

A MarketSearch Study

**South Carolina Education Lottery
Player Demographic Study 2003**

September 2003

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Introduction

Background and Purpose

The South Carolina Education Lottery was launched in January 2002. As a condition of its implementation, the legislature mandated that periodic studies would be conducted to monitor penetration and provide a demographic profile of players, including income, age, sex, education and frequency of participation.

Two Demographic Profile Studies were conducted during the Lottery's first year, one in June 2002 and another in November 2002. This study repeats the November 2002 study, identifies the demographic profile of SC Education Lottery players and provides insights on how penetration, frequency of play, and player profiles have changed since that time.

Lottery Games and Introduction Dates

Specific South Carolina Education Lottery games introduced to date include:

Instant/Scratch Games	January 7, 2002
Pick 3	March 7, 2002
Carolina 5	June 17, 2002
Powerball	October 5, 2002
Pick 4	January 27, 2003

Research Specifications

- ✓ Methodology: Telephone Survey
- ✓ Interviewing conducted between September 8 and 17, 2003
- ✓ Respondent Distribution and Specifications:
 - Statewide, stratified sample
 - Adults, 18+
 - No Lottery employees, elected/appointed officials
 - Age and gender quotas
 - Weighted during data processing to reflect appropriate distribution of ethnicity
- ✓ Weighted Sample Size = 1,250 Total, 666 Lottery Players
- ✓ Sampling Error = $\pm 3.8\%$ at the 95 percent confidence level among players; $\pm 2.8\%$ at the 95 percent confidence level among the total sample.

Qualification of “Players”

For the purposes of this study, “players” are defined as those who have “ever” purchased a South Carolina Education Lottery ticket.

Overall, 1,250 interviews were completed with South Carolina residents meeting the qualification specifications. Of these, 666 identified themselves as “players” of the South Carolina Education Lottery.

“Players” were then interviewed regarding games played, frequency of play, dollars spent, and purchase dynamics, as well as demographic information.

Demographic information only was collected among “non-players.”

Report Format

Findings presented in this report are based on results of the September 2003 period. Where applicable and relevant, comparisons are made to the November 2002 findings to identify shifts and/or trends over time.

Unless otherwise indicated, data are presented in percent and based on a weighted sample of 666 players or 1250 residents in 2003, and 611 players or 1245 residents in 2002. Graphs indicate whether they reflect players or residents. As a general rule, green bars reflect percentages among players and blue bars reflect percentages among all residents.

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Overview

Overview

General Overview

Overall, findings identify a moderate increase in the proportion of residents playing the South Carolina Education Lottery in 2003. More than half (53%) now say they have played at least one lottery game, compared to 49% in November 2002. Scratch-off tickets and Powerball are the primary games of choice among state players.

Residents most likely to be playing the SC Education Lottery include: minorities, men, residents under the age of 55, those with lower education levels, and those with household incomes between \$10,000 and \$60,000.

Overview

In general, however, growth in penetration appears to be largely among “Infrequent” players (those who buy less than once a month) and/or those buying Powerball tickets. Consistent with this finding, the most significant jumps in incidence of play are among demographic groups with somewhat limited play. These include: minorities other than African Americans, individuals over 55 years of age, those with college degrees, middle income residents, and those living in the 803 area code.

Overview

General Incidence of Lottery Play

- Findings indicate that 53% of South Carolina residents say they have “ever” purchased a South Carolina Education Lottery ticket. This represents a moderate increase from November 2002, when 49% of residents indicated they had purchased SC Education Lottery tickets.
- Scratch-off tickets (39% of state residents have “ever” purchased) and Powerball (38% have “ever” purchased) have the highest penetration among the lottery games.

For the most part, penetration of “state” games has remained reasonably constant between 2002 and 2003. Powerball’s penetration, however, grew significantly from 26% to 38% between November 2002 and September 2003.

Overview

Player Profile

- Consistent with 2002 survey results, demographically, the majority of SC Education Lottery players:
 - are employed outside the home (63%);
 - are Caucasian (62%);
 - are between the ages of 25 and 54 (60%);
 - have at least some college education (57%);
 - have household incomes under \$50,000 (56%);
 - are married (54%); and
 - have 2 to 3 persons living in the household (53%).

Overview

- In large part, however, the reason that Lottery players have these demographic profiles is because these segments represent the majority of South Carolina residents in general.

By looking at “incidence of Lottery play” among each of the demographic groups, we can get a better perspective of which segments are more inclined to play than others.

For example, 53% of all residents have played the South Carolina Education Lottery. Among African Americans, however, 62% have ever played. This compares to 49% of Caucasians. Therefore, although the majority of players are Caucasian, incidence is significantly higher among African Americans.

- Regionally, play tends to be disproportionately higher in the 803 and 843 area codes than in the 864 area.

Overview

Dynamics of Lottery Play

- Players have been categorized in the following categories based on their frequency of play of any SC Education Lottery game:
 - “Frequent” – buy tickets for any game/games more than once a week – 11% of residents/21% of players, up from 18% of players in November 2002;
 - “Regular” – buy tickets for any game/games about once a week – 10% of residents/18% of players, down from 21% of players in November 2002;
 - “Occasional” – buy tickets for any game/games 1 to 3 times a month – 13% of residents/25% of players, down from 31% of players in November 2002; and
 - “Infrequent” – buy tickets for any game/games less than once a month – 19% of residents/35% of players, up from 30% of players in November 2002.

Overview

- These findings indicate that most players (60% of players) fall into the “Occasional/Infrequent” segment, while 39% are classified as “Frequent/Regular.”
- Most players play a combination of lottery games, but not usually all of them. Among players, only 5% say they have played all SC Education Lottery games. This is down from 11% in November 2002 (when there were only four game options).

Overview

- Fifty four percent (54%) of players play lottery games at least a couple times a month. This is down somewhat compared to November 2002, when 58% of players bought with that frequency.
 - 35% of SC Lottery players buy scratch off tickets at least a couple times a month (down significantly from 43% in November 2002);
 - 39% buy Powerball tickets at least a couple times a month (up from 34% in November 2002);
 - 12% buy Carolina 5 tickets at least a couple times a month (down significantly from 19% in November 2002);
 - 14% buy Pick 3 tickets at least a couple times a month (down somewhat from 16% in November 2002); and
 - 5% buy Pick 4 tickets at least a couple times a month (this game was introduced after the November 2002 study so no comparative data are available).

Overview

Purchase Characteristics

- Consistent with November 2002 results:
 - the overwhelming majority (87%) of SC Education Lottery players purchase their tickets at a convenience store that also sells gasoline;
 - weekdays tend to be the most common time for purchase (69%), though many also buy on the weekends (46%); and
 - most (54%) buy tickets after 4:00 p.m. (before 8:00 a.m.).

Overview

- Most players indicate they typically buy multiple tickets/plays each time they play a lottery game.
- Average number of tickets/plays purchased at a time (among those playing each respective game):
 - 3.8 Scratch tickets (consistent with November 2002);
 - 3.4 Powerball tickets (up from 2.7 in November 2002);
 - 4.1 Pick 4 tickets (no comparison data available);
 - 2.4 Pick 3 tickets (down from 3.0 in November 2002); and
 - 2.5 Carolina 5 tickets (consistent with November 2002).

Overview

- Monthly expenditures per game, among those playing each respective game, are reasonably consistent for Powerball and Pick 3. Monthly expenditures for Scratch-Off tickets, however have increased, while expenditures for Carolina 5 tickets have dropped significantly.
- On average, monthly expenditures per game, among those playing each respective game, are:
 - \$27.50 for Pick 4 tickets (no comparison data available);
 - \$27.30 for Pick 3 tickets (generally consistent with \$27.00 in November 2002);
 - \$20.80 for Scratch tickets (up significantly from \$15.30 in November 2002);
 - \$19.90 for Powerball tickets (generally consistent with \$20.30 in November 2002); and
 - \$12.80 for Carolina 5 tickets (down significantly from \$17.90 in November 2002).

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General Incidence of Lottery Play

General Incidence of Lottery Play

- ✓ Findings indicate that 53% of South Carolina residents say they have “ever” purchased a South Carolina Education Lottery ticket.

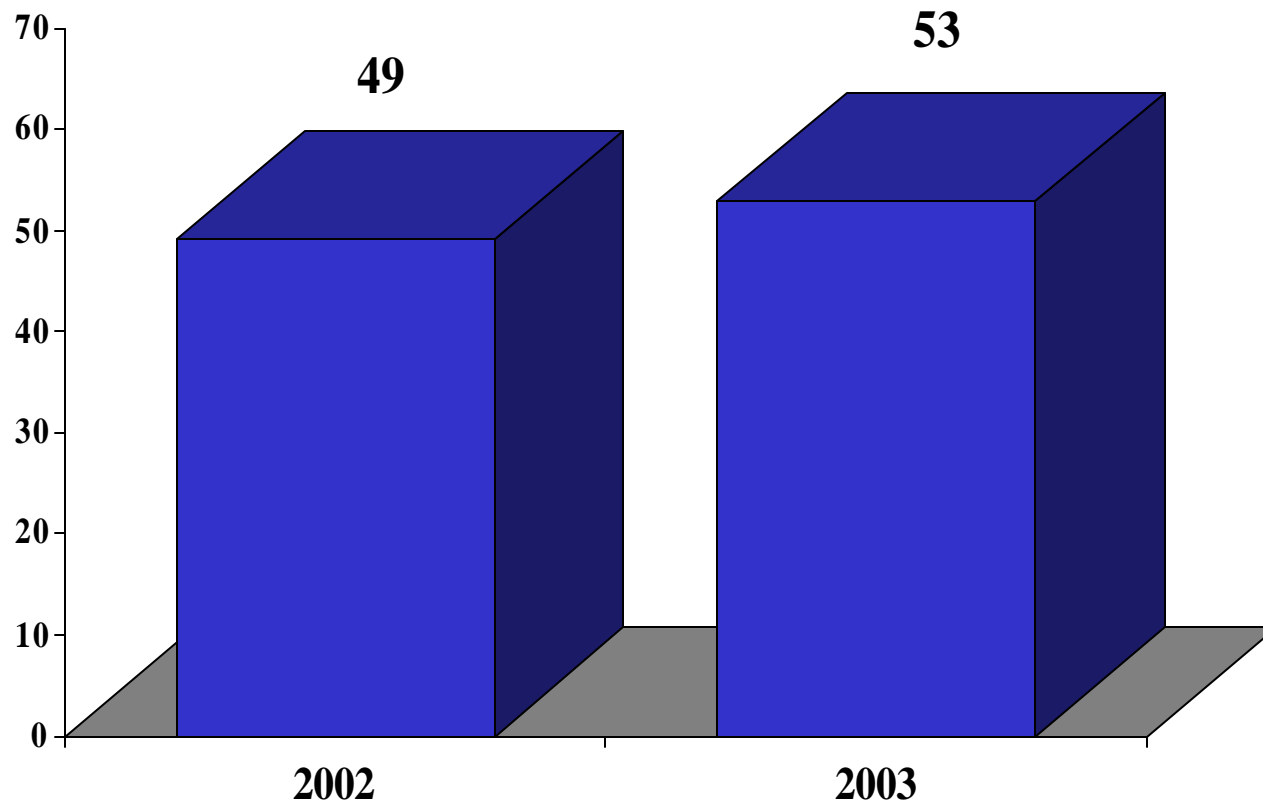
This represents a moderate increase from November 2002, when 49% of residents indicated they had purchased SC Education Lottery tickets.

- ✓ Scratch-off tickets (39% of state residents have “ever” purchased) and Powerball (38% have “ever” purchased) have the highest penetration among the lottery games.

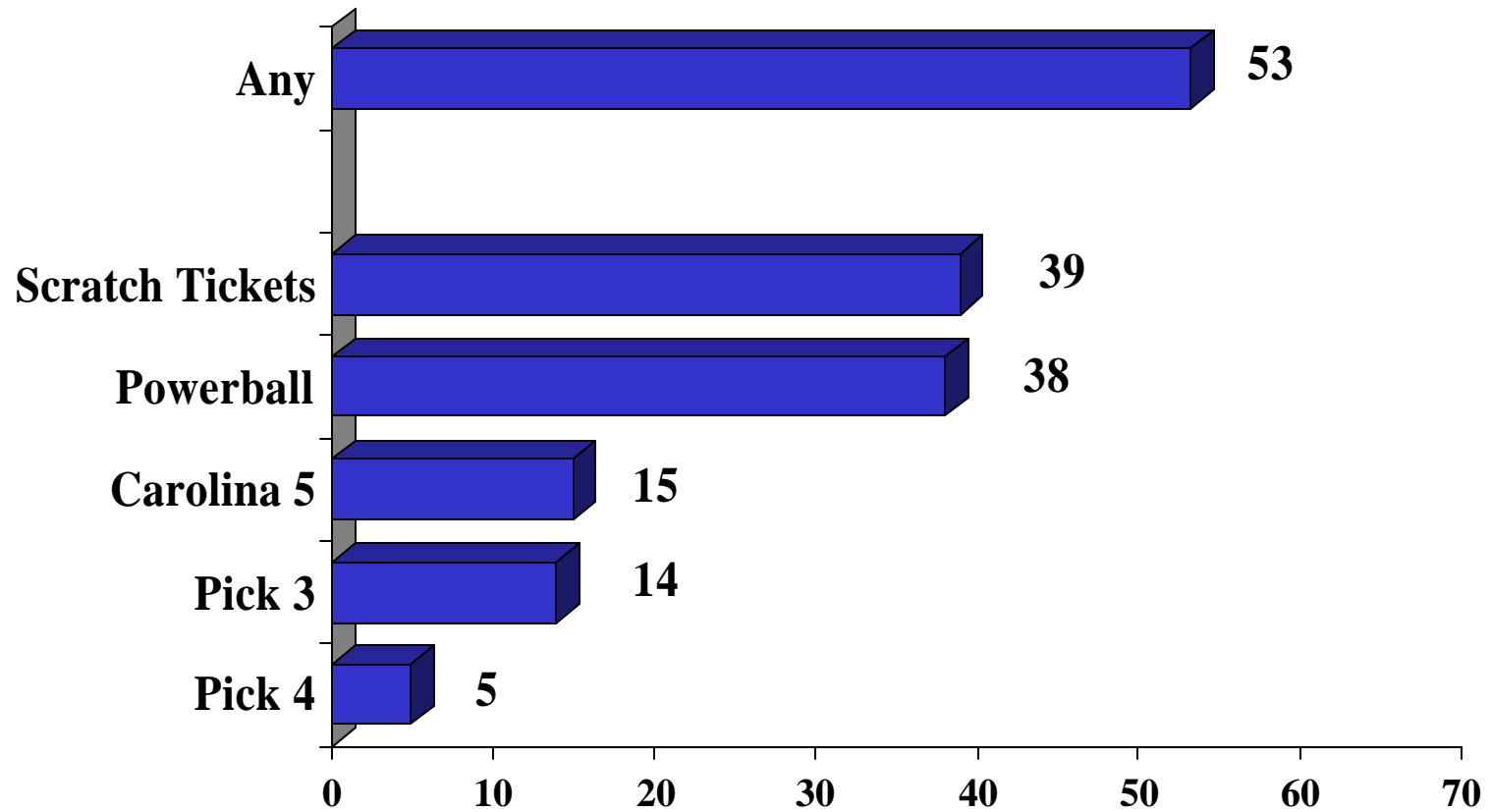
For the most part, penetration of “state” games has remained reasonably constant between 2002 and 2003. Powerball’s penetration, however, grew significantly from 26% to 38% between November 2002 and September 2003. (It should be noted, however, that Powerball was introduced only a month prior to the November 2002 survey.)

Ever Played South Carolina Education Lottery

(among all SC residents)



Incidence of Specific Game Play (among all SC residents)



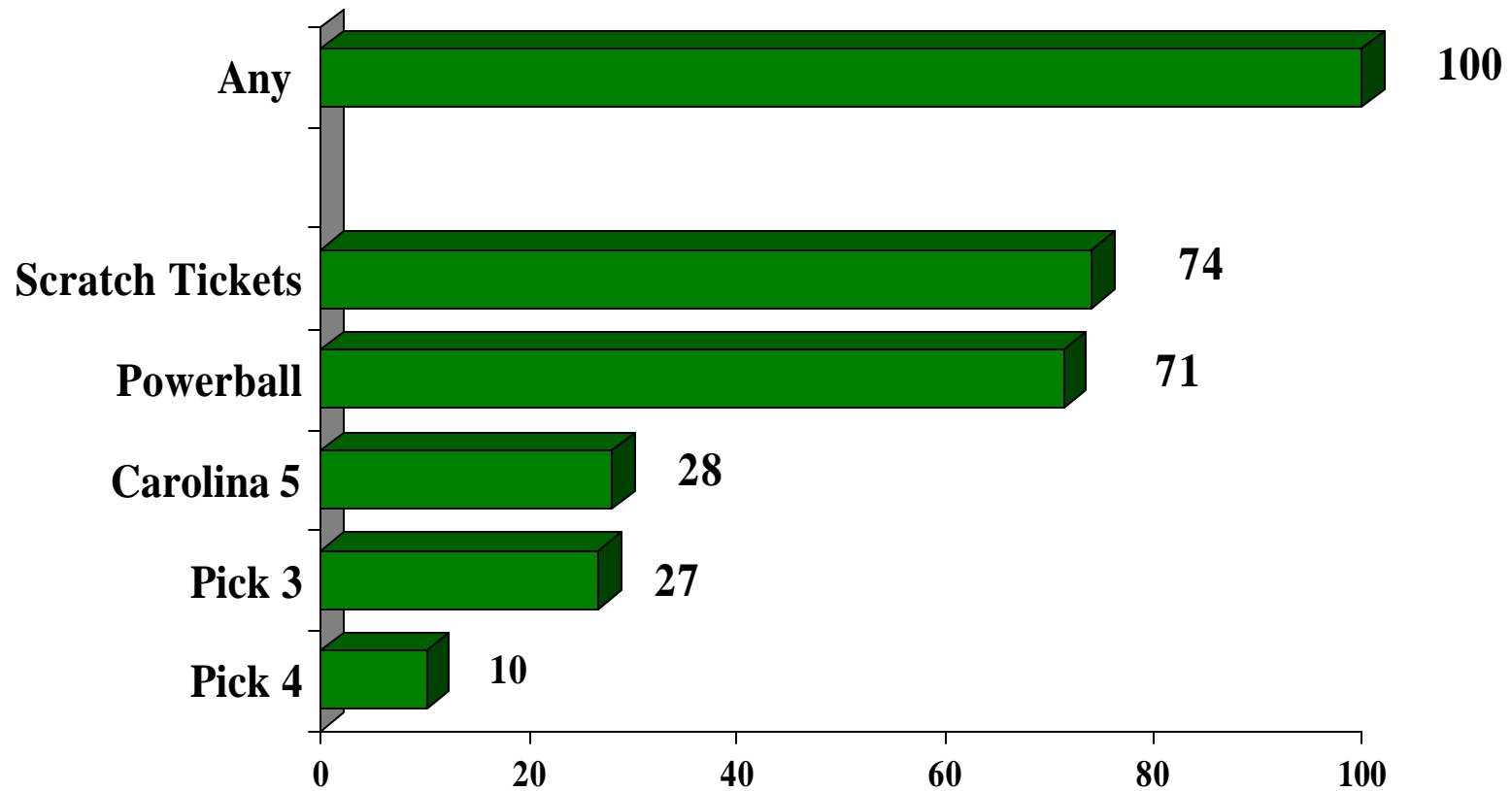
Incidence of Specific Game Play

(among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Scratch-Off	42%	39%	- 3
Powerball	26	38	+ 12
Carolina 5	15	15	NC
Pick 3	16	14	- 2
Pick 4	NA	5	NA

Incidence of Specific Game Play

(among SC Education Lottery “Players”)



Incidence of Specific Game Play

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Scratch-Off	85%	74%	- 11
Powerball	53	71	+ 18
Carolina 5	30	28	- 2
Pick 3	32	27	- 5
Pick 4	NA	10	NA

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Player Profile

Player Profile

- ✓ Consistent with 2002 survey results, demographically, the majority of SC Education Lottery players:
 - are employed outside the home (63%);
 - are Caucasian (62%);
 - are between the ages of 25 and 54 (60%);
 - have at least some college education (57%);
 - have household incomes under \$50,000 (56%);
 - are married (54%); and
 - have 2 to 3 persons living in the household (53%).

Player Profile

- ✓ In large part, however, the reason that Lottery players have these demographic profiles is because these segments represent the majority of South Carolina residents in general.

By looking at “incidence of Lottery play” among each of the demographic groups, we can get a better perspective of which segments are more inclined to play than others.

For example, 53% of all residents have played the South Carolina Education Lottery. Among African Americans, however, 62% have ever played. This compares to 49% of Caucasians. Therefore, although the majority of players are Caucasian, incidence is disproportionately higher among African Americans.

Player Profile

- ✓ As in 2002, the following demographic segments have a **disproportionately high incidence of Lottery play**:
 - African Americans (62%);
 - Those under 55 years of age (54% to 61%);
 - Those with household incomes between \$10,000 and \$50,000 per year (55% to 61%);
 - Those with High School or some College/Tech Education but no college degree (54% to 60%); and
 - Men (56%).

Player Profile

- ✓ Regionally, play tends to be disproportionately higher in the 803 and 843 area codes than in the 864 area.

Incidence of Lottery play by area:

803	55%
843	56
864	49

- ✓ For the most part, demographic and geographic skews in Lottery players tend to be consistent with those identified in the November 2002 study.

Significant growth is evidenced, however, among: “other” minorities (+ 13 points), individuals over 55 years of age (+ 11 points), those with less than high school education (+ 7 points), those with college or advanced degrees (+ 7 points), middle income households/\$40,000 to \$80,000 (+ 7 points), 18 to 24 year olds (+ 6 points), women (+ 5 points), and Caucasians (+ 5 points).

Player Demographics: Gender

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Male	52%	51%	- 1
Female	48	49	+ 1

Player Demographics: Age

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
18 to 24	14%	16%	+ 2
25 to 34	22	19	- 3
35 to 44	23	21	- 2
45 to 54	22	20	- 2
55 to 64	11	13	+2
65+	8	11	+3

Player Demographics: Ethnicity

(among SC Education Lottery “Players”)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Caucasian	61%	62%	+ 1
African American	36	35	- 1
Other	3	4	+ 1

Player Demographics: Education

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
< High School graduate	9%	8%	- 1
HS grad/GED	33	34	+ 1
Some college or technical school	18	19	+ 1
2-year college or associate degree	14	12	- 2
4-year degree	17	17	NC
5+ years college	7	9	+ 2

Player Demographics: Household Income

(among SC Education Lottery “Players”)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
< \$10,000	8%	8%	NC
\$10,000 to \$20,000	12	11	- 1
\$20,000 to \$30,000	13	14	+ 1
\$30,000 to \$40,000	13	13	NC
\$40,000 to \$50,000	9	9	NC
\$50,000 to \$60,000	8	8	NC
\$60,000 to \$70,000	4	4	NC
\$70,000 to \$80,000	3	4	+ 1
\$80,000+	13	12	- 1

Player Demographics: Employment

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Employed	67%	63%	- 4
Not Employed	32	37	+ 5

Player Demographics: Type of Business/Industry

(among SC Education Lottery “Players” employed outside the home)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
	(N = 411)	(N = 417)	
Service	38%	39%	+1
Manufacturing	21	18	-3
Government	12	13	+1
Professional	11	11	NC
Retail	9	11	+2
Financial	4	4	NC
Wholesale	4	1	+3
Other	<1	2	+1

Player Demographics: # Hours Worked/Week

(among SC Education Lottery “Players” employed outside the home)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 411)	(N = 417)	
<10	1%	2%	+ 1
10 to 14	1	<1	- 1
15 to 20	3	5	+ 2
21 to 30	4	7	+ 3
31 to 37	8	6	- 2
38 to 40	35	29	- 6
40+	47	51	+ 4

Player Demographics: Job Function

(among SC Education Lottery “Players” employed outside the home)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 411)	(N = 417)	
Managerial/Professional	42%	38%	-4
Tech./Sales/Adm. Support	20	18	-2
Operators/Fabricators/ Laborers	18	18	NC
Service Occupations	15	18	+3
Precision Production Craft & Repair	6	2	-4
Farming/Forestry/Fishing	0	<1	NC
Other	1	3	+2

Player Demographics: Marital Status

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Married	51%	54%	+ 3
Single	31	31	NC
Widowed/Divorced	17	15	- 2

Player Demographics: Household Size

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
1	18%	16%	- 2
2 to 3	54	53	- 1
4 to 5	26	29	+ 3
6 or More	4	3	- 1

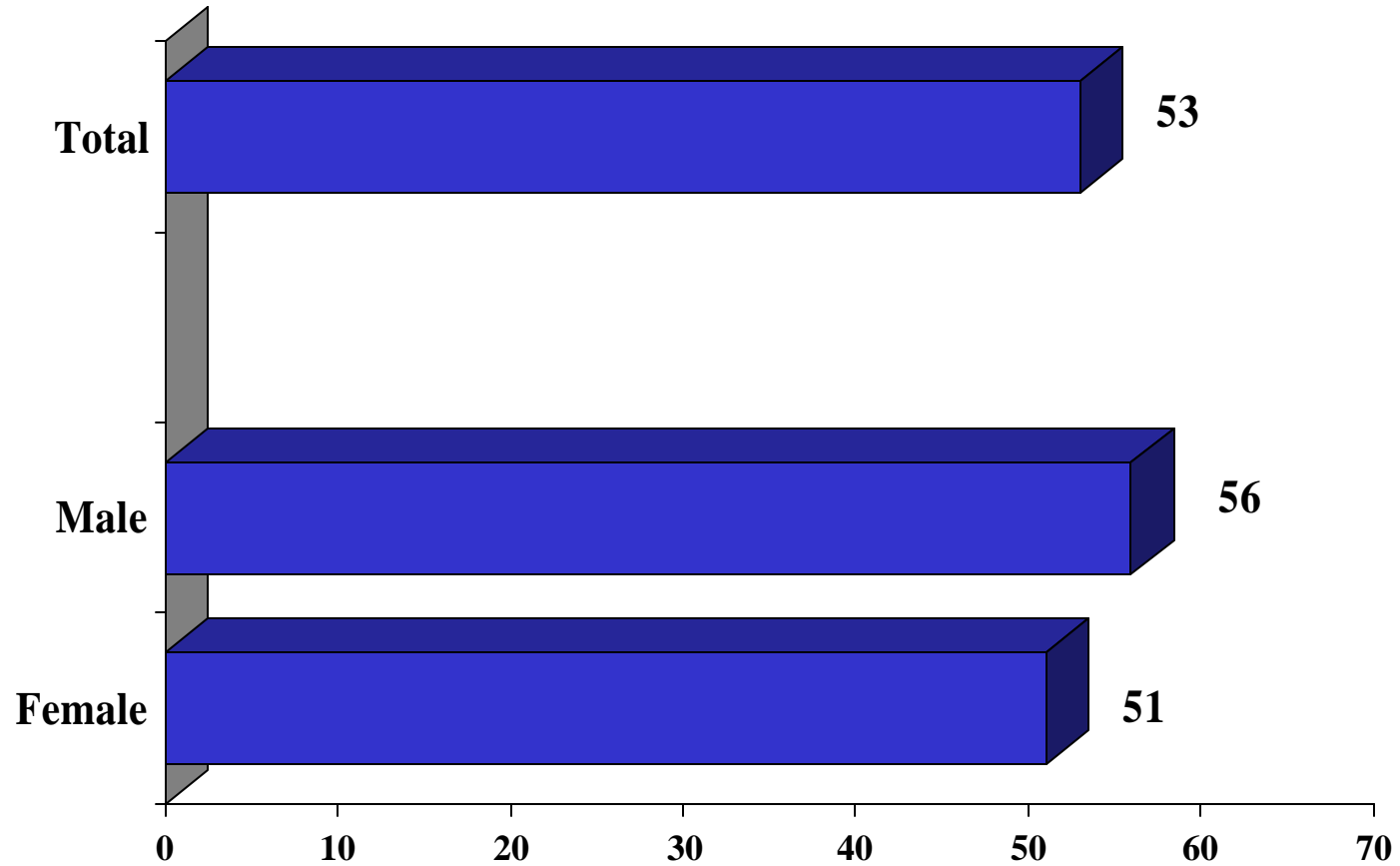
Player Demographics: Area Code

(among SC Education Lottery “Players”)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
803	35%	36%	+ 1
843	36	36	NC
864	29	28	- 1

Player Incidence by Gender

(among all SC residents)



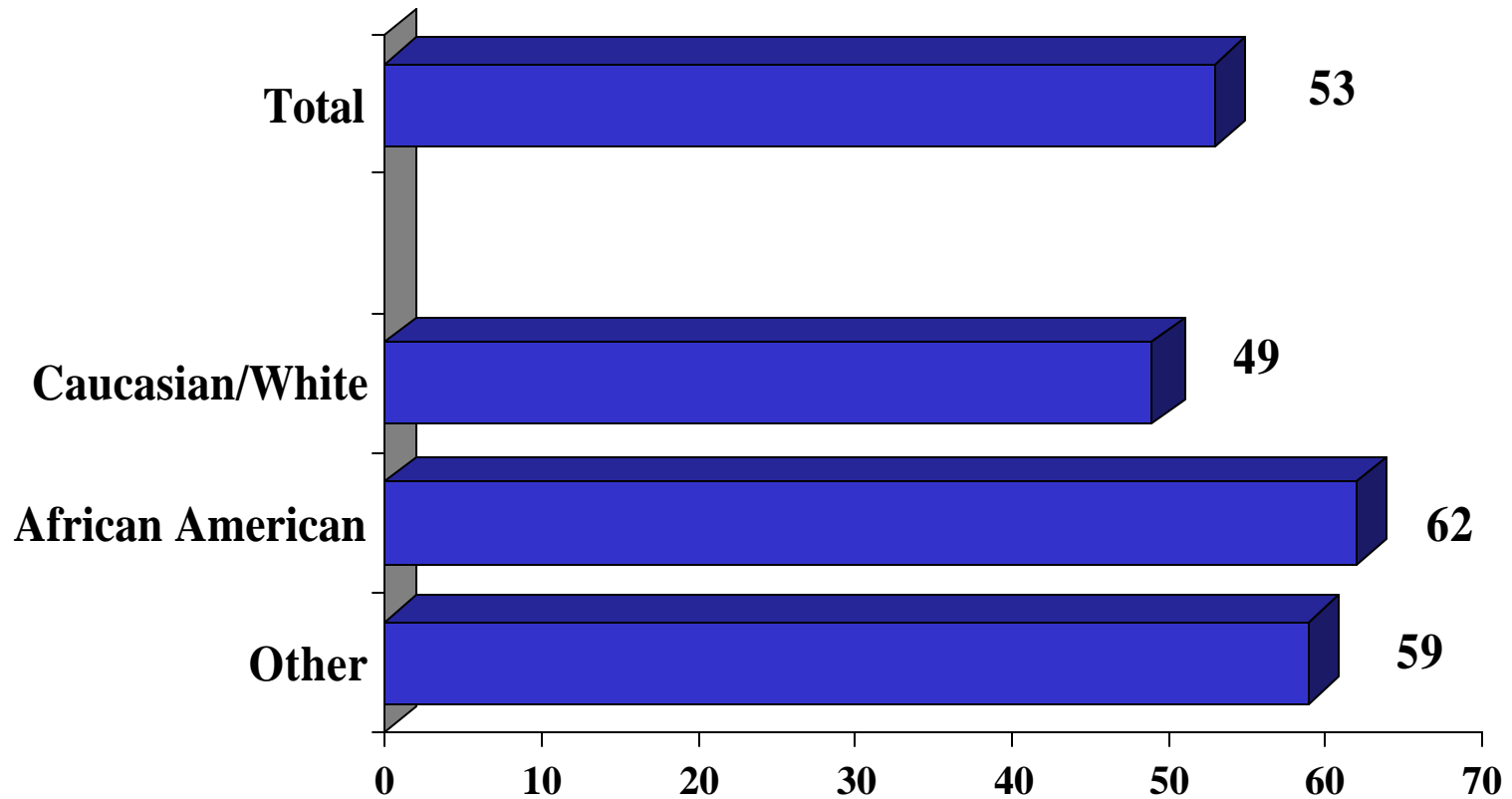
Player Incidence by Gender

(among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Male	53%	56%	+ 3
Female	46	51	+ 5

Player Incidence by Ethnicity

(among all SC residents)



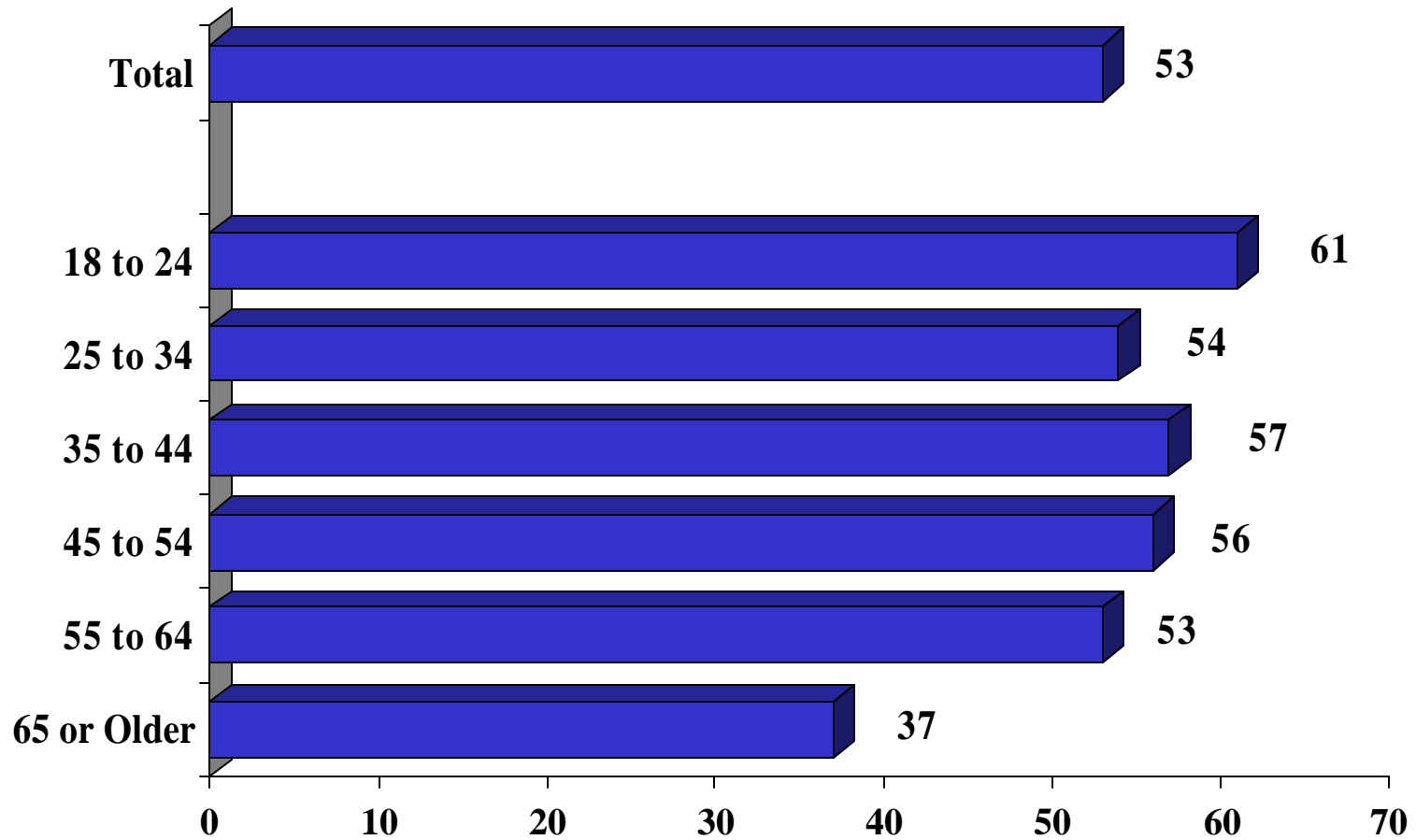
Player Incidence by Ethnicity

(among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Caucasian	44%	49%	+ 5
African American	60	62	+ 2
Other	46	59	+ 13

Player Incidence by Age

(among all SC residents)



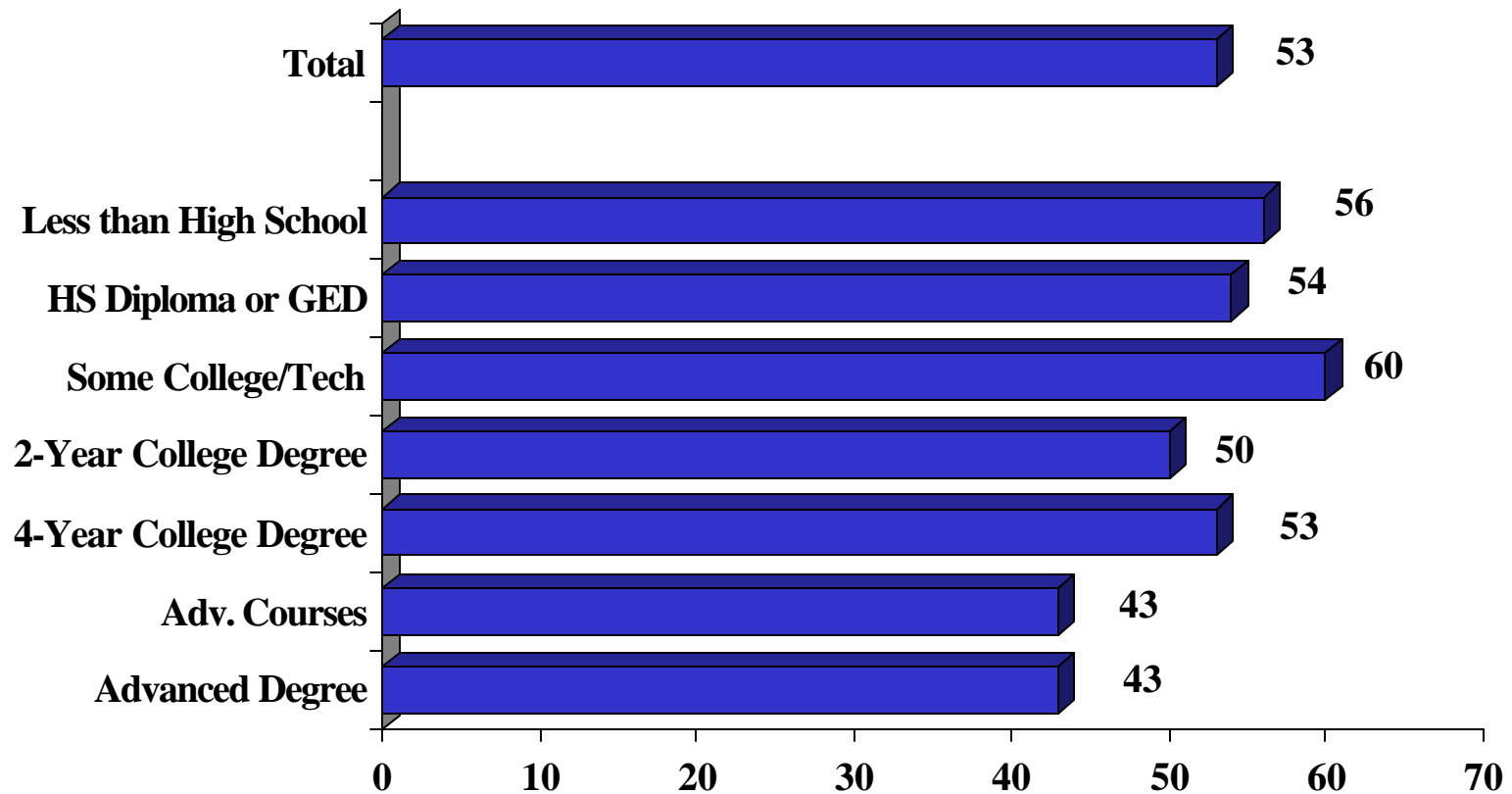
Player Incidence by Age

(among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
18 to 24	55%	61%	+ 6
25 to 34	58	54	- 4
35 to 44	54	57	+ 3
45 to 54	56	56	NC
55 to 64	42	53	+ 11
65+	26	37	+ 11

Player Incidence by Education

(among all SC residents)



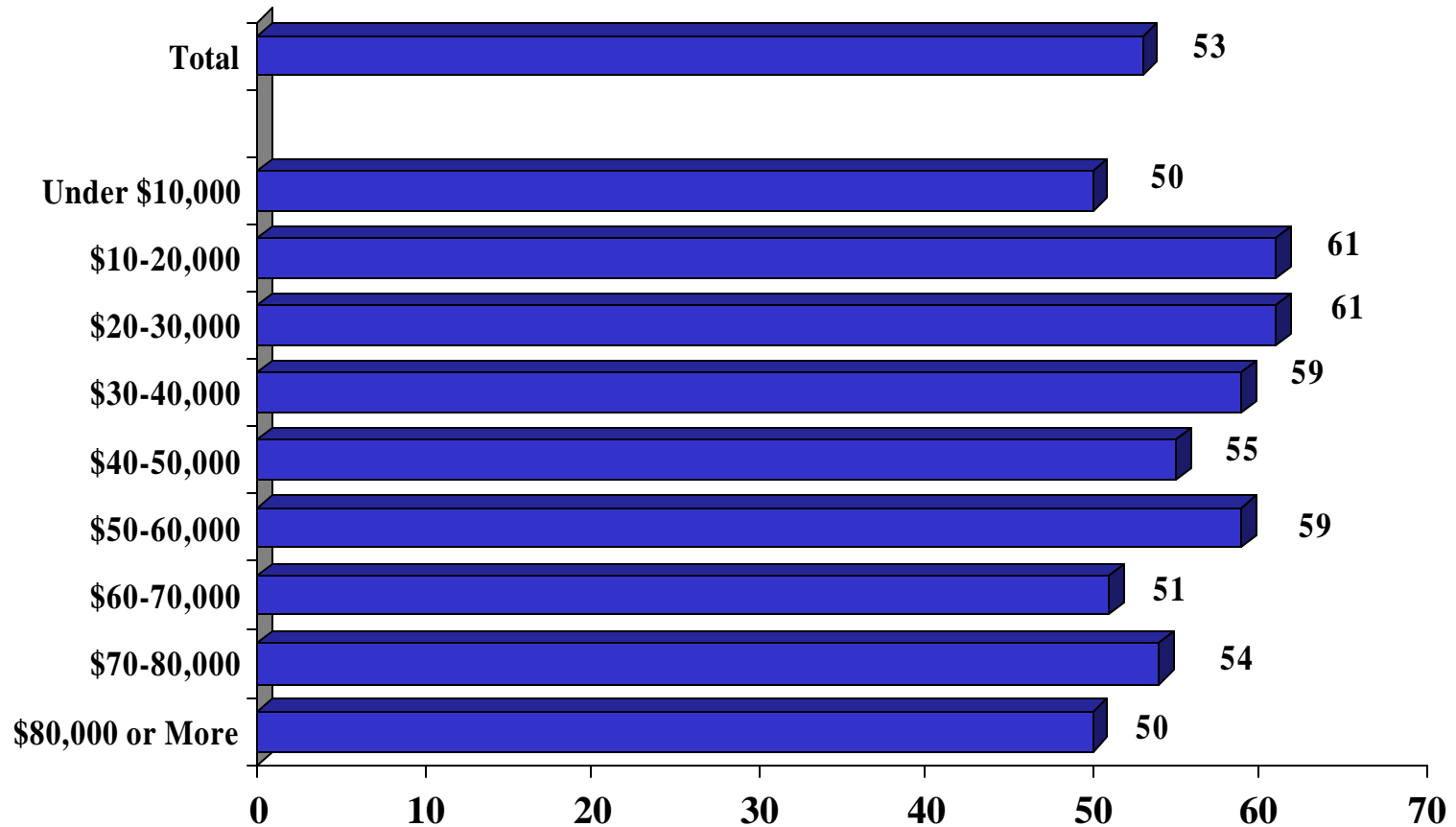
Player Incidence by Education

(among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Less than High School	49%	56%	+ 7
HS Diploma/GED	53	54	+ 1
Some College/Tech	58	60	+ 2
2-year College Degree	54	50	- 4
4-year College Degree	41	53	+ 12
Advanced Courses	47	43	- 4
Advanced Degree(s)	31	43	+ 12

Player Incidence by Household Income

(among all SC residents)



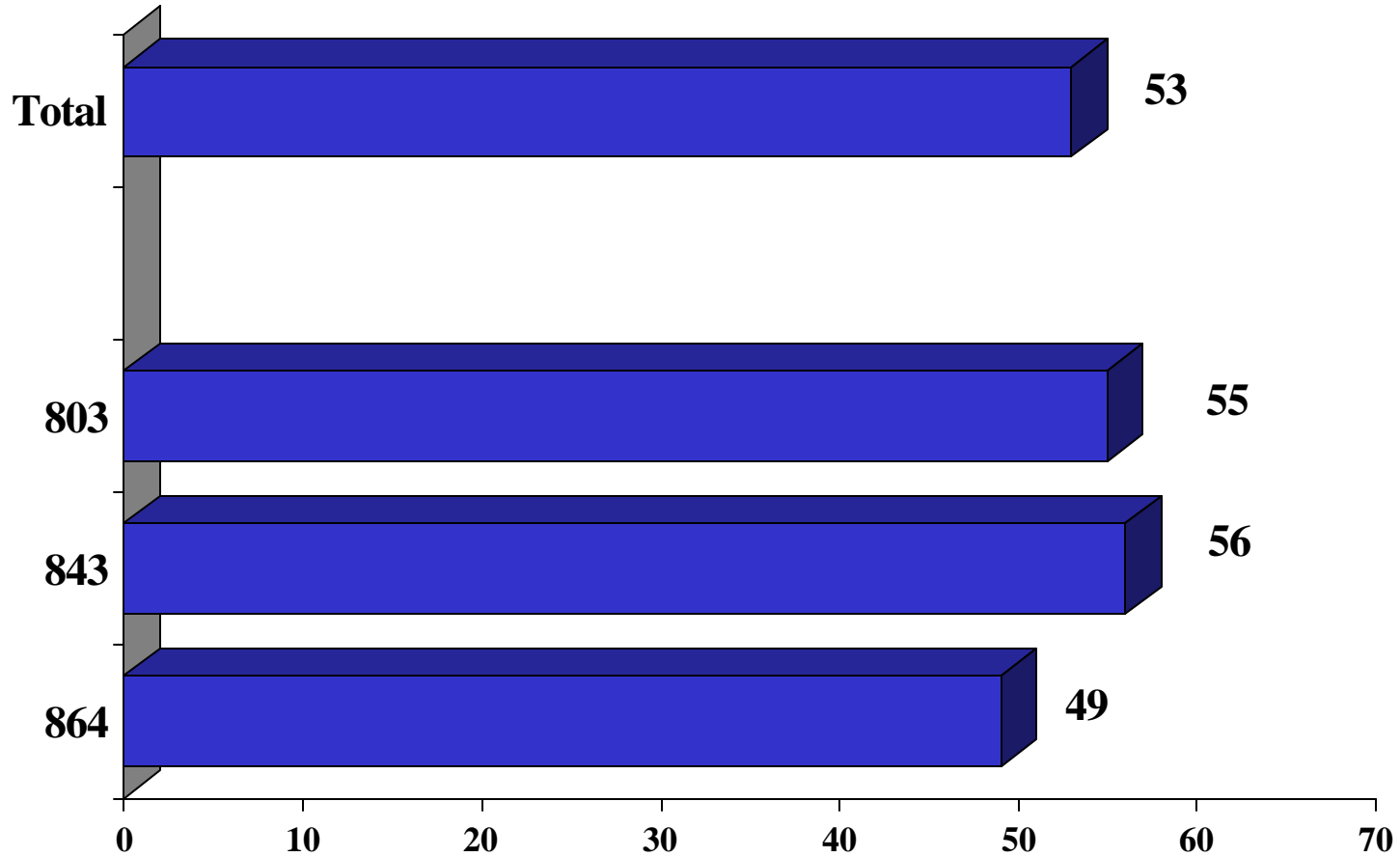
Player Incidence by Household Income

(among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
<\$10,000	51%	50%	- 1
\$10,000 to \$20,000	58	61	+ 3
\$20,000 to \$30,000	57	61	+ 4
\$30,000 to \$40,000	59	59	NC
\$40,000 to \$50,000	50	55	+ 5
\$50,000 to \$60,000	54	59	+ 5
\$60,000 to \$70,000	41	51	+ 10
\$70,000 to \$80,000	46	54	+ 8
\$80,000+	48	50	+ 2

Player Incidence by Area

(among all SC residents)



Player Incidence by Area

(among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
803	48%	55%	+ 7
843	54	56	+ 2
864	45	49	+ 4

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Dynamics of Lottery Play

Dynamics of Lottery Play

- ✓ Players have been categorized in the following categories based on their frequency of play of any SC Education Lottery game:
 - “Frequent” – buy tickets for any game/games more than once a week;
 - “Regular” - buy tickets for any game/games about once a week;
 - “Occasional” – buy tickets for any game/games one to three times a month; and
 - “Infrequent” – buy tickets for any game/games less than once a month.

Dynamics of Lottery Play

- ✓ Most players (60% of players) fall into the “Occasional/ Infrequent” segment, while 39% are classified as “Frequent/ Regular.”

While these levels are consistent with 2002 levels, there is an indication that frequency of play has become somewhat more polarized this year, with more players falling into the “Frequent” and “Infrequent” categories and fewer falling into the “Regular” and “Occasional.”

Consistent with other findings (i.e.: most significant growth among less active playing segments demographically), this supports that newer players skew toward infrequent players, while core players have increased their play frequency.

Overall, “Frequent” players have increased from 18% to 21%.

Dynamics of Lottery Play

- ✓ Most players play a combination of lottery games, but not all of them.

Overall, about two out of three players (66%) indicate they have played two or more SC Education Lottery games, but none (0%) reports having played all five.

- ✓ Fifty four percent (54%) of players play lottery games at least a couple times a month. This is down somewhat compared to November 2002, when 58% of players bought with that frequency.

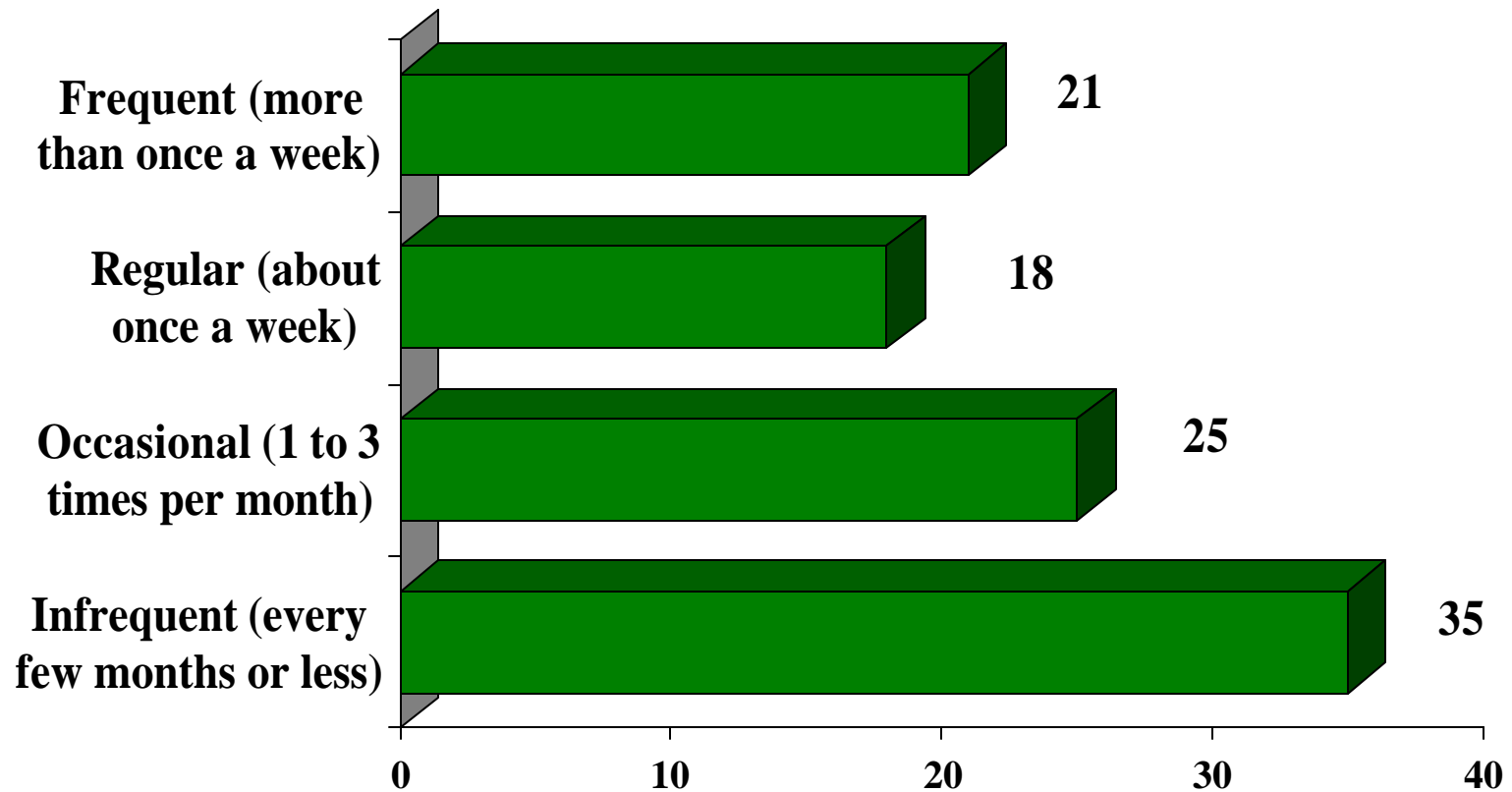
- 39% of SC Education Lottery players buy Powerball tickets at least a couple times a month ;

Dynamics of Lottery Play

- 35% buy scratch tickets at least a couple times a month (down significantly from 43% in November 2002);
- 12% buy Carolina 5 tickets at least a couple times a month (down significantly from 19% in November 2002);
- 14% buy Pick 3 tickets at least a couple times a month (down somewhat from 16% in November 2002); and
- 5% buy Pick 4 tickets at least a couple times a month (this game was introduced after the November 2002 study so no comparative data are available).

General Frequency of Play

(any game, among SC Education Lottery Players)



General Frequency of Play

(any game, among SC Education Lottery Players)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Frequent (more than once a week)	18%	21%	+ 3
Regular (about once a week)	21	18	- 3
Occasional (1 to 3 times per month)	31	25	- 6
Infrequent (less than once a month)	30	35	+ 5

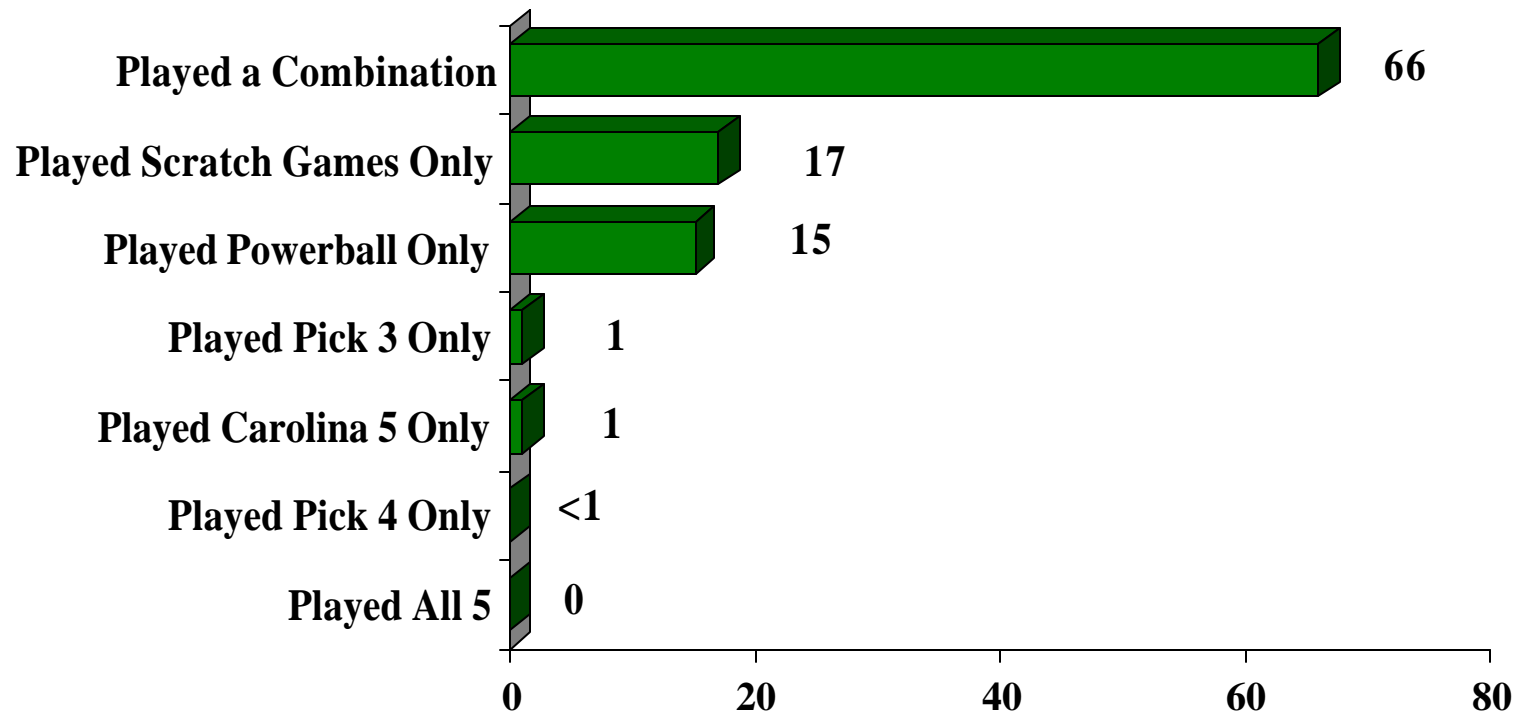
General Frequency of Play

(any game, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Frequent (more than once a week)	9%	11%	+2
Regular (about once a week)	10	10	NC
Occasional (1 to 3 times per month)	15	13	-2
Infrequent (less than once a month)	15	19	+4

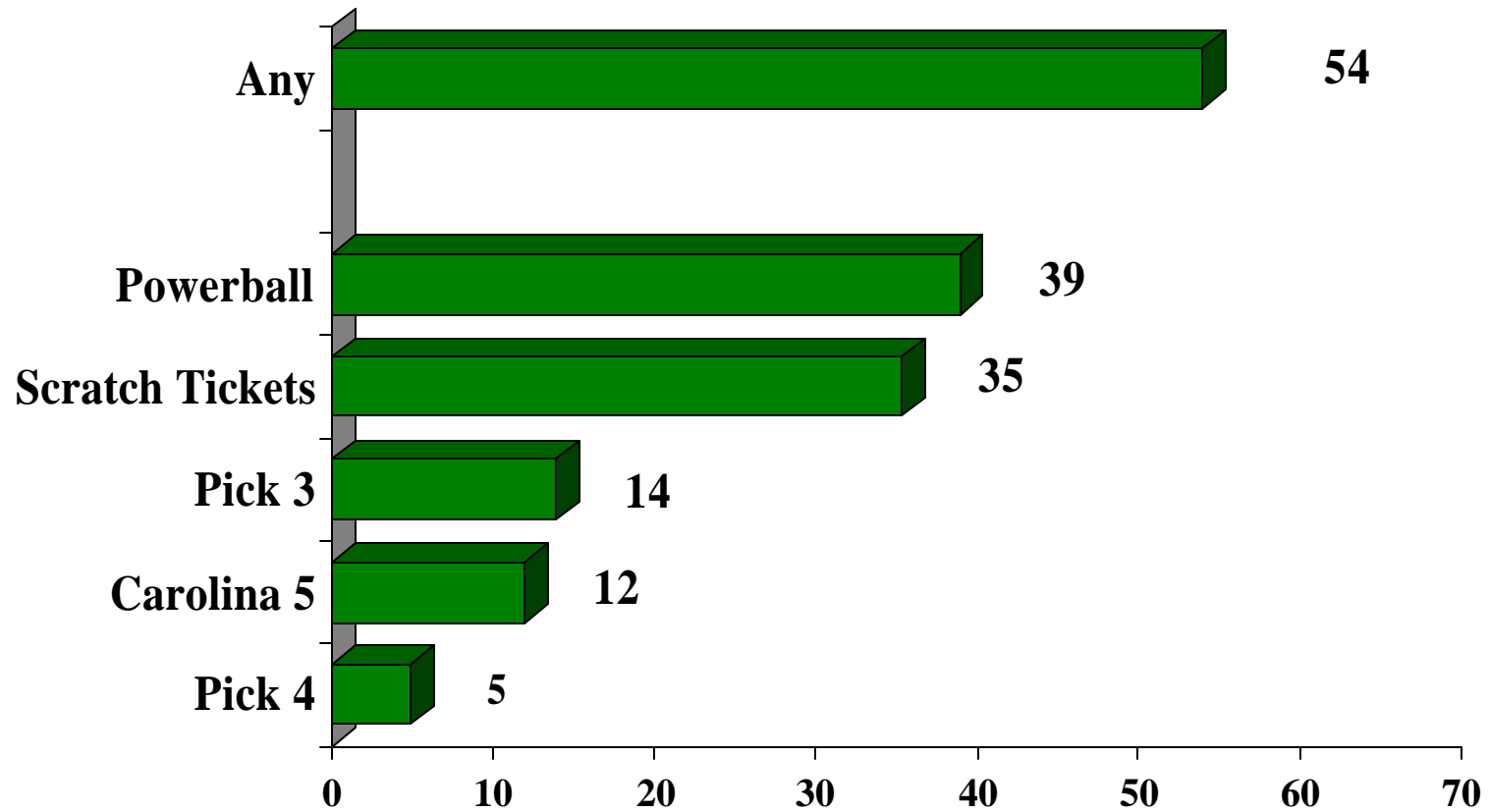
Game Combinations Played

(among SC Education Lottery Players)



Incidence of “Active” Game Play

(buy lottery tickets at least a couple times a month,
among SC Education Lottery Players)



Incidence of “Active” Game Play

(buy respective lottery tickets at least a couple times a month,
among SC Education Lottery Players)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Any	58%	54%	- 4
Powerball	34%	39%	+ 5
Scratch-Off	43	35	- 8
Pick 3	16	14	- 2
Carolina 5	19	12	- 7
Pick 4	NA	5	NA

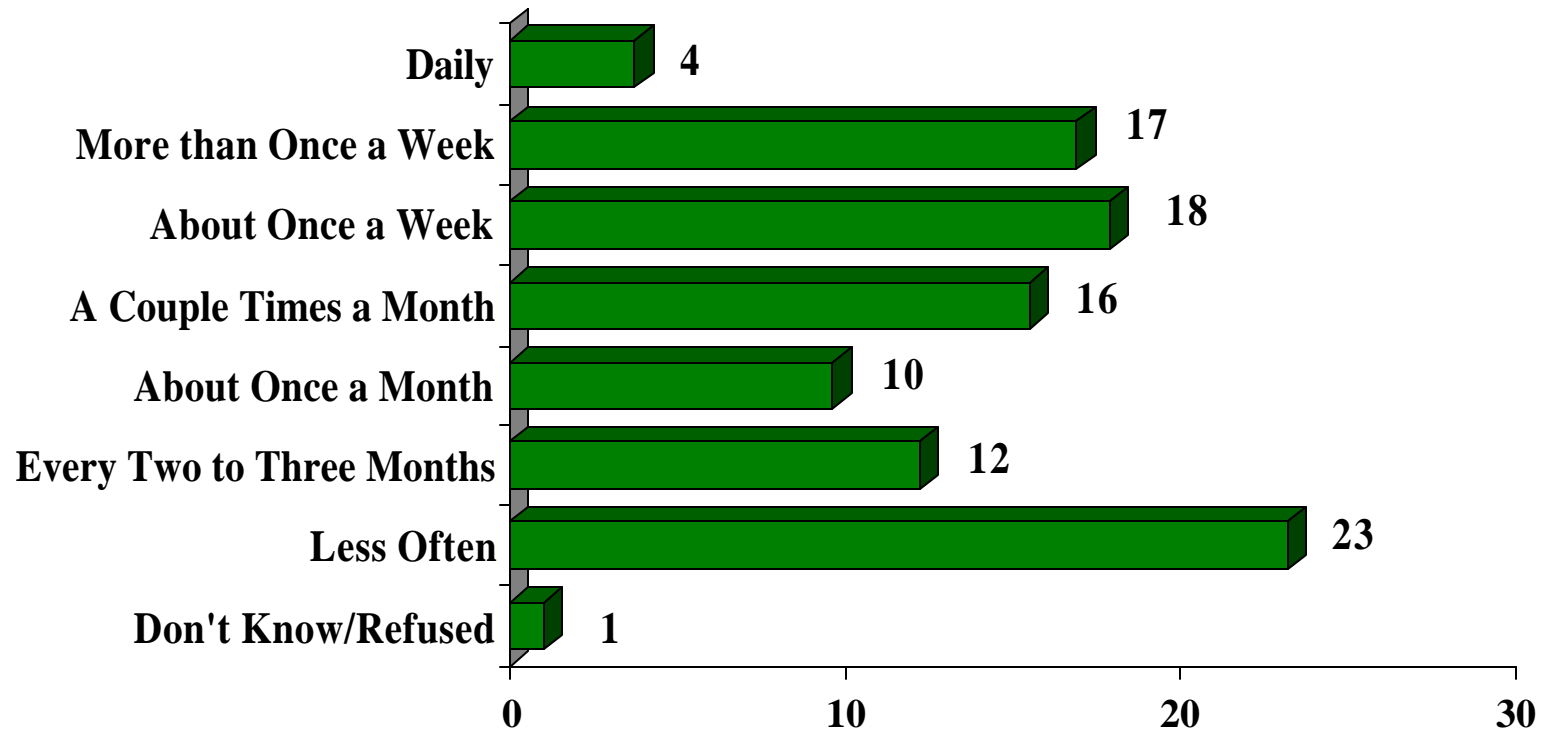
Incidence of “Active” Game Play

(buy respective lottery tickets at least a couple times a month,
among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Any	28%	29%	+ 1
Powerball	17	21	+ 4
Scratch-Off	21	19	- 2
Pick 3	8	7	- 1
Carolina 5	10	6	- 4
Pick 4	NA	3	NA

General Frequency of Lottery Play (Any)

(among SC Education Lottery Players)



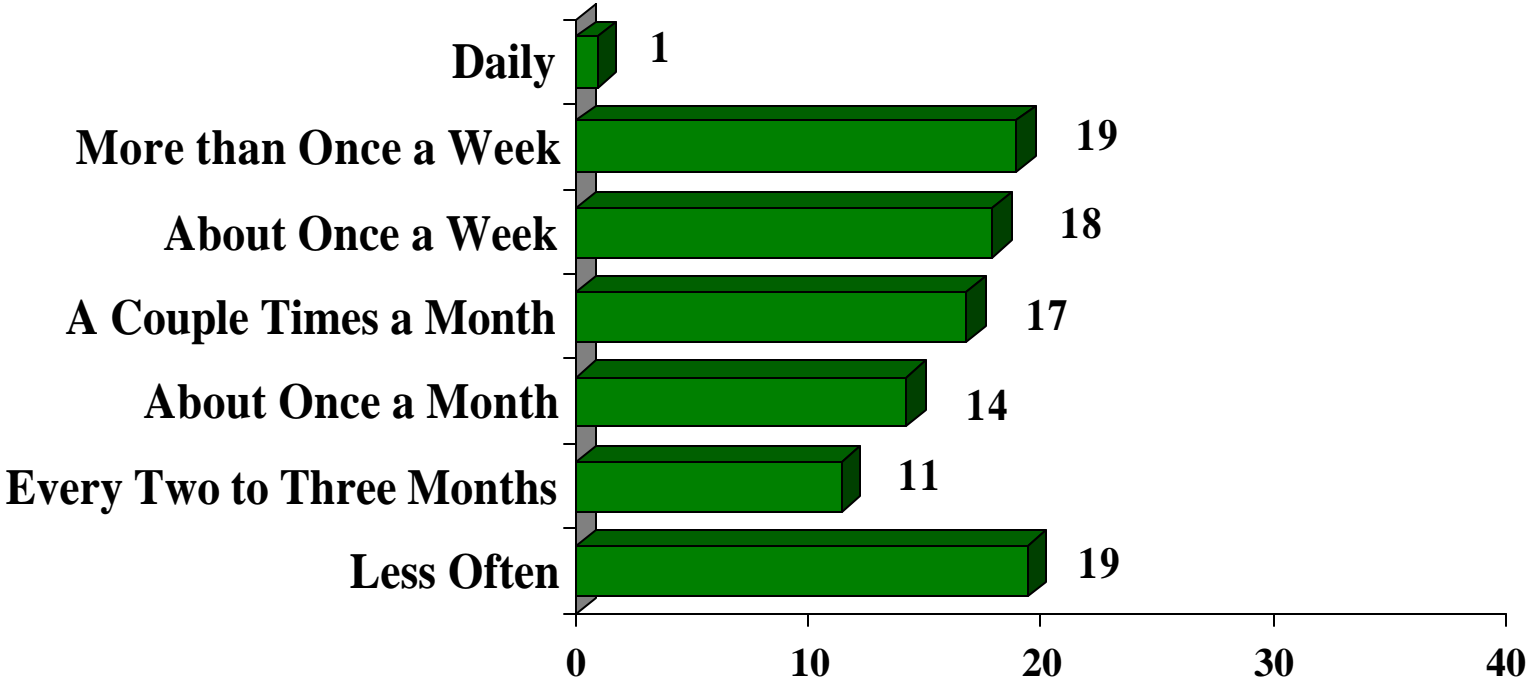
General Frequency of Lottery Play (Any)

(among SC Education Lottery Players)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Daily	4%	4%	NC
More than once a week	14	17	+ 3
About once a week	21	18	- 3
A couple times a month	19	16	- 3
About once a month	12	10	- 2
Every two to three mos.	10	12	+ 2
Less often	20	23	+ 3

Frequency of Powerball Play

(among those who have ever purchased a Powerball ticket from SCEL, N = 475)



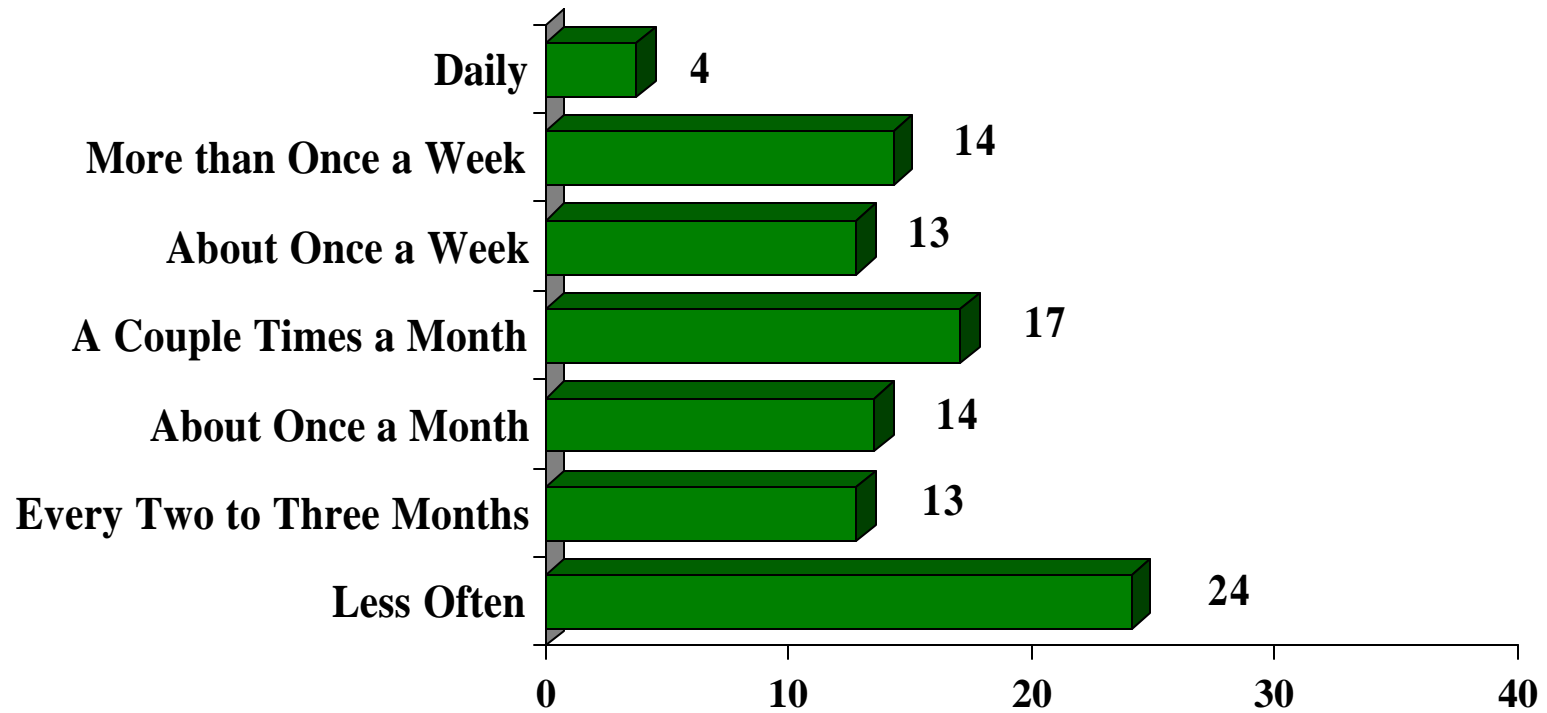
Frequency of Powerball Play

(among those who have ever purchased a Powerball ticket from SCEL)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 325)	(N = 475)	
Daily	1%	1%	NC
More than once a week	24	19	- 5
About once a week	27	18	- 9
A couple times a month	11	17	+ 6
About once a month	7	14	+ 7
Every two to three mos.	7	11	+ 4
Less often	22	19	- 3

Frequency of Scratch Ticket Play

(among those who have ever purchased a SCEL Scratch ticket, N = 493)



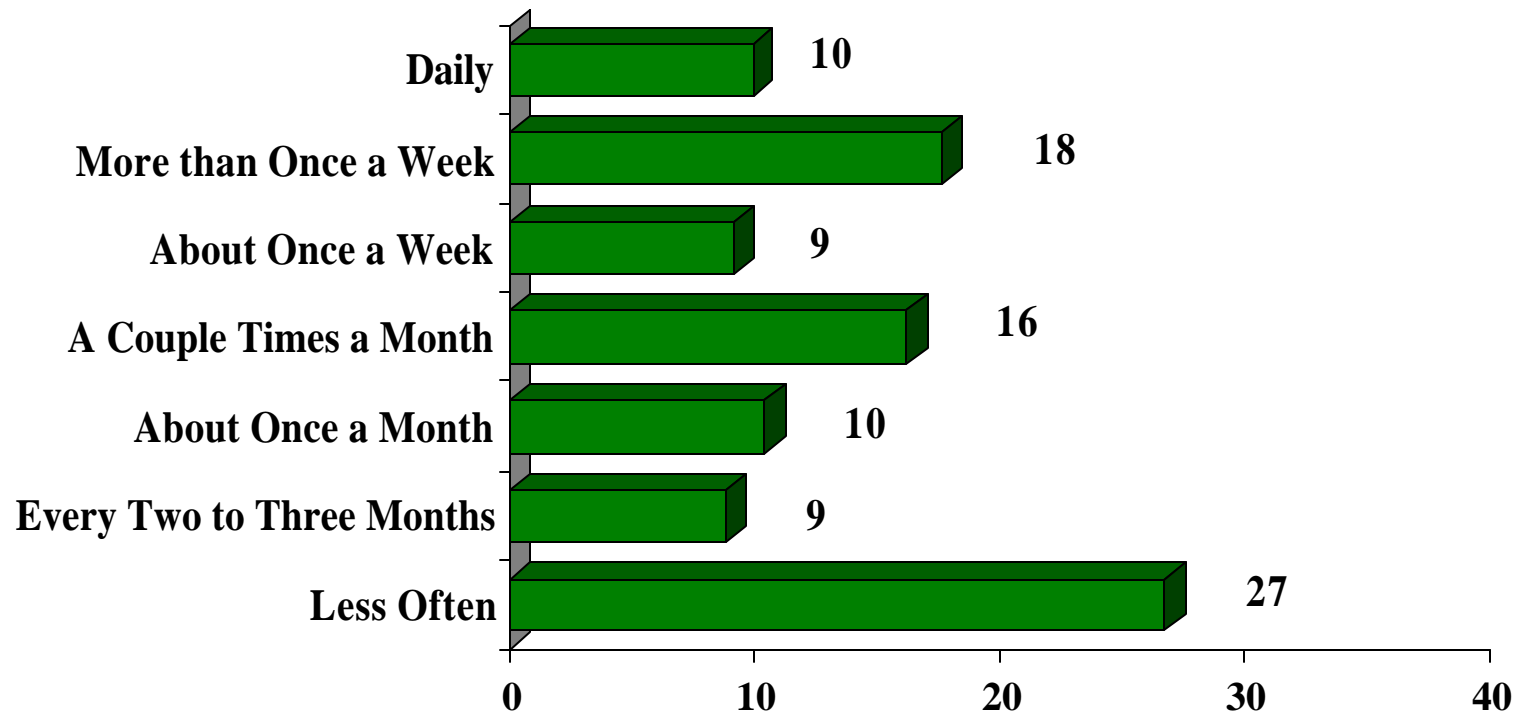
Frequency of Scratch Ticket Play

(among those who have ever purchased a SCEL Scratch ticket)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 519)	(N = 493)	
Daily	3%	4%	+ 1
More than once a week	11	14	+ 3
About once a week	18	13	- 5
A couple times a month	19	17	- 2
About once a month	16	14	- 2
Every two to three mos.	11	13	+ 2
Less often	21	24	+ 3

Frequency of Pick 3 Play

(among those who have ever purchased a SCEL Pick 3 ticket, N = 177)



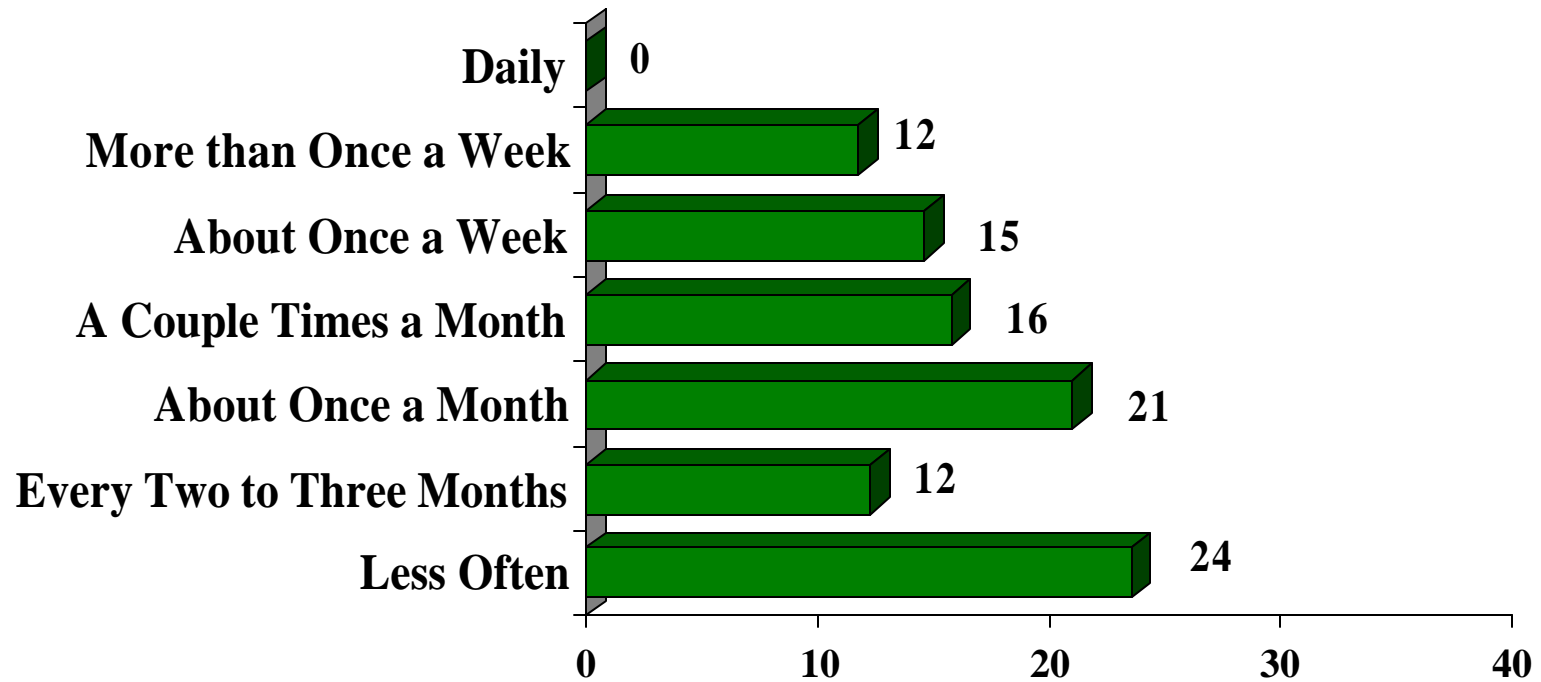
Frequency of Pick 3 Play

(among those who have ever purchased a SCEL Pick 3 ticket)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 196)	(N = 177)	
Twice a Day	NA	3%	NA
Daily	9%	7	-2
More than once a week	13	18	+5
About once a week	14	9	- 5
A couple times a month	15	16	+ 1
About once a month	11	10	- 1
Every two to three mos.	10	9	- 1
Less often	26	27	+ 1

Frequency of Carolina 5 Play

(among those who have ever purchased a SCEL Carolina 5 ticket, N = 187)



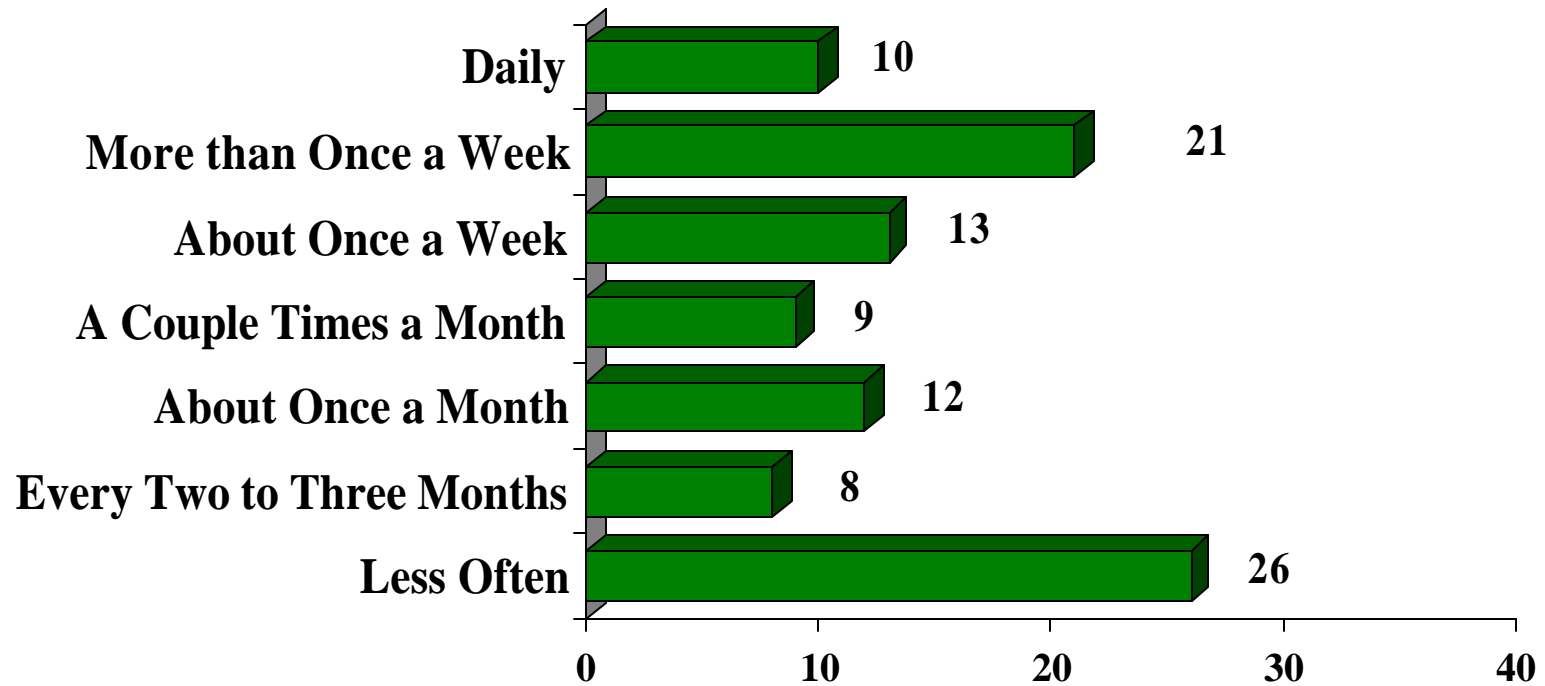
Frequency of Carolina 5 Play

(among those who have ever purchased a SCEL Carolina 5 ticket)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
	(N = 185)	(N = 187)	
Daily	0%	0%	NC
More than once a week	7	12	+ 5
About once a week	46	15	- 31
A couple times a month	11	16	+ 5
About once a month	14	21	+ 7
Every two to three mos.	5	12	+ 7
Less often	17	24	+ 7

Frequency of Pick 4 Play

(among those who have ever purchased a Pick 4 ticket from SCEL, N = 67)



Frequency of Pick 4 Play

(among those who have ever purchased a Pick 4 ticket from SCEL, N = 67)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Twice a Day	NA	4%	NA
Daily	NA	7	NA
More than once a week	NA	21	NA
About once a week	NA	13	NA
A couple times a month	NA	9	NA
About once a month	NA	12	NA
Every two to three mos.	NA	8	NA
Less often	NA	26	NA

A MarketSearch Study

Variations in Demographic Profiles Based on Frequency of Play

Variations in Demographic Profiles Based on Frequency of Play

- ✓ Residents most likely to be playing the South Carolina Education Lottery include: minorities, men, residents under the age of 55, those with lower education levels, and those with household incomes between \$10,000 and \$60,000.
- ✓ Within this overall pattern, findings also identify some demographic differences among frequent, regular, occasional and infrequent players.

“Frequent” Players (play more than once a week):

- Higher incidence of men (13%) than women (9%);
- Higher incidence among those between the ages of 35 and 54 (13%);
- Incidence among African Americans (17%) more than twice that of Caucasians (8%); and
- Incidence significantly lower among those with household incomes of \$80,000+ (7%).

Variations in Demographic Profiles Based on Frequency of Play

“Regular” Players (play about once a week):

- Higher incidence of men (12%) than women (7%);
- Incidence of play for those under 34 (11%) just slightly higher than for those 35 and older (9%);
- Consistent with respect to ethnicity (10% among African Americans and 9% among Caucasians); and
- Higher incidence among those with household incomes between \$20,000 and \$50,000 (11%), compared to 9% for those under \$20,000, 8% for those with household incomes between \$50,000 and \$80,000, and 7% for those in the \$80,000+ income category.

Variations in Demographic Profiles Based on Frequency of Play

“Occasional” Players (play about one to three times a month):

- Incidence of women players (14%) in line with that for men (13%);
- Incidence of play for those under 54 (15%) higher than for those 55 and older (10%);
- Incidence among Caucasians (13%) near that for African Americans (14%); and
- Reasonably consistent incidence levels across income categories – 13% among those with household incomes under \$20,000, 15% among \$20,000 to \$50,000, 14% among \$50,000 to \$80,000, and 15% among \$80,000+.

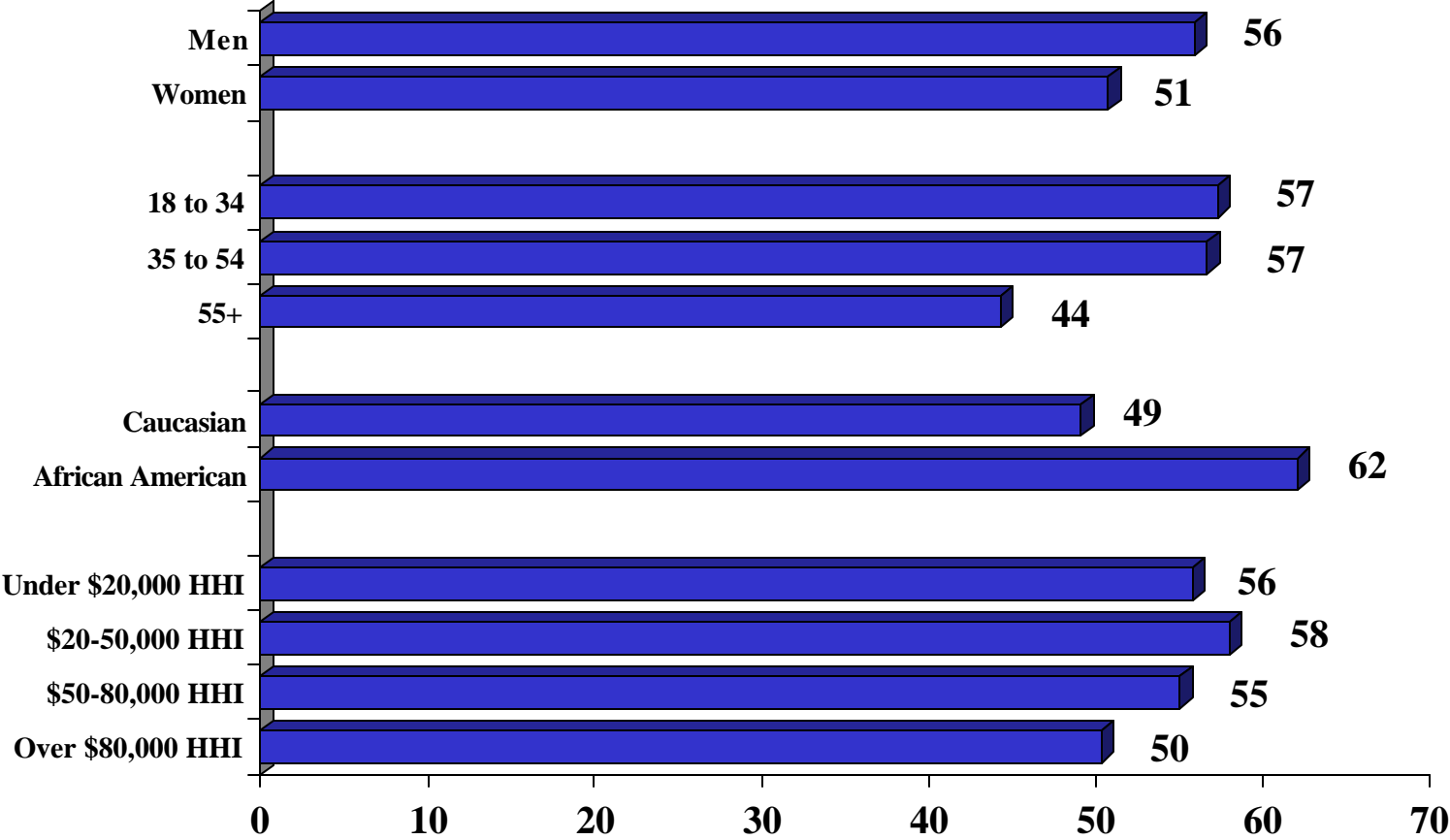
Variations in Demographic Profiles Based on Frequency of Play

“Infrequent” Players (play less than once a month):

- Higher incidence of women (20%) than men (18%);
- Higher incidence among those under 35 (22%) compared to 19% among those between 35 and 54 and 15% among those 55 and over;
- Higher incidence of African Americans (20%) than Caucasians (18%); and
- Highest incidence among those with household incomes over \$80,000 (22%) and between \$50,000 and \$80,000 (20%) than those under \$50,000 (19%).

Player Incidence/Have Ever Played Lottery Games

(among all SC residents)



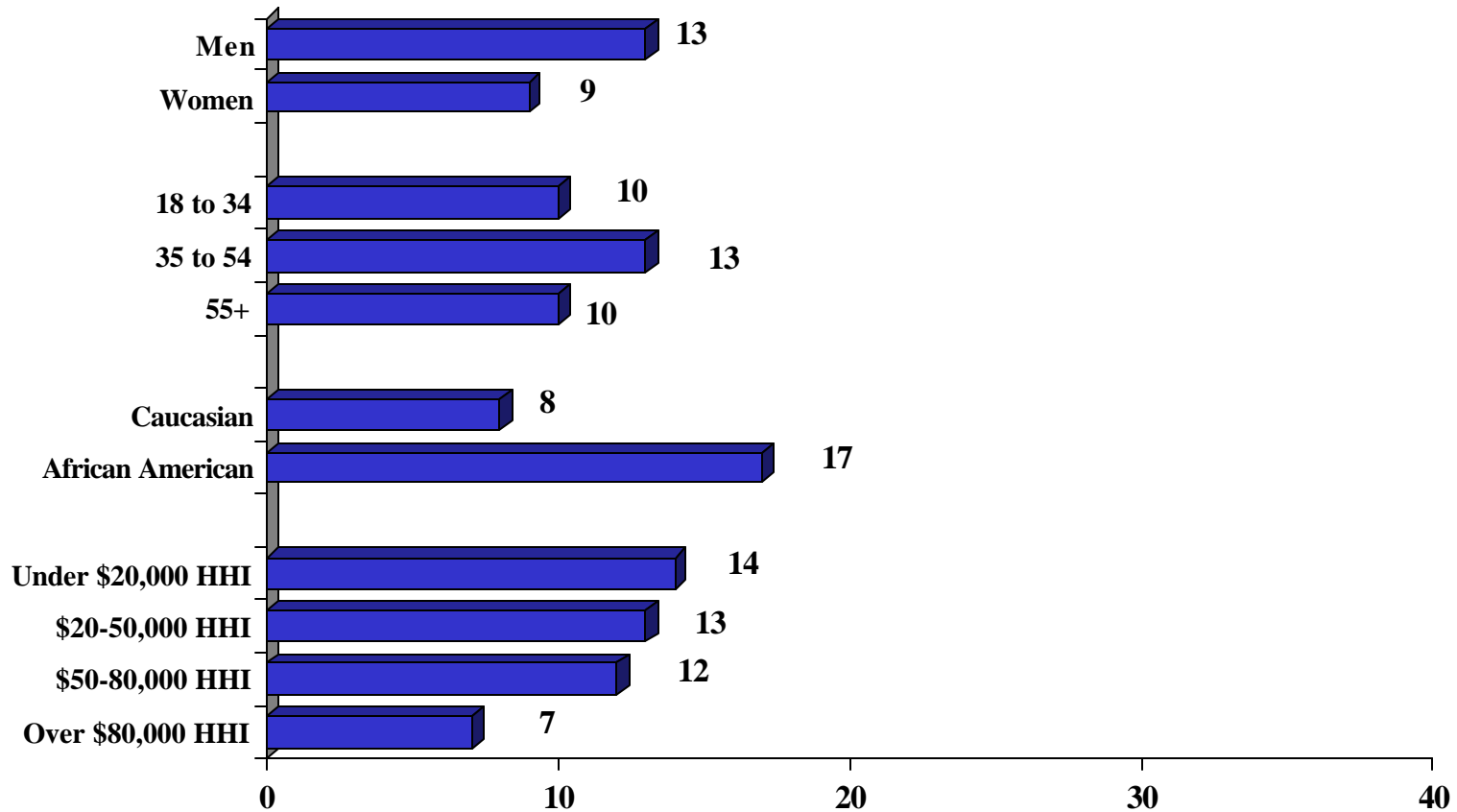
Player Incidence/Any Lottery Game

(among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	49%	53%	+ 4
Men	53%	56%	+ 3
Women	46	51	+ 5
18 to 34	57%	57%	NC
35 to 54	55	57	+ 2
55+	33	44	+ 11
Caucasian	44%	49%	+ 5
African American	60	62	+ 2
Other	46	59	+13
HHI < \$20,000	55%	56%	+ 1
HHI \$20,000 to \$50,000	56	58	+ 2
HHI \$50,000 to \$80,000	48	55	+ 7
HHI \$80,000+	48	50	+ 2

Player Incidence/“Frequent” Lottery Players

(play one or more games more than once a week, among all SC residents)



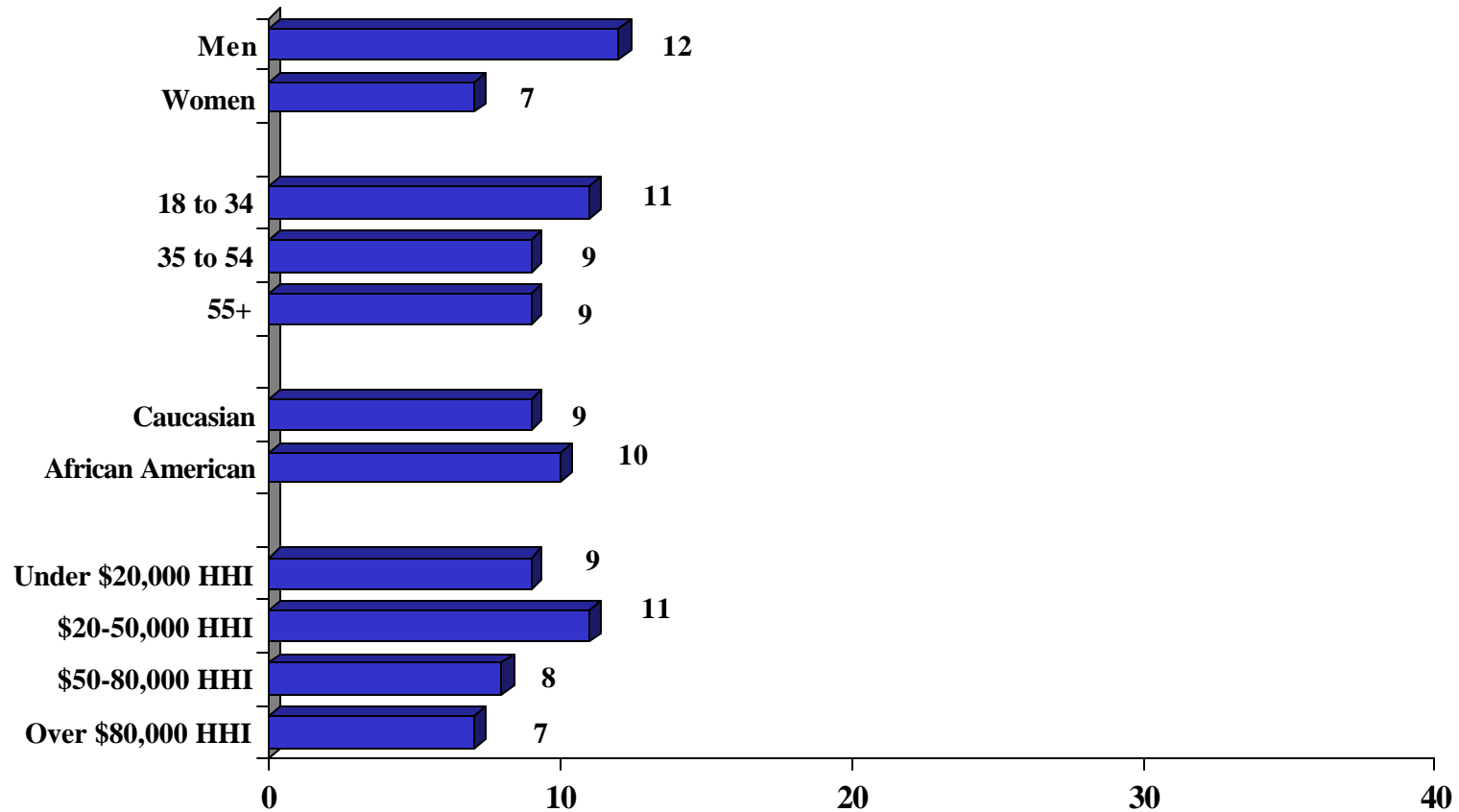
Player Incidence/“Frequent” Lottery Players

(play one or more games more than once a week, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	9%	11%	+2
Men	11%	13%	+ 2
Women	7	9	+ 2
18 to 34	9%	10%	+ 1
35 to 54	9	13	+ 4
55+	9	10	+ 1
Caucasian	6%	8%	+ 2
African American	14	17	+ 3
Other	10	12	+2
HHI < \$20,000	14%	14%	NC
HHI \$20,000 to \$50,000	14	13	- 1
HHI \$50,000 to \$80,000	5	12	+ 7
HHI \$80,000+	5	7	+ 2

Player Incidence/“Regular” Lottery Players

(play one or more games about once a week, among all SC residents)

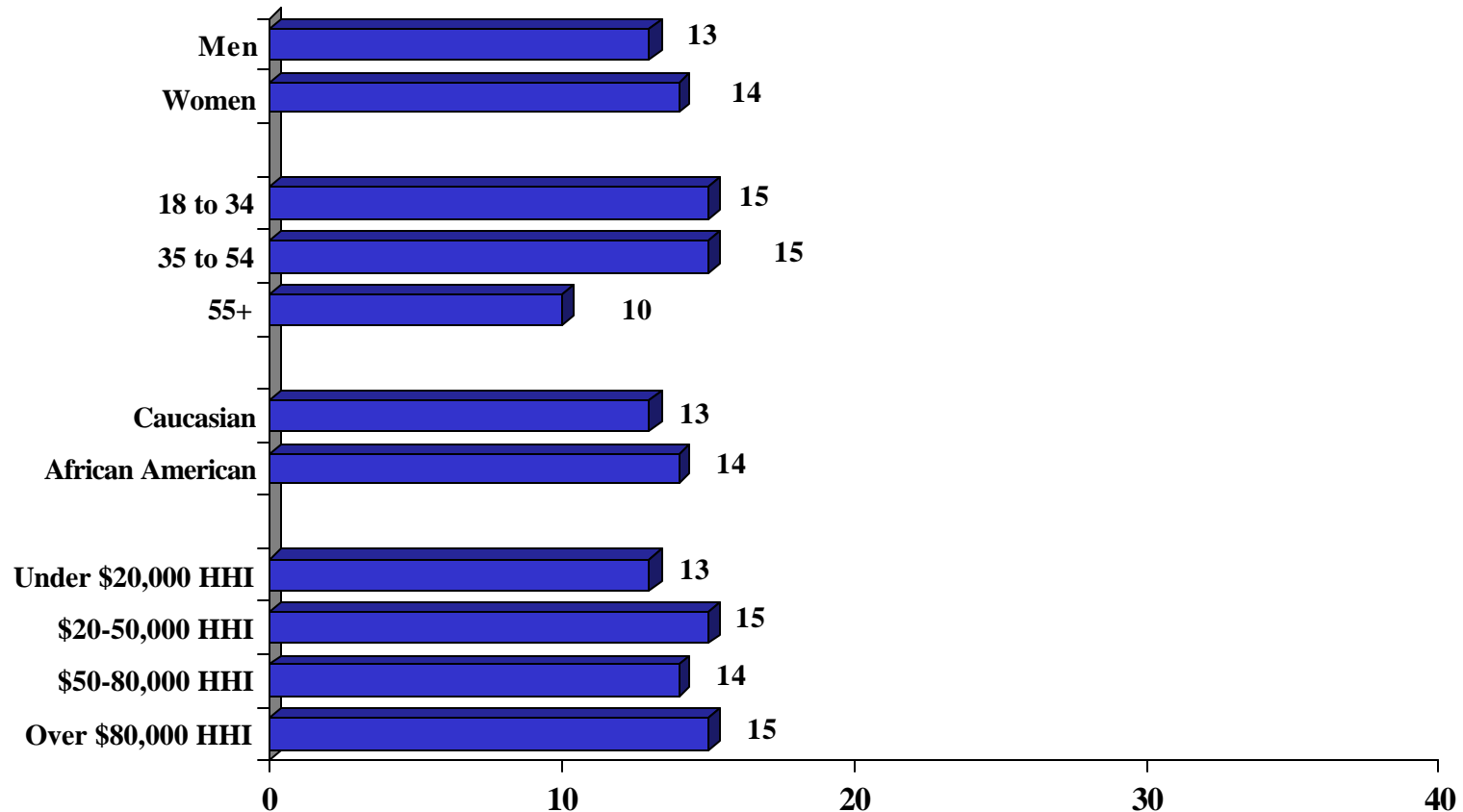


Player Incidence/“Regular” Lottery Players

(play one or more games about once a week, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	10%	10%	NC
Men	13%	12%	- 1
Women	8	7	- 1
18 to 34	10%	11%	+ 1
35 to 54	12	9	- 3
55+	8	9	+ 1
Caucasian	8%	9%	+ 1
African American	14	10	- 4
Other	10	10	NC
HHI < \$20,000	11%	9%	- 2
HHI \$20,000 to \$50,000	11	11	NC
HHI \$50,000 to \$80,000	13	8	- 5
HHI \$80,000+	10	7	- 3

Player Incidence/“Occasional” Lottery Players (play one or more games 1 to 3 times a month, among all SC residents)



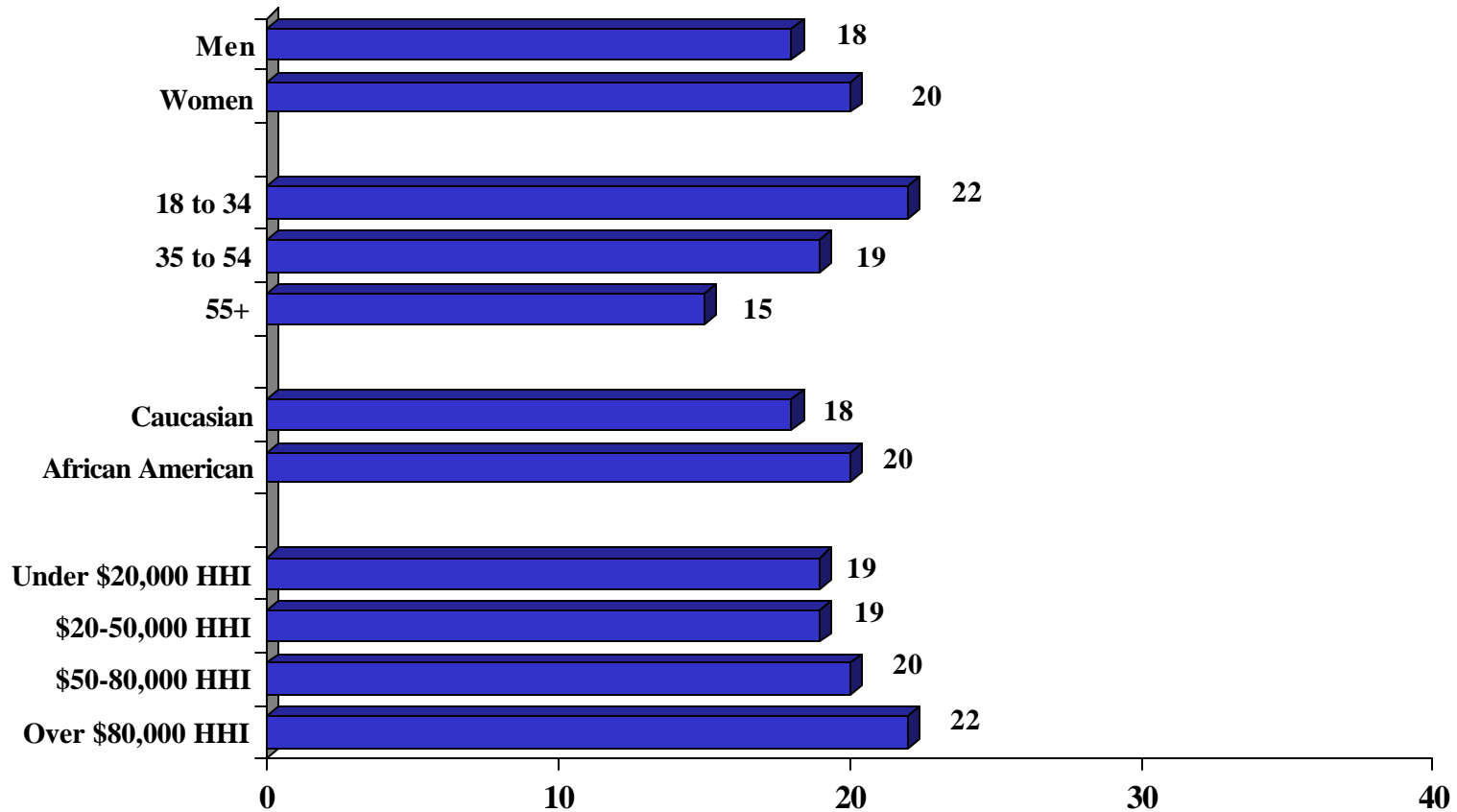
Player Incidence/“Occasional” Lottery Players

(play one or more games 1 to 3 times a month, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	15%	13%	-2
Men	16%	13%	- 3
Women	15	14	- 1
18 to 34	19%	15%	- 4
35 to 54	18	15	- 3
55+	7	10	+ 3
Caucasian	14%	13%	- 1
African American	19	14	- 5
Other	12	17	+5
HHI < \$20,000	16%	13%	- 3
HHI \$20,000 to \$50,000	18	15	- 3
HHI \$50,000 to \$80,000	16	14	- 2
HHI \$80,000+	15	15	NC

Player Incidence/“Infrequent” Lottery Players

(play one or more games less than once a month, among all SC residents)



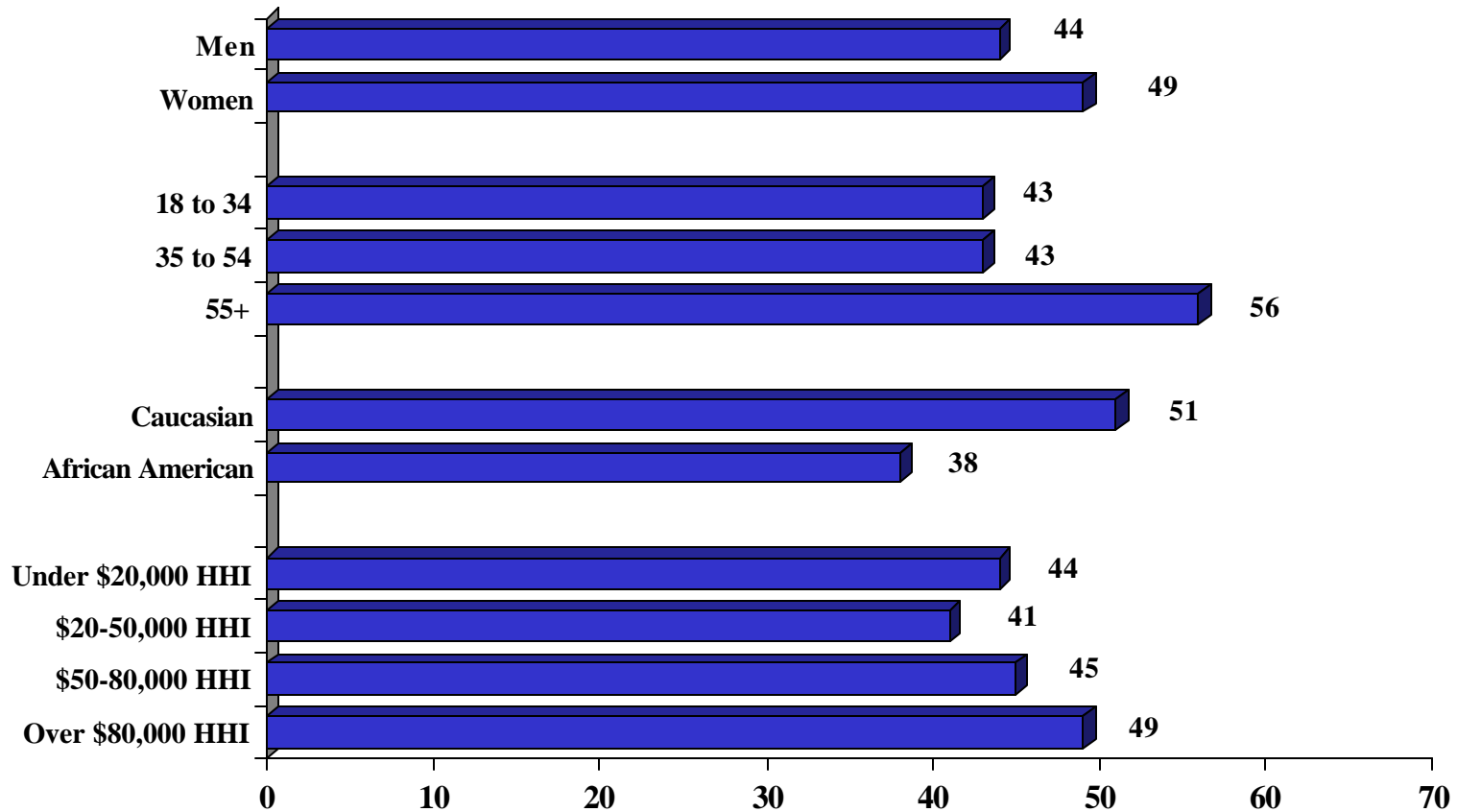
Player Incidence/“Infrequent” Lottery Players

(play one or more games less than once a month, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	15%	19%	+4
Men	13%	18%	+ 5
Women	16	20	+ 4
18 to 34	19%	22%	+ 3
35 to 54	17	19	+ 2
55+	8	15	+ 7
Caucasian	16%	18%	+ 2
African American	13	20	+ 7
Other	12	22	+10
HHI < \$20,000	13%	19%	+ 6
HHI \$20,000 to \$50,000	13	19	+ 6
HHI \$50,000 to \$80,000	15	20	+ 5
HHI \$80,000+	19	22	+ 3

Player Incidence/Non Players

(have never purchased a SC Education Lottery ticket, among all SC residents)



Player Incidence/Non Players

(have never purchased a SC Education Lottery ticket, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	51%	47%	- 4
Men	47%	44%	- 3
Women	54	49	- 5
18 to 34	43%	43%	NC
35 to 54	45	43	- 2
55+	67	56	- 11
Caucasian	56%	51%	- 5
African American	40	38	- 2
Other	54	41	- 13
HHI < \$20,000	45%	44%	- 1
HHI \$20,000 to \$50,000	44	41	- 3
HHI \$50,000 to \$80,000	52	45	- 7
HHI \$80,000+	52	49	- 3

A MarketSearch Study

Variations in Demographic Profiles Based on Game

Variations in Demographic Profiles Based on Game

- ✓ There are also demographic variations in players depending upon which games they play.

Active **Scratch Players** (play at least a couple times a month):

- Higher incidence of women (20%) than men (17%);
- Higher incidence of play among those under 55 (23% for those under 35 and 20% for those in the 35 to 54 age segment) than those over 55 and older (13%).
- Incidence of play among African Americans (30%) more than twice that of Caucasians (13%); and
- Much higher incidence of play among the lower income segments – 30% among those with household income under \$20,000, 23% among those with incomes between \$20,000 and \$50,000, 15% among \$50,000 to \$80,000, and 9% among \$80,000+.

Variations in Demographic Profiles Based on Game

Active **Pick 3** players (playing at least a couple times a month):

- Incidence among women (7%) near that for men (8%);
- More consistent incidence of play among all three age segments – 8% among those under 35, 9% among those in the 35 to 54 age segment, and 5% among those over 55;
- Incidence of play among African Americans (19%) nine times that of Caucasians (2%); and
- Highest incidence of play among those with < \$20,000 household income (12%) , compared to 9% for those \$20,000 to \$50,000, 7% for those \$50,000 to \$80,000, and 3% for those \$80,000+.

Variations in Demographic Profiles Based on Game

Active **Pick 4** players (playing at least a couple times a month):

- Incidence of women (3%) equal to that for men (3%);
- Incidence fairly consistent with respect to age: 2% for those 18 to 34, 4% for those 35 to 54, and 3% for those 55 and older;
- Incidence among African Americans (8%) eight times that for Caucasians (1%).
- Highest incidence of play among those with household incomes under \$20,000 (5%), compared to 3% for those with household incomes between \$20,000 and \$50,000, 2% among those with \$50,000 to \$80,000, and only 1% for those with \$80,000+.

Variations in Demographic Profiles Based on Game

Active **Carolina 5** players (playing at least a couple times a month):

- Incidence of men (8%) higher than women (5%);
- Not as dramatically skewed toward African Americans (8%, compared to 5% for Caucasians).
- Slightly higher incidence among 35 to 54 age segment (7%) and among over 55 (7%), compared to 5% under 34;
- Fairly consistent with respect to household income: 7% among the under \$20,000 household segment, 8% among those with \$20,000 to \$50,000, 6% among those with \$50,000 to \$80,000 and 5% among those with \$80,000+ .

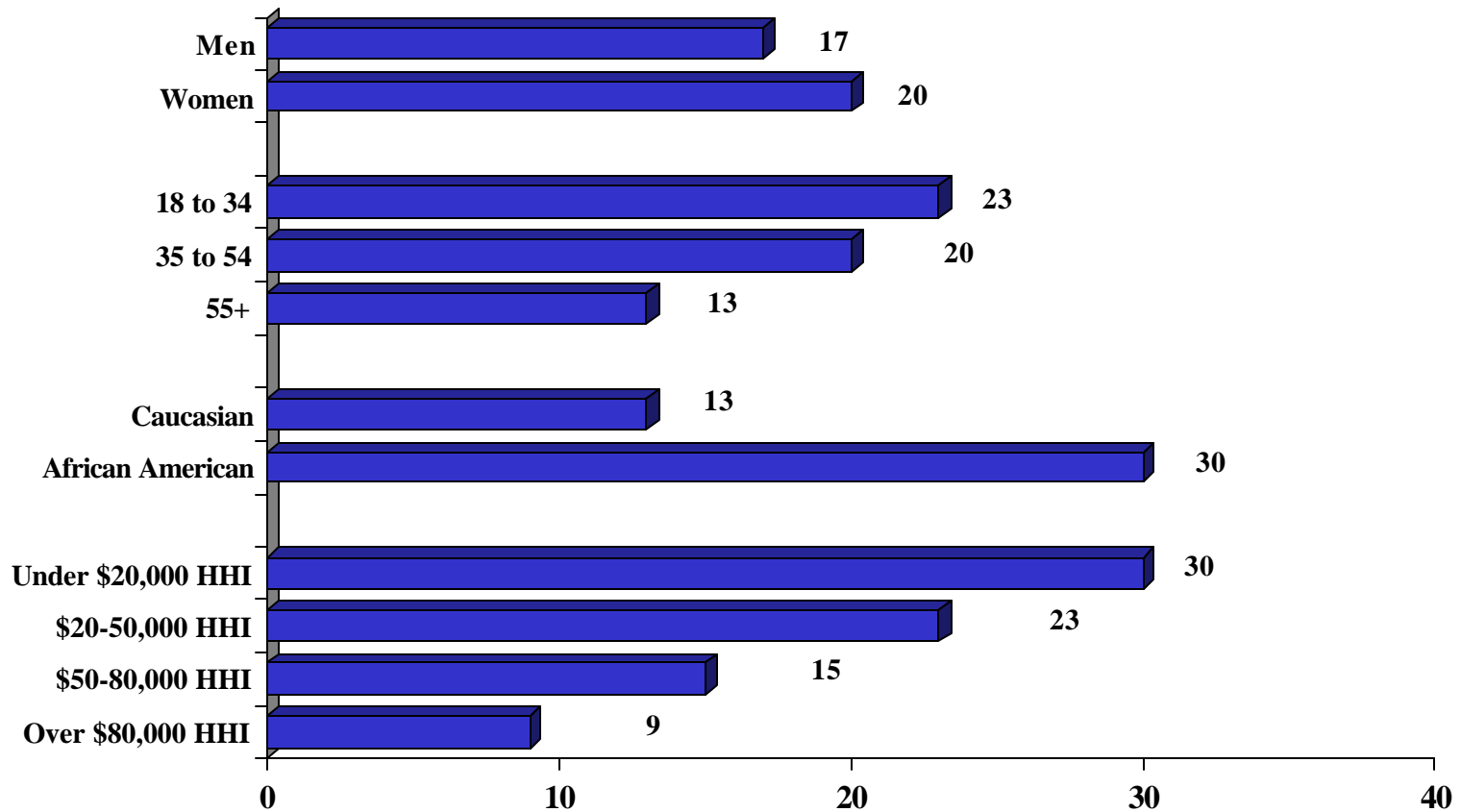
Variations in Demographic Profiles Based on Game

Active **Powerball** players (playing at least a couple times a month):

- Significantly higher incidence of men (25%) than women (17%);
- Stronger appeal to older segments. Incidence of play among those under 34 (17%) is much lower than among those 35 to 54 (24%) and those over 55 (20%);
- Incidence of play higher among African Americans (25%) than Caucasians (19%); and
- Higher incidence of play among those with \$20,000 to \$50,000 (24%) and \$50,000 to \$80,000 (26%) than under \$20,000 (19%) and \$80,000+ (20%).

Player Incidence/Active Scratch Ticket Players

(buy scratch tickets at least a couple times a month, among all SC residents)



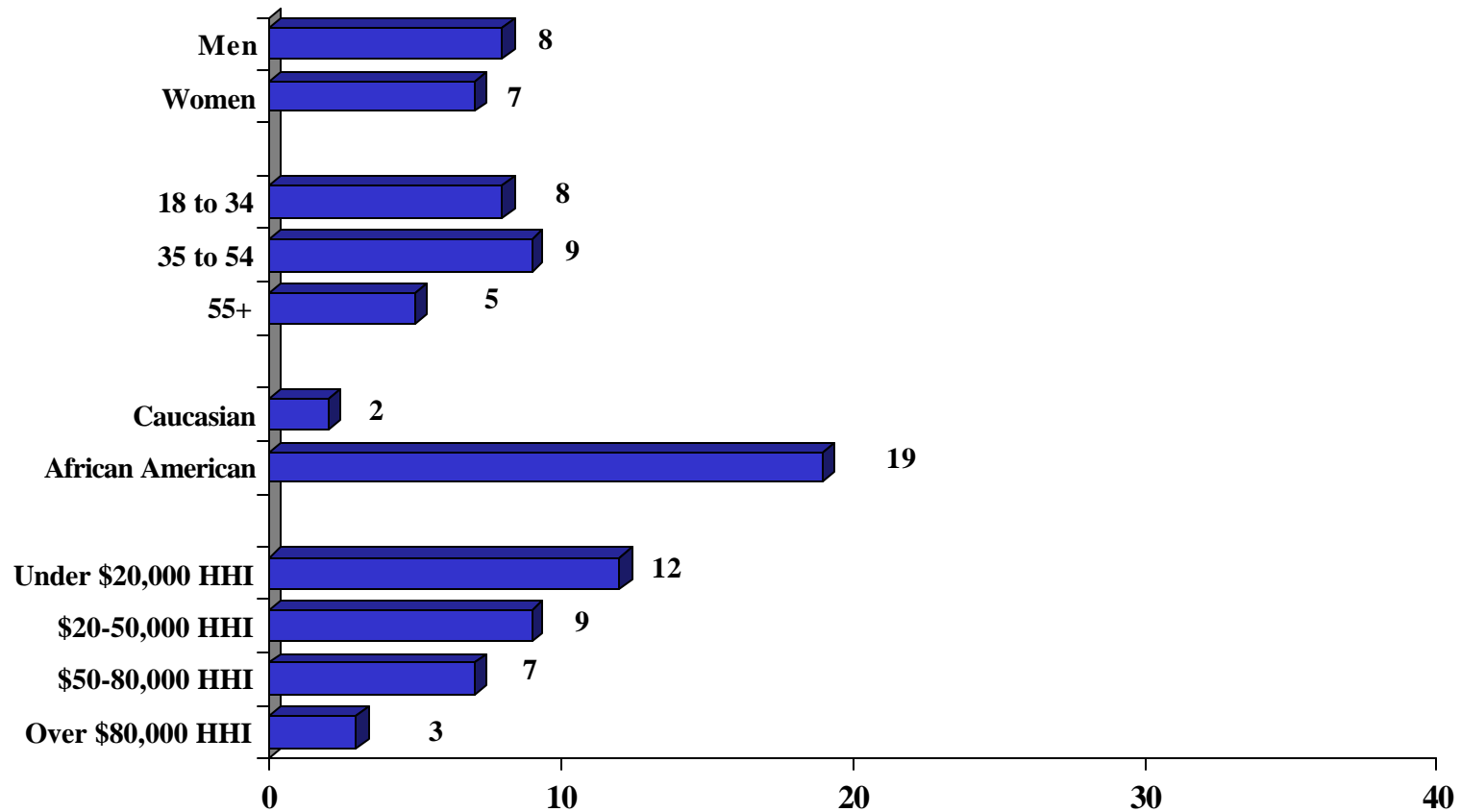
Player Incidence/Active Scratch Ticket Players

(buy scratch tickets at least a couple times a month, among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Total	21%	19%	- 2
Men	23%	17%	- 6
Women	19	20	+ 1
18 to 34	25%	23%	- 2
35 to 54	23	20	- 3
55+	15	13	- 2
Caucasian	16%	13%	- 3
African American	34	30	- 4
Other	15	29	+ 14
HHI < \$20,000	32%	30%	- 2
HHI \$20,000 to \$50,000	26	23	- 3
HHI \$50,000 to \$80,000	18	15	- 3
HHI \$80,000+	13	9	- 4

Player Incidence/Active Pick 3 Players

(buy Pick 3 tickets at least a couple times a month, among all SC residents)



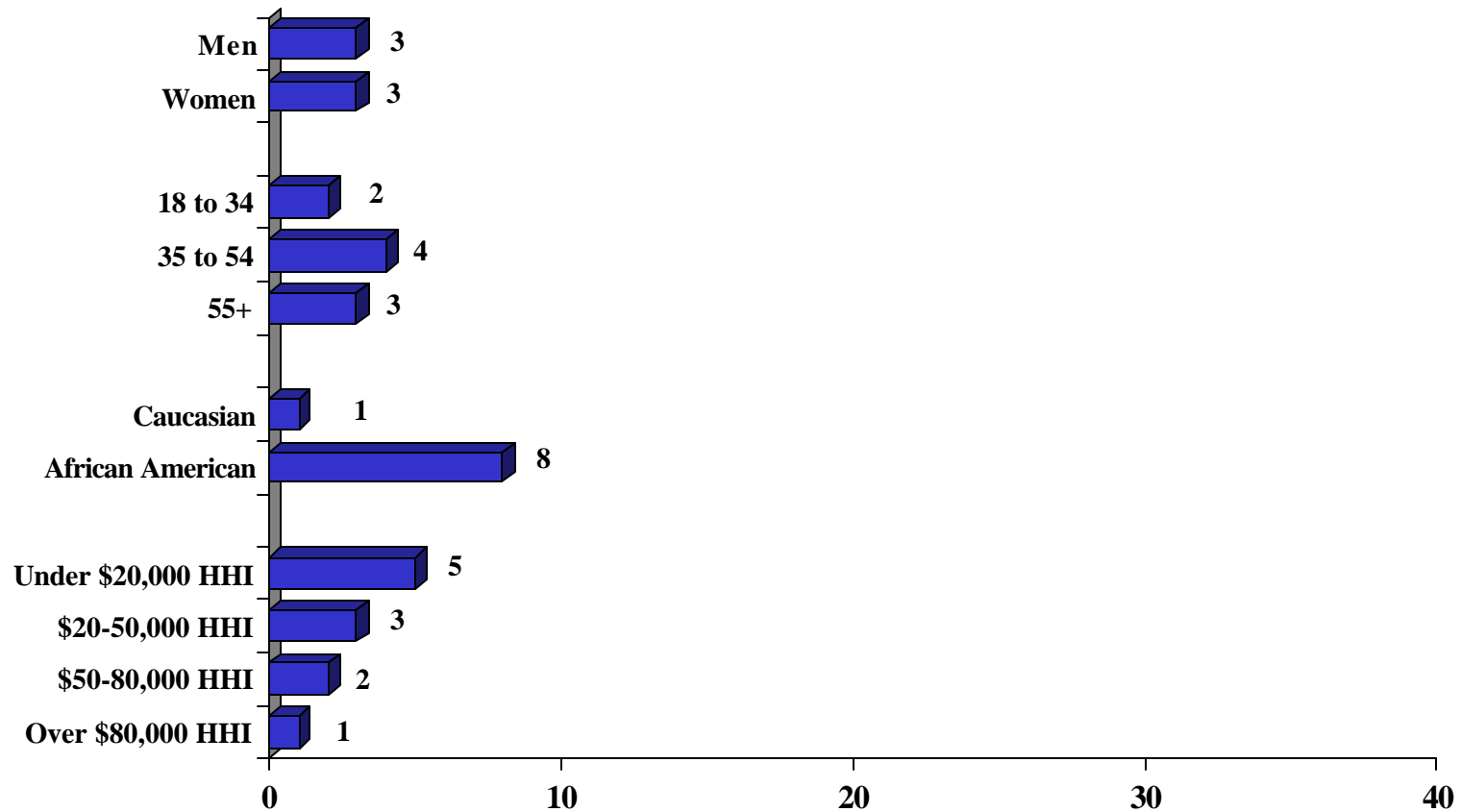
Player Incidence/Active Pick 3 Players

(buy Pick 3 tickets at least a couple times a month, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	8%	8%	NC
Men	9%	8%	- 1
Women	7	7	NC
18 to 34	8%	8%	NC
35 to 54	9	9	NC
55+	7	5	- 2
Caucasian	3%	2%	- 1
African American	19	19	NC
Other	5	12	+ 7
HHI < \$20,000	10%	12%	+ 2
HHI \$20,000 to \$50,000	12	9	- 3
HHI \$50,000 to \$80,000	6	7	+ 1
HHI \$80,000+	4	3	- 1

Player Incidence/Active Pick 4 Players

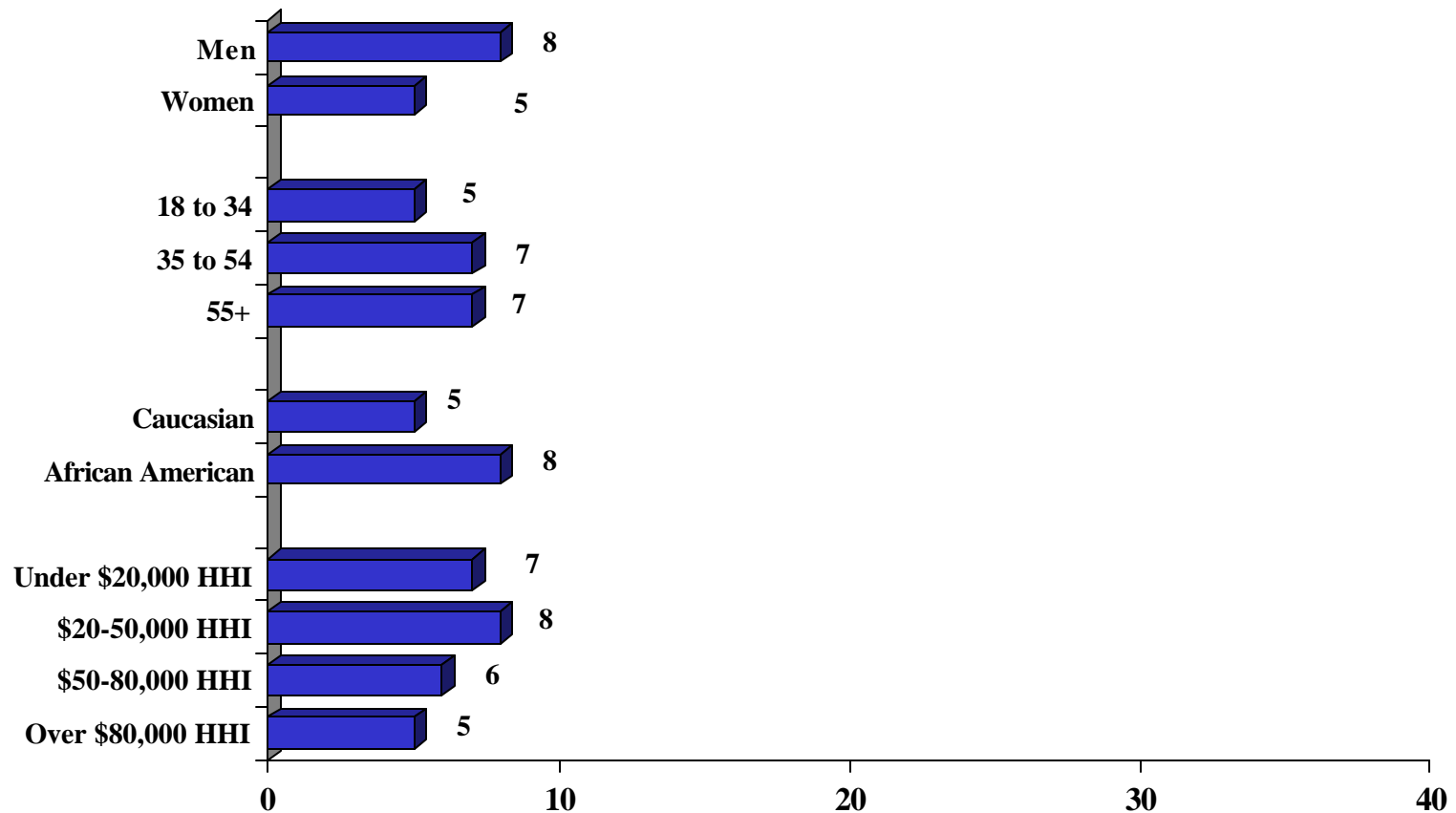
(buy Pick 4 tickets at least a couple times a month, among all SC residents)



Note: Game was introduced in 2003. No comparative data for 2002.

Player Incidence/Active Carolina 5 Players

(buy Carolina 5 tickets at least a couple times a month, among all SC residents)



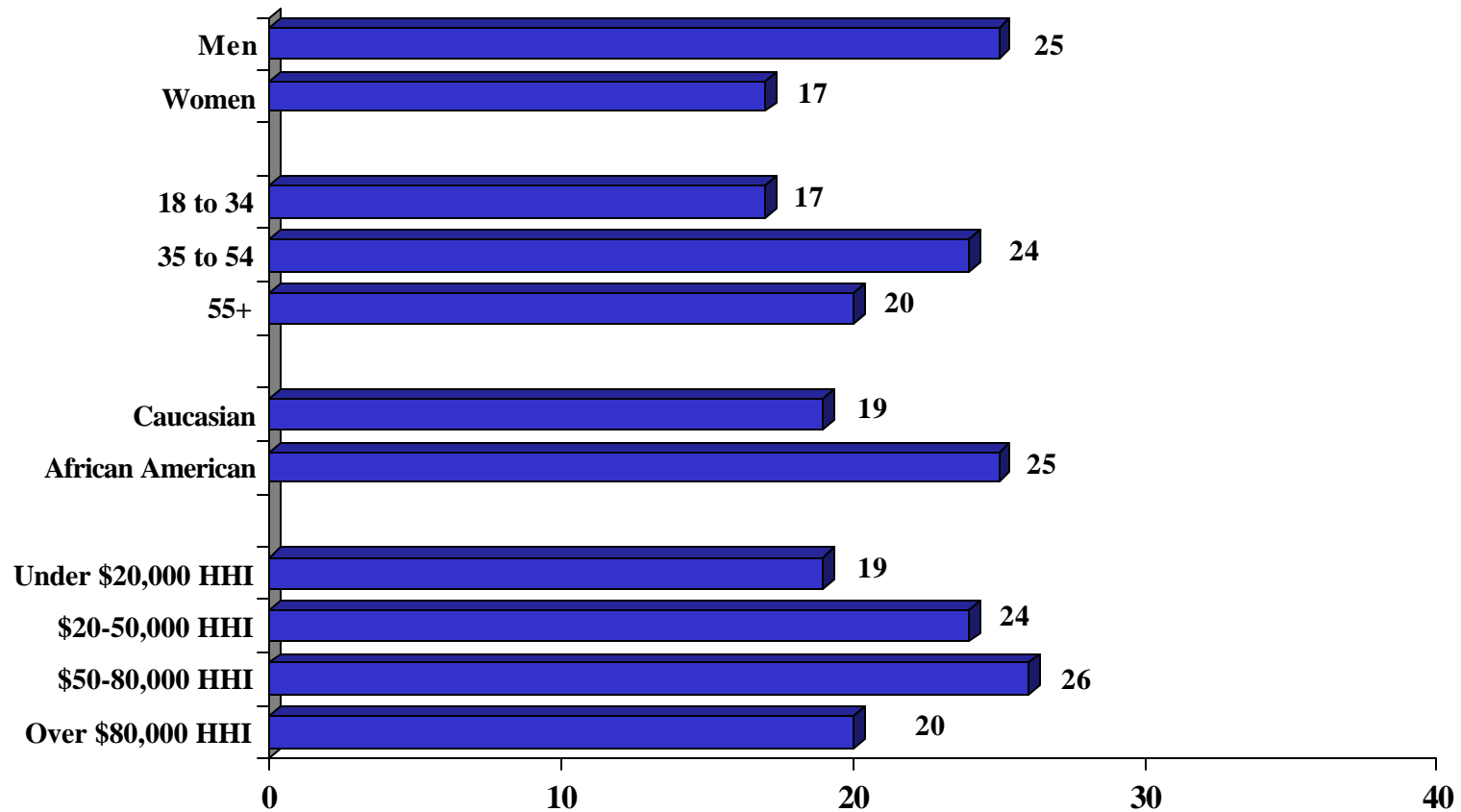
Player Incidence/Active Carolina 5 Players

(buy Carolina 5 tickets at least a couple times a month, among all SC residents)

	November <u>2002</u>	September <u>2003</u>	<u>Change</u>
Total	10%	6%	- 4
Men	11%	8%	- 3
Women	9	5	- 4
18 to 34	7%	5%	- 2
35 to 54	12	7	- 5
55+	9	7	- 2
Caucasian	7%	5%	- 2
African American	15	8	- 7
Other	10	10	NC
HHI < \$20,000	7%	7%	NC
HHI \$20,000 to \$50,000	14	8	- 6
HHI \$50,000 to \$80,000	9	6	- 3
HHI \$80,000+	7	5	- 2

Player Incidence/Active Powerball Players

(buy Powerball tickets at least a couple times a month, among all SC residents)



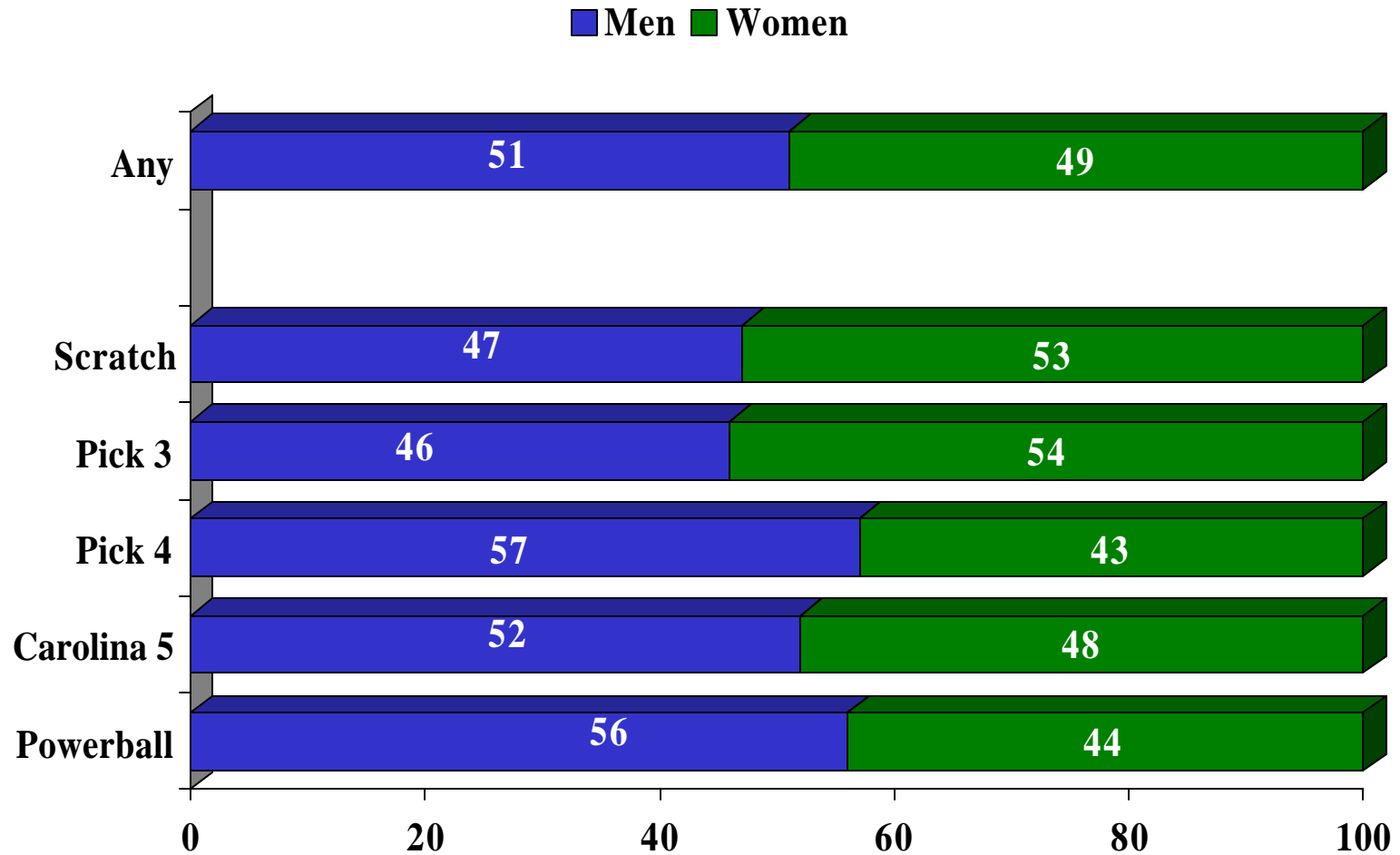
Player Incidence/Active Powerball Players

(buy Powerball tickets at least a couple times a month, among all SC residents)

	<u>November 2002</u>	<u>September 2003</u>	<u>Change</u>
Total	17%	21%	+ 4
Men	21%	25%	+ 4
Women	12	17	+ 5
18 to 34	11%	17%	+ 6
35 to 54	21	24	+ 3
55+	16	20	+ 4
Caucasian	16%	19%	+ 3
African American	18	25	+ 7
Other	20	22	+ 2
HHI < \$20,000	15%	19%	+ 4
HHI \$20,000 to \$50,000	21	24	+ 3
HHI \$50,000 to \$80,000	14	26	+ 12
HHI \$80,000+	23	20	- 3

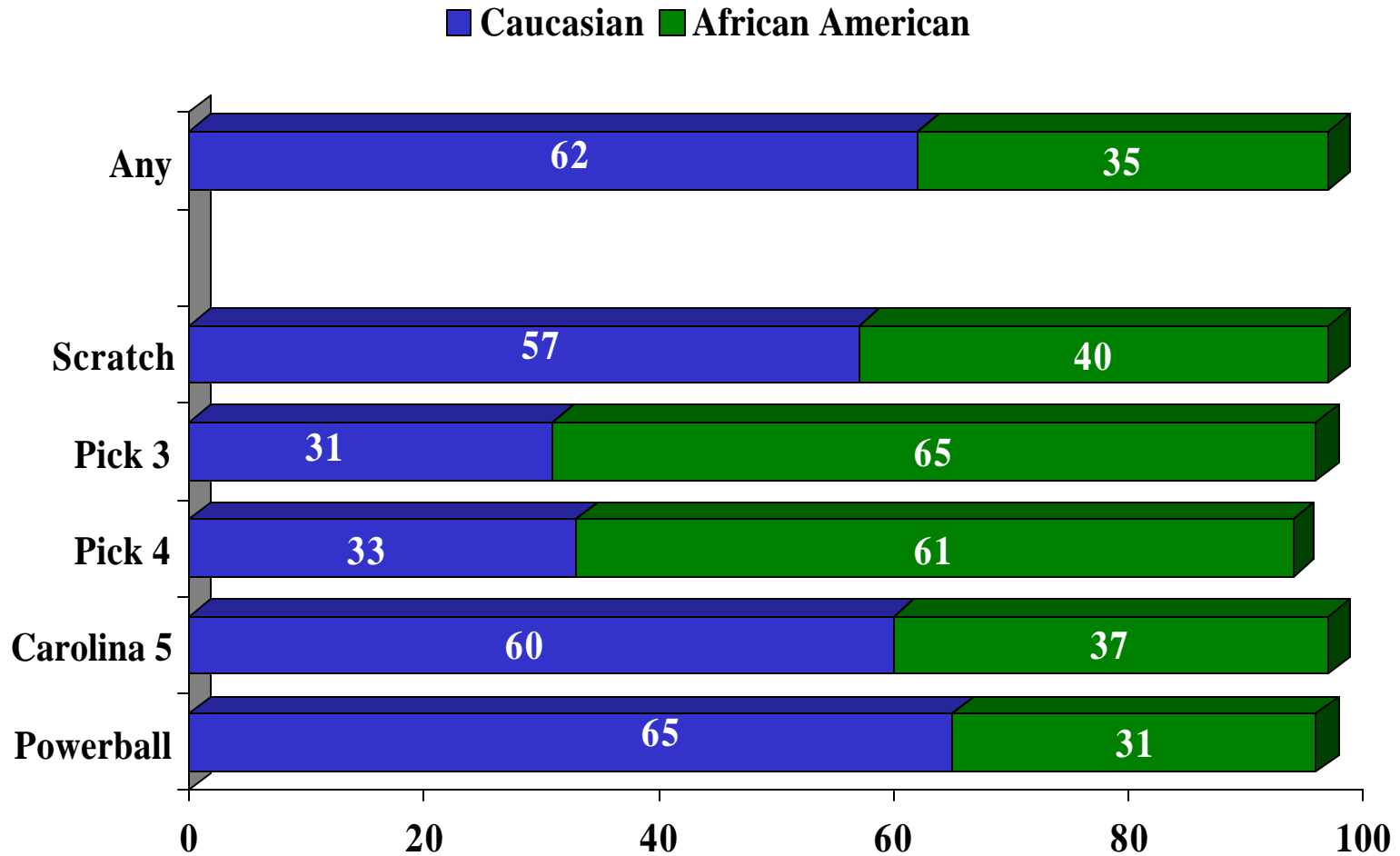
Gender Distribution

(among specific game players)



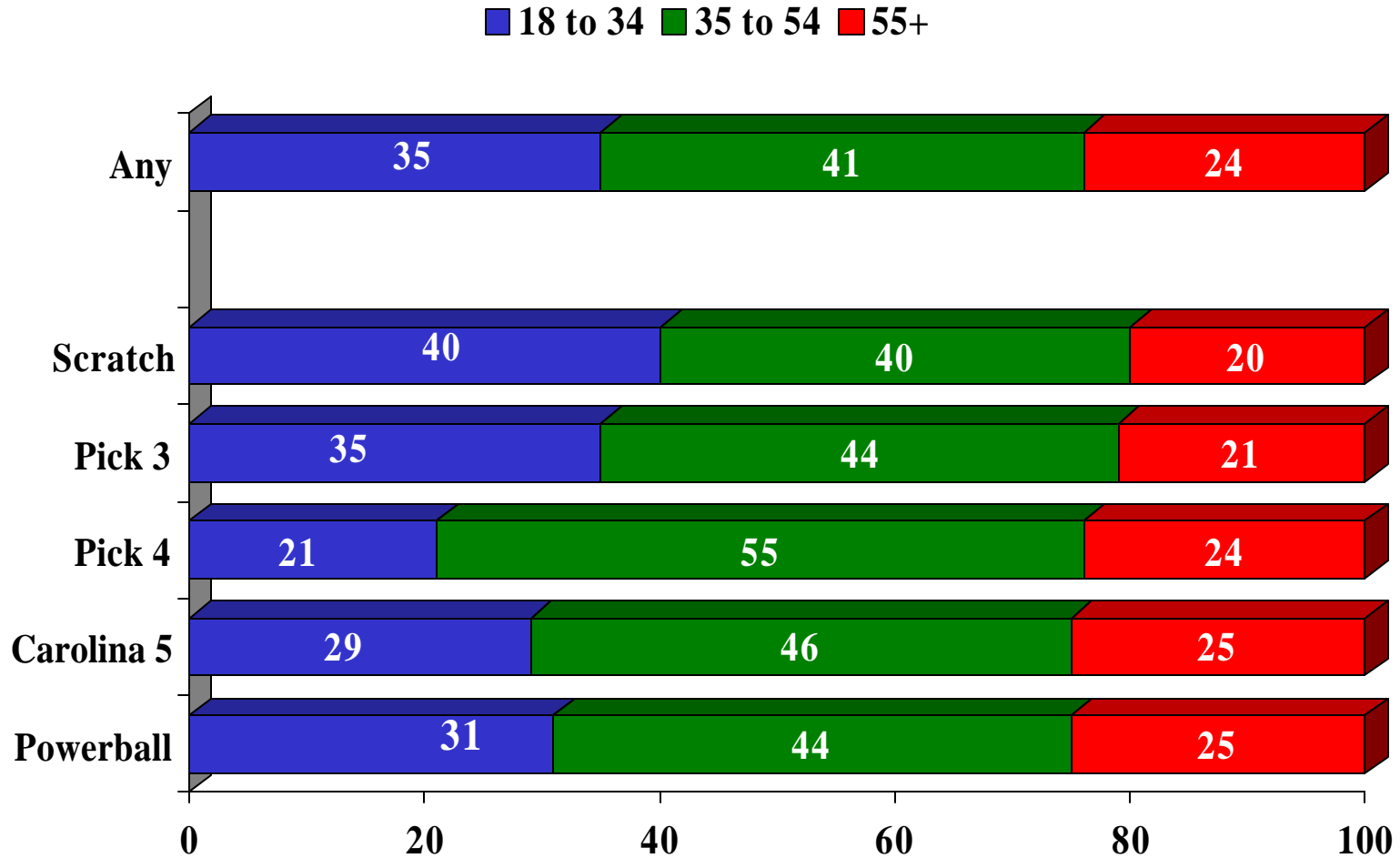
Ethnic Distribution

(among specific game players)



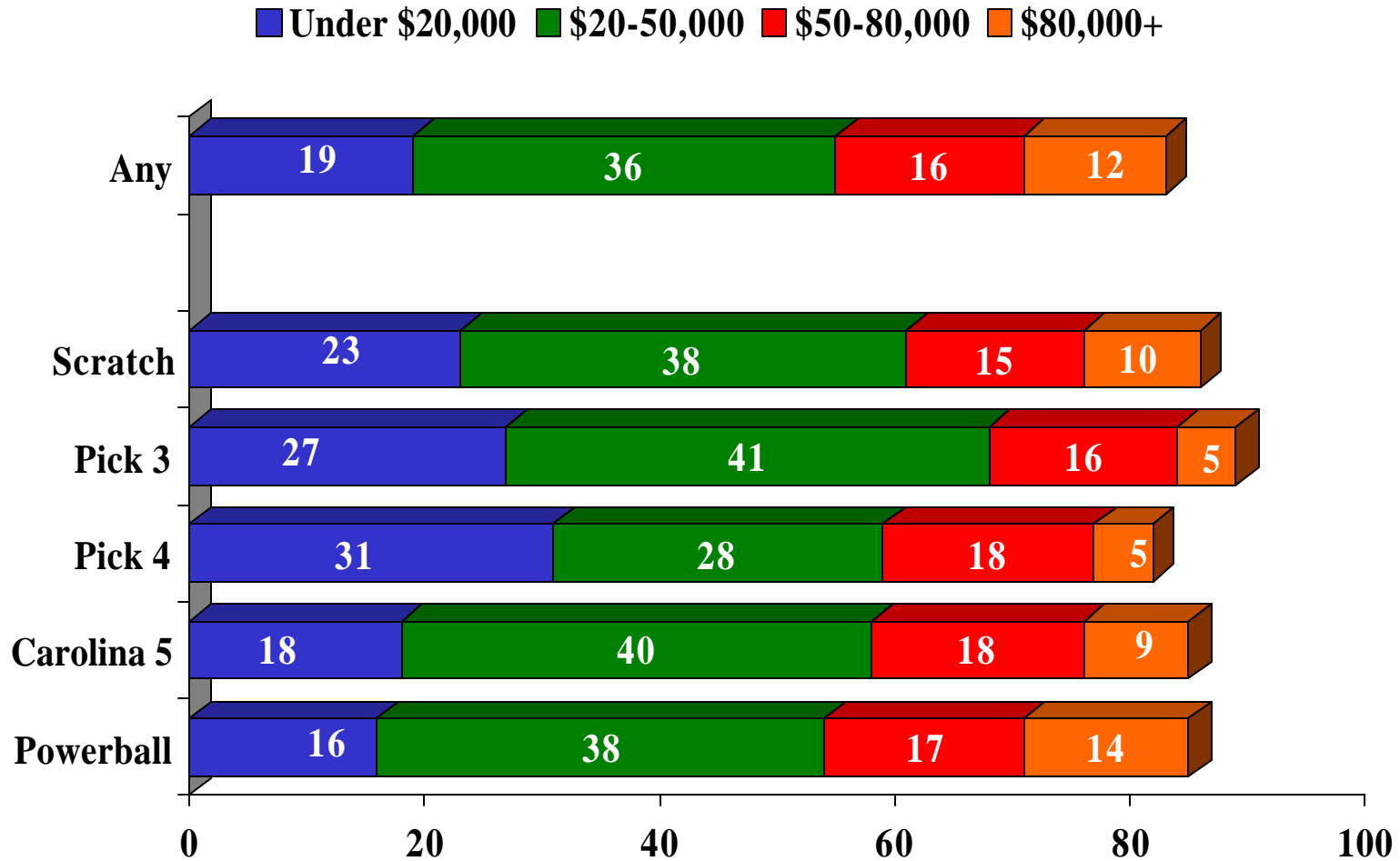
Age Distribution

(among specific game players)



Household Income Distribution

(among specific game players)



*Due to response refusals on income, data do not add to 100%

A MarketSearch Study

Purchase Characteristics

Purchase Characteristics

- ✓ Consistent with last year's study, the overwhelming majority (87%) of SC Education Lottery players indicate they purchase their tickets at a convenience store that also sells gasoline.

- ✓ Weekdays tend to be the most common time for purchase (69%), though many also buy on the weekends (46%).

- ✓ Most (54%) buy tickets after 4:00 p.m. (before 8:00 a.m.).

- ✓ Among those who have ever played **Pick 3**:
 - 17% buy tickets for all or most drawings;
 - 24% buy tickets for some drawings;
 - 30% buy tickets for relatively few drawings; and
 - 25% say they don't buy tickets anymore.

Purchase Characteristics

- ✓ Among those who have ever played **Pick 4**:
 - 23% buy tickets for all or most drawings;
 - 16% buy tickets for some drawings;
 - 33% buy tickets for relatively few drawings; and
 - 26% say they don't buy tickets anymore.

- ✓ Among those who have ever played **Carolina 5**:
 - 21% buy tickets for all or most drawings;
 - 16% buy tickets for some drawings;
 - 38% buy tickets for relatively few drawings; and
 - 25% say they don't buy tickets anymore.

- ✓ Among those who have ever played **Powerball** (in South Carolina):
 - 33% buy tickets for all or most drawings;
 - 24% buy tickets for some drawings;
 - 31% buy tickets for relatively few drawings; and
 - 11% say they don't buy tickets anymore.

Purchase Characteristics

- ✓ On average, players indicate they usually buy multiple tickets/ plays each time they play a lottery game.

Average number of tickets purchased at a time (among those playing each respective game):

- 3.8 Scratch tickets (consistent with November 2002);
- 3.4 Powerball tickets (up from 2.7 in November 2002);
- 4.1 Pick 4 tickets (no comparison data available);
- 2.4 Pick 3 tickets (down from 3.0 in November 2002); and
- 2.5 Carolina 5 tickets (consistent with November 2002).

Purchase Characteristics

- ✓ Monthly expenditures per game, among those playing each respective game, are reasonably consistent for Powerball and Pick 3. Monthly expenditures for Scratch-Off tickets, however have increased, while expenditures for Carolina 5 tickets have dropped significantly.

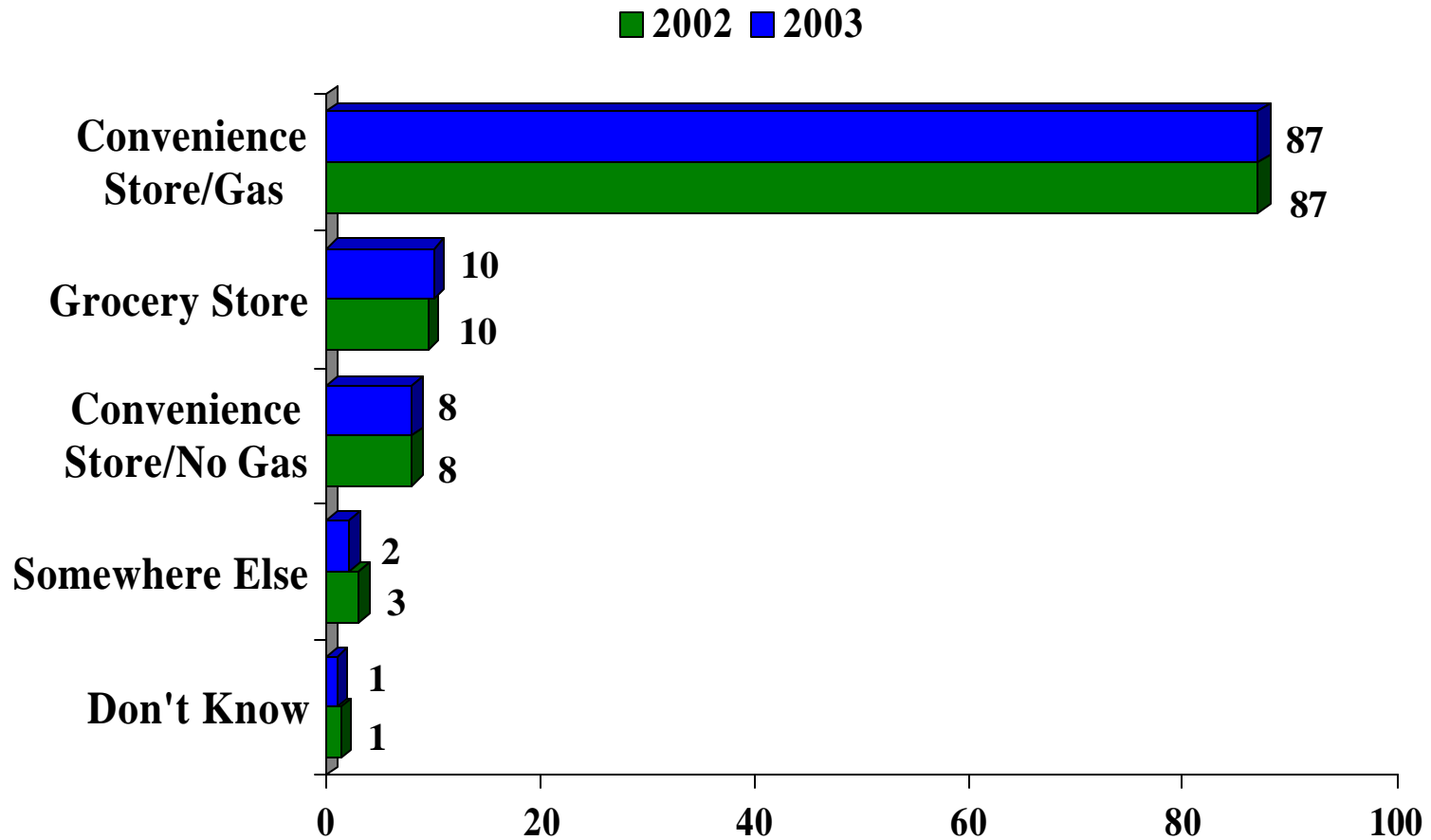
- ✓ On average, monthly expenditures per game, among those playing each respective game, are:
 - \$27.50 for Pick 4 tickets (no comparison data available);
 - \$27.30 for Pick 3 tickets (generally consistent with \$27.00 in November 2002);
 - \$20.80 for Scratch tickets (up significantly from \$15.30 in November 2002);
 - \$19.90 for Powerball tickets (generally consistent with \$20.30 in November 2002); and
 - \$12.80 for Carolina 5 tickets (down significantly from \$17.90 in November 2002).

Purchase Characteristics

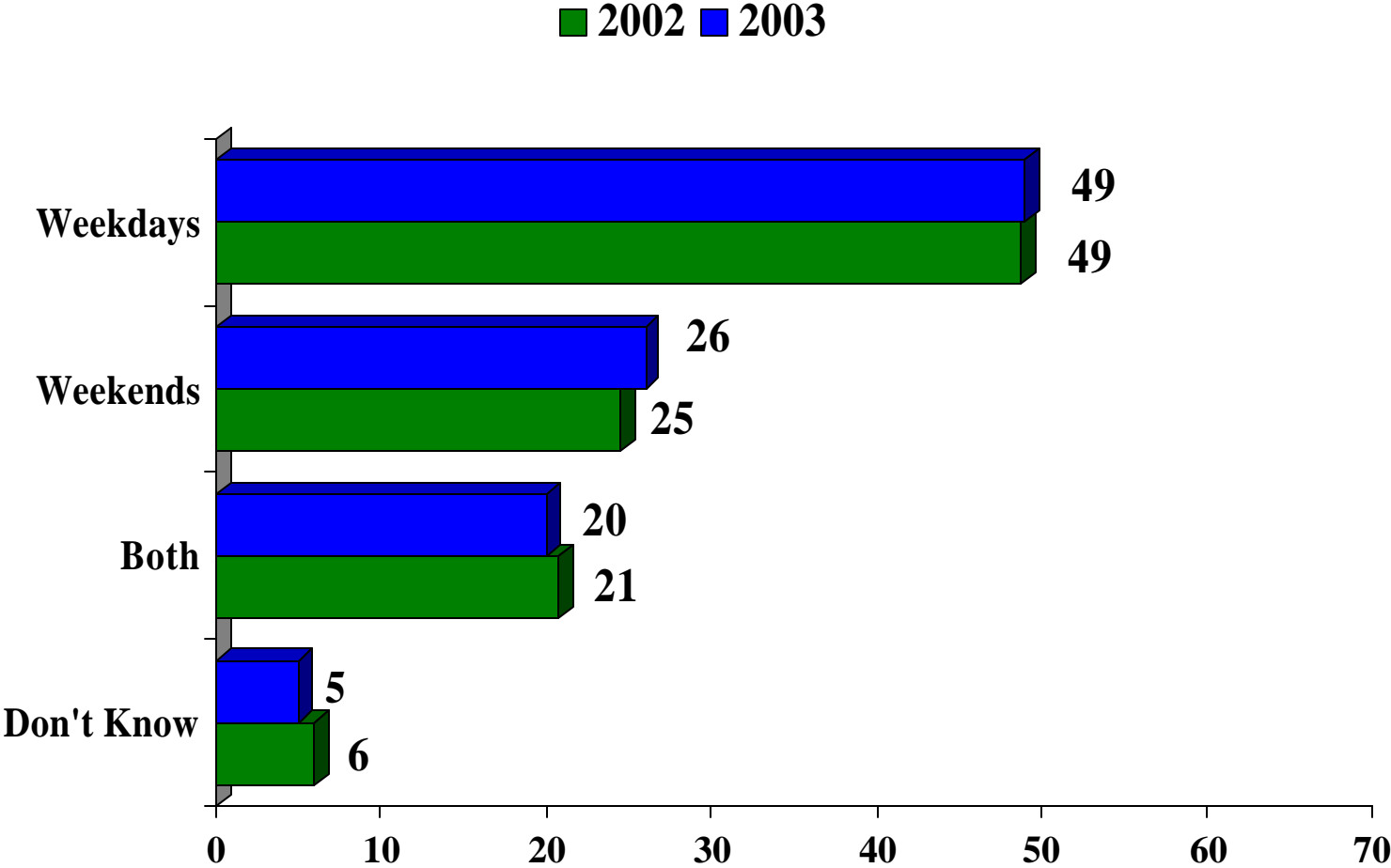
- ✓ Among those who have ever played Powerball through the SC Education Lottery, two in five say they *always* (33%) or *frequently* (7%) take advantage of the Power Play option. Thirty percent (30%) say they *never do*.

Where Usually Purchase Lottery Tickets

(multiple response)

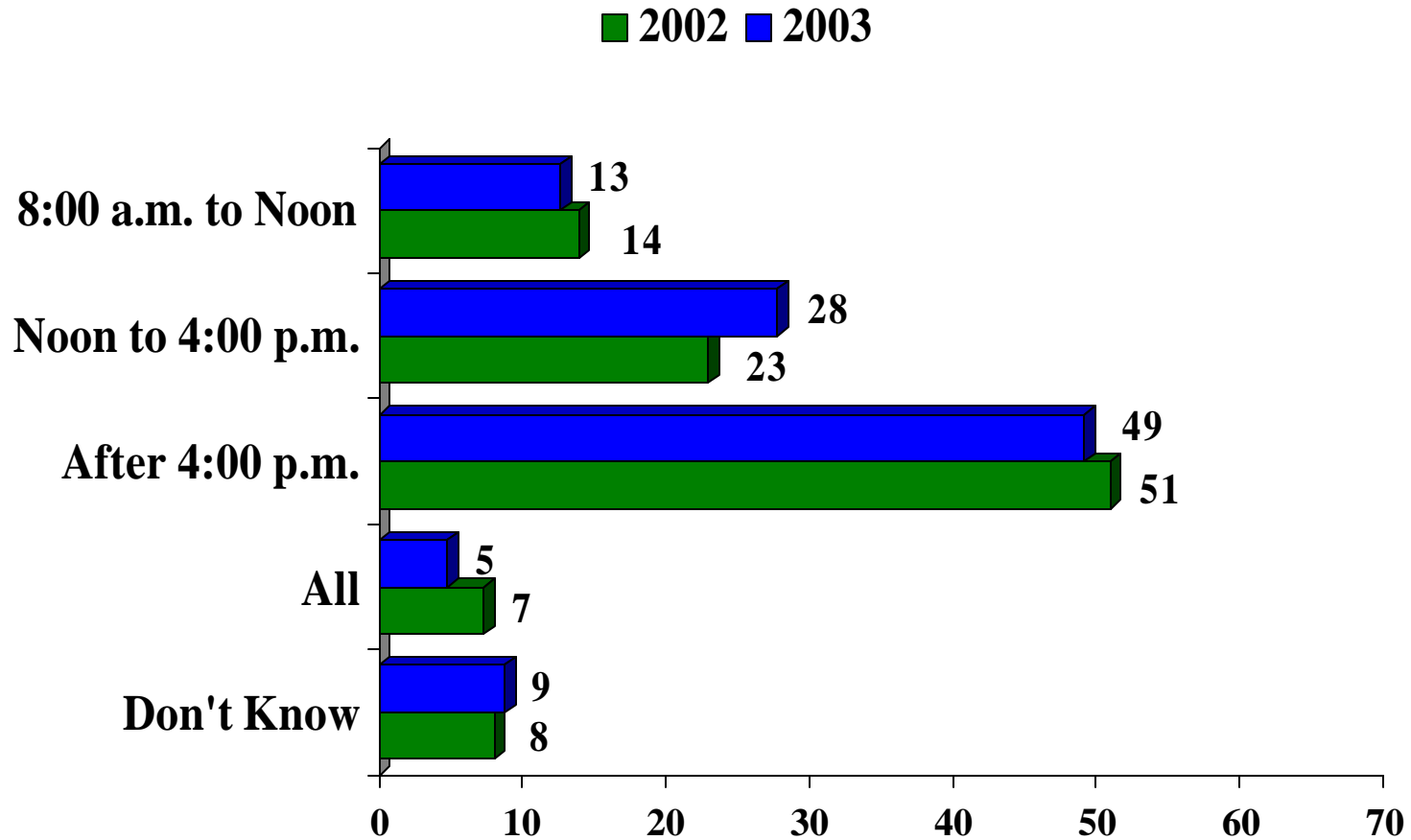


When Usually Purchase Lottery Tickets



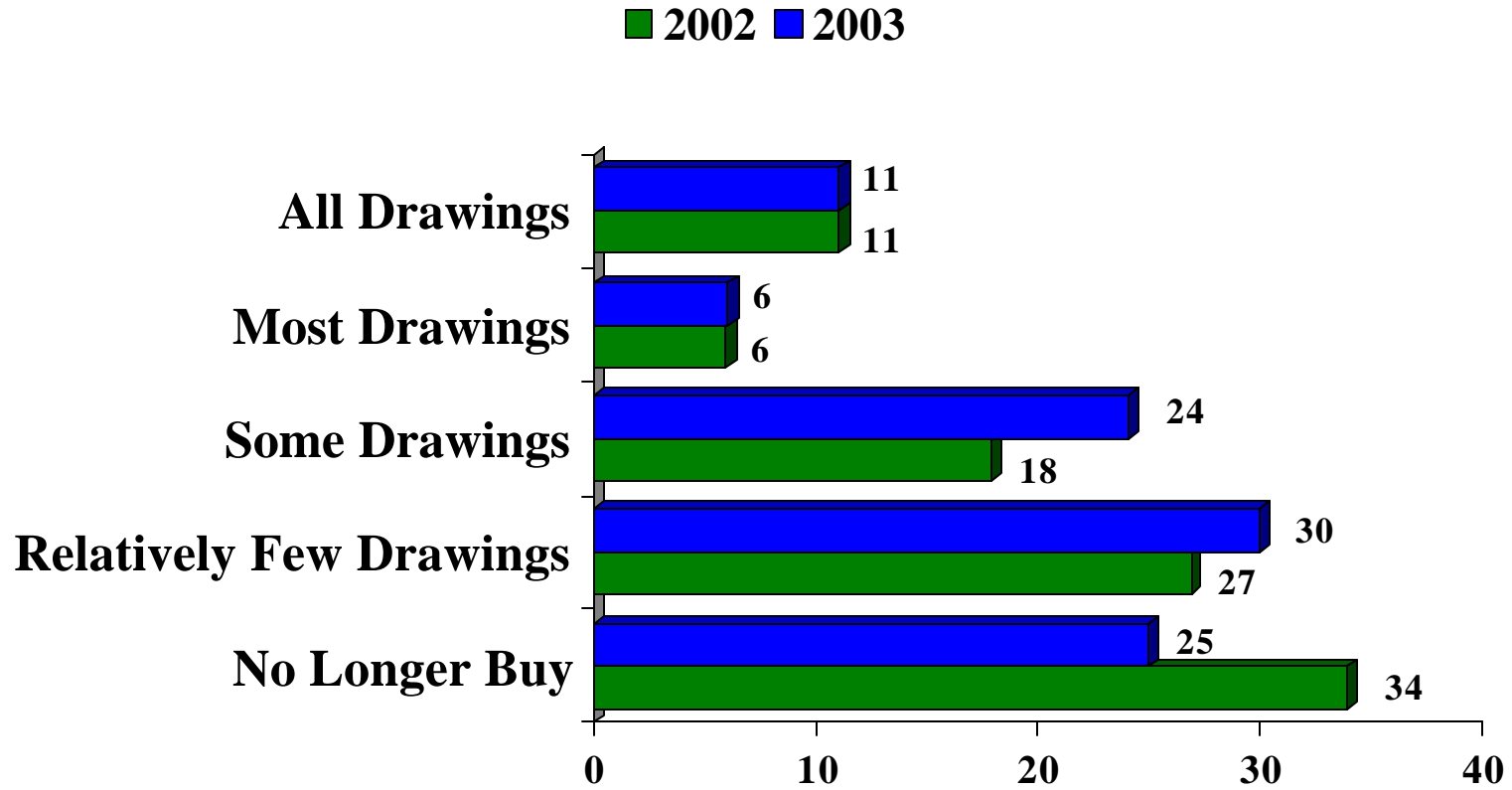
When Usually Purchase Lottery Tickets

(multiple response)



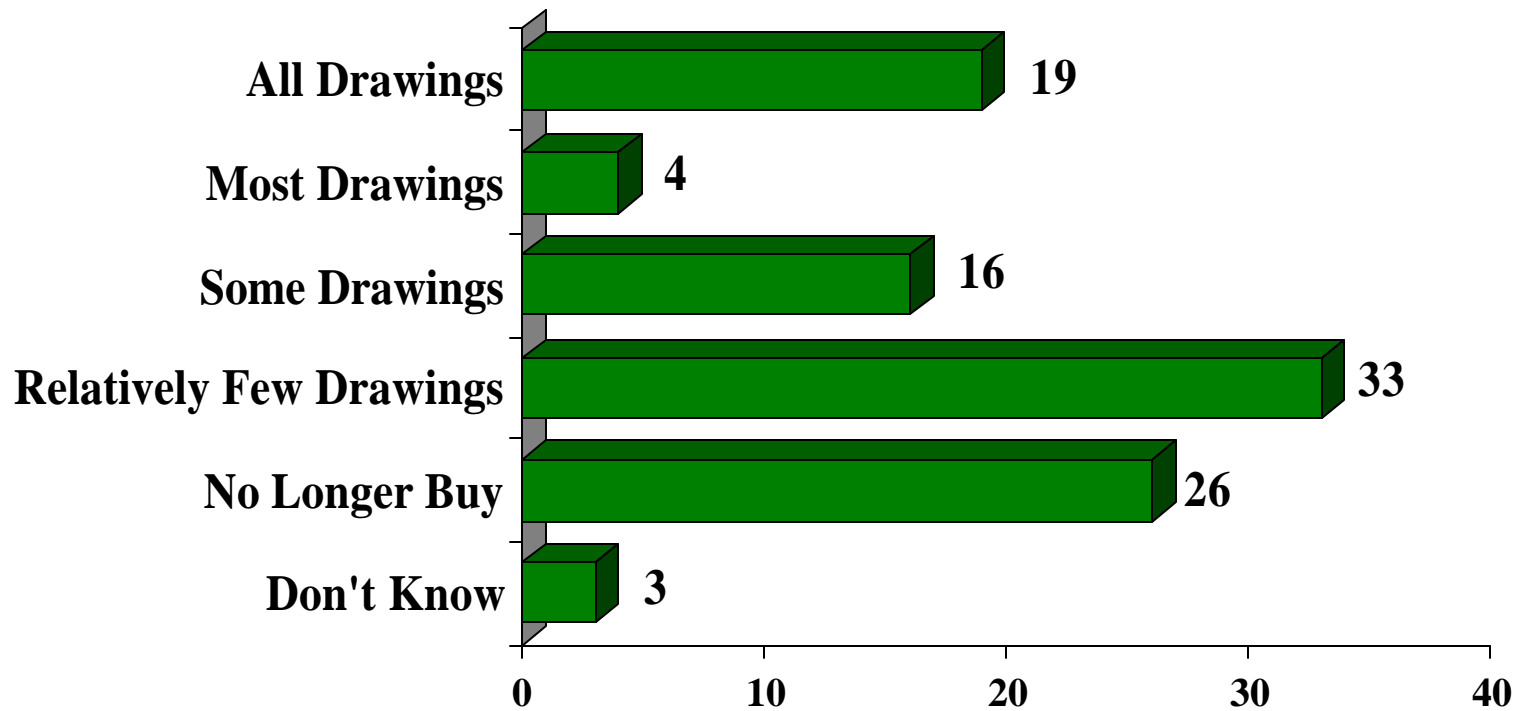
Frequency of Pick 3 Play

(among those who have ever played Pick 3)



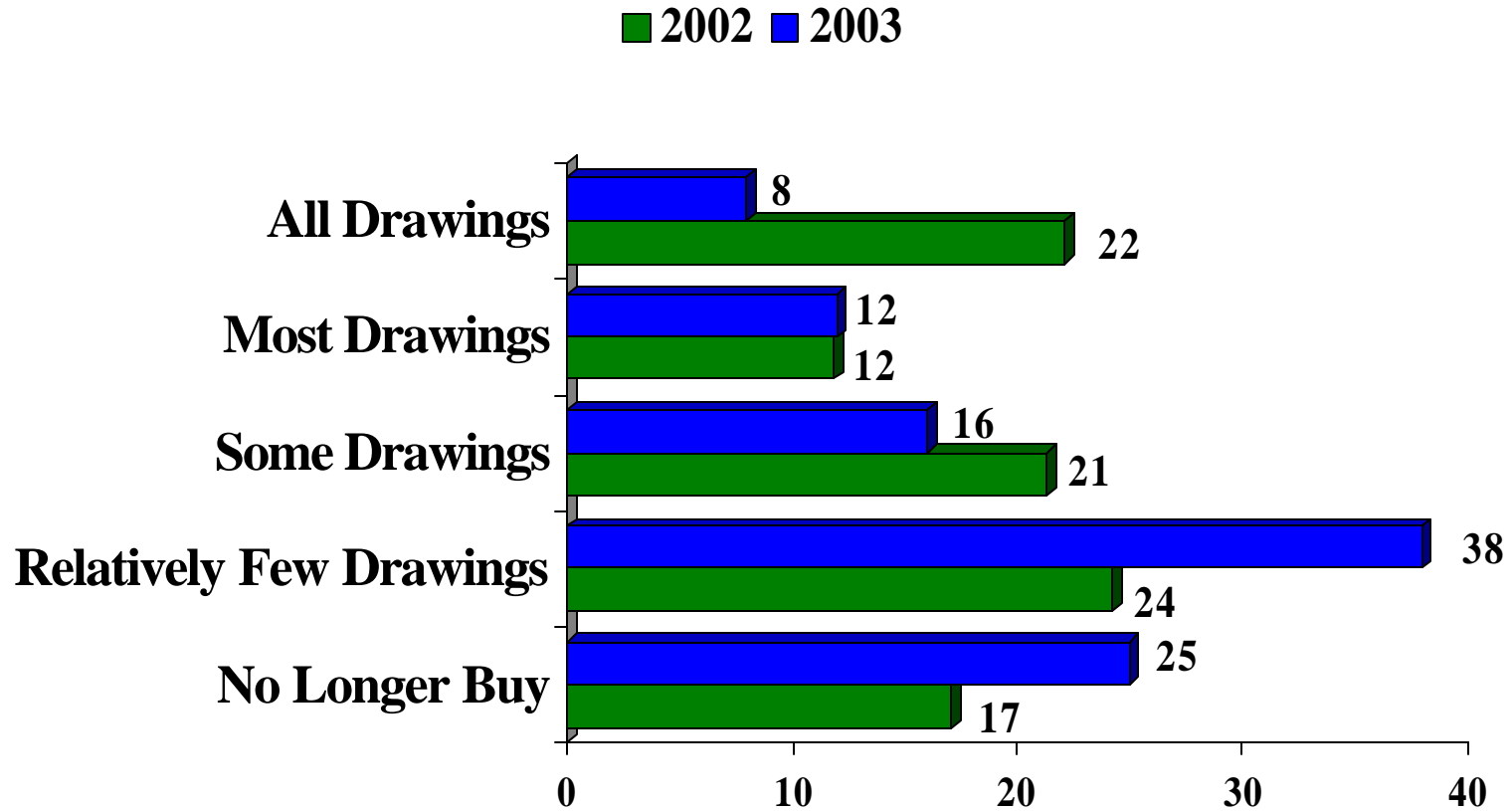
Frequency of Pick 4 Play

(among those who have ever played Pick 4)



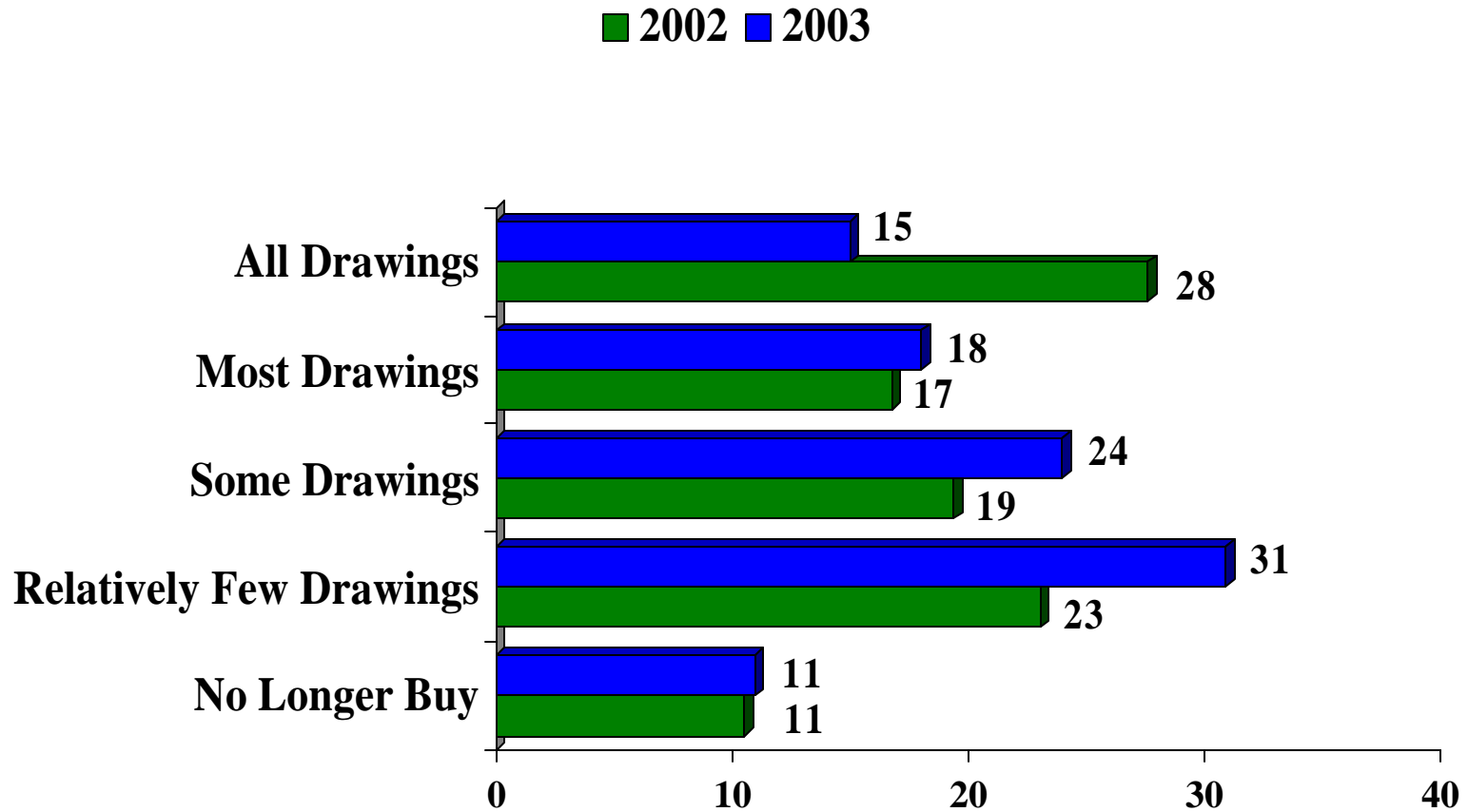
Frequency of Carolina 5 Play

(among those who have ever played Carolina 5)



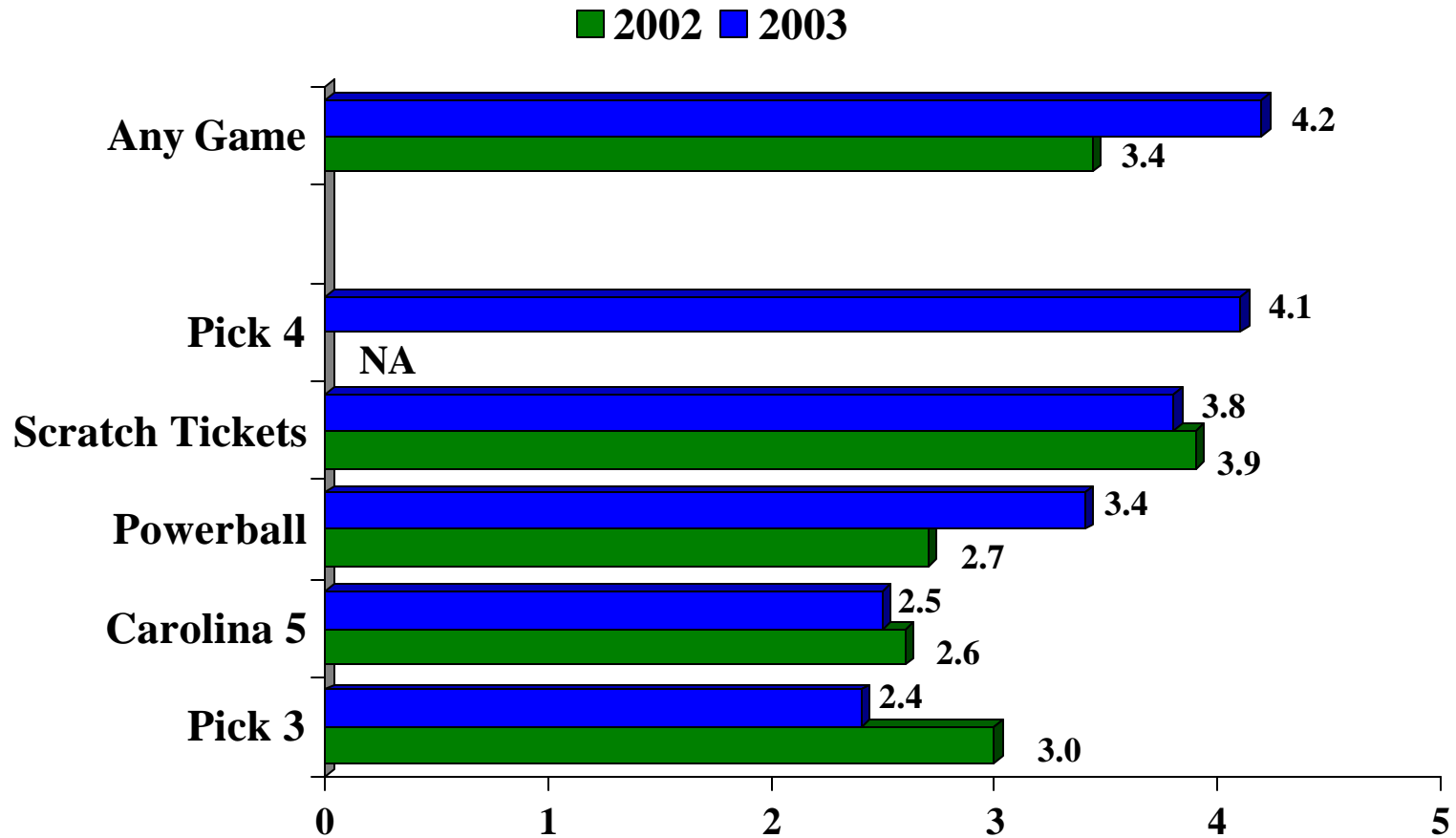
Frequency of Powerball Play

(among those who have ever played Powerball)



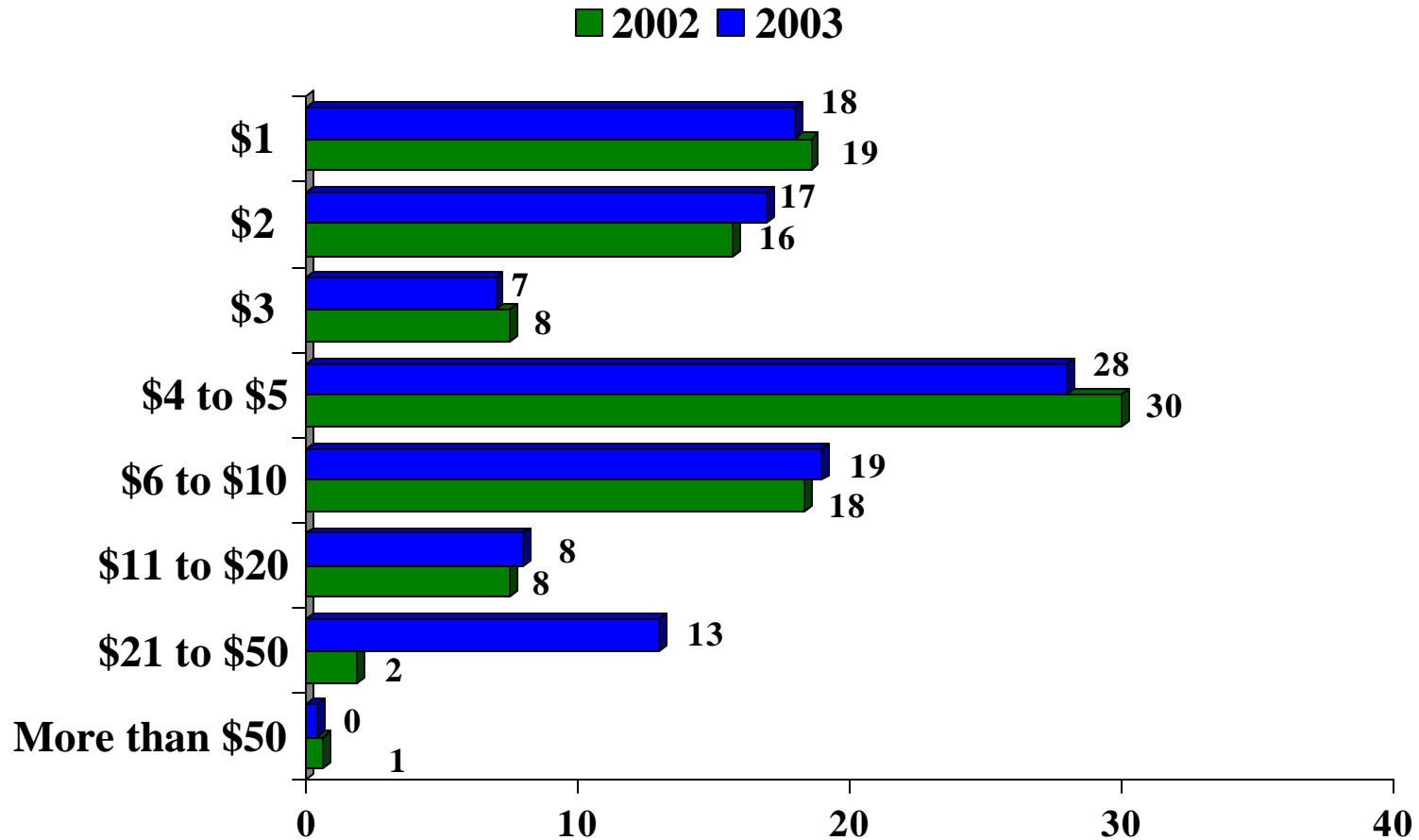
Number of Tickets/Games Purchased Each Time

(mean, among those who play each game)



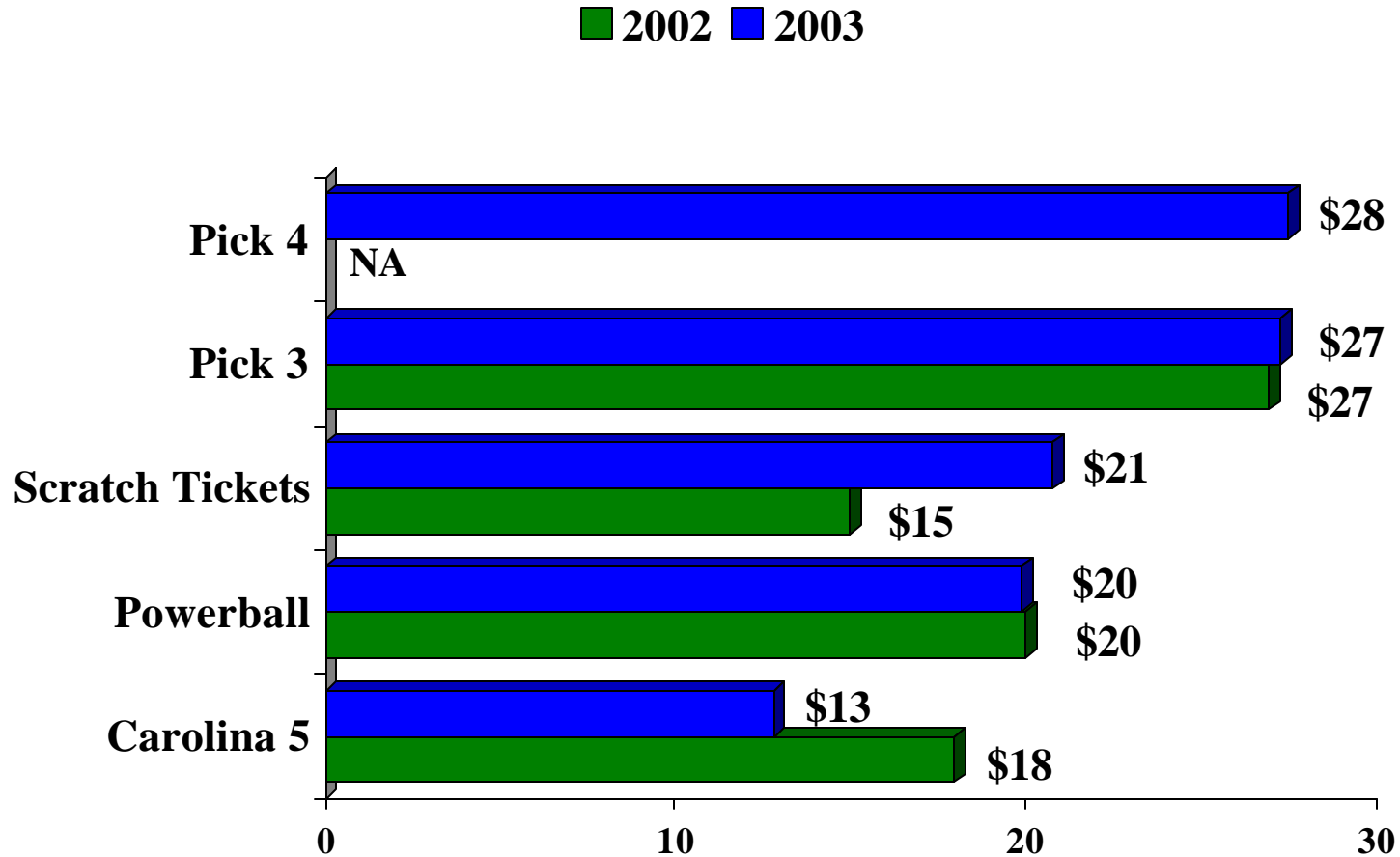
Average \$\$ Spent Per Lottery Purchase

(among SC Education Lottery players)



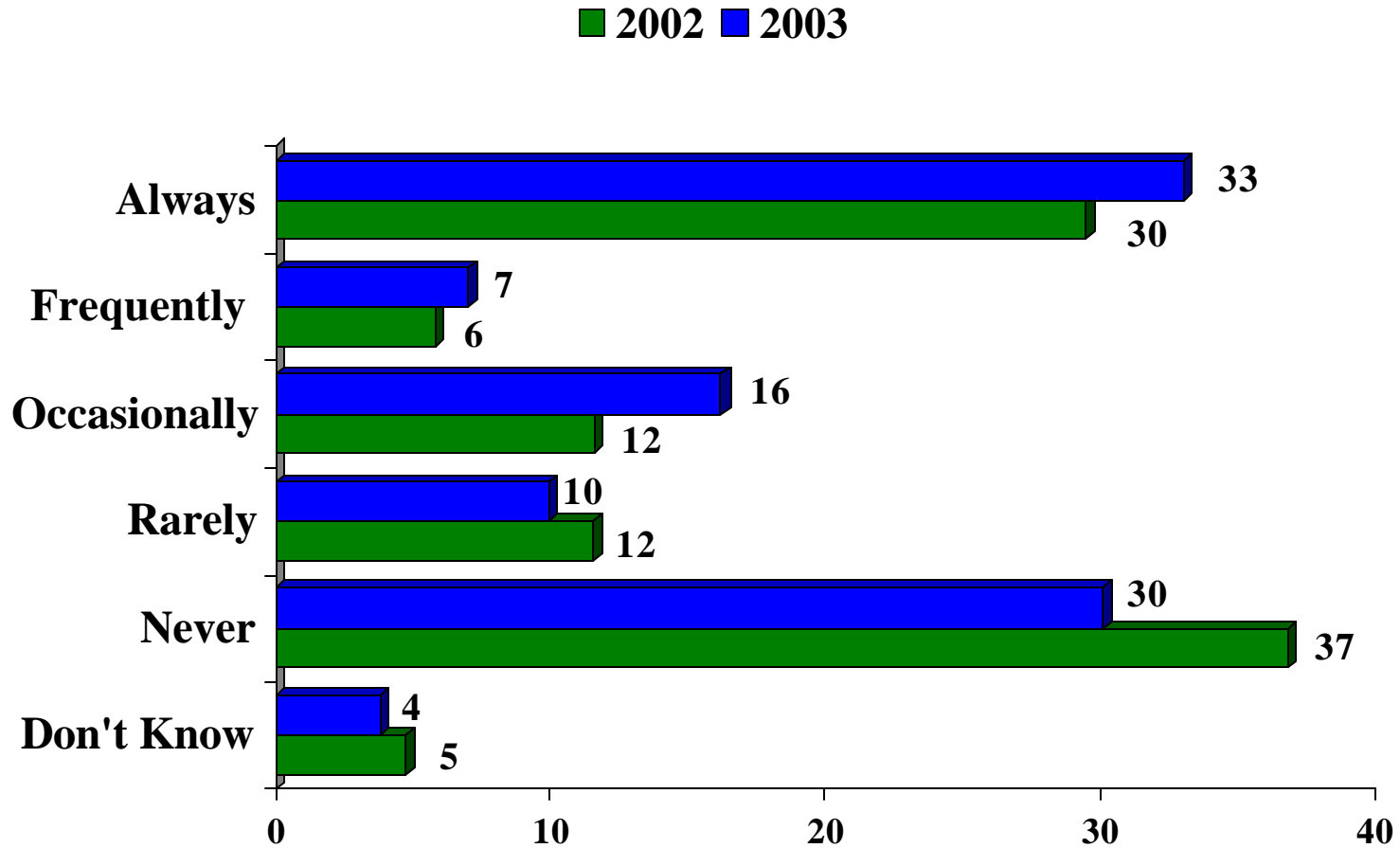
Estimated \$\$ Spent on Each Game per Month

(mean, among those who play each game)



Frequency of Taking Advantage of Power Play Multiplier Option

(among SC Education Lottery Powerball players)

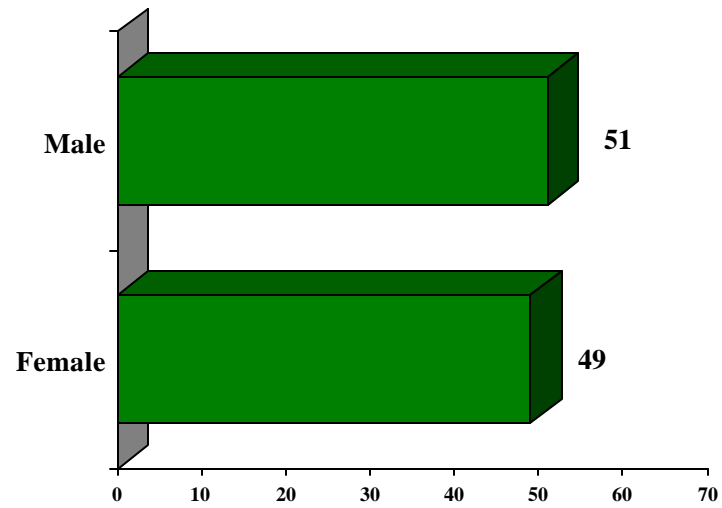


A MarketSearch Study

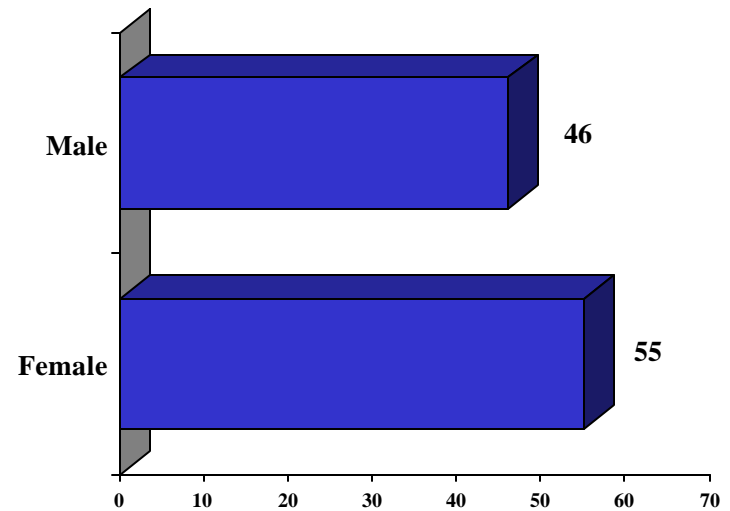
APPENDIX

Demographic Profiles: Gender

Players

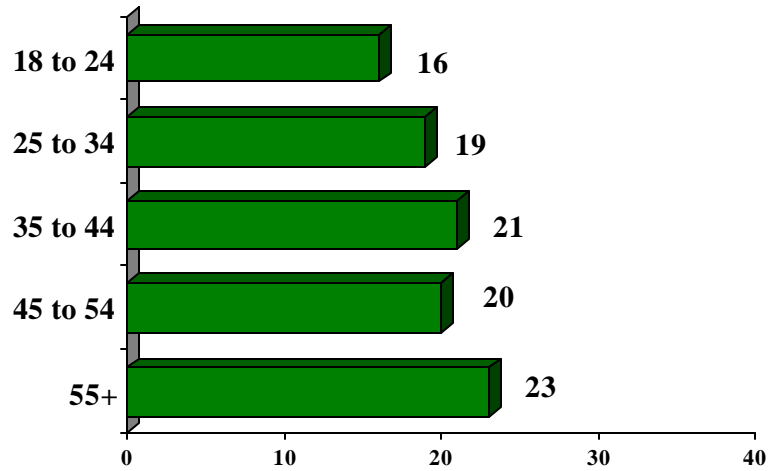


Non-Players

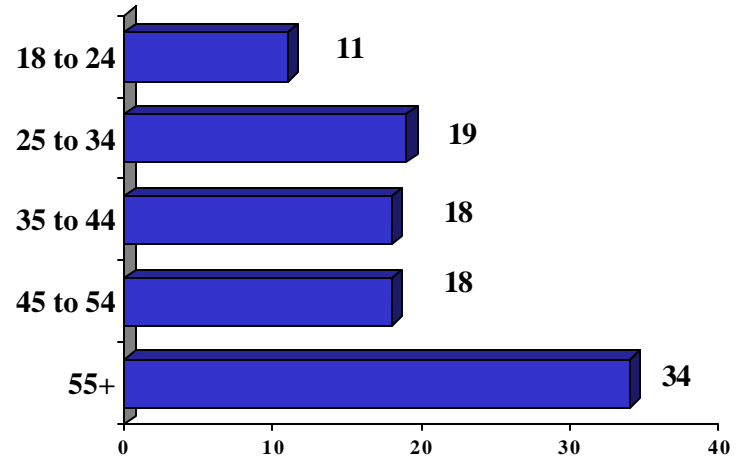


Demographic Profiles: Age

Players

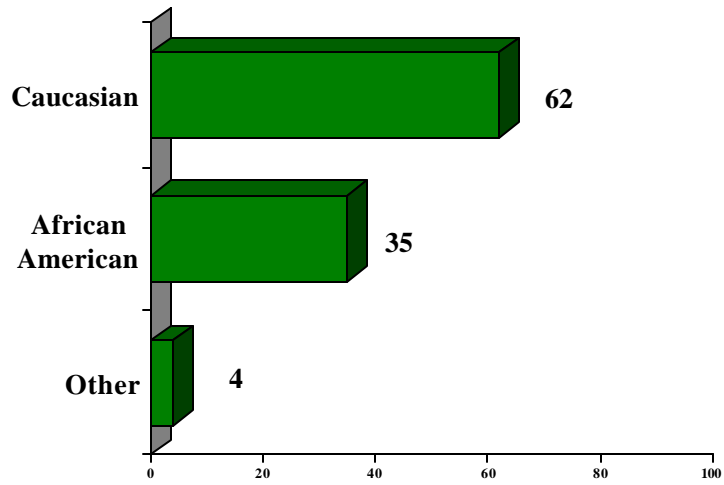


Non-Players

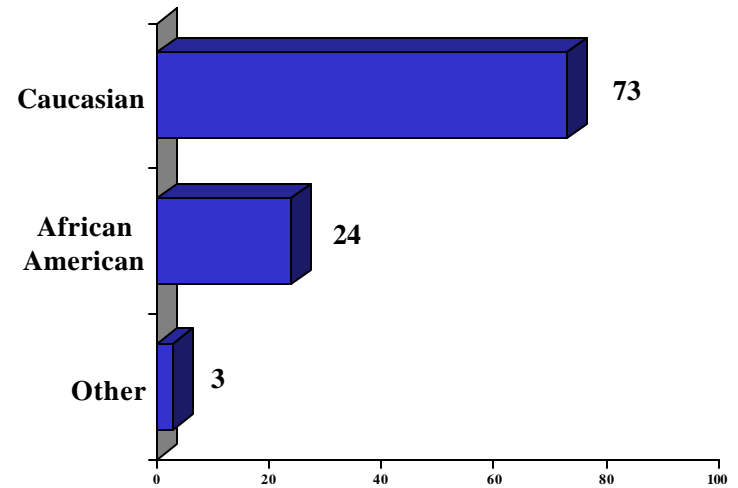


Demographic Profiles: Ethnicity

Players

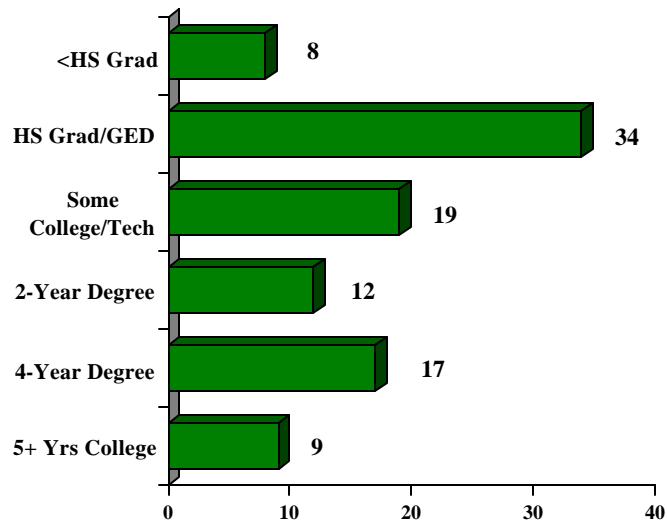


Non-Players

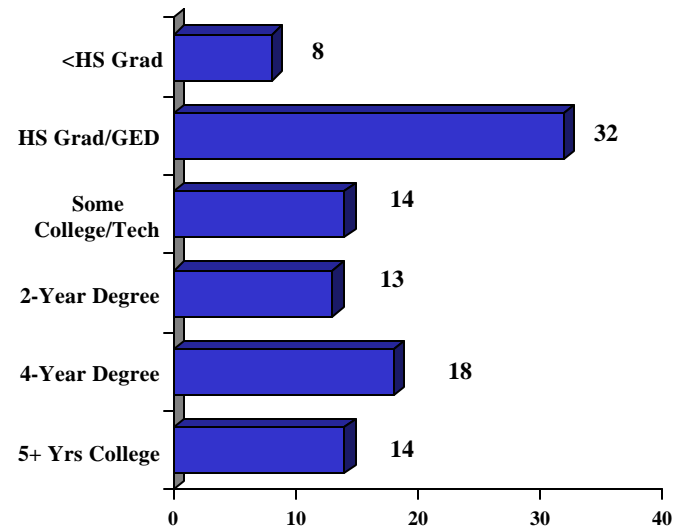


Demographic Profiles: Education

Players

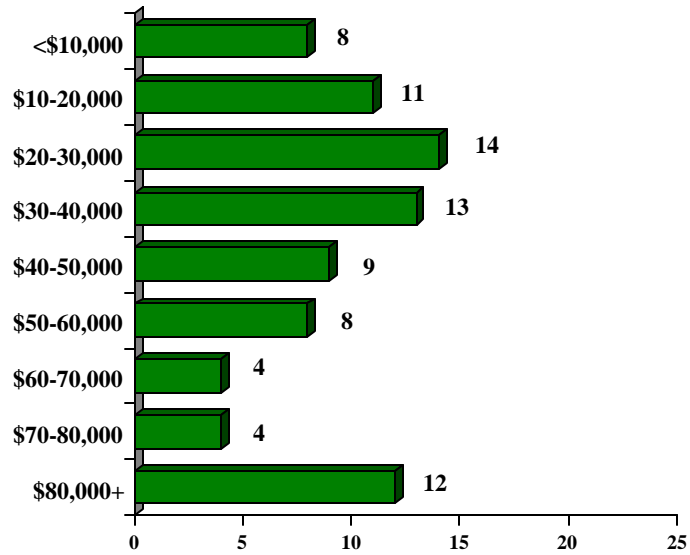


Non-Players

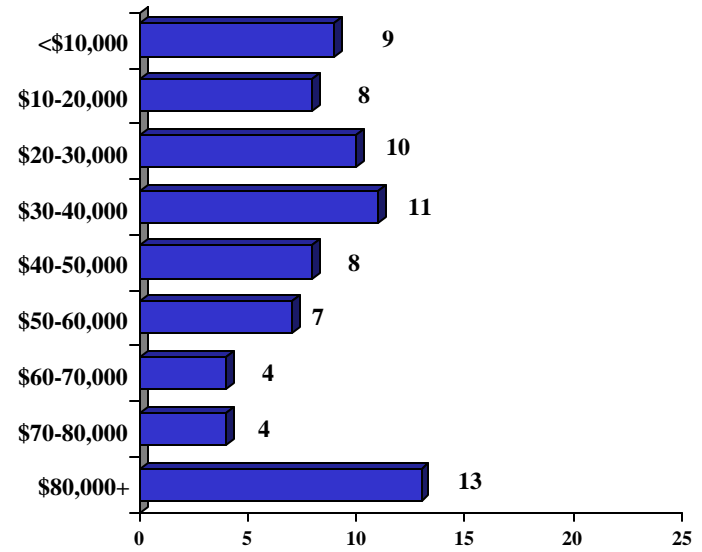


Demographic Profiles: Household Income

Players

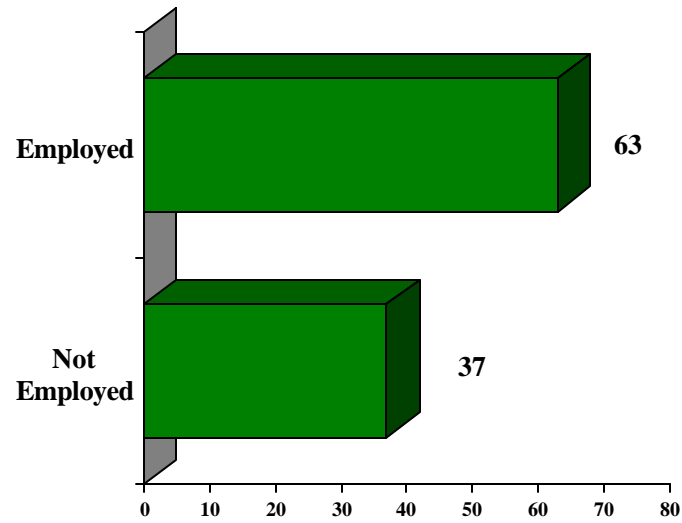


Non-Players

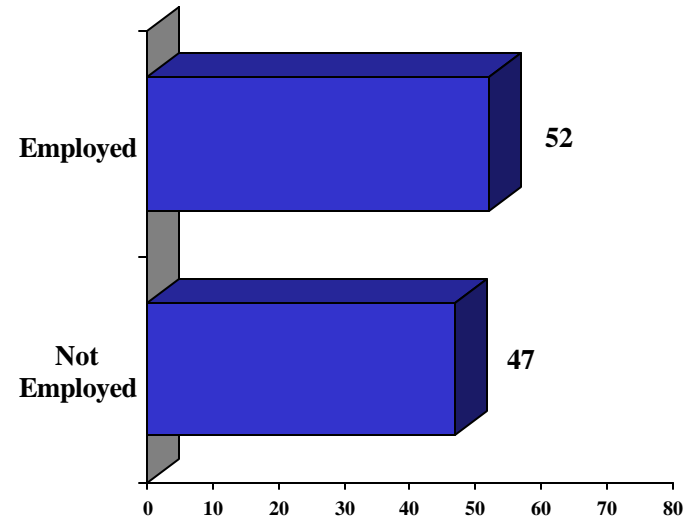


Demographic Profiles: Employment

Players



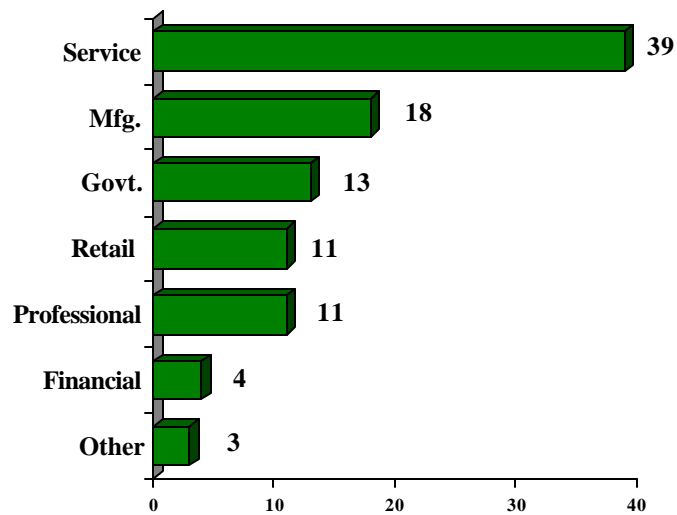
Non-Players



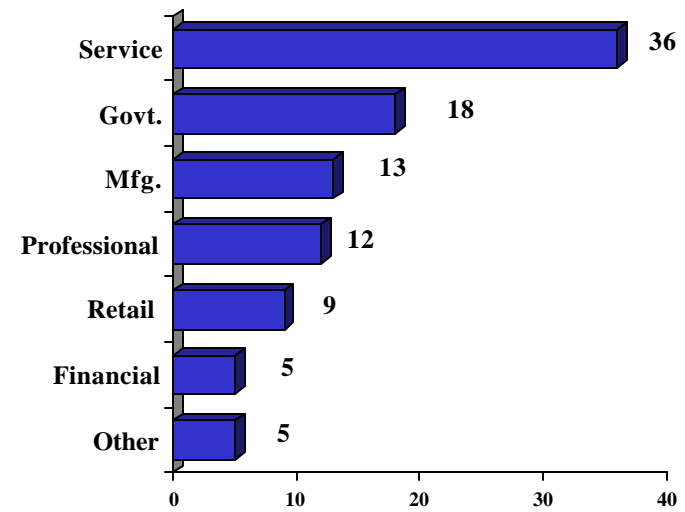
Demographic Profiles: Type of Business/Industry

(among those employed outside the home)

Players



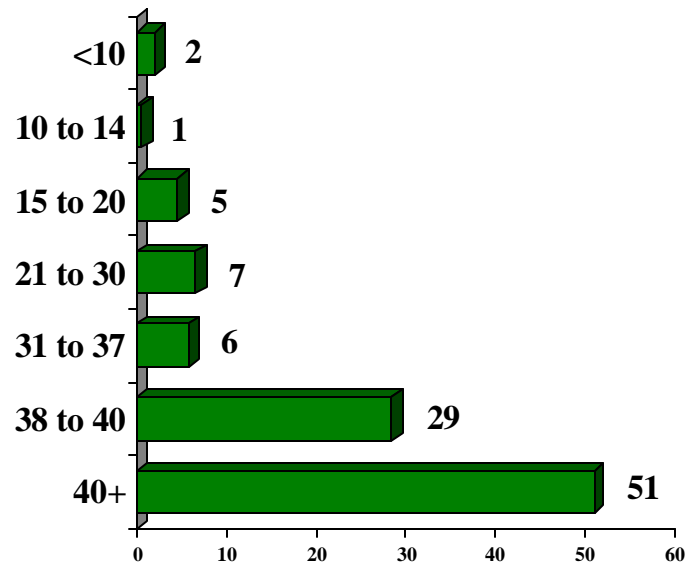
Non-Players



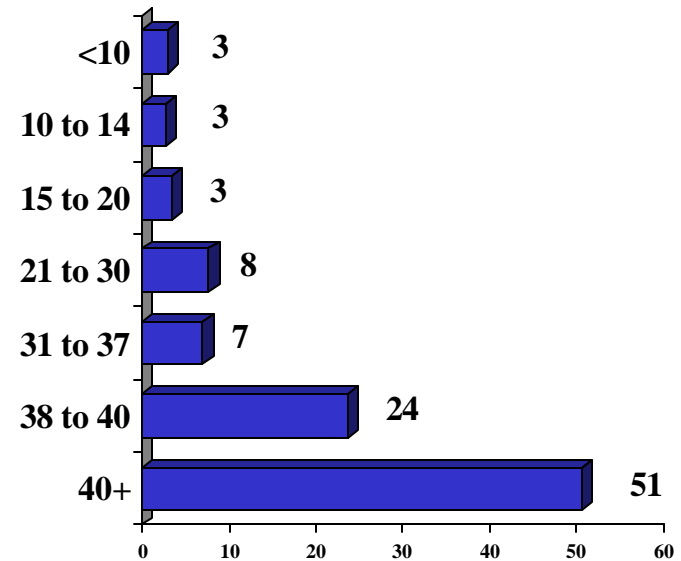
Demographic Profiles: Number of Hours Worked Per Week

(among those employed outside the home)

Players



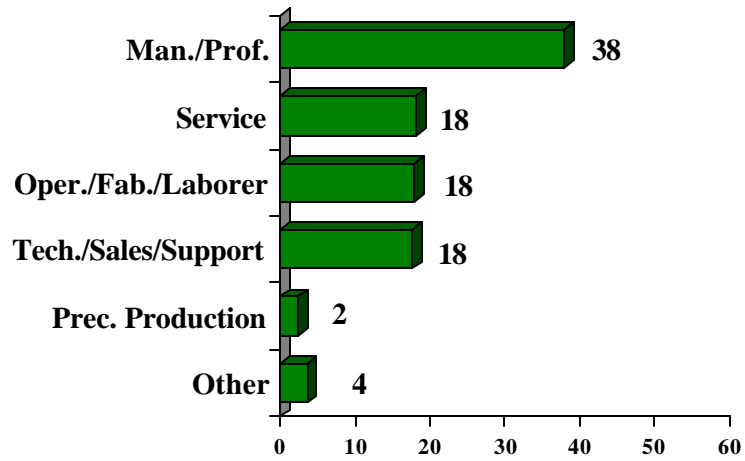
Non-Players



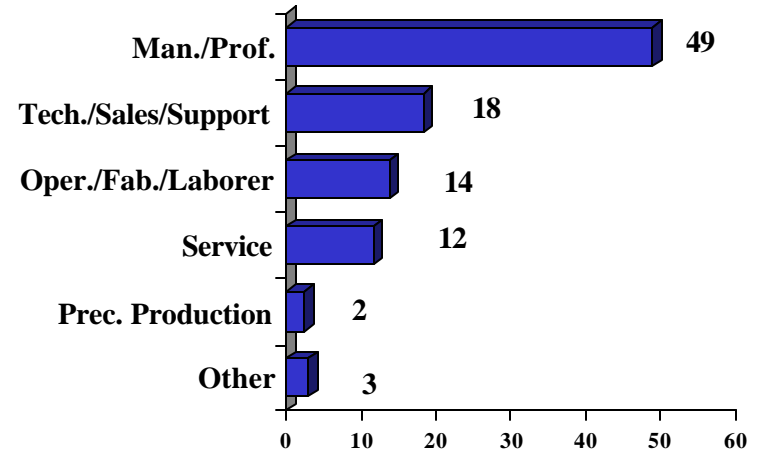
Demographic Profiles: Job Function

(among those employed outside the home)

Players

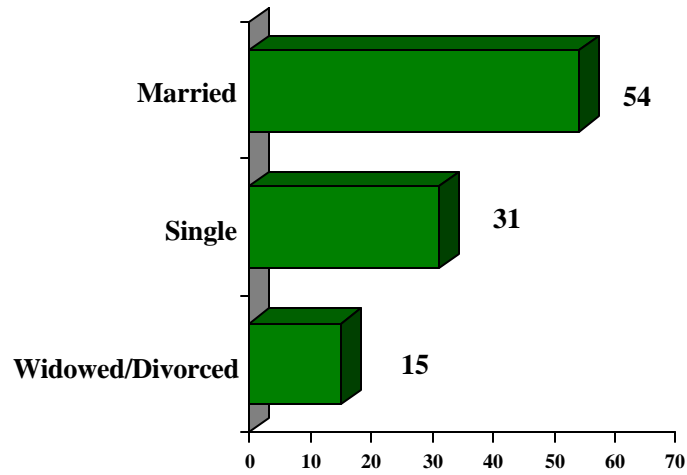


Non-Players

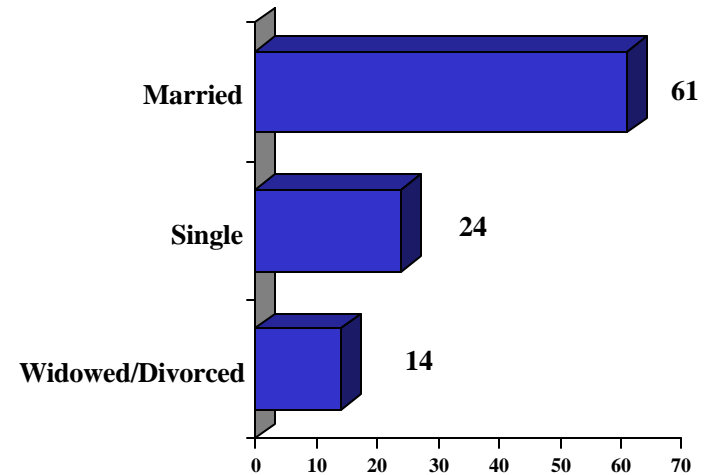


Demographic Profiles: Marital Status

Players

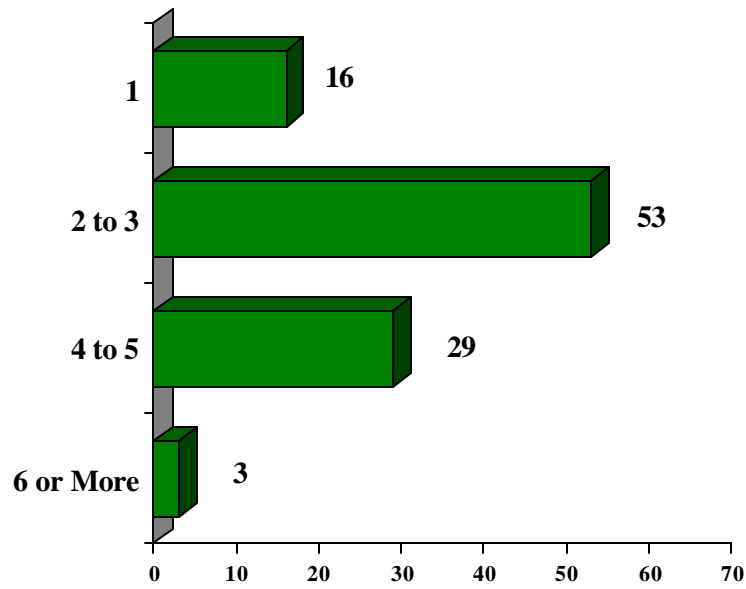


Non-Players

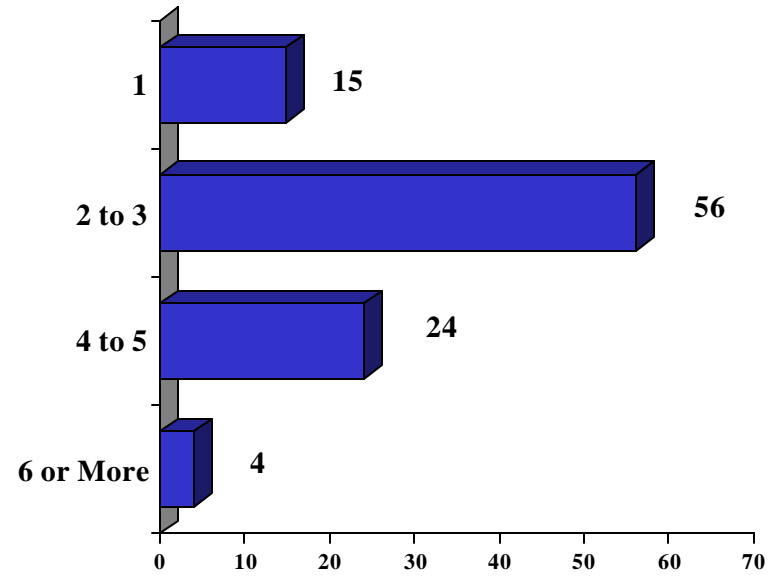


Demographic Profiles: Household Size

Players

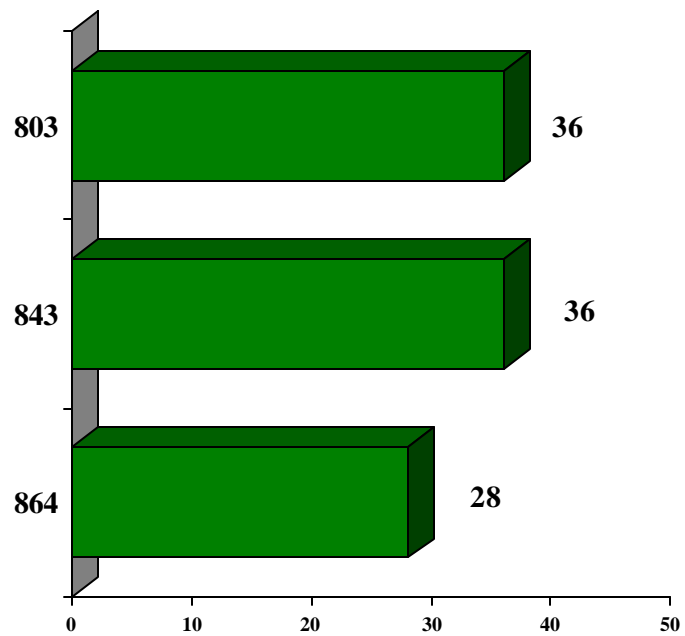


Non-Players



Demographic Profiles: Area Code

Players



Non-Players

