



Tri-State Megabucks Proposed Game Changes

Tri-State Megabucks History:

- April 1985 the first multi-state lottery created Tri-State Lotto Compact between Maine, New Hampshire and Vermont
- September 1985 launched with a 6-of-30 matrix with drawings on Saturday
- January 1986 matrix change to 6-of-36
- January 1988 matrix change to 6-of-40
- May 1990 add Wednesday draw
- June 1996 a cash option is added
- March 1997 matrix change to 6-of-42 with a bonus number
- July 2009 game change to "Megabucks Plus" with a 5-of-41 plus 1-of-6 matrix
- 2016 the "Plus" was dropped from the game name

Recommendation:

Q: What game changes are being recommended?

A: Based upon extensive industry research and cross-referenced against local and regional prior game change performances, the Product Development Committee recommends moving forward with:

- Adding a Monday night draw for a total of three draws a week
- Adding an optional \$1.00 Fast Play game

Q: Why add a Monday night draw?

A: Statistically, most sales occur on draw nights, by providing an extra drawing, players are more likely to participate. From an ICS/Lottery time management perspective, staff can be made available due to the current *Powerball*, *Lucky for Life*, *Gimme 5* drawings on Monday. Based on the performance of the extra draw for *Powerball* (August 2021), the additional draws for *Gimme 5* (July 2020) and *Lucky for Life* (July 2021), a conservative estimated sales impact is projected to be between 10-15% increase in sales. Using FY21 sales numbers, that equates to:

State	Megabucks Sales by Draw (FY21)	Megabucks Estimated Sales Impact
Maine	\$9,685,014	+\$970,000 - \$1,450,000
New Hampshire	\$7,963,766	+\$800,00 - \$1,200,000
Vermont	\$3,636,610	+\$360,000 - \$550,000
Tri-State (combined)	\$21,285,390	+\$2,130,000 - \$3,200,000

Sales Impact by Adding an Extra Draw (2 draws to 3 draws per week)

National Lucky for Life Pre/Post Game Change

	FY 2020	FY 2021	\$ Change	% Change
AR	\$961,674	\$1,881,230	\$919,556	95.62%
NE	\$1,430,530	\$2,547,466	\$1,116,936	78.08%
ME	\$1,072,174	\$1,880,254	\$808,080	75.37%
MI	\$5,682,572	\$9,795,752	\$4,113,180	72.38%
CT	\$5,348,232	\$8,907,302	\$3,559,070	66.55%
RI	\$1,436,068	\$2,435,398	\$999,330	69.59%
MA	\$7,559,348	\$12,619,062	\$5,059,714	66.93%
NC	\$7,054,164	\$11,723,434	\$4,669,270	66.19%
OH	\$6,618,146	\$10,784,222	\$4,166,076	62.95%
DE	\$958,248	\$1,548,752	\$590,504	61.62%
OK	\$1,189,876	\$1,824,832	\$634,956	53.36%
SD	\$855,834	\$1,309,804	\$453,970	53.04%
KY	\$2,321,160	\$3,470,648	\$1,149,488	49.52%
VT	\$549,728	\$814,088	\$264,360	48.09%
DC	\$588,684	\$861,598	\$272,914	46.36%
NH	\$1,689,624	\$2,372,358	\$682,734	40.41%
KS	\$1,608,804	\$2,239,962	\$631,158	39.23%
CO	\$4,654,276	\$5,988,662	\$1,334,386	28.67%
MT	\$829,230	\$1,110,804	\$281,574	33.96%
IA	\$1,705,780	\$2,275,330	\$569,550	33.39%
ND	\$1,180,884	\$1,571,114	\$390,230	33.05%
ID	\$996,474	\$1,174,316	\$177,842	17.85%
WY	\$830,144	\$912,900	\$82,756	9.97%
TOTAL	\$57,121,654	\$90,049,288	\$32,927,634	57.64%
ME	1,072,174	1,880,254	808,080	75.37%
VT	549,728	814,088	264,360	48.09%
NH	1,689,624	2,372,358	682,734	40.41%
TRI-STATES	3,311,526	5,066,700	1,755,174	53.00%

Tri-State Combined Gimme 5

TIME	ME	NH	VT	TOTAL
LAST 52 WEEKS (3 DRAWS)	\$19,449	\$53,311	\$12,819	\$85,579
LAST 52 WEEKS (5 DRAWS)	\$27,598	\$70,952	\$17,815	\$116,364
\$ CHANGE	\$8,149	\$17,641	\$4,995	\$30,786
% CHANGE	41.90%	33.09%	38.97%	35.97%

Drawing Changes in Other States

				OLD DRAWS	NEW DRAWS	% CHANGE
IDAHO	CASH LOTTO	IDAHO CASH	7/19/2021	2	7	17.56%
IDAHO	LOTTO	WEEKLY GRAND	4/20/2021	2	7	14.34%
WASHINGTON	CASH LOTTO	HIT 5	8/30/2020	3	5	66.66%
TEXAS	LOTTO	LOTTO TEXAS	8/23/2021	2	3	25.88%
WISCONSIN	CASH LOTTO	ALL OR NOTHING	8/30/2020	7	14	0.47%
	NUMBERS	PICK 3	8/30/2020	7	14	22.95%
	NUMBERS	PICK 4	8/30/2020	7	14	17.63%
NEW YORK	CASH LOTTO	TAKE 5	6/14/2020	7	14	2.13%

Q: Why add an optional \$1 Megabucks Fast Play?

A: The *Fast Play* product line was originally introduced as an optional add-on game to Tri-State games. This add-on would be optional but would allow players the opportunity to play and instantly win while waiting for the next drawing. In addition, it is not anticipated that the introduction of a *Fast Play* game would cannibalize sales from the current *Fast Play* product line. It would further promote and increase awareness of the overall *Fast Play* product line, one of the fastest growing games in the industry. The add-on game would feature a prize structure designed with great odds of winning and prizes that can easily be cashed at retail, approximately 62% payout, and with the goal of providing more winning experiences to players. A conservative estimated sales impact is

projected to be between 8-10% increase in sales. Using FY21 sales numbers, that equates to:

State	Megabucks Sales by Draw (FY21)	Fast Play Estimated Sales Impact
Maine	\$9,685,014	+\$770,000 - \$950,000
New Hampshire	\$7,963,766	+\$600,000 - \$750,000
Vermont	\$3,636,610	+\$290,000 - \$350,000
Tri-State (combined)	\$21,285,390	+\$1,700,000 - \$2,100,000

Q: What will the Fast Play ticket look like?

A: The Product Development Committee will work on proposed *Fast Play* prize structures and work to develop a common *Megabucks Fast Play* themed ticket that will be similar across all three jurisdictions.

Q: What sort of marketing support is anticipated?

A: In an effort to ensure the long-term viability of *Megabucks*, the Committee plans a rebranding advertising campaign with a new updated logo, new creative and strategies on positioning the game through traditional media as well as new mediums. This rebranding effort will also include the Fast Play option.

Q: How will this impact subscriptions?

A: The addition of the Fast Play option will not impact subscriptions as this feature will be exclusive to retail. As we continue to support our retail partners throughout the region, this add-on feature will require players to visit their favorite location to participate.

Revenue Projections:

Q: What are the projected revenues?

A: Adding one (1) extra draw:

- 10-15% increase in sales (\$2.1MM-\$3.2MM)
- GGR* at 10% increase in sales:
 - ME: ~\$484,300
 - VT: ~\$179,600
 - NH: ~\$398,200
- GGR* at 20% increase in sales:

- ME: ~\$968,600
- VT: ~\$359,300
- NH: ~\$796,400

Fast Play at 62% payout: 8-10% increase in sales = \$1.7MM-\$2.1MM

- GGR* at 10% Participation:
 - ME: ~\$184,000
 - VT: ~\$68,00
 - NH: ~\$151,300
- GGR* at 20% Participation:
 - ME: ~\$368,600
 - VT: ~\$136,500
 - NH: ~\$302,600
- GGR* at 50% Participation:
 - ME: ~\$920,200
 - VT: ~\$341,300
 - NH: ~\$756,600

**Gross Gaming Revenue (GGR) is the net profit variance of the sum of bets minus the amount of winning bets.*

What are the Costs:

ICS and Lottery Draw personnel are currently operating on Monday nights due to *Powerball, Lucky for Life, Gimme 5 and Pick 3 and Pick 4* drawings held on Monday. Extra funding would be needed for the additional hours of ICS, Draw and Jackpot management.

TRI-STATE COSTS	Hours	Rate	One draw	52 draws
Representative	1	\$ 46.14	\$ 46.14	\$ 2,399.28
Monitor	1	\$ 23.07	\$ 23.07	\$ 1,199.64
Auditor	1	\$ 87.00	\$ 87.00	\$ 4,524.00
Jackpot Management	1	\$ 24.52	\$ 24.52	\$ 1,275.04
			\$ 180.73	\$ 9,397.96
STATE SPECIFIC COSTS				
ICS-Vermont	2	\$ 40.38	\$ 80.76	\$ 4,199.52
ICS-New Hampshire	2	\$ 40.38	\$ 80.76	\$ 4,199.52
ICS-Maine	2	\$ 40.38	\$ 80.76	\$ 4,199.52

On Call-Vermont	1	\$ 17.30	\$ 17.30	\$ 899.60
On Call-Maine	1	\$ 17.30	\$ 17.30	\$ 899.60
			\$ 276.88	\$ 899.60
				\$ 14,397.76
TOTAL COSTS				\$ 23,795.72

Research:

Q: What research has been done?

A: A series of surveys have been done over the last few years with the last two occurring in February 2019 and June 2021. Performed by Scientific Games, those surveys received over 12,000 combined responses which helped provide guidance and perspective towards how proposed changes might impact the purchase frequency and spend of current and lapsed *Megabucks* players.

June 2021 Megabucks Survey	Completed Surveys (2 weeks)
Maine:	4,414
New Hampshire:	2,099
Vermont:	1,387
Total:	7,900

Feb. 2019 Megabucks Survey	Completed Surveys (2 weeks)
Maine:	3,279
New Hampshire:	378
Vermont:	467
Total:	4,124

Q: What does the research indicate with Fast Play?

A: As part of the June 2021 survey, approximately 63% of *Megabucks* players rated adding *Fast Play* as favorable and indicated that if it were added to *Megabucks*, they'd play...including 73% of players in Vermont. More than 34% of non-Megabucks players said they'd rather play other games and 30% said it's hard to win any prize (not just the jackpot). By adding *Fast Play* with a high payout/low odds, more winning experiences will be infused into the game.

Timeline:

Q: When is the anticipated implementation?

A: Due to initiatives already in the queue such as the Vermont Conversion, anticipated launch will be in the February/March 2023 timeframe.

Next Steps:***Q: What needs to be done?***

A: Vendors will start the process of creating the documents and developing the parameters necessary to incorporate an extra draw and the Fast Play add-on. The Product Development Committee will work on proposed Fast Play prize structures and work to develop a Megabucks Fast Play themed ticket that will be similar across all three jurisdictions.