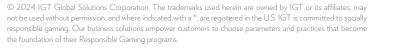




Tennessee:

Lottery at its Best

Loyalty Case Study: January 2024





Key Takeaways

- One of the elements of IGT's successful long term vendor relationship with the Tennessee Lottery includes partnering on the VIP Rewards Program.
- Members can enter their eligible drawing-style tickets and non-winning instant tickets to earn VIP Rewards Points.
- VIP Rewards Points are used to enter monthly drawings called VIP Rewards Drawings, featuring prizes from event tickets to cash prizes.
- Second Chance Drawings and Play It Again! Drawings are additional drawing types within the program that offer members more ways to win with the Tennessee Lottery.
- Members can access all of these offerings at tnviprewards.com or by downloading IGT's official TN Lottery mobile app, which allows members to conveniently manage their VIP Rewards Account.

By the Numbers

189%

New member acquisition growth

More Than 135M

Instant ticket and drawing-style ticket submissions

Approx. **700M**

Point redemptions

*Since the Tennessee Lottery launched the new VIP Rewards Program with IGT on July 1, 2020 to present.

32,916 New Members

Month with highest number of newly created VIP Rewards Accounts (November 2022)

\$39.2M+

in Play It Again! prizes awarded via Play It Again! Drawings in the past three years since Go Live

Grow Membership, Retain Members and Increase Engagement

Since 2020, International Game Technology (IGT) has collaborated with the Tennessee Education Lottery Corporation on loyalty, mobile, portal and messaging strategies to drive its success and support its core mission of maximizing funds for education. The Tennessee Lottery has raised more than \$7 billion for education since launching in 2004.

As a way to drive engagement and relevance within the marketplace, IGT works with the Tennessee Lottery on a loyalty program solution that allows players to create a VIP Rewards Account offering more ways for them to win. Players can access their VIP account via the TN Lottery mobile app, tnviprewards.com and tnlottery.com. Once logged in, VIP Rewards Members have the opportunity to enter tickets, earn points, and enter three types of drawings: VIP Rewards Drawings, Play It Again! Drawings and Second Chance Drawings.

There are multiple ways members can accumulate VIP Rewards Points. Members receive one point for every dollar spent on eligible tickets entered. They can also earn points by using the "Refer a Friend" feature, participating in surveys and more. Additionally, points promotions are strategically implemented throughout the year to support sales initiatives for specific tickets. When members enter these specified tickets during a set period of time, a pre-determined multiplier is applied to the points received for that ticket. For example, on 2/3/23, members received 23 times the points on all \$2 and \$3 instant tickets entered.

VIP Rewards Drawings

The majority of drawings that take place in the Tennessee program are VIP Rewards Drawings. Members can use the VIP Rewards Points they have accumulated to enter VIP Rewards Drawings. Points required to enter a drawing range from 10 to 100 points and prizes range from cash to event tickets to exciting experiential packages. As an example, for a 25-point entry, members have the chance to be one of six winners of a \$5,000 prize!

Play It Again! Drawings

Approximately three times a year, as a select group of instant games end, VIP Rewards Members have another chance to win the last top prize in each of those games through Play It Again! Drawings. Members are automatically entered into Play It Again! Drawings when they scan an eligible non-winning instant ticket on the TN Lottery mobile app, or enter the ticket manually on tnviprewards.com. There are multiple winners with each drawing, spanning a wide range of top prize amounts. Since Go Live three years ago, over \$39.2 million in cash prizes have been awarded in Play It Again! Drawings.

Second Chance Drawings

Second Chance Drawings offer VIP Rewards Members the opportunity to use their ticket purchases to enter drawings tied directly to a specific game.



In a recent Second Chance Drawing, members entered their *Daily Tennessee Jackpot* tickets for another chance to win. Prizes of \$10,000, \$5,000, and \$500 were awarded every five weeks, resulting in 5 drawings and 15 winners.

Another popular Second Chance Drawing offered members the chance to ring in 2024 as a MILLIONAIRE. *Powerball* tickets were eligible for entry for the chance to win a VIP trip to New York City for New Year's Eve. While there, the national finalists had the chance to win \$1 million to become the *Powerball* First Millionaire of the Year, announced during the live television broadcast of Dick Clark's New Year's Rockin' Eve on ABC.

Second Chance Drawings can also be used to promote add-on game features, such as Quick Cash. In Tennessee, the Quick Cash option is available for Cash 4 Life, Tennessee Cash, Lotto America and Daily Tennessee Jackpot. Recently, players who added the Quick Cash option during a specific purchase period and entered those tickets in the Quick Cash Second Chance Drawing, could win additional cash prizes.



Incredible Increases

The Tennessee Lottery continues to build momentum with multi-faceted promotions utilizing the VIP Rewards Program. Recent points promotions have correlated with Second Chance Drawings, as well as Tennessee Tuesday new ticket launches, generating a spike in program ticket entries. One example of this is the *Raceway Riches* 10X Points Promotion, which hit an impressive number of 12,357 tickets entered for a six-day period – a significant bump over the previous week's 7,520 tickets entered. The \$2

Raceway Riches instant ticket launched on Tennessee Tuesday, followed by the start of the entry period for the Raceway Riches to Speedway Wishes Second Chance Drawing, which featured an experiential prize. When layered with the 6-day points promotion prior to the Tennessee Lottery's race weekend sponsorship at the Nashville Superspeedway, additional relevance was created in the marketplace for this new instant ticket.

Seasonal initiatives that leverage programs already recognized by consumers also create relevance for the VIP Rewards Program. In 2022, the first Black Friday/Cyber Monday deal was launched for the November VIP Rewards Drawing. Beginning on Black Friday and continuing through Cyber Monday, the points per entry required for this drawing were slashed from 25 points to 10 points. Push notifications and email were used to notify members of the available deal. To date, the November VIP Rewards Drawing garnered the strongest participation of any VIP Rewards Drawing with 35,963 unique enterers.

Layering established program components with unexpected opportunities continues to be a winning touch for the Tennessee Lottery.

Going Mobile

The dynamic TN Lottery mobile app, developed by IGT, earns an average iOS user rating of 4.6! Members can use the app to easily manage their VIP Rewards Account, scan tickets, enter drawings, check winning numbers, create a mobile playslip and more. The TN Lottery mobile app is accessible to both members and non-members, offering an opportunity to cross-promote the TN VIP Rewards Program offerings.

Marketing Support

IGT supplies the Tennessee Lottery with strategic marketing services and support, including messaging. Push notifications on the TN Lottery mobile app offer a nimble messaging approach, and the opt-in email messaging continues to see above industry-average open rates. For example, a recent email sent to almost 300,000 members featured the subject line "Want to earn more points?" This resulted in an impressive open rate of 30.52%, spreading the news about loyalty opportunities to this engaged audience.