

MATHEMATICS OF POOLINGPLUS™

PoolingPLUS targets players by multiple price points. All research collected from multiple states identifies two important price points when the jackpot is at its lowest level. (1) The **\$1-\$2 players** comprise 65%-70% of the transactions and (2) the **\$5 players** represent 20%-25%. PoolingPLUS targets these two price points with two different offers with the objective being to **move the \$1-\$2 players to \$3**, and the **\$5 players towards \$10**. In any proposed research or analysis, it is therefore important to segregate the player segments by price point.

The following distribution of players comes from data provided by various lotteries. The data reflects distributions when the jackpot is at the lowest level. The percentages may vary by 5 points depending on the state, but the results will not be significantly affected.

Players and Sales by Price Point Without PoolingPLUS per 100 Players		
Price	Players	Sales
\$1	40	\$40
\$2	27	\$54
\$3	7	\$21
\$4	2	\$8
\$5	24	\$120
100		\$243

Offer targeted at the \$1-\$2 players:

Whenever you buy 2 or more plays you can get into a pool of 10 more plays for only \$1 more.

Offer targeted at the \$5 players:

Whenever you buy 5 or more plays, you can request up to five pools of 10 plays each, for only \$1 per pool.

Players and Sales by Price Point Without PoolingPLUS per 100 Players		
Price	Players	Sales
\$1	40	\$40
\$2	27	\$54
\$3	7	\$21
\$4	2	\$8
\$5	24	\$120
100		\$243

Projected Impact of PoolingPLUS Based on Research to Date.

Price	Players	Sales	Comments
\$1	32	\$32	80% of \$1 players will play the same
\$3	8	\$24	20% of the \$1 players will spend an extra \$1 to meet the qualifying purchase plus an extra \$1 for a pool of 10 more plays. The 20% will not necessarily come from the same players. While some players will make the \$3 play their regular purchase, most will spend an extra \$2 approximately every 5th drawing.
\$2	13.5	\$27	50% of the \$2 players will play the same.
\$3	13.5	\$41	50% of the \$2 players will find it easy to spend an extra \$1 for a pool of 10 more plays since they already meet the \$2 qualifying purchase,
\$3	7	\$21	The \$3 and \$4 players are not targets and no net impact is expected.
\$4	2	\$8	
\$5	8	\$40	The \$5 players have the highest propensity to buy more tickets. 67%, on average, will increase their play by \$2.00 for 2 pools totalling 20 more plays.
\$7	16	\$112	
100		\$305 = 25% Increase	

Note: The above calculations do not include new players attracted to this new way of playing, or the impact of lapsed and infrequent players returning to the game. Here the research speaks for itself: 25% of lapsed/infrequent players would "definitely or probably" return to the game if pooling was available.