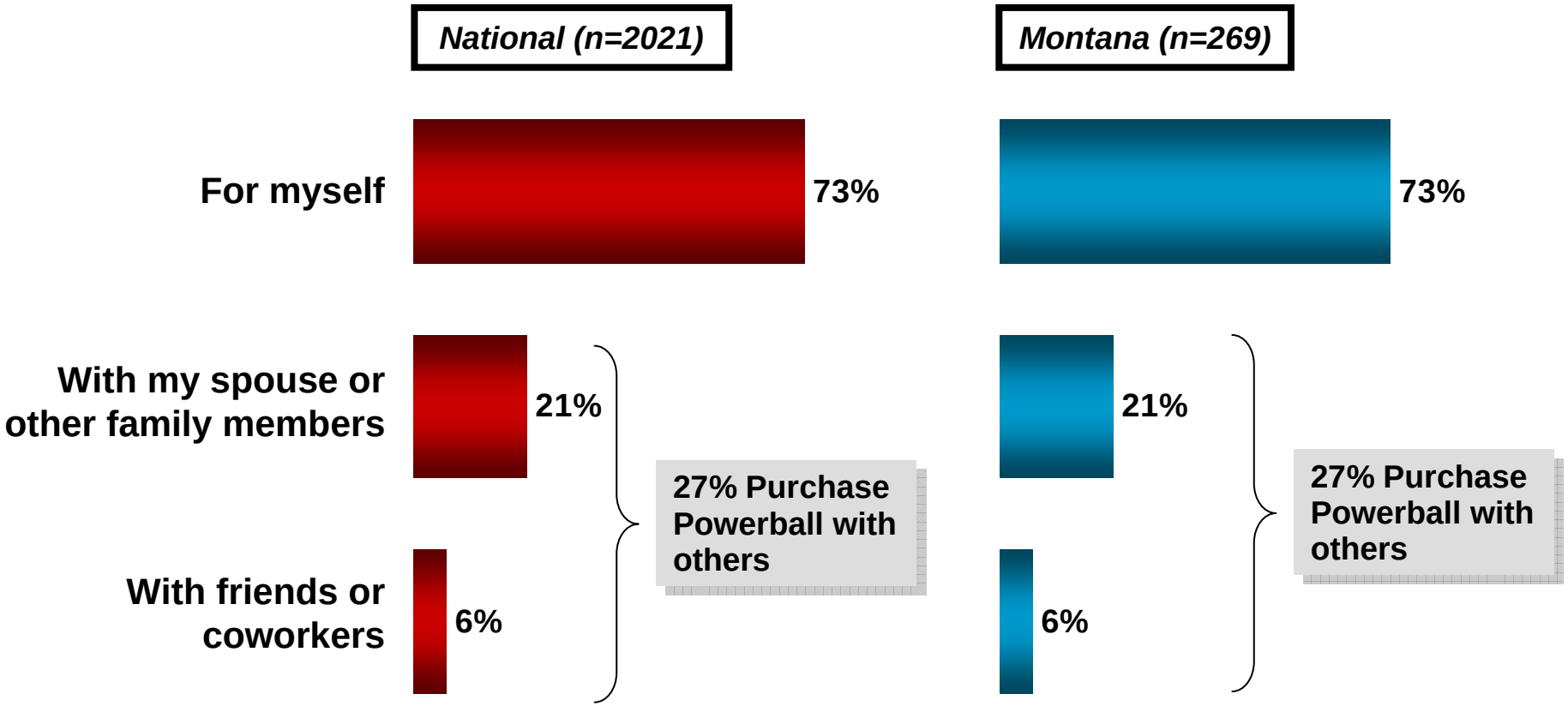
Powerball Jackpot Expectations



QE1. How high does the Powerball jackpot have to be before you will buy a ticket?
Base: Spent money on Powerball

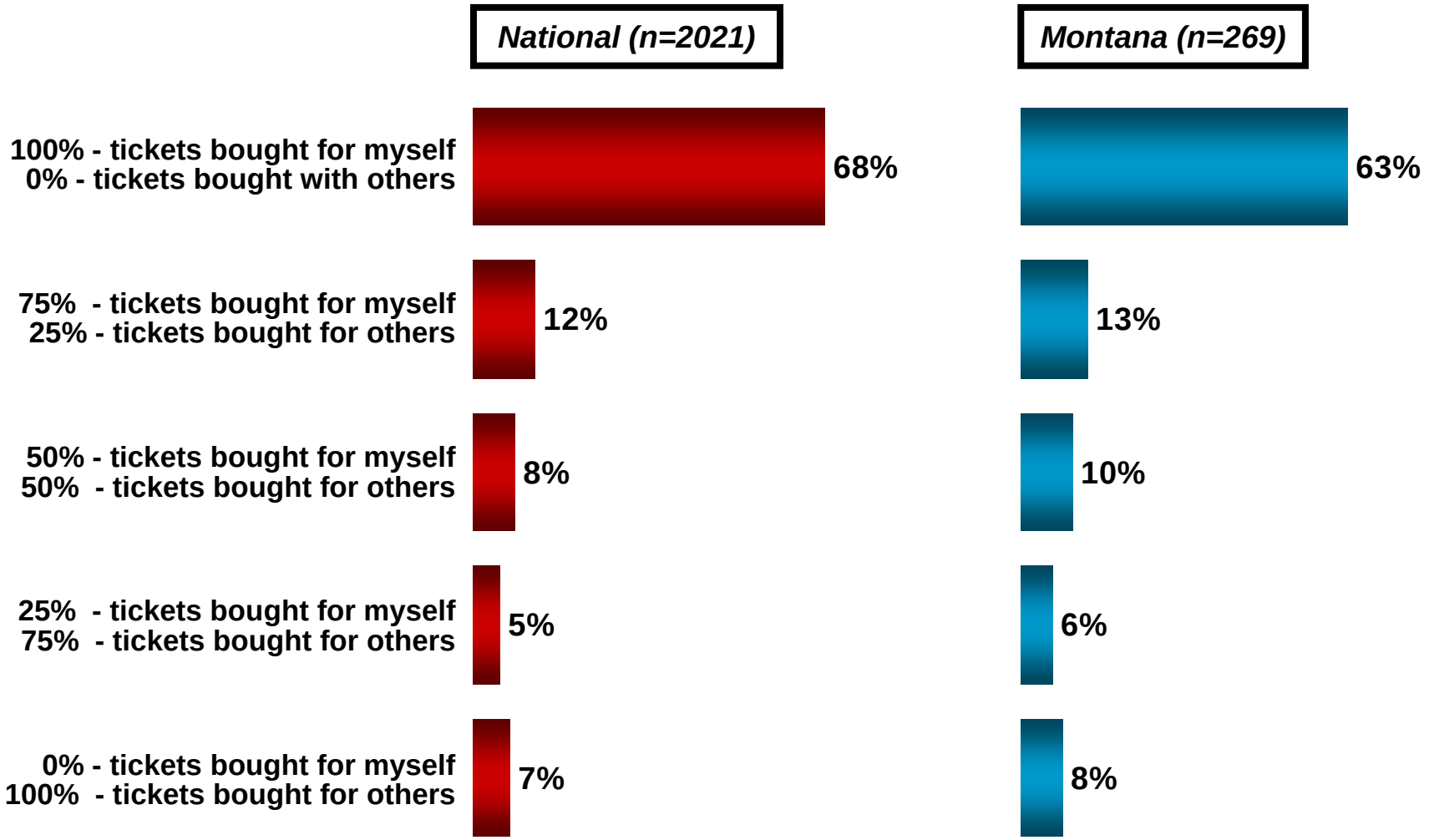
Powerball Purchase Habits

I Usually Purchase Powerball Tickets…



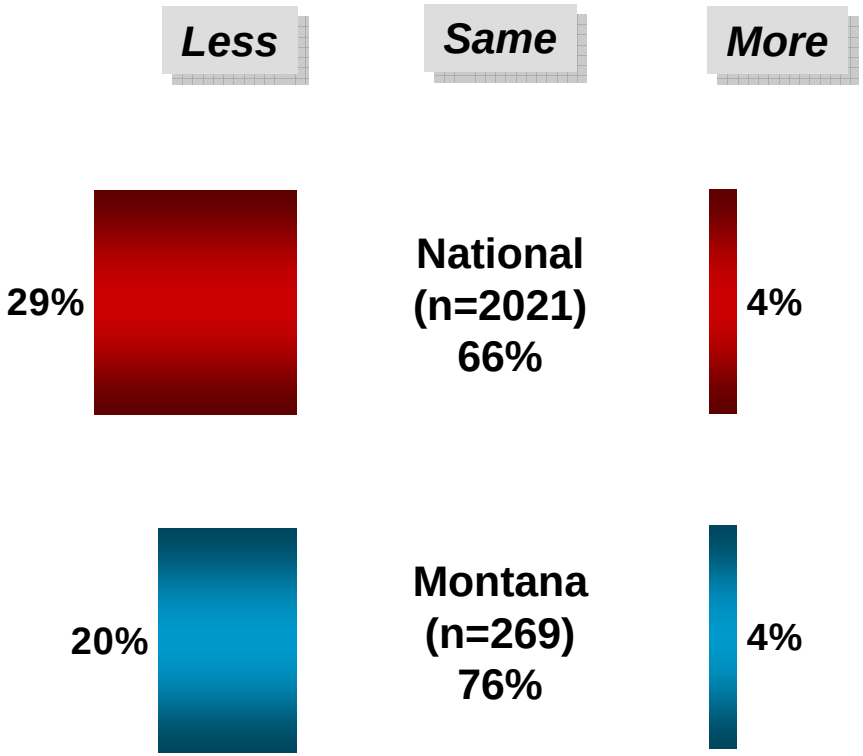
QC3. Do you usually purchase Powerball tickets yourself, or with other people?
Base: Spent money on Powerball

Spending on Powerball Tickets



QC4. Thinking back over the past year, approximately what percentage of your spending on Powerball was on tickets you bought for yourself, compared to how much you spent on tickets that you bought with others ...?
Base: Spent money on Powerball in past 12 months

Changes in Past Six-Month Spending on Powerball



QE3. Compared to 6 months ago, would you say that you are spending more, the same, or less money on Powerball?
Base: Spent money on Powerball

Reasons for Spending Less on Powerball in the Past Year

% Agree

Base: Players spending less on Powerball	National	Montana
	(n=592)	(n=54*)
The chances of winning aren't very good	71%	74%
I have less money available for entertainment	64%	48%
I pay at the pump when I buy gas	48%	47%
It doesn't seem like as many people are winning	47%	46%
I forget to buy Powerball tickets	43%	54%
The odds of winning are worse than they used to be	42%	42%
It's not as much fun or as exciting as it used to be	39%	31%
I don't know where the Lottery proceeds go	24%	21%
My group or social circle is not playing as much anymore	23%	20%
It's not convenient for me to play	23%	26%
I prefer to spend money on other types of gambling besides lottery games	21%	12%
The jackpot hasn't been high enough	20%	14%
I've been playing other lottery games instead	13%	2%

QE3A. Here is a list of reasons that some people have stated in the past as why they are spending less on Powerball.
*Small sample size

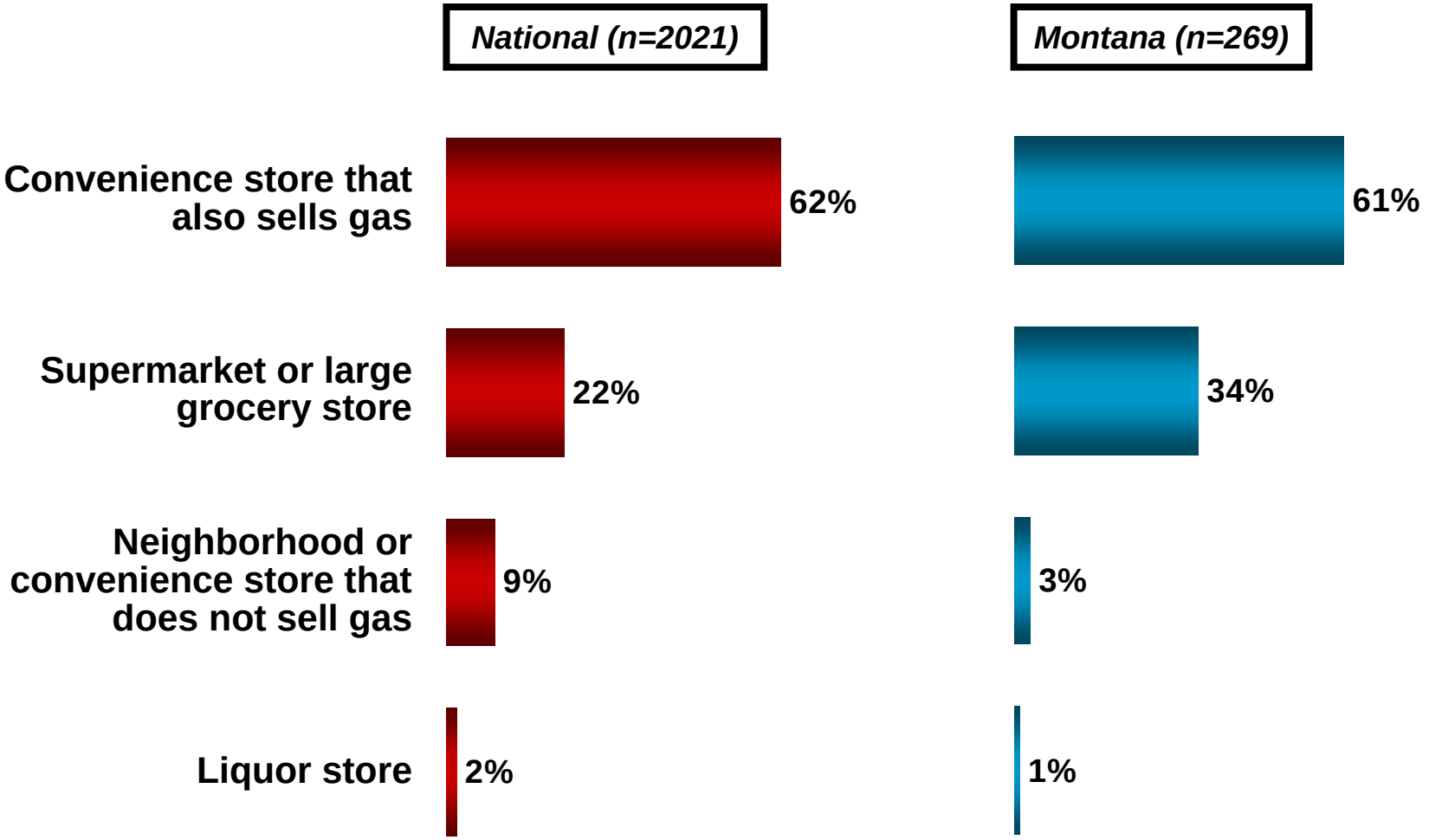
Reasons for Playing Powerball Less in the Past Year (Among Lapsed Players)

% Agree

Base: Lapsed players	National	Montana
	(n=545)	(n=89*)
The chances of winning aren't very good	73%	70%
I have less money available for entertainment	56%	45%
I pay at the pump when I buy gas	52%	47%
The odds of winning are worse than they used to be	38%	38%
It doesn't seem like as many people are winning	34%	31%
It's not convenient for me to play	34%	32%
I don't know where the Lottery proceeds go	30%	28%
I forget to buy Powerball tickets	28%	38%
It's not as much fun or as exciting as it used to be	28%	39%
I prefer to spend money on other types of gambling besides lottery games	21%	30%
My group or social circle is not playing anymore	20%	25%
The jackpot hasn't been high enough	14%	11%
I've been playing other lottery games instead	9%	7%

QE3B. Earlier you indicated that you've played Powerball in the past, just not in the past year. Here is a list of reasons that some people have stated as why they have stopped playing Powerball.
*Small sample size

Retail Locations for Powerball Purchases



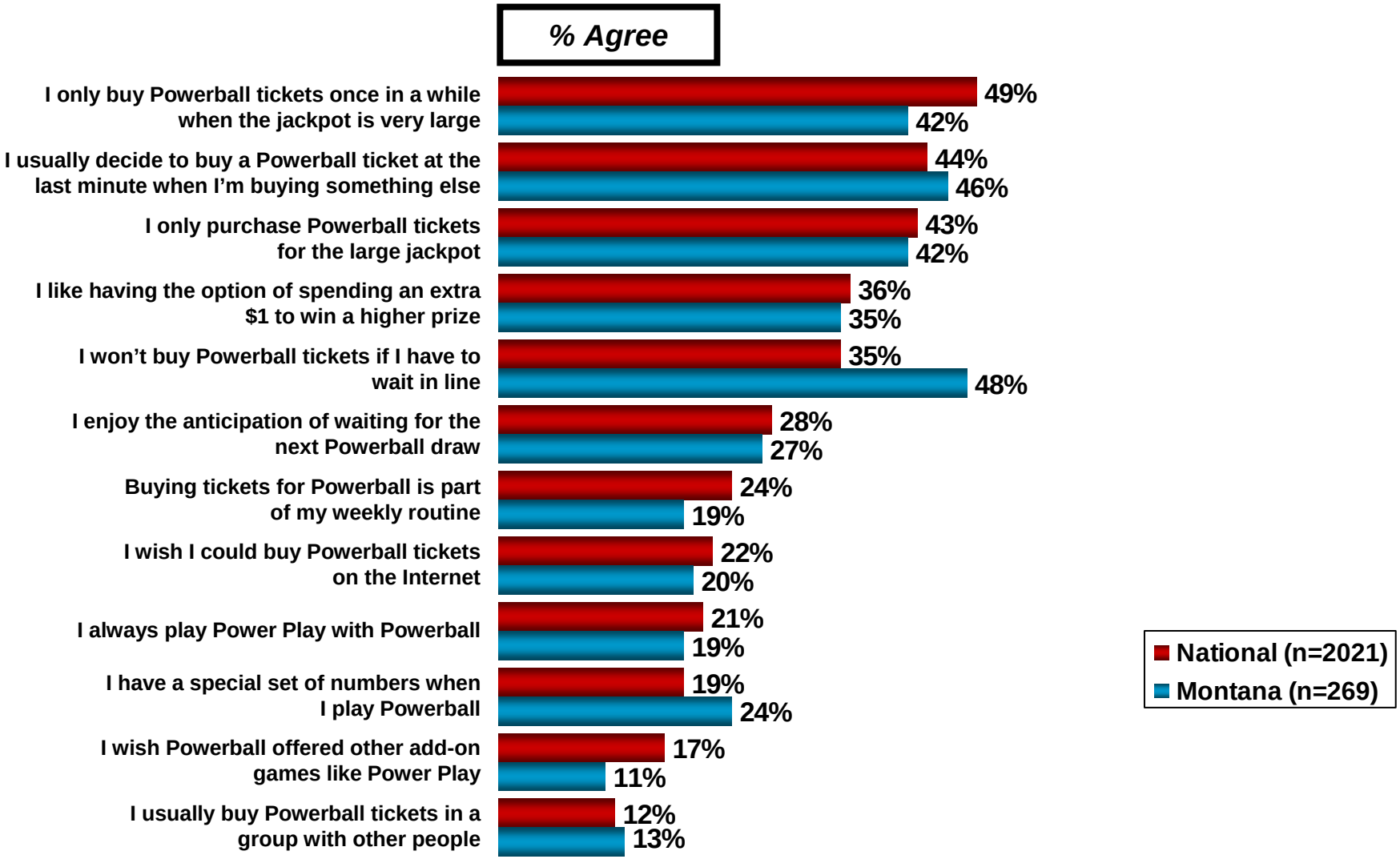
QE6. Where do you most frequently purchase your Powerball tickets?
Base: Spent money on Powerball

Participation in Other Gaming

Base: All respondents	Total		Dedicated Dreamers		Social Thrill-Seekers		Cautious Players		Practical Spectators		Contented Samplers	
	Nat. (n=3000)	MT (n=419)	Nat. (n=709)	MT (n=82*)	Nat. (n=277)	MT (n=18**)	Nat. (n=707)	MT (n=111)	Nat. (n=810)	MT (n=107)	Nat. (n=497)	MT (n=101)
Any Other Gaming Activity (NET)	**68%**	**79%**	**71%**	**84%**	**72%**	**79%**	**65%**	**74%**	**68%**	**86%**	**63%**	**72%**
On raffle tickets or other charitable gambling activity	***41%***	***51%***	***47%***	***56%***	***40%***	***48%***	***39%***	***52%***	***39%***	***57%***	***38%***	***38%***
On gambling at any type of casino	***37%***	***42%***	***43%***	***48%***	***41%***	***50%***	***35%***	***37%***	***38%***	***54%***	***28%***	***28%***
On sports pools or sporting events	***15%***	***20%***	***16%***	***26%***	***18%***	***21%***	***17%***	***17%***	***17%***	***26%***	***8%***	***13%***
On pull-tabs	***13%***	***5%***	***16%***	***9%***	***20%***	***11%***	***13%***	***4%***	***13%***	***5%***	***6%***	***2%***
On bingo	***12%***	***7%***	***14%***	***8%***	***22%***	***14%***	***9%***	***7%***	***12%***	***9%***	***8%***	***3%***
On betting on horse or dog racing	***7%***	***7%***	***5%***	***14%***	***8%***	***16%***	***7%***	***5%***	***9%***	***5%***	***4%***	***3%***
On Keno	***4%***	***25%***	***5%***	***38%***	***8%***	***46%***	***3%***	***20%***	***4%***	***25%***	***2%***	***17%***
None of the above	**33%**	**21%**	**30%**	**16%**	**28%**	**22%**	**35%**	**26%**	**32%**	**14%**	**37%**	**28%**

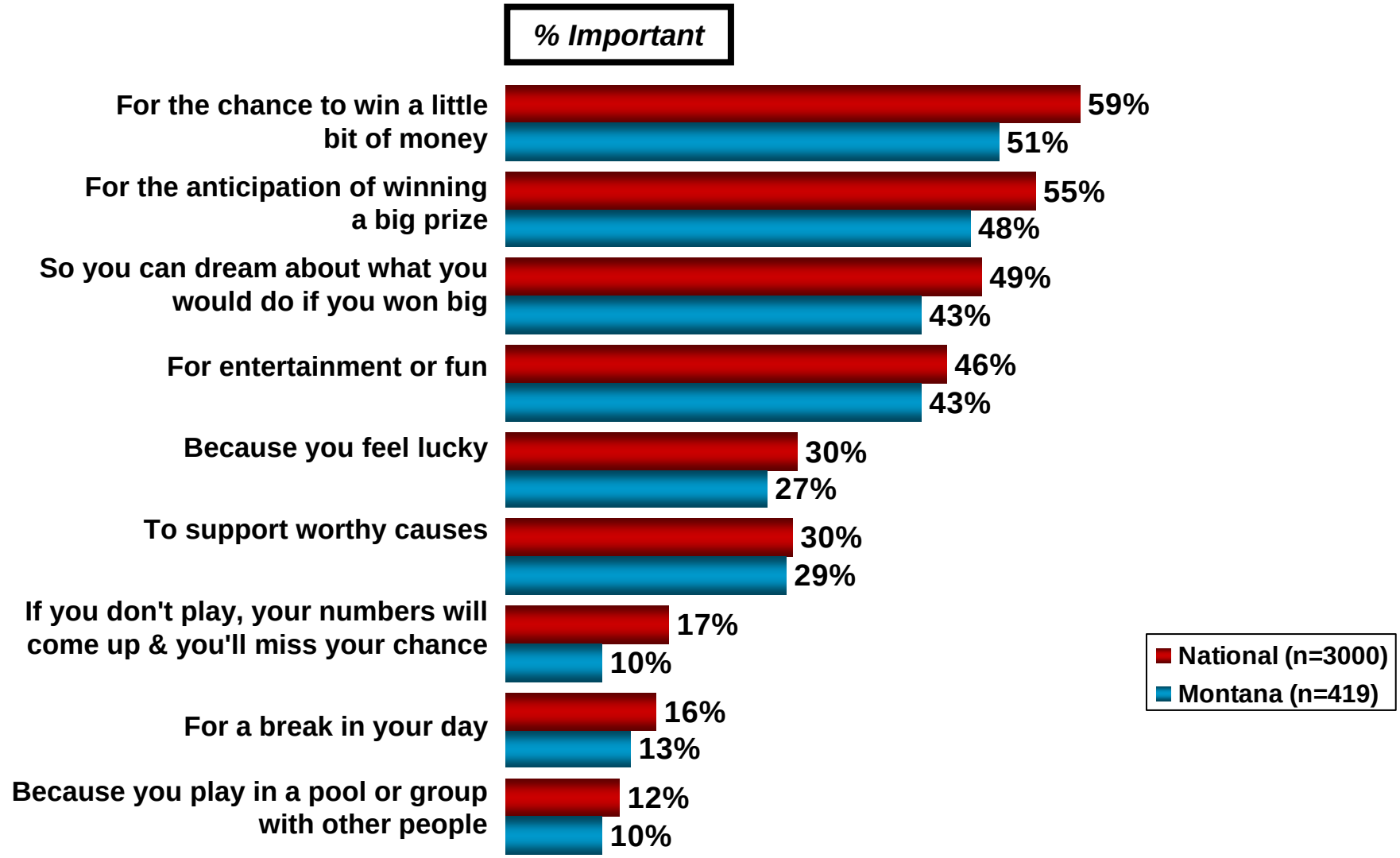
QA12. In the past 12 months, have you spent any money on any of the following activities?
*Small sample size **Very small sample size

Powerball Play Behavior



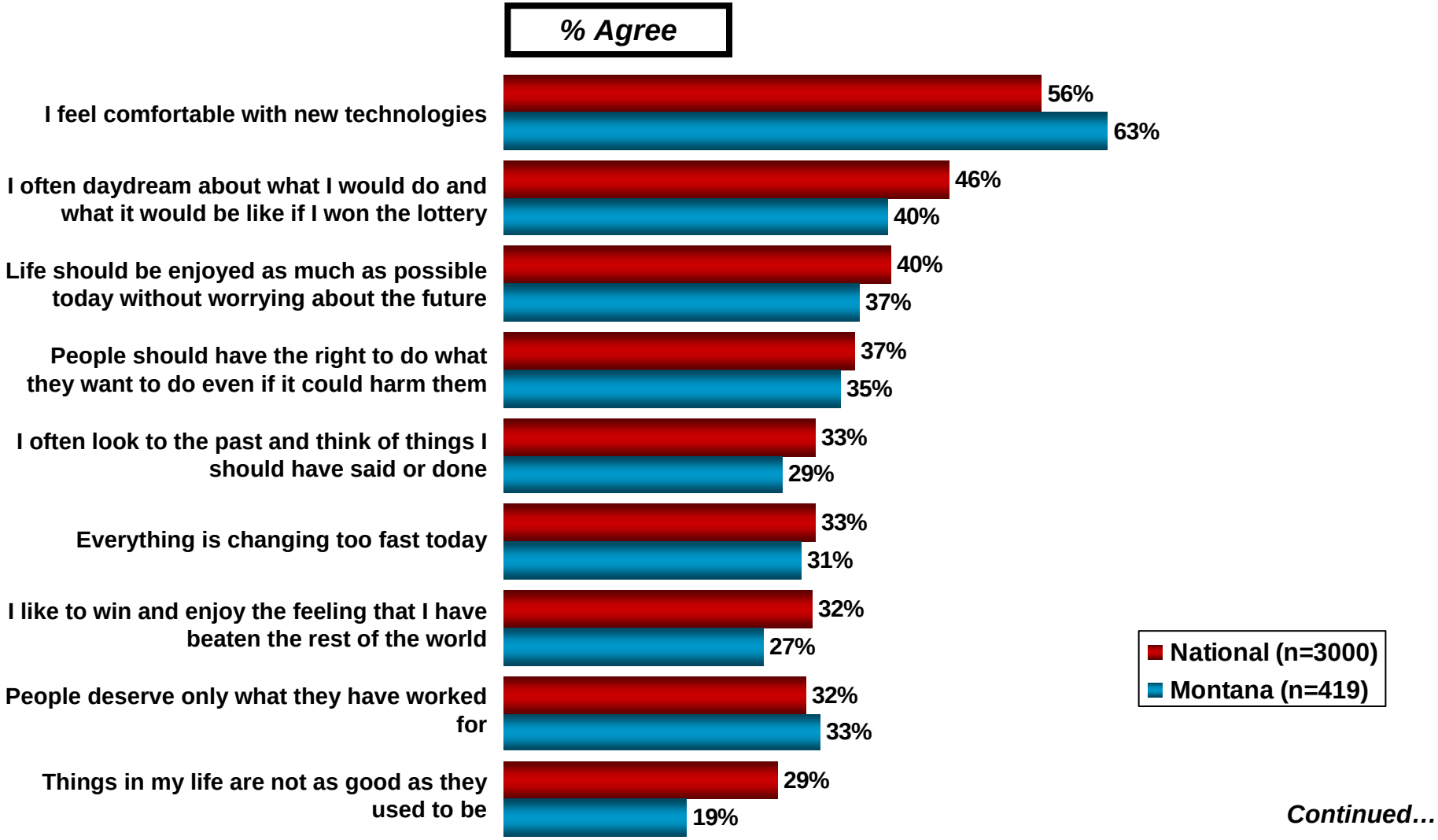
QE4. Here is a list of statements about playing Powerball. For each statement, please indicate how you feel on a scale of '1' to '7'
Base: Spent money on 'Powerball'

Gaming Motivations



QF1. Here are some reasons why people say they like to play lottery games/other gambling activities. Please indicate their importance on a scale of 1 to 7.
Base: All respondents

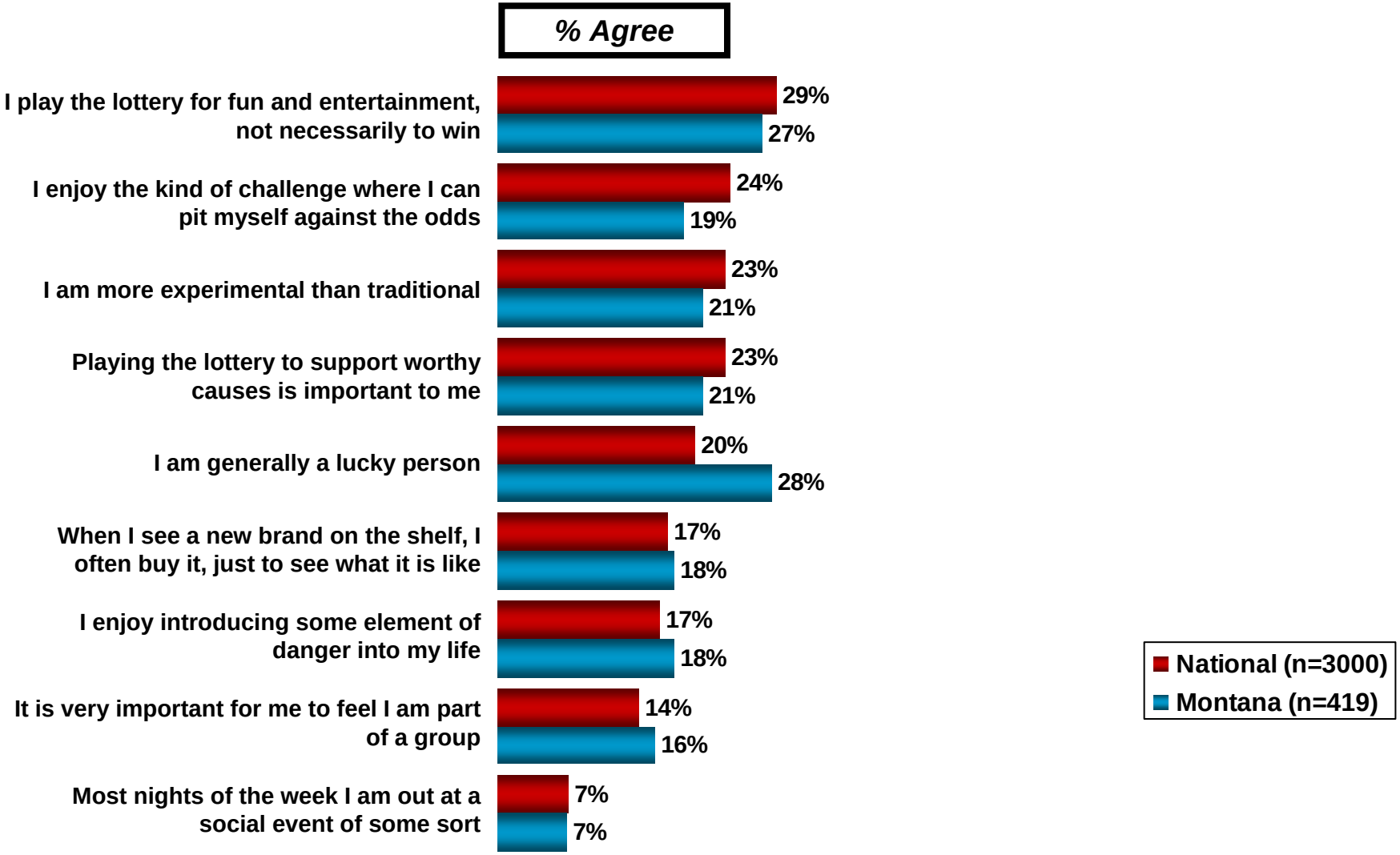
Psychographics



Continued…

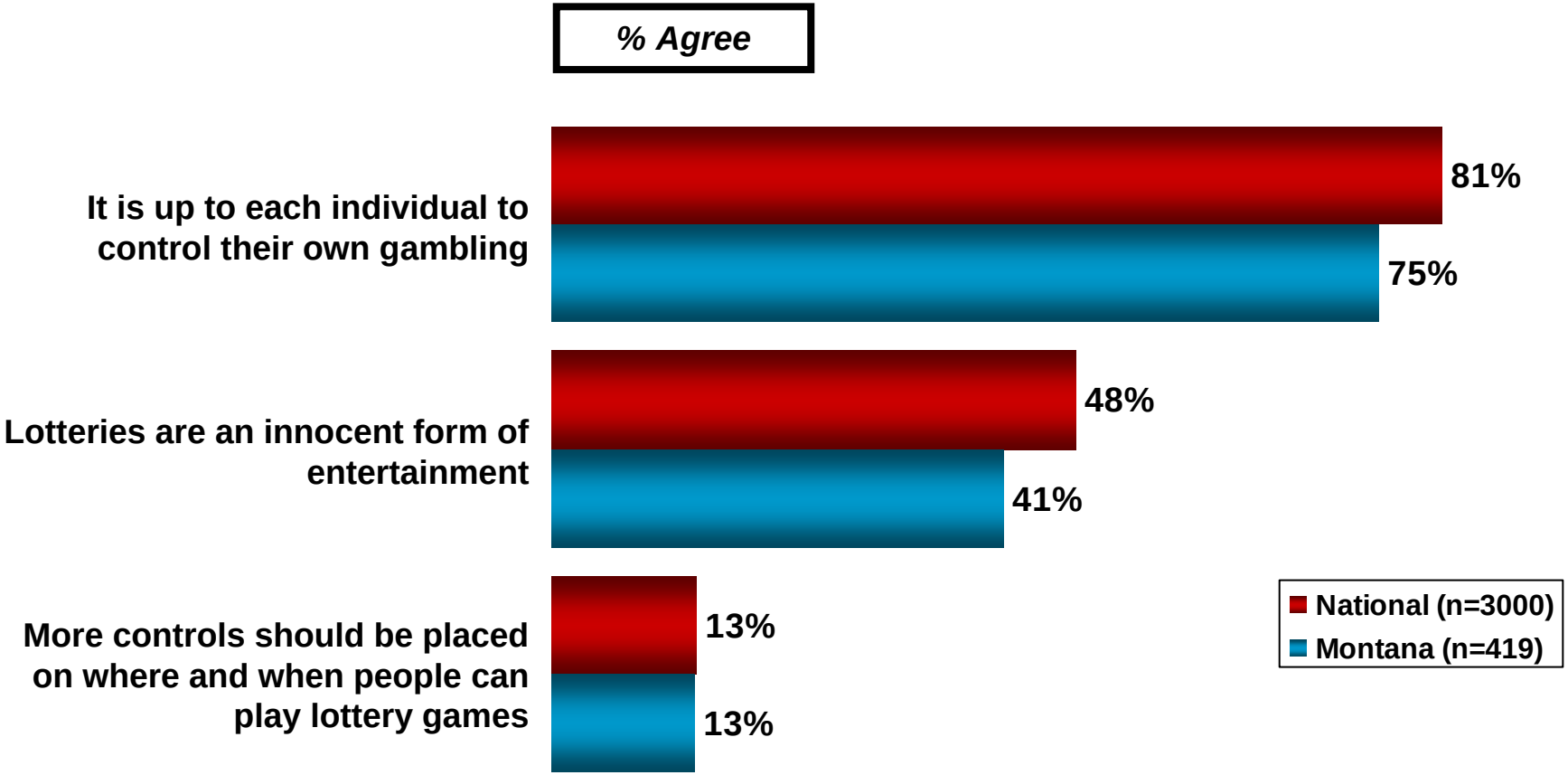
QF2. Different people approach life in different ways. please indicate the level to which you agree with the following statements using a scale of 1 to 7.
Base: All respondents

Psychographics continued



QF2. Different people approach life in different ways. please indicate the level to which you agree with the following statements using a scale of 1 to 7.
Base: All respondents

Policy Perceptions



QF3. Here are some statements that could be made about lotteries and gaming in. For each statement, please indicate how you feel on a scale of '1' to '7'.
Base: All respondents

SECTION 2: BRAND EQUITY

What is Equity Builder?

Our Equity*Builder brand health research serves two key purposes:

- The tool has the ability to assist in establishing the functional, attitudinal and personality drivers of brand equity and commitment – this will be valuable to ensure that the brand strategy will be based on relevant drivers that will differentiate the assessed brand and increase commitment and interest.
- The outcome is an analysis of what is influencing the brand and what can be done to help build the brand further.

Why "Equity*Builder"?

- Our empirical model has demonstrated that an organization's brand health is highly correlated to consumer metrics and business metrics – keys to long-term viability. The model has been validated across over 75 categories using over 500,000 observations. Ipsos ASI has successfully used the model for numerous Canada and the United States businesses, enabling them to understand where they are positioned, what is important to consumers in areas of functional, attitudinal, and personality positioning, and where the opportunities are for strengthening their respective brands going forward.

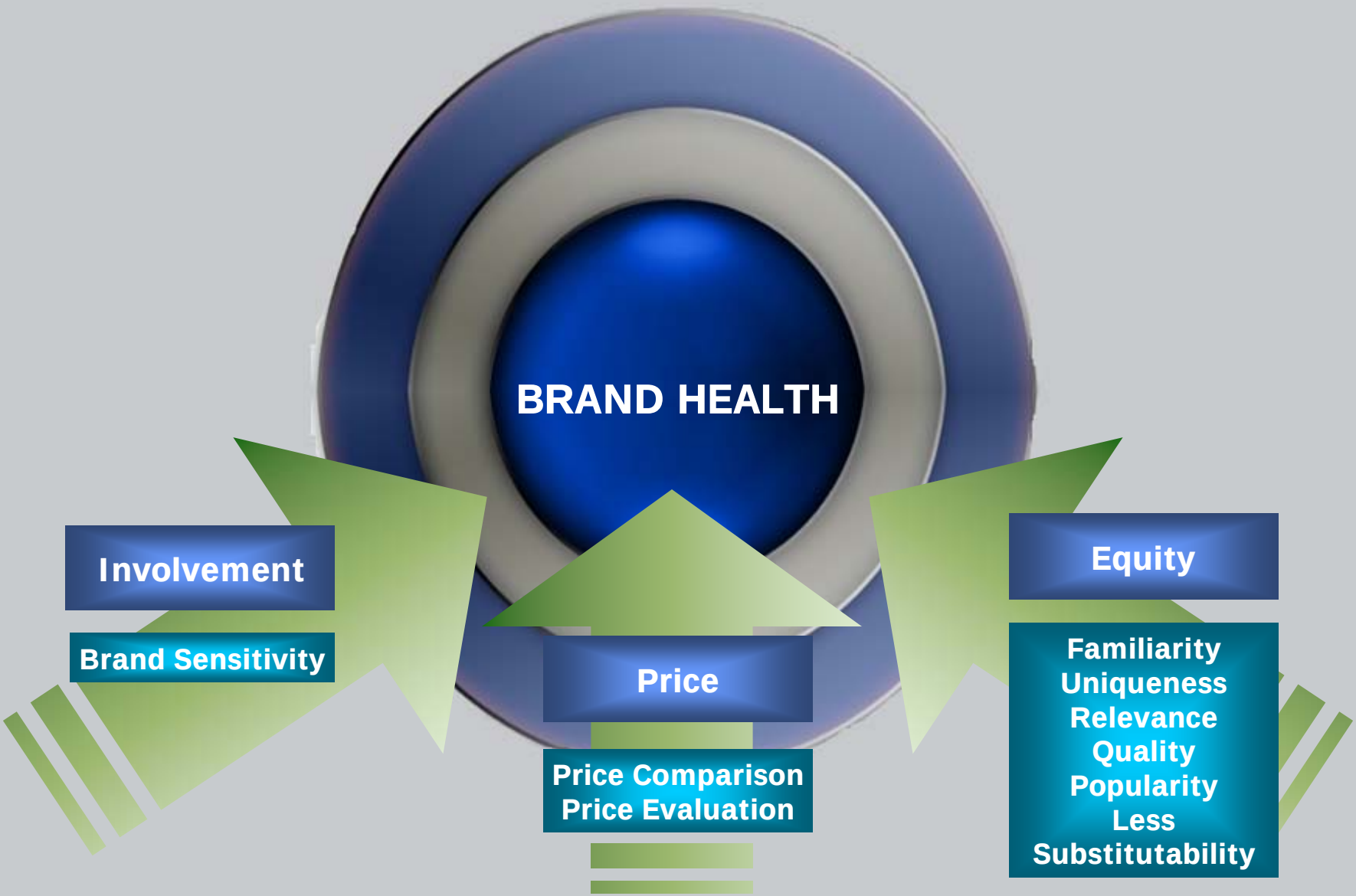
Equity*Builder was Developed to Understand the Value of a Brand

In order to understand and measure the value of a brand, Ipsos has been conducting research since the mid-90's to develop the main factors that reflect healthy and successful brands in terms of business performance.

Our model is empirically driven and, to-date, is based on:

- 500,000+ brand observations;
- Across 500+ brands;
- Across 100+ categories (including lotteries); and,
- In 40+ countries.

"Brand Health" is the Composite Score



Brand Equity for Powerball

- In designing a brand equity assessment, it is important to put the brand into the correct competitive context. This allows for a “cleaner read”, as respondents who complete the survey will be making comparisons and judgments about the brands just as they do in reality.
- Within the confines of this study (customized for every state, yet comparable across states), it was simply not feasible to put Powerball in context with every other lottery game in every state. This would naturally be a logical approach if such a study was being completed in only one state instead of thirty.
- For the sake of comparability, it was decided to use Scratch games as a comparison, since that is virtually the only product that is available in nearly every Powerball state. Also, to maintain a truly competitive context in relation to Powerball, it was decided to limit the comparison to a $1 Scratch Game.

Summary

Brand Health Overview - Powerball

BRAND HEALTH OVERVIEW

- In both the National and Montana regions, Powerball achieved very strong and similar brand health scores. This was due to excellent brand equity and price ratings.

- From the equity webs, the Powerball brand was determined to be a Familiar and Popular brand, as it is above norms for these equity components. The state web shape is also nearly identical to the National shape.

Drivers of Brand Equity - Powerball

DRIVERS OF BRAND EQUITY

- Statistical analysis was conducted on image and personality attributes to determine the most important drivers of brand equity for Powerball.
- The image attributes most important in driving equity in both the Montana and National regions are similar, as at least 3 of the top 5 attributes are the same between the two regions.
    - For image these include “offers good value for money”, “provides anticipation and excitement” and “could really change my life”.
    - In Montana, “fun to play even if I don’t win”, “easy to play” were somewhat less important while “easy to buy” and “offers a chance to win big” were somewhat more important.
- For personality, the most important drivers of equity between national and Montana were identical and included “trustworthy”, “fun”, “exciting”, “popular”, and “thrilling”.

Performance on Image & Personality - Powerball

PERFORMANCE ON IMAGE AND PERSONALITY

- Results on association of Powerball on the Image and Personality attributes assessed are also aligned between the National sample and the Montana sample.
- The game's most predominant Image attributes are 'easy to play', 'easy to buy', 'offers a chance to win big', 'could really change my life'. The game however could improve the brand by improving on the attributes of importance 'provides anticipation and excitement' and 'offers good value for the money'. Other areas of opportunity include 'fun to play even if I don't win' and 'fun playing in group'.
- In terms of what is performing well for Personality, the game is thought to be 'fun', 'popular', 'exciting', 'trustworthy', and 'thrilling'. To improve the Personality of the brand, it could become more 'unique', 'full of adventure', and 'innovative'.

Brand Health - $1 Instant Scratch

$1 INSTANT SCRATCH

- $1 Instant Scratch achieved strong brand health scores. This was due largely in part to above average brand equity ratings and a favorable price index score.
- Results for Scratch both nationwide and in Montana suggest the brand health to be comparable to Powerball. The National brand health was slightly higher than the state's due to greater brand equity results.
- From the equity webs, the $1 Instant Scratch brand also follows a Familiar and Popular brand shape, with above norm performance on these equity components.

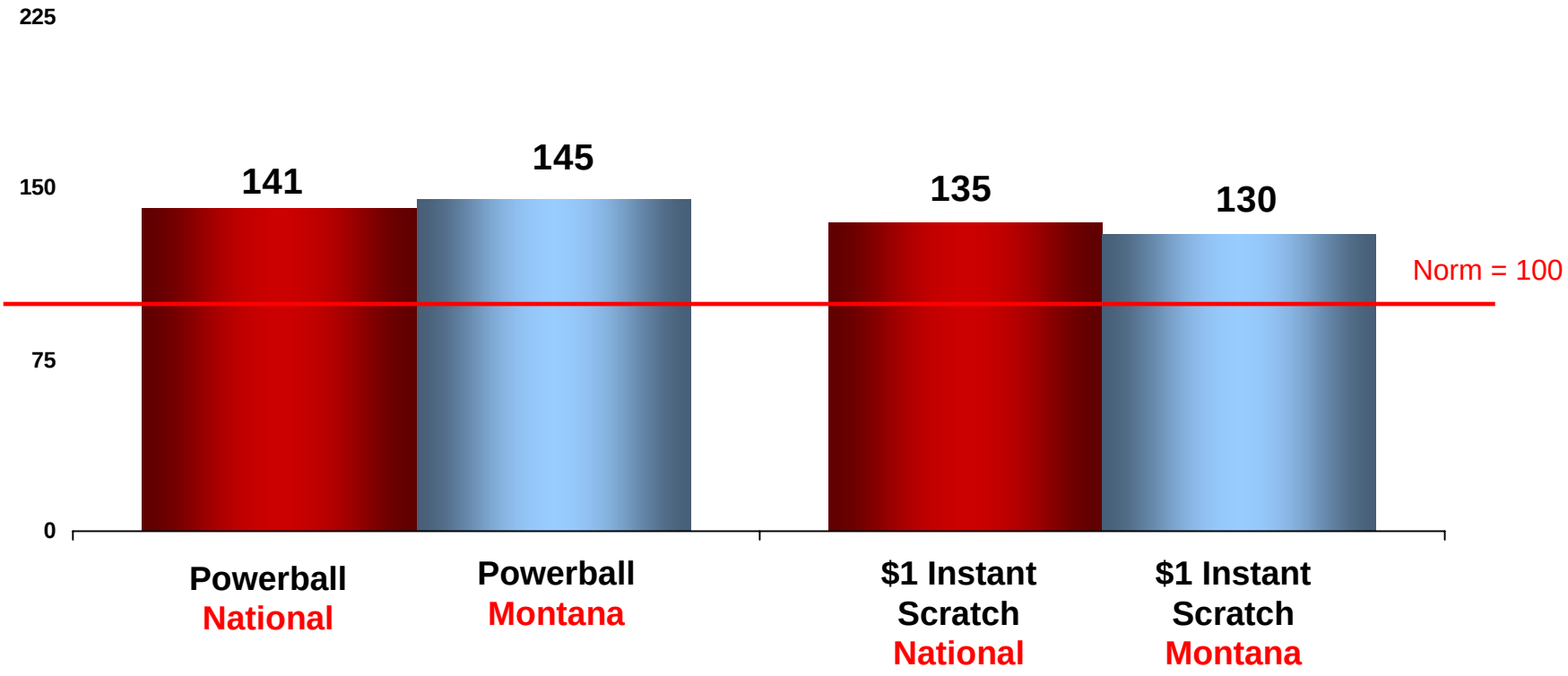
Implications

IMPLICATIONS

- Results suggest that from a brand health perspective, the Powerball brand in Montana is very comparable to the national results.
- Opportunities for positioning and branding nationally as a result would be very aligned to what would work in Montana.
- The results suggest that in Montana “easy to buy” and “offers a chance to wing big” hold somewhat more importance in terms of image, than it does nationally, while being “easy to play” and “fun to play even if I don’t win” are somewhat less important. However, these results must be put in the context that they are the exceptions. The majority of observations are aligned between state and nationwide.

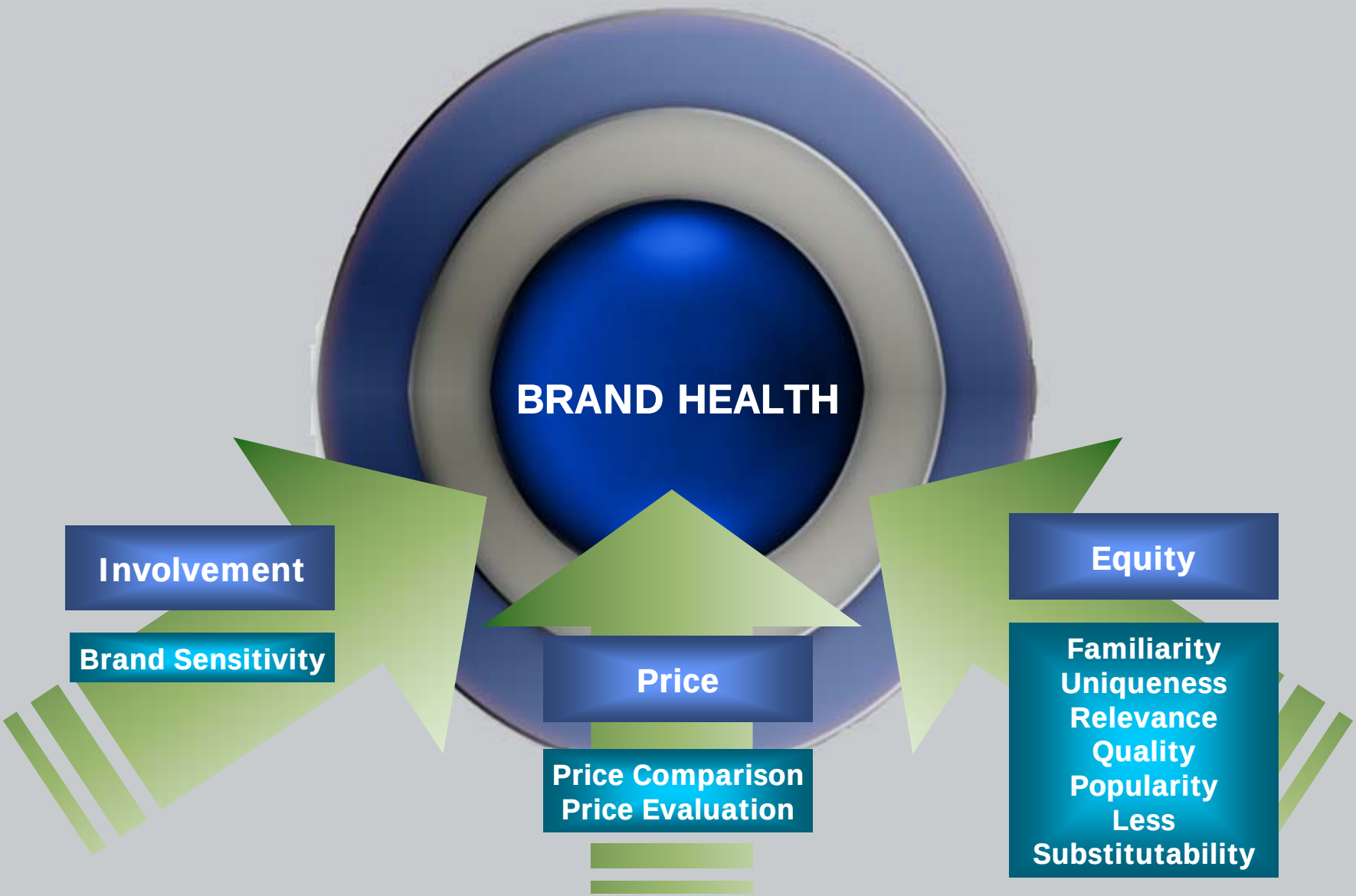
The Brand Health Score

Brand Health Score



Brand Health Part 1: Brand Equity

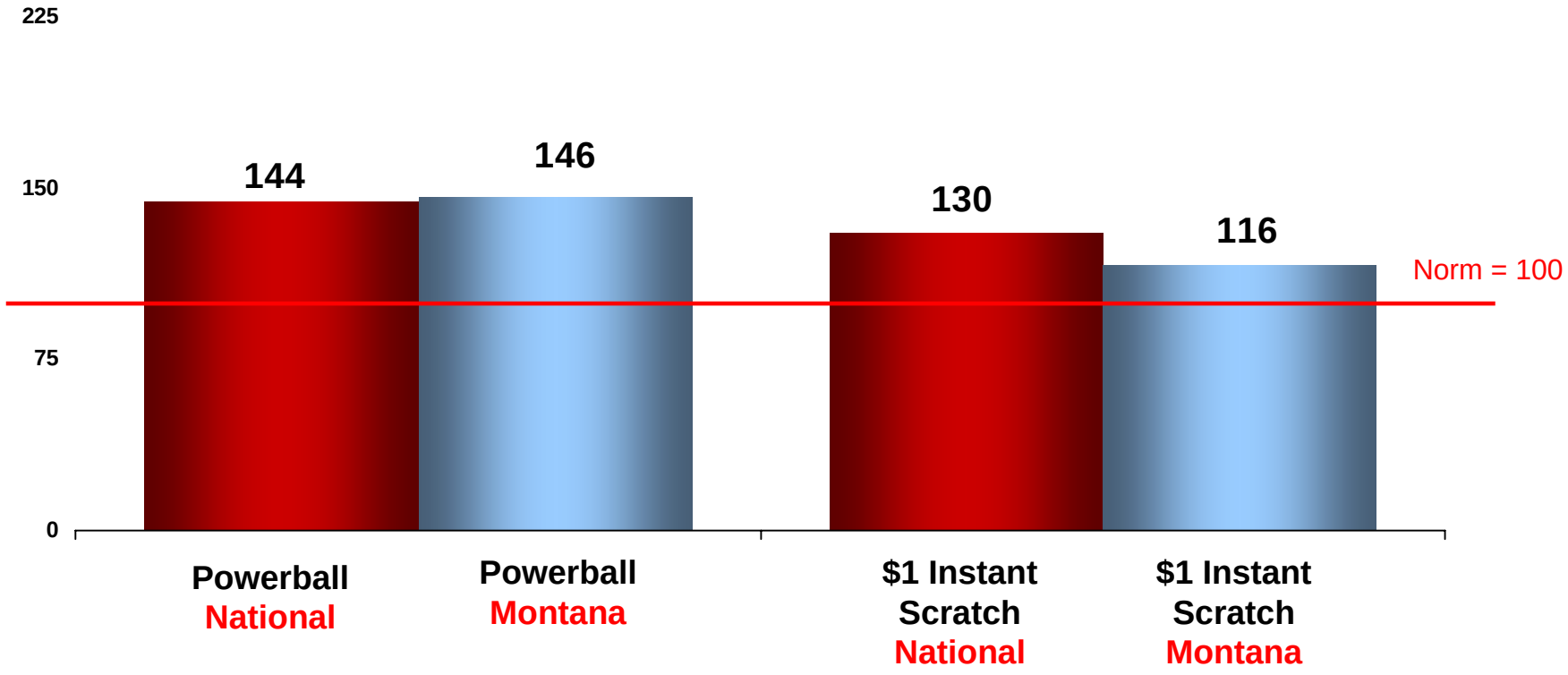
"Brand Health": Equity



The Brand Equity Component is based on the following

Components	Questions (10-point scale except Substitutability which is a yes/no question)
Relevance	This game fits my lifestyle and needs.
Familiarity	I am familiar with and understand what this game is all about.
Uniqueness	This game has unique or different features, or a distinct image that other games in this category don't have.
Popularity	This game is a popular game.
Quality	This game consistently offers high quality.
Substitutability	This game is similar to another lottery game in image or features.

Equity Index



How to Read Equity Webs

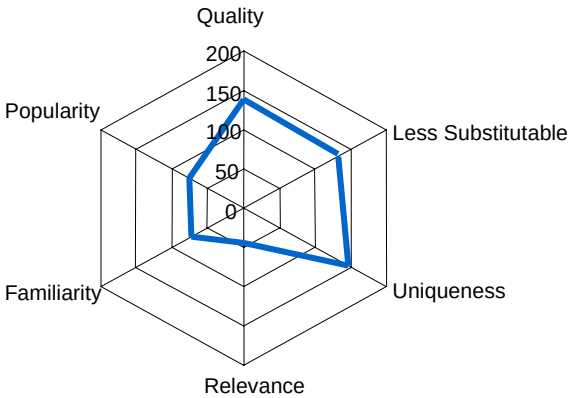
- The following web graphs depict how individual brands compare to each other when the six equity components are indexed. Indexing is done to neutralize the impact of brand size since smaller brands tend to get lower scores on all measures and large brands tend to get higher scores on all measures. Indexed scores are calculated by averaging each brand's ratings across all five equity metrics, dividing the brand's score on each metric by it's average and multiplying the outcome by 100. The index score represents strengths (above 100) and weaknesses (below 100) relative to the mean of each brand against each metric.

- Each of the brands are then mapped in relation to the overall norm. The larger the web is on any spoke, the stronger the brand is perceived to be against that measure. The shape of a brand's web, as the following page summarizes, reflects what "type" of brand it is.

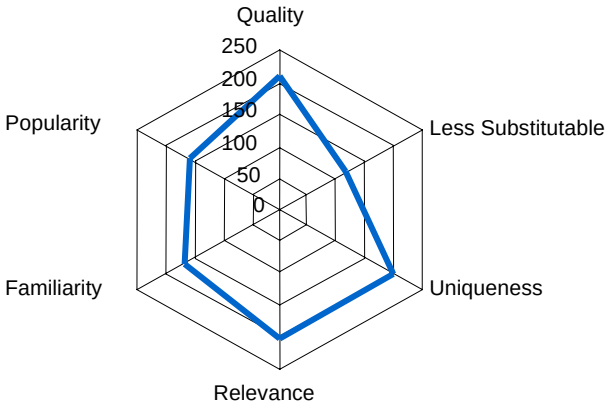
- The Equity Webs for each brand are based on total sample and are compared against average levels or industry 'norms'.

Theoretical Brand Equity Profile
Examples of Equity Webs

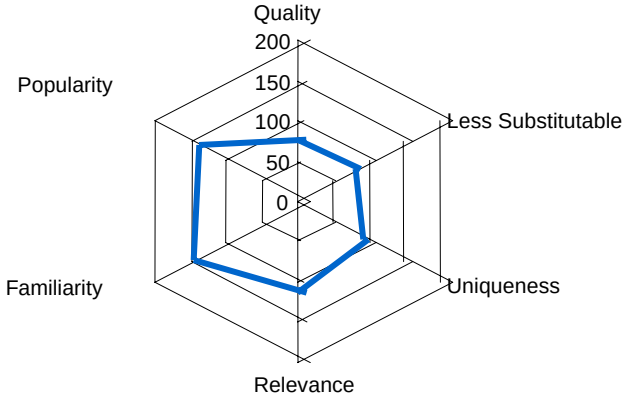
Niche Brand



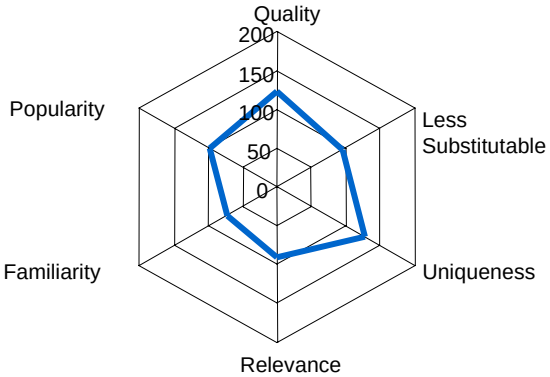
Big Established Brand



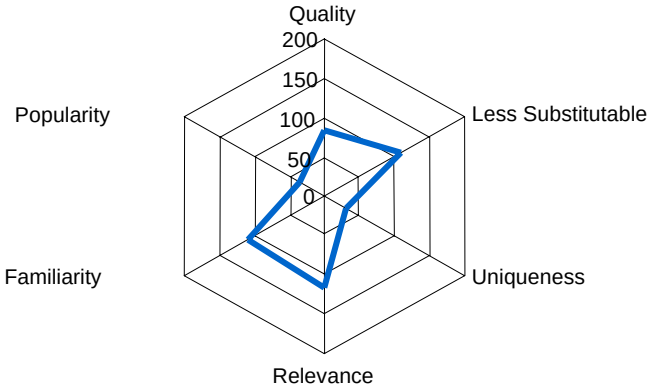
Familiar and Popular Brand



Un-established

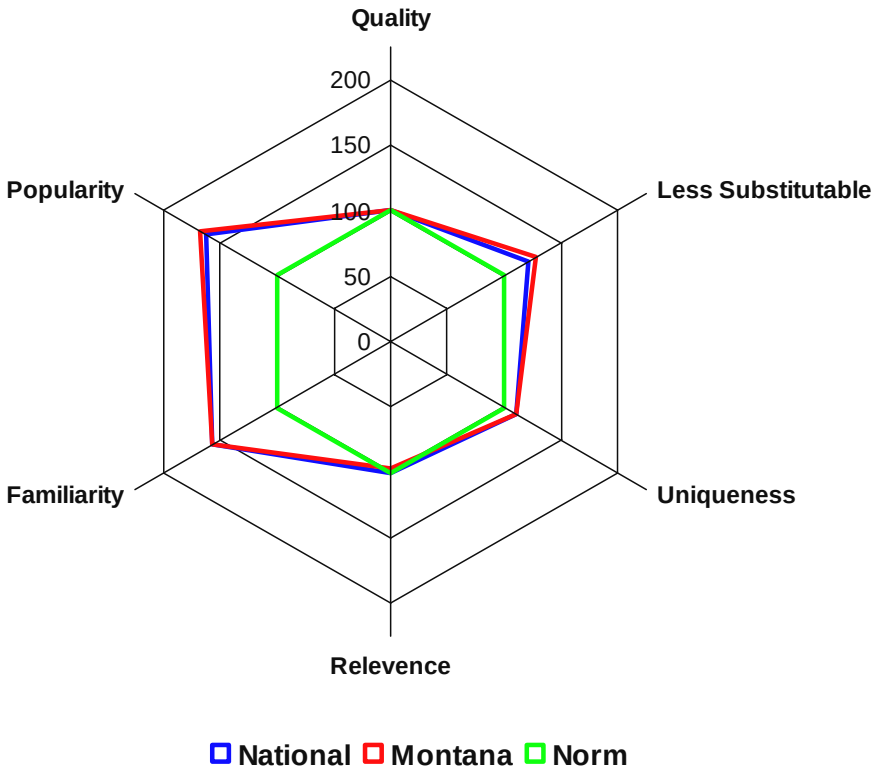


Price Brand

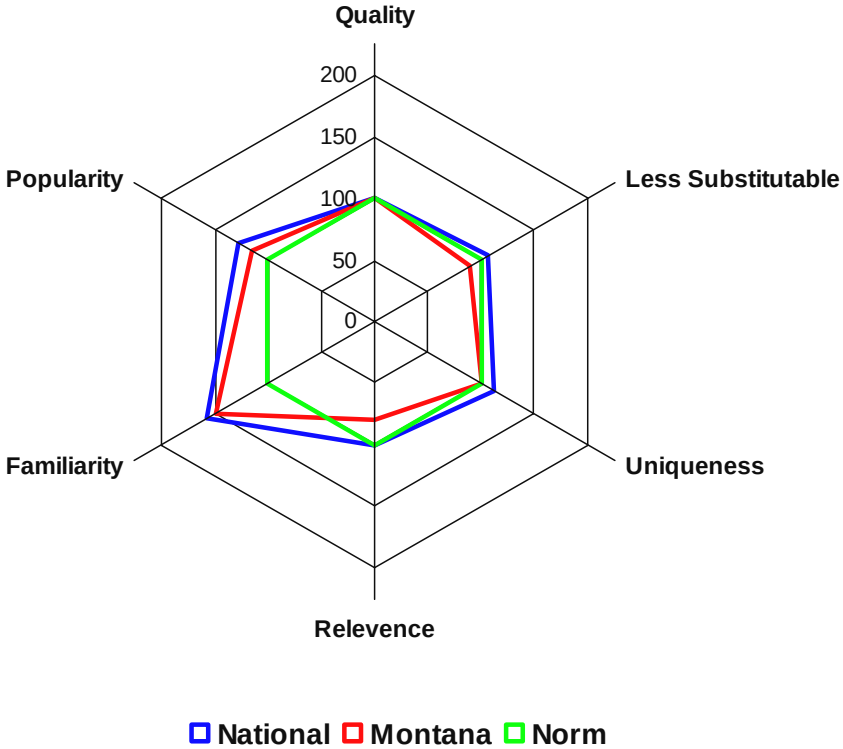


Equity Webs

Powerball

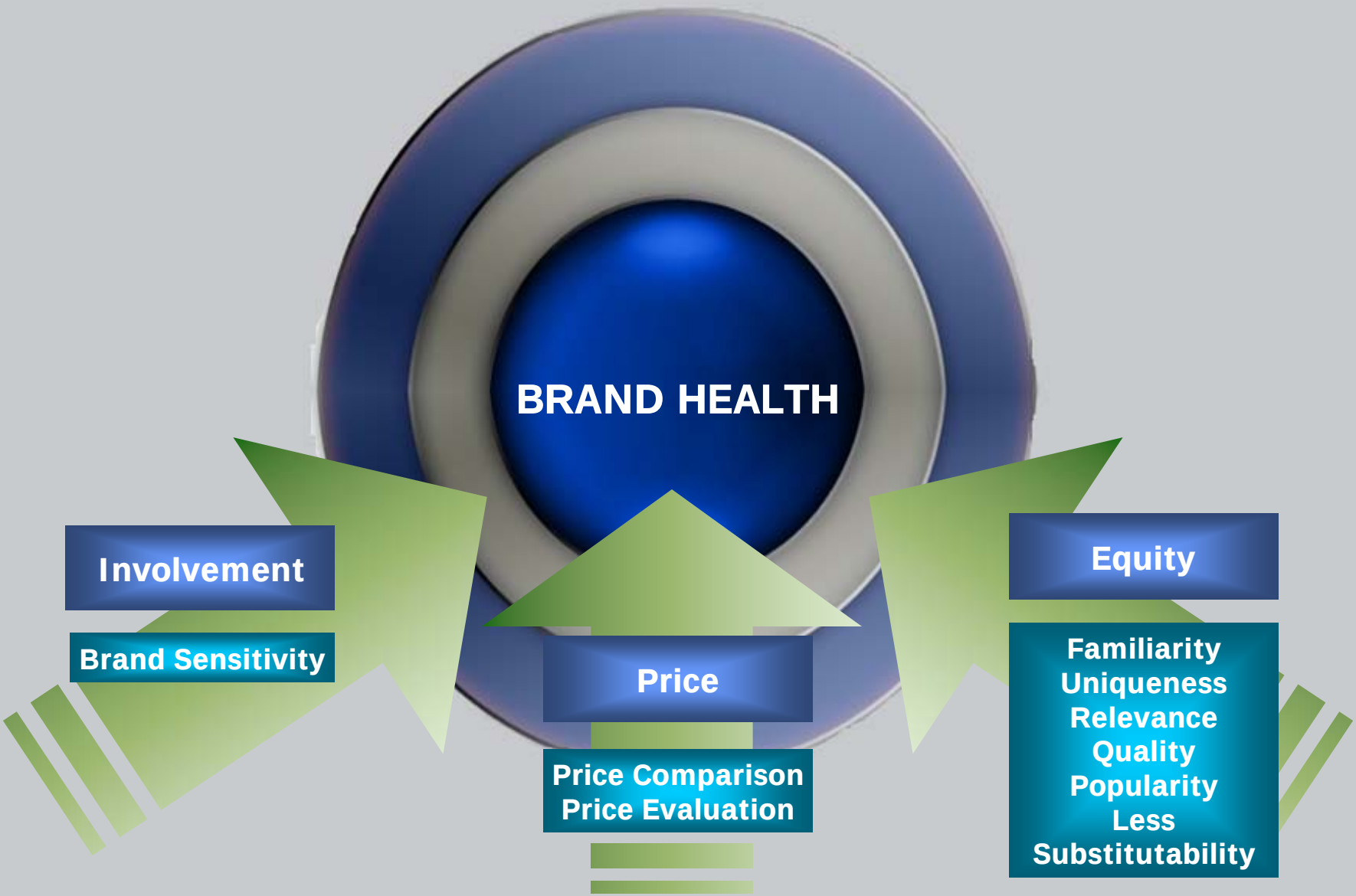


$1 Instant Scratch



Brand Health Part 2: Involvement

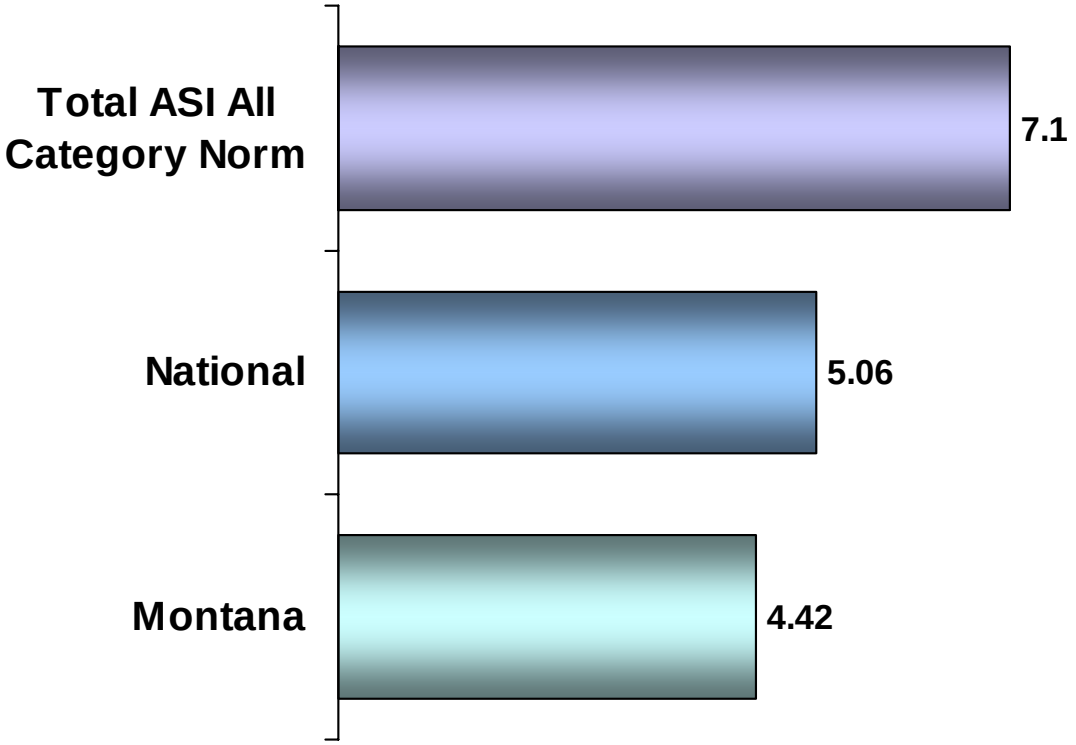
"Brand Health": Involvement



Brand Sensitivity: Caring About Choice of Games

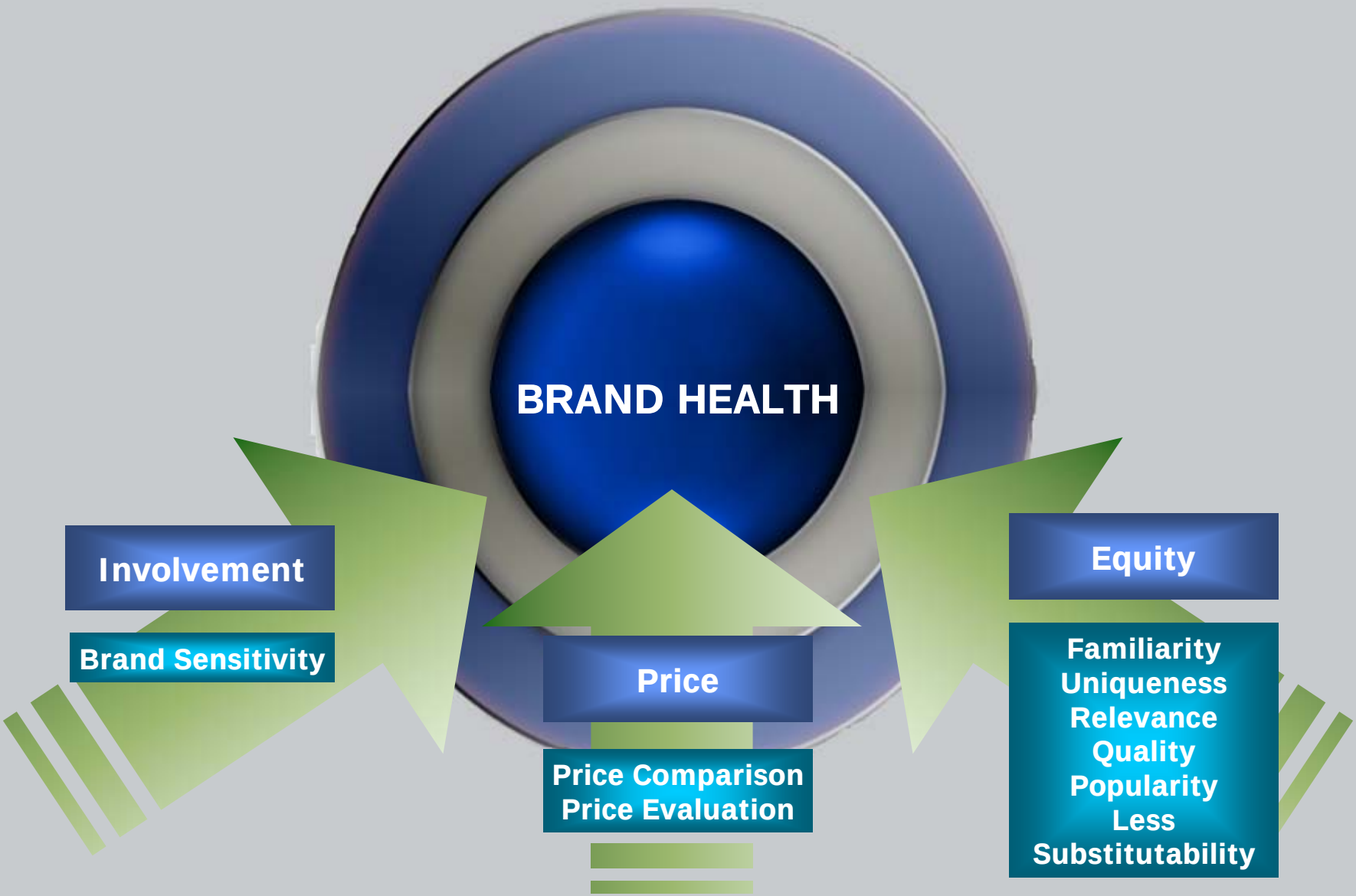
*Q. Thinking of **lottery games**, how much do you care about your choice between **different lottery games**?*

(Mean rating on a 10-point scale)



Brand Health Part 3: Price

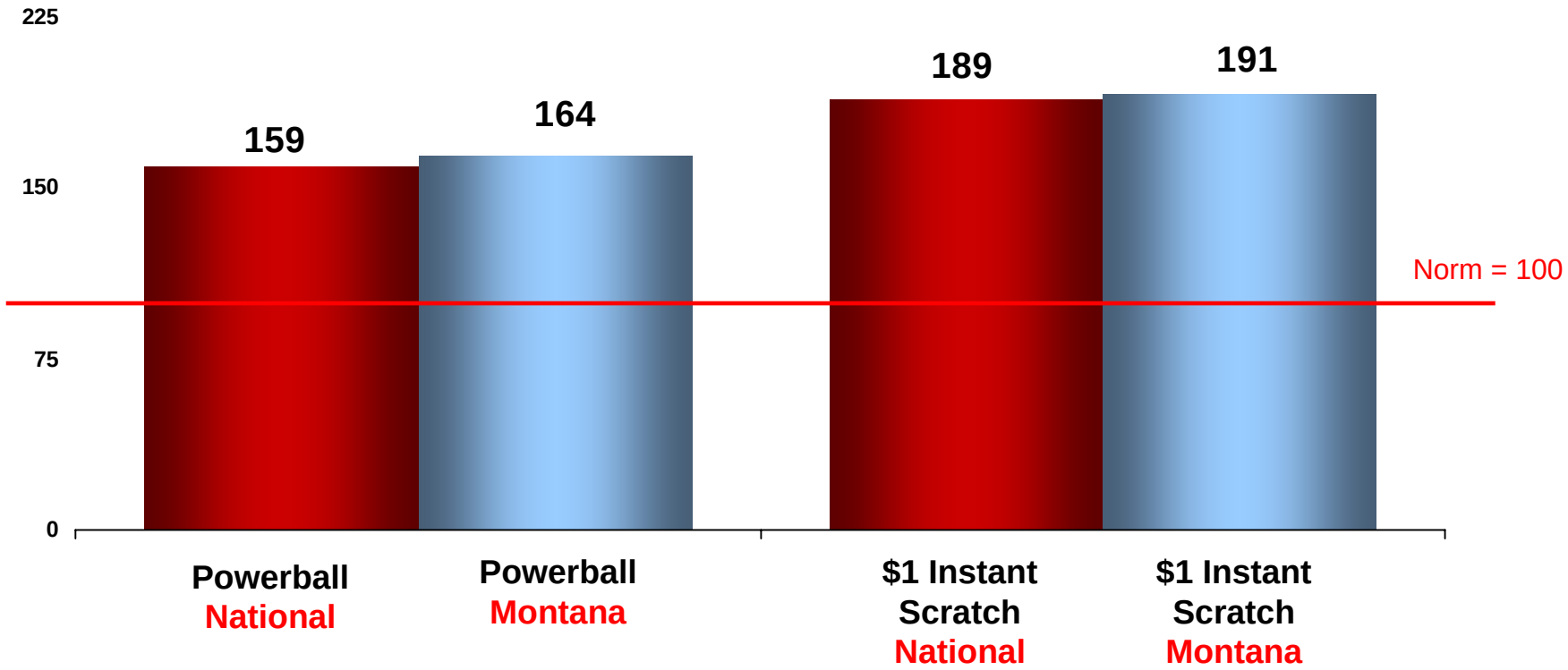
"Brand Health": Price



Price Components

Components	Questions
Price Comparison	Thinking of the prices between different lottery games, how would you rate the prices of each of the following games? Would you say the prices are usually...? (5pt. scale "quite a bit higher, a little bit higher, about the same, a little bit lower, quite a bit lower")
Price Evaluation	This game costs more than I expect to pay for lottery games (10 pt. "Agree/Disagree" scale)

Price Index



Note: The higher the Index score the more "price favorable" the game is perceived to be priced.

Image and Personality: What's Important?

Image and Personality Attributes

- On the following slides, the Top 5 Personality and Image Attributes are marked with an 'x' in the table on the left hand side. These Top 5 attributes are the ones that are driving, or are most influential to, brand equity.
  - For example, we see that the brands' Personality is perceived to be 'trustworthy', 'fun', 'exciting', and 'thrilling' both Nationally and in Montana. The Image of the brand comes across as being 'good value for my money', able to 'provide anticipation and excitement', and to 'really change my life'.
- The Indexed scores are found in the table on the right side of the following slides. The indexed scores indicate the relative performance. i.e. The higher the indexed score, the higher the relative performance within that region.
  - For example, we see that Personality attribute 'fun' scores high at 156, meaning that this attribute is relatively strong for Montana but slightly lower than the National results of 161.
- Overall, perceptions and importance are well aligned between Montana and National regions.

Image Attributes
Top 5 Most Important for Equity

TOP 5 MOST IMPORTANT ATTRIBUTES	National	Montana
offers good value for my money	X	X
fun to play even if I don't win	X	
easy to play	X	
easy to buy		X
offers a chance to win big money		X
game with a lot of smaller prizes		
provides anticipation and excitement	X	X
fun to play as part of a group/ pool		
played only in my state		
could really change my life	X	X

INDEXED ATTRIBUTE PERFORMANCE (TO 100)	National	Montana
offers good value for my money	51	47
fun to play even if I don't win	47	47
easy to play	162	178
easy to buy	171	178
offers a chance to win big money	178	180
game with a lot of smaller prizes	39	30
provides anticipation and excitement	101	98
fun to play as part of a group/ pool	88	78
played only in my state	16	14
could really change my life	146	148

Personality Attributes

TOP 5 MOST IMPORTANT ATTRIBUTES	National	Montana
Is trustworthy	X	X
Is unique		
Is fun	X	X
Is nostalgic		
Is innovative		
Is popular	X	X
Is exciting	X	X
Is a friend		
Is full of adventure		
Is excessive/over the top		
Is thrilling	X	X
Is not confusing		
Is youthful		

INDEXED ATTRIBUTE PERFORMANCE (TO 100)	National	Montana
Is trustworthy	127	148
Is unique	66	68
Is fun	161	156
Is nostalgic	31	26
Is innovative	60	52
Is popular	329	356
Is exciting	161	153
Is a friend	20	21
Is full of adventure	82	76
Is excessive/over the top	66	64
Is thrilling	133	127
Is not confusing	28	26
Is youthful	36	25

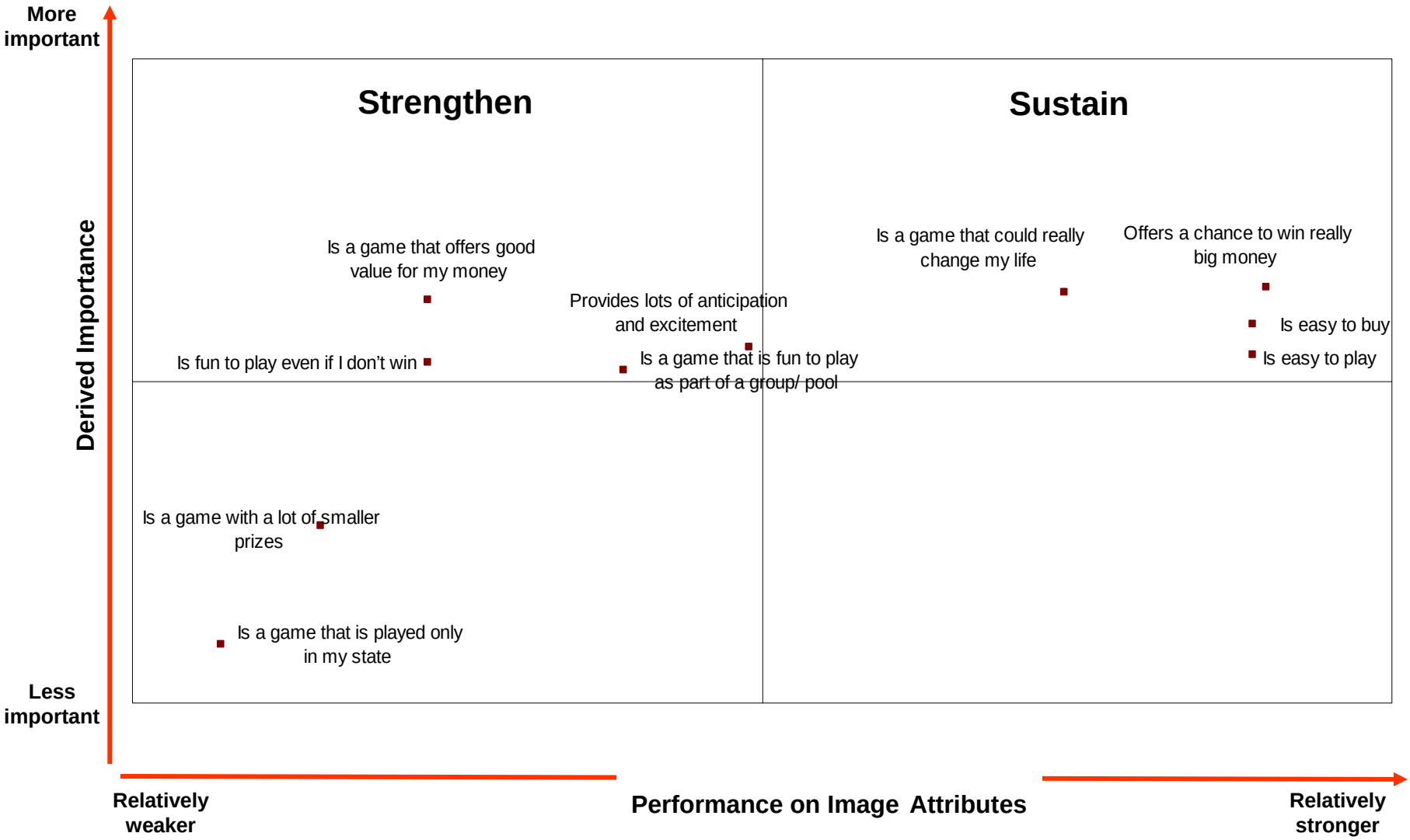
Opportunity Grids – What are they?

- An opportunity grid visually illustrates where each attribute falls in terms of importance and performance for each brand attribute evaluated.
  - Attributes above the centre line are more important drivers, and the further right they are on the grid, the better the brand is performing against that attribute.
  - Attributes in the top right hand quadrant are both important to individuals and the brand is doing a good job of delivering on the attribute.
  - Attributes in the upper left hand quadrant are important but performance requires improvement.
  - Attributes in the lower right hand quadrant are less important to individuals, but the brand is performing well on them, or over-delivering since users care less about the attribute.
  - Attributes in the lower left hand quadrant are less important and the brand is not performing well on them – these attributes would be lower priority given their lower importance.

- Opportunity grids pull together the brand image elements examined in the study and provide direction on possible brand positioning going forward.

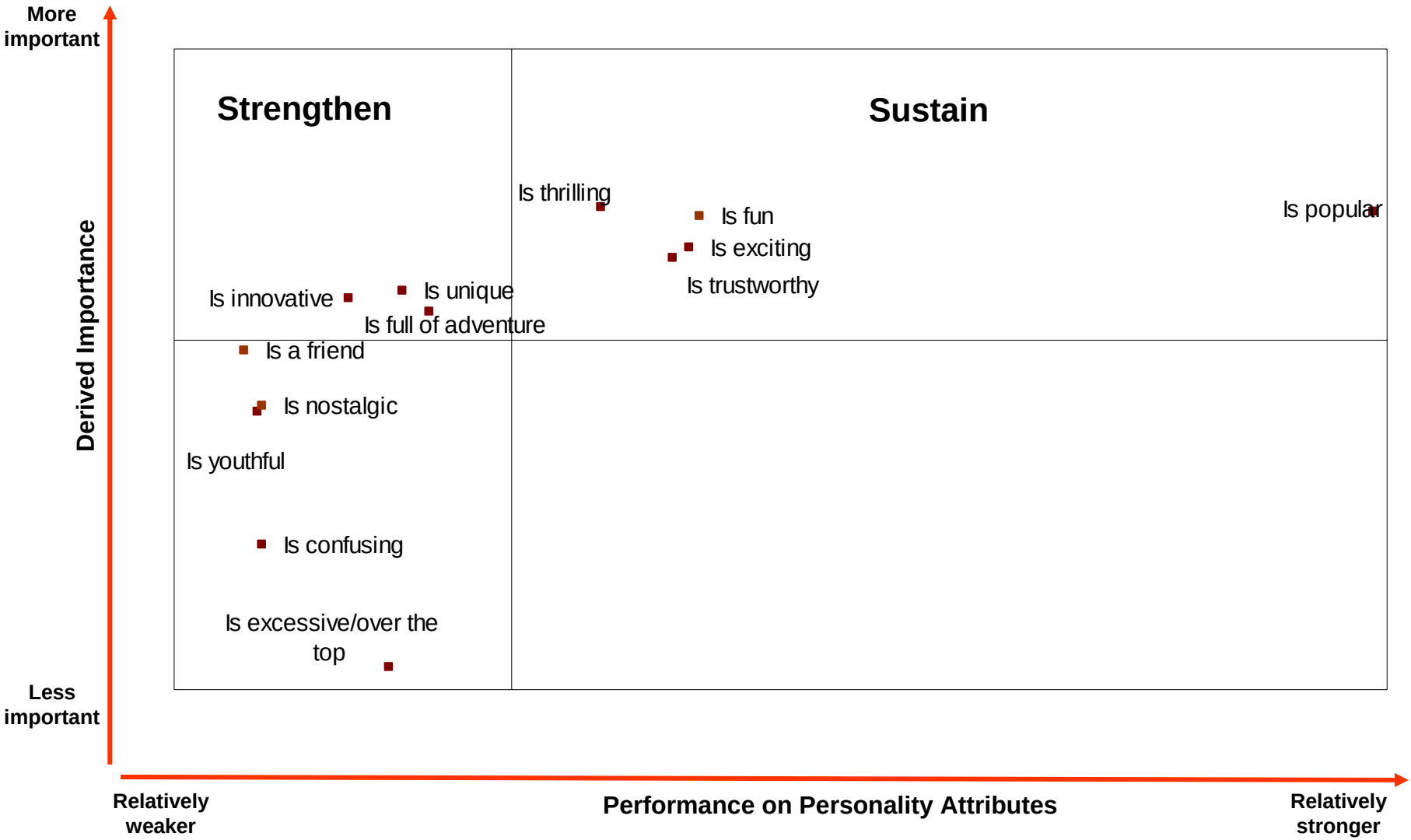
Opportunity Grid – Powerball Image Attributes

Montana



Opportunity Grid – Powerball Personality Traits

Montana



APPENDIX:
Respondent Demographics

Demographics

Base: All respondents	Total		Dedicated Dreamers		Social Thrill-Seekers		Cautious Players		Practical Spectators		Contented Samplers	
	Nat. (n=3000)	MT (n=419)	Nat. (n=709)	MT (n=82*)	Nat. (n=277)	MT (n=18**)	Nat. (n=707)	MT (n=111)	Nat. (n=810)	MT (n=107)	Nat. (n=497)	MT (n=101)
Number of people in household												
1	19%	16%	20%	13%	18%	25%	18%	22%	18%	15%	20%	12%
2	41%	46%	41%	44%	38%	32%	41%	49%	39%	46%	47%	46%
3	18%	18%	18%	24%	18%	23%	21%	15%	17%	18%	14%	15%
4	14%	13%	13%	14%	16%	20%	13%	7%	16%	12%	12%	19%
5+	9%	8%	8%	5%	10%	-	7%	8%	9%	11%	7%	9%
Single	19%	20%	15%	23%	31%	31%	16%	20%	24%	25%	15%	12%
Married	55%	62%	57%	59%	42%	36%	60%	63%	50%	58%	62%	71%
Domestic partnership	9%	5%	8%	6%	12%	10%	8%	2%	11%	5%	6%	5%
Widowed	3%	3%	3%	2%	5%	7%	4%	3%	2%	1%	4%	4%
Divorced/Separated	13%	11%	17%	11%	11%	16%	13%	12%	13%	11%	12%	8%

*Small sample size **Very small sample size

Demographics

Base: All respondents	Total		Dedicated Dreamers		Social Thrill-Seekers		Cautious Players		Practical Spectators		Contented Samplers	
	Nat. (n=3000)	MT (n=419)	Nat. (n=709)	MT (n=82*)	Nat. (n=277)	MT (n=18**)	Nat. (n=707)	MT (n=111)	Nat. (n=810)	MT (n=107)	Nat. (n=497)	MT (n=101)
Education												
High school or less	19%	11%	22%	16%	21%	17%	19%	13%	18%	9%	14%	4%
Some college	31%	26%	31%	25%	35%	35%	28%	22%	32%	32%	30%	24%
College degree	35%	35%	34%	37%	32%	33%	38%	33%	36%	32%	37%	38%
Tech./vocational school	4%	3%	6%	3%	6%	-	4%	1%	3%	3%	3%	5%
Post graduate	11%	26%	7%	21%	6%	15%	12%	31%	12%	24%	17%	30%
Employed, full-time	50%	57%	48%	54%	53%	65%	52%	59%	52%	55%	46%	57%
Employed, part-time	7%	9%	6%	9%	7%	-	6%	6%	9%	16%	8%	9%
Self-employed	7%	6%	7%	3%	6%	4%	6%	6%	9%	4%	6%	10%
Homemaker	8%	5%	10%	3%	8%	11%	7%	3%	8%	8%	9%	3%
Student	4%	5%	2%	5%	8%	13%	3%	7%	6%	3%	4%	3%
Retired	17%	14%	19%	13%	8%	-	21%	20%	11%	10%	23%	17%
Currently unemployed	4%	4%	5%	13%	8%	7%	3%	-	4%	5%	3%	1%

*Small sample size **Very small sample size

Demographics

Base: All respondents	Total		Dedicated Dreamers		Social Thrill-Seekers		Cautious Players		Practical Spectators		Contented Samplers	
	Nat. (n=3000)	MT (n=419)	Nat. (n=709)	MT (n=82*)	Nat. (n=277)	MT (n=18**)	Nat. (n=707)	MT (n=111)	Nat. (n=810)	MT (n=107)	Nat. (n=497)	MT (n=101)
Household income												
Under $30K	19%	14%	24%	19%	26%	31%	14%	15%	19%	13%	17%	8%
$30K to $49.9K	26%	24%	25%	25%	26%	32%	24%	22%	29%	25%	24%	23%
$50K to $99.9K	35%	36%	32%	34%	33%	14%	39%	39%	34%	35%	35%	40%
$100K or more	10%	12%	10%	6%	9%	20%	13%	13%	9%	14%	11%	10%
18-24	8%	8%	6%	12%	14%	9%	6%	6%	12%	12%	3%	2%
25-34	17%	17%	13%	12%	24%	32%	13%	13%	24%	21%	16%	19%
35-44	21%	21%	23%	27%	21%	22%	20%	18%	24%	20%	16%	20%
45-54	22%	22%	25%	24%	17%	12%	26%	22%	18%	24%	25%	22%
55-64	18%	20%	22%	14%	13%	12%	20%	24%	13%	19%	20%	23%
65+	14%	12%	12%	11%	11%	13%	16%	17%	11%	3%	21%	15%
Male	50%	50%	49%	48%	54%	53%	49%	51%	53%	47%	46%	53%
Female	50%	50%	51%	52%	46%	47%	51%	49%	47%	54%	55%	47%

*Small sample size **Very small sample size