March 17, 2015

Chairman Mark Hutton:

I am writing in support of House Bill 2171 that updates K.S.A 74-8704(b), which currently prohibits the Kansas Lottery from advertising and promoting its products at all amateur athletic events in the state of Kansas. As General Manager of K-State Sports Properties, I am supportive of this bill and will provide relevant research below on three fronts. First, the current statute that in-venue advertising at collegiate athletic events reaches too many minors is outdated. Second, the majority of those attending collegiate athletic events are middle-class and above earners with the disposable income to buy Kansas Lottery products. And third, as the multimedia rightsholder for K-State Athletics, I'd like to provide the best opportunity possible for our partner, the Kansas Lottery, to make profitable advertising decisions.

It is my understanding that the current statute was put in place to prohibit the Lottery from advertising at events where the majority of participants and attendees are under the age of 18. Those who regularly attend collegiate athletic events in our state understand this is definitely not the case. In fact, with the exception of a few freshman who have yet to turn 18 upon their arrival on college campuses, all of the participants and a vast majority of the fan base is over the age of 18. While research from Nielsen Scarborough doesn't survey the percentage of fans under 18, it does show that 87% of adult (18 and older) KU and K-State fans that attend games are 25 or older. Clearly, collegiate athletic events should not be lumped in with high school and youth sporting events on this matter.

Secondly, research shows the majority of the fan base at collegiate events is made up of middle-class and high-income households that have the disposable income to buy products from the Lottery. Here is the pertinent data pulled from the most recent consumer survey of the Kansas City and Wichita area markets by Nielsen Scarborough Research:

- 41% of K-State fans and 35% of KU fans that attend home events have a 6-figure household income. By comparison, only 18% of the general public in the Kansas City and Wichita area markets have a 6-figure household income.

Finally, the passage of House Bill 2171, allows our partner – the Kansas Lottery – to better utilize its advertising dollars for the best return possible and generate more dollars for the state. In-venue advertising by state lotteries is allowed at many other collegiate venues across the country, including neighboring states Missouri and Nebraska. Currently, the Lottery is using traditional media advertising (radio and TV) in its partnerships with K-State and KU, but the additional ability to advertise in-venue would drive even better results as research shows the in-venue fan base for KU and K-State fans is an excellent demographic fit for the Kansas Lottery. Here is the pertinent data pulled from the most recent consumer survey of the Kansas City area market by Nielsen Scarborough Research:

- 45.2% of K-State and KU fans who attend those schools sporting events have purchased a lottery ticket in the last 30 days.
- KU and K-State fans who attend those schools sporting events are 11% more likely than the general public to purchase lottery tickets.
- 98% of the total live sports audience says they notice the video assets in the stadium (Source: Nielsen OnLocation)

Thank you for your time and for your consideration of House Bill 2171.

Respectfully,

Ben Boyle

General Manager

K-State Sports Properties/Learfield Sports