

TEXAS LOTTERY COMMISSION

CUSTOMER SERVICE

*Report on Customer Service and
Customer Service Performance Measures*



AN AGENCY OF THE
STATE OF TEXAS

2014

TEXAS LOTTERY COMMISSION

2014 REPORT ON CUSTOMER SERVICE

The Texas Lottery Commission administers and markets lottery games to generate revenue for the state of Texas, and regulates charitable bingo-related activities in the state of Texas. The agency's mission statements reflect our commitment to maintaining the public trust and operating with full accountability to the citizens of Texas.

AGENCY MISSION

Texas Lottery: The Texas Lottery is committed to generating revenue for the state of Texas through the responsible management and sale of entertaining lottery products. The Texas Lottery will incorporate the highest standards of security and integrity, set and achieve challenging goals, provide quality customer service and utilize a TEAM approach.

Charitable Bingo: Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

REPORT ON CUSTOMER SERVICE

In keeping with our Compact with Texans, approved in April 2000, the Texas Lottery Commission believes the performance and attitude of its staff directly impact the attitude of its customers toward the agency. A key to our continued success is establishing and reinforcing an image as helpful, knowledgeable, informative, courteous, and efficient professionals.

We maintain outstanding customer satisfaction levels and enhance public confidence by providing quality customer service.

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I. EXTERNAL CUSTOMERS AND SERVICES PROVIDED

A. Customers

The Texas Lottery's external customers include lottery and charitable bingo players, lottery retailers, charitable bingo licensees, vendors and the general public.

Lottery and Charitable Bingo Players

The Texas Lottery player base consists primarily of adult Texans 18 years and older, as well as similarly-aged players from surrounding states and Mexico who travel to Texas to purchase Texas Lottery tickets. The charitable bingo player base consists primarily of adult Texans 18 years and older; however, it is not required that a bingo player be 18 if accompanied by a parent or guardian.

Lottery Retailers

At the end of Fiscal Year (FY) 2013, the Texas Lottery had over 17,000 licensed retailers. The two largest groups, according to their North American Industry Classification System (NAICS) codes, are convenience stores and grocery stores. As the retailer base is ever-changing, with multiple sales and acquisitions of locations, the Texas Lottery continues to streamline the licensing processes for retailers to make it easier for them to meet licensing requirements and to maintain updated records. Examples of agency initiatives include offering retailers the option to submit license renewals and general information updates via the Internet. There also is an ongoing effort to consolidate license expiration dates so that all licenses for multi-location retailers have a common renewal date. The Texas Lottery also has created retailer-focused, web-based services to provide lottery financial and ticket inventory reporting to retailers. Working with retailers and industry associates to standardize lottery financial statements is a continuing initiative.

Charitable Bingo Licensees

The Charitable Bingo Operations Division (CBOD) licenses bingo conductors, lessors, manufacturers and distributors. In 2013, there were 1,462 bingo licensees. Of these, 1,066 were charitable bingo conductors in Texas, comprising nonprofit organizations such as veteran organizations, religious societies, fraternal organizations, volunteer fire departments, and groups supporting medical research programs. There were 367 commercial lessors, which are individuals, corporations, authorized organizations, or associations of authorized organizations that lease property where bingo is conducted. There were 12 manufacturers and 17 distributors of bingo products.

Texas Citizens

Texas citizens benefit from the creation of jobs resulting from the conduct of the *Games of Texas*. Texas families benefit from the Texas Lottery's net revenue contributions to the Foundation School Fund, which totaled more than \$16.5 billion as of March 2014, and from lottery prize money that is returned to the state from winners who are delinquent in child support payments, student loan payments, or other taxes and moneys owed to the state.

In addition, from FY 1995 through March 2014, more than \$837 million in unclaimed Texas Lottery prize funds reverted to the state to be appropriated for health care and other programs authorized by the state legislature.

The Texas Legislature enacted legislation in 2009 requiring the agency to create and sell a scratch-off game to benefit the Fund for Veterans' Assistance, which is managed by the Texas Veterans Commission. The agency now offers a veterans' scratch-off

game on an ongoing basis in support of the fund. Since the introduction of the first game in FY 2010, these games have generated more than \$33 million in revenue through March 2014.

B. Services Provided to Customers

Texas Lottery Customer Services Hotline 1-800-37-LOTTO (1-800-375-6886)

The Texas Lottery's Retailer Services Department responds to customer contacts through the toll-free hotline. Hotline staff answer questions about retailer licensing, retailer accounting and general regulatory issues. They also answer questions from the general public and Texas Lottery players, and direct callers to other sources if their questions are not related to one of these subject areas. Hotline staff also communicate with retailers, game players and the general public via email and written correspondence. The department is responsible for tracking, routing and responding to correspondence, and for ensuring timely responses on matters directed to the agency, the Executive Director and the Commissioners.

Retailer Licenses

The Retailer Services Department also is responsible for processing new retailer license applications and license renewal applications. Department staff enters and monitors retailer information; coordinates ownership transfers and lottery terminal moves; performs license terminations; performs retailer records maintenance; and evaluates retailer compliance with ADA requirements. The department interacts daily with retailers on Electronic Funds Transfers (EFTs); sweep amounts; account adjustments; account reconciliations; and final balances due. The department works with retailers who have experienced a non-sufficient fund EFT bank account sweep to ensure prompt payment. When appropriate, the department conducts collection and enforcement activities through the preparation of notices and evidence required for adverse licensing actions. The department tracks

and manages delinquent retailer accounts using various collection methods, including bank account freezes, levies, and property liens.

Claim Centers

The agency's claim centers provide another point of contact for Texas Lottery customers in 16 locations throughout Texas. Claim center staff members process ticket claims for payment; respond by telephone and in person to player and general public information inquiries; represent the agency at local public events; conduct retailer site inspections for ADA compliance related to complaints; and conduct Retailer Research Surveys to gather marketing data and feedback on agency and lottery operator service levels.

Retailer Hotline (1-800-458-0884)

GTECH, contracted by the Texas Lottery to operate the games, provides support to retailers through the Retailer Hotline. Trained hotline operators provide retailers with toll-free assistance seven days a week, with the goal of avoiding any interruption in daily sales. Hotline staff help resolve technical issues related to terminals and provide current information about instant tickets, draw game functions, promotions, system enhancements, procedural changes, terminal repairs, and other operational issues.

Charitable Bingo Customer Service

CBOD staff assists licensees and the general public by providing information about the conduct of charitable bingo. In all interactions with licensees, the bingo-playing public, and the general public, CBOD staff strive for total quality customer service by reducing unnecessary procedures, using technology to provide better, faster and less cumbersome service, soliciting input from customers, and making changes based on that input, where appropriate.

EXTERNAL CUSTOMERS & SERVICES PROVIDED

Charitable Bingo Hotline

1-800-BINGO-77 (1-800-246-4677)

Email: (bingo.services@lottery.state.tx.us)

This toll-free number and email address is staffed by employees who can answer inquiries and provide assistance both to licensees and the general public on issues related to the regulation and licensing of charitable bingo in Texas.

Publications

The Texas Lottery regularly produces and distributes a wide variety of publications that provide information about the Texas Lottery, Texas Lottery games and corresponding rules, Texas Lottery winners, retailer strategies, charitable bingo, and the agency's business practices.

Publications include the following:

- *Agency Strategic Plan* – a report that is required of all state agencies; it is produced every other year and provides a multiyear view of objectives and strategies for the accomplishment of agency goals, and sets the direction for all agency operations. It is available in hard copy and on the Texas Lottery website at **txlottery.org**.
- *Comprehensive Annual Financial Report* – an annual report that provides the Governor, legislators, oversight agencies, agency staff, citizens, and other interested parties with financial information and an overview of the agency's operations. It is available in hard copy and on the agency's website.
- *Comprehensive Business Plan* – a four-year plan that guides the agency's major initiatives to ensure their cost effectiveness. The Business Plan is reviewed routinely to ensure the agency is meeting objectives for major initiatives. The Business Plan is available in hard copy and on the agency's website.
- "End of Game" Notices – one-page fliers that provide close dates and the last date that players can claim prizes for each scratch-off game. These notices are provided to retailers, published in newspapers and are available on the agency's website.
- "How-to-play" Product Brochures – informational brochures about the agency's draw games and how they are played.
- *Minority Business Participation Report* – an annual report of the level of minority business participation in both the agency's contracts and the licensing of sales agents. It is available in hard copy and on the agency's website.
- Product Point-of-Sale Materials – game-specific marketing pieces displayed at retailer locations.
- Retailer Manual – a reference manual for licensed lottery retailers.
- *RoundUp* – a bimonthly newsletter designed for and distributed to retailers throughout Texas free of charge. It is also available online at the Texas Lottery's Retailer Services Center.
- "Sell-In" Sheets – produced for all new draw games and game changes introduced, detailing game features, prize amounts, and play instructions.
- *TLC TEAM News* – a quarterly, electronic employee newsletter that provides staff with agency news and information.
- *Where the Money Goes* – a graphic showing how each dollar from Texas Lottery sales is used and identifying the Foundation School Fund as the recipient of revenue from Texas Lottery sales. The graphic explains that unclaimed lottery prize funds revert to other programs authorized by the Texas Legislature.
- *Winning!* – a bimonthly newsletter for Texas Lottery players that provides information about Texas Lottery games, winners and promotional events. The newsletter is distributed

to retailers throughout Texas and is available free of charge to players. It is also available on the agency's website.

Internet Sites

The Texas Lottery website (**txlottery.org**) provides the public, lottery retailers and the media with up-to-date information on the *Games of Texas*, from drawing results for the draw games to end-of-game notices for instant tickets. In addition, the website provides users with access to information about Texas Lottery governing rules and meetings, published reports, winners, and news releases. Players can see drawings online (live and/or archived), check their numbers, inform themselves about responsible gambling, and get information about lottery scams. More than four million visitors a month go to **txlottery.org** for this news and information. Visitors may also email questions, comments and concerns directly to the Texas Lottery.

In 2008, the Texas Lottery added a retailer store locator to the website. This search feature allows players to identify locations where their favorite instant ticket games are available in their local area. The feature was expanded to include search features for checking the winning status of lottery tickets, and to allow players to search for retail locations by smoking status, to determine if a particular retailer allows smoking inside their business.

The Retailer Service Center, added in 2004, provides the retailer community with an online resource that allows them to review sales and inventory information at the click of a mouse. The Texas Lottery routinely adds improvements to the Retailer Services Center, available to retailers at www.txlottery.org/rsc, to enhance the convenience of retailer interactions with the agency on licensing and accounting matters. This includes continuing to develop and add new or enhanced reporting information that assist retailers in managing inventory and track store sales and amounts owed to the agency. In September 2009, as

a result of retailer input, the agency began providing retailers the ability to renew their license online using the Retailer Services Center. To further streamline the application process, existing retailers have been able to electronically submit an application for additional locations. The agency also began to accept application fingerprints electronically in September 2011.

The Charitable Bingo website (**txbingo.org**) provides licensees and the public with access to the Bingo Enabling Act, Charitable Bingo Administrative Rules, interactive forms and applications, information on the Bingo Training program and online registration for the program, regional office locations, information on the Registry of Approved Bingo Workers, legal notices, bingo advisory opinions, frequently asked questions, and other important information.

The Bingo Services Center was implemented in September 2005 to allow licensees online access to important information related to the operation of their games. Additionally, a variety of statewide reports and a bingo hall locator were implemented at the same time. These new features have been well received by both licensees and the general public. This is a comprehensive and frequently updated website.

INFORMATION GATHERING METHODS

II. INFORMATION GATHERING METHODS

The Texas Lottery Commission has conducted numerous research studies since its inception, both by contracting with independent firms and by using staff or agency publications to gather data. All research is coordinated by the Research Section of the Administration Division.

The table below summarizes the methods by which customer service data are collected. More detailed descriptions of each method follow.

METHOD	PURPOSE/IMPORTANCE	DATA COLLECTION TIME FRAME
A. LOTTERY PLAYERS		
DEMOGRAPHIC STUDY OF TEXAS LOTTERY PLAYERS	Meet statutory requirement. Provide independent measurement of citizen participation rates, the distribution and frequency of lottery play, and the demographic profiles of past-year lottery players and non-players.	Required biannually, but is conducted annually in the fall.
ANNUAL SEGMENTATION AND MONTHLY TRACKING STUDIES	Monitor key policy questions, spending pattern shifts, game/advertisement awareness, public perception of the lottery, and shifts in game player profiles	Segmentation – annually during the first quarter of the fiscal year. Tracking – quarterly during the 2nd, 3rd, and 4th quarters of the fiscal year.
FOCUS GROUPS (OFTEN IN COMBINATION WITH PLAYER SURVEYS AND DISCRETE CHOICE TESTING)	Evaluate potential new instant game concepts and receive feedback from players on general game issues such as ticket designs, play styles and themes	About two times a year
PLAYER SURVEYS	Explore the appeal of instant ticket concepts further	About two times a year
DISCRETE CHOICE TESTING	Measure the relative importance of game features that drive players' choices for instant games and identify the combinations of ticket features that are most effective in driving players' choices	About two times a year
INTERNET-BASED SURVEYS	Varied purposes, e.g., instant ticket concept research studies, draw game brand equity studies, and an online game change study	As needed
B. LOTTERY RETAILERS		
RETAILER RESEARCH SURVEYS	Gather retailer opinions and measure retailers' satisfaction with services provided by the Texas Lottery and lottery operator.	Monthly
RETAILER ROUNDUP SURVEYS	Query retailers on current issues related to Texas Lottery operations.	Bi-monthly publication
C. CHARITABLE BINGO		
BINGO TRAINING SURVEYS	Survey charitable bingo conductor licensees about the quality of customer service received from the Texas Lottery.	During scheduled Training Programs

A. Lottery Players

Demographic Study of Texas Lottery Players

Texas Statute (Section 466.021, Texas Government Code) mandates that the Texas Lottery's Executive Director contract with an independent firm to conduct a demographic study of Texas Lottery players every two years. In 2005, the Texas Lottery decided to have the study conducted annually. The Hobby Center for Public Policy at the University of Houston conducted the most recent state-mandated study, the *Demographic Survey of Texas Lottery Players 2013*.

Data Collection Time Frame/Cycle: Conducted every year, typically beginning in the summer and continuing into fall.

Data Limitations: Conducted only with Texans who have telephones in their homes or, beginning with the 2007 study, cell phones. All data are self-reported by the respondents.

Number of Customers Surveyed: Approximately 1,700 per study.

Margin of Error: The margin of error is ± 2.4 percent for a sample of 1,700 at the 95 percent level of confidence.

Customer Groups Excluded: Persons without cell phones or telephones in their homes.

Justification for Exclusion: Based on the Census 2012 American Community Survey, 98 percent of Texas households had telephone service available, so only a small percentage of Texans are excluded from the surveys.

Annual Segmentation & Monthly Tracking Studies

This research allows the Texas Lottery to monitor key policy questions, spending pattern shifts, game and advertisement awareness, public perception of

the lottery, attitudinal shifts within psychographic segments, shifts in game player profiles and any changes in the size or composition of the segments.

An independent research firm conducts the Segmentation and Monthly Tracking studies, using telephone surveys to solicit input from players and non-players. Both studies include a standard item bank of questions, in addition to questions exploring topics deemed relevant by the Texas Lottery at that time.

The Texas Lottery Annual Segmentation and Monthly Tracking surveys have been conducted on a regular basis since November 1992.

Data Collection Time Frame/Cycle: The tracking surveys are conducted on quarterly basis. The Segmentation study is conducted annually during the first quarter of the fiscal year.

Data Limitations: Conducted only on Texans with telephones in their homes. All data are self-reported.

Number of Customers Surveyed: Approximately 1,200 for the Annual Segmentation Study and 800 per quarter for the Tracking Survey.

Margin of Error: The margin of error is ± 2.8 percent for a sample of 1,200 and ± 3.5 percent for a sample of 800, both at the 95 percent confidence level.

Customer Groups Excluded: Persons without telephones in their homes.

Justification for Exclusion: Based on the Census 2012 American Community Survey, 98 percent of Texas households had telephone service available, so only a small percentage of Texans are excluded from the surveys.

Focus Groups

Since the Texas Lottery's inception, focus groups have been conducted to evaluate potential new instant game concepts and to receive feedback from players on general game issues such as ticket designs, play styles and themes.

This testing (which also includes a spending exercise and an evaluation exercise) continues with those player segments that represent the greatest potential for this product line. Focus group testing is done on an as-needed basis to assess draw game changes and additions, draw game and instant media concepts, and other related topics.

Data Collection Time Frame/Cycle: Data are typically collected over a two- to three-week period during four to six individual sessions in different Texas cities (e.g., Houston and San Antonio).

Data Limitations: Due to the qualitative nature of focus group research, the results obtained may not be representative of the population.

Number of Customers Surveyed: Approximately 40 – 60 per study.

Margin of Error: Not measured because of the qualitative nature of the data.

Customer Groups Excluded: Persons without telephones in their homes are excluded because groups are solicited via random telephone calling. Also excluded are persons who do not play lottery games and persons who do not meet the pre-determined criteria for the specific project (spend levels, game preferences, etc.).

Justification for Exclusion: Based on the Census 2012 American Community Survey, 98 percent of Texas households had telephone service available, so only a small percentage of Texans are excluded from the surveys.

Player Surveys

In most cases, focus group research conducted on behalf of the Texas Lottery is combined with player surveys. A larger sample of players is surveyed in order to explore the appeal of instant ticket concepts further. For example, in evaluating 11 new \$3 Licensed Property scratch-off concepts in April 2013, 484 surveys were conducted over an approximate 2-week time frame. The average survey length was 17 minutes.

Data Collection Time Frame/Cycle: Data are collected within a week or two during one to three nightly sessions.

Number of Customers Surveyed: Approximately 150 – 400, depending on the scope of the project.

Data Limitations: All data are self-reported by the respondents.

Margin of error: Margin of error for surveys depends on the sample size for the specific project. The margin of error is ± 4.9 percent for a sample of 400 at the 95 percent confidence level.

Customer Groups Excluded: Persons without telephones in their homes are excluded because groups are solicited via telephone. Also excluded are persons who do not play lottery games and persons who do not meet the pre-determined criteria for the specific project (spend levels, game preferences, etc.).

Justification for Exclusion: Based on the Census 2012 American Community Survey, 98 percent of Texas households had telephone service available, so only a small percentage of Texans are excluded from the surveys.

Discrete Choice Testing

Discrete choice testing is also a common feature in evaluating new instant game concepts. Discrete choice testing is used to measure the relative importance of game features that drive players'

choices for instant games and to identify the combinations of ticket features that are most effective in driving players' choices. Discrete choice research involves participants completing a survey on which they are asked to choose between multiple ticket concepts with different combinations of features.

This type of research is conducted as needed, but normally no more than once annually.

Data Collection Time Frame/Cycle: Employing a mini-lab setting (e.g., a classroom), data are typically collected within a week during three- to four-night sessions. Discrete choice tests conducted via in-person intercepts at retailer locations or via Internet-based surveys can take longer than a week, depending on the sample size involved.

Data Limitations: All data are self-reported by the respondents.

Number of Customers Surveyed: Typically more than 500, depending on the nature of the study.

Margin of Error: The margin of error depends on the sample size of the specific project. The margin of error for a sample size of 500 is ± 4.4 percent at the 95 percent confidence level.

Customer Groups Excluded: Persons who do not play lottery games and persons who do not meet the pre-determined criteria for the specific project (spend levels, game preferences, etc.) are excluded. Also, persons without telephones in their homes are excluded if participants are recruited over the phone.

Justification for Exclusion: Based on the Census 2012 American Community Survey, 98 percent of Texas households had telephone service available, so only a small percentage of Texans are excluded from the surveys.

Internet-Based Surveys

The Texas Lottery has used Internet-based surveys for quantitative instant ticket concept research

studies, draw game brand equity studies, and an online game change study. Internet surveys are typically more cost-effective than other methods, such as telephone surveys and focus groups. They also allow for the use of graphics, which telephone research does not. As the use of the Internet grows among players, this research tool can be expanded.

An Internet survey approach was used at the beginning of 2013 to collect information about the behavior of the emerging market for lottery products, that is, players between the ages of 18-34. A sample of 2,750 players and non-players were surveyed and respondents were asked about their participation in the lottery, technology and the Internet, media habits, shopping habits, their views of gaming, and their personal philosophy.

Data Collection Time Frame/Cycle: Time frame will vary dependent on the nature of the study and the response rate of invited participants.

Data Limitations: All data are self-reported by the respondents. In addition, because respondents are volunteers they constitute a non-probability sample, and non-probability sample surveys are not as accurate as probability sample surveys such as Random Digit Dialing telephone surveys.

Number of Customers Surveyed: The number will depend on the specific research project.

Margin of Error: The margin of error depends on the sample size of the specific study.

Customer Groups Excluded: These projects would exclude anyone without Internet access.

Justification for Exclusion: Although the number of players that have Internet access may be lower than the number of players with telephones, Internet surveys are typically more cost-effective than phone surveys. In addition, Internet surveys may incorporate graphical representations of lottery games.

B. Lottery Retailers

Retailer Research Surveys

The primary objective of these surveys is to measure retailers' interactions and overall satisfaction with various Texas Lottery and lottery operator support services and functions.

The Research Section of the Administration Division creates the survey instrument and incorporates revisions annually based on recommendations from the Lottery Operations Division. This instrument is forwarded to the 16 claim centers for their staff to conduct the survey on a monthly basis. Retailers are divided according to claim center and lottery operator district areas. Each claim center has annual goals, and numbers vary depending on the geographic region. The survey includes both an opinion and an observational component; therefore, every retailer surveyed is visited in-person.

The survey gathering process occurs during the first three weeks of the month. Claim center staff forward all surveys to the Research Section. From there they are forwarded to an independent research contractor who tabulates the results and provides the Lottery with monthly reports and data sets. The Research Section then reviews the survey results and produces a semi-annual report, which is disseminated to Lottery staff. Results from specific questions are forwarded to the lottery operator on a monthly basis for follow-up at the retailer level. The Research Section summarizes the results of the actions taken by the operator's lottery service representatives and produces a report which is disseminated to the operator's district sales managers and Lottery staff, including Retailer Services and claim center staff.

Data Collection Time Frame/Cycle: Data collection is monthly. Reports are produced on a semi-annual basis.

Data Limitations: All data are self-reported. Some retailers surveyed may not have English as a first language.

Number of Customers Surveyed: Approximately 350 retailers are contacted in one month (one-fourth of the total number of retailers, divided by 12 months), with survey completion rates of ± 95 percent. The Texas Lottery's goal is to survey all retailers in a four-year period.

Margin of error: The margin of error will depend on the sample size of a particular report. For the first two quarters of FY 2014, 2,332 completed surveys from a population of 17,101 is an error margin of ± 1.89 percentage points.

Customer Groups Excluded: Excluded retailers include those who refuse to participate in the survey, those with whom there is a language barrier, and those who are not in operation at the time of the survey.

Justification for Exclusion: Retailer surveys are voluntary and are not a requirement for a licensed sales agent. All attempts are made to survey every licensed retailer within a four-year period.

Retailer RoundUp Surveys

The Texas Lottery's bi-monthly publication, *RoundUp*, offers retailers sales and marketing tips. It highlights successful retailer strategies and presents key information on a range of topics from security to licensing. Once or more a quarter, *RoundUp* includes a printed survey to query retailers on current issues related to Texas Lottery operations. These brief surveys typically consist of three to six questions. Due to low response rates, the information collected from the *RoundUp* surveys is used mainly for directional purposes.

Data Collection Time Frame/Cycle: Surveys are printed in the retailer publication at least once a quarter.

Data Limitations: All data are self-reported. Data collection must rely on retailers' willingness to read the publication, complete the survey, and return it to the Texas Lottery. Response rates are low, with a typical survey resulting in 50-75 responses.

Number of Customers Surveyed: All retailers receiving the publication have the opportunity to respond to the survey.

Margin of Error: Not measured

Customer Groups Excluded: No retailer is purposely excluded. Retailers may exclude them-selves because they do not read the publication.

Justification for Exclusion: Retailer response is strictly voluntary and is not a requirement as a licensed sales agent.

Programs have resulted in favorable ratings in the quality of customer service provided by the division. The division routinely surveys charitable bingo conductor licensees about their opinions of the quality of customer service they receive. The survey includes the question, "How would you rate the quality of services you receive from the CBOD?" and is given to each individual attending the Bingo Training Program.

C. Charitable Bingo

Bingo Training Surveys

The CBOD's efforts to increase communication with licensees through initiatives such as the Bingo Training

LEVELS OF CUSTOMER DETERMINED QUALITY

III. LEVELS OF CUSTOMER DETERMINED QUALITY

A. Lottery Customer Satisfaction

The FY 2014 figure for player satisfaction in Table A is taken from the monthly tracking studies from the first and second quarters of the fiscal year. The figure for retailer satisfaction is taken from the Retailer Research Surveys conducted during the first and second quarters of the fiscal year.

B. Bingo Customer Satisfaction

Table B shows results of the responses to the survey question rating the quality of customer service provided by the CBOD by calendar year.

C. Service Timeliness

The Texas Lottery's Retailer Services Department responds to customer contacts through the toll-free hotline. Hotline staff strive to maintain an average answer speed of 20 seconds or less. As shown in Table C, the goal for abandoned calls, when the caller hangs up before the operator answers, is to maintain an average speed of 20 seconds or less. The agency has made a concerted effort to minimize wait time by providing customers with applications and forms with clearly written instructions and a user-friendly design. Whenever possible, minimum processing time is published on the application or form.

TABLE A

MEASURE	FY 2014 YTD
*PLAYERS SATISFIED WITH THE TEXAS LOTTERY	66%
** RETAILERS SATISFIED WITH THE TEXAS LOTTERY	96%

* Player question: "Overall, how satisfied are you with the games provided by the Texas Lottery?" Scale: 1 (Not at all satisfied) to 7 (Very satisfied); Measure: Percentage of total responding 5, 6, or 7

** Retailer question: "Overall, how would you rate the services provided by the Texas Lottery?" Scale: Very Poor, Poor, Fair, Good, Excellent; Measure: Percentage of total responding "Excellent" or "Good"

TABLE B

CALENDAR YEAR	RESPONDENTS	RESPONDING "EXCELLENT" OR "GOOD"
2006	1,438	96%
2007	1,142	96%
2008	1,126	96%
2009	1,325	91%
2010	328	95.7%
2011	374	97.1%
2012	364	99%
2013	306	98%

TABLE C

MEASURE	STANDARD	PERFORMANCE
AVERAGE SPEED OF ANSWERING TELEPHONE	20 SECONDS	6.4 SECONDS
AVERAGE ABANDONED CALL SPEED (CALLER HANGS UP BEFORE ANSWERED) (2.3% OF ALL INCOMING CALLS ABANDONED)	20 SECONDS	4.4 SECONDS
PERCENTAGE OF INCOMING TELEPHONE CALLS ANSWERED IN LESS THAN 20 SECONDS	80%	96%
AVERAGE RESPONSE TIME TO CORRESPONDENCE	2-5 WORKING DAYS	3 WORKING DAYS
AVERAGE RESPONSE TIME TO E-MAIL	2-5 WORKING DAYS	2 WORKING DAYS
AVERAGE CALL LENGTH		1:40

IV. ANALYSIS

A. Lottery Customer Satisfaction

Lottery Player Satisfaction

During the first two quarters of FY 2014, 66 percent of players (who had played any game in the past year) reported being satisfied with the games provided by the Texas Lottery. This measure could be influenced by the perceived lack of winning experiences, or of knowledge of lottery game winners.

The Texas Lottery embraces the importance of the public trust and makes certain that the lottery games are administered in a secure manner to guard that trust, and is committed to ensuring that the lottery games are run in a manner that enhances public confidence in the integrity and fairness of the games. Fundamental to that premise is the ability for the public to inquire who is receiving public funds in the form of Texas Lottery prize payments.

Accordingly, the agency will continue to evaluate the importance and effectiveness of its Winner Awareness campaigns and other avenues that identify for the public that “real people” play and “real people” win.

Lottery Retailer Satisfaction

The “retailer satisfaction” measure continues to rate at or above 95 percent “good to excellent,” and less than one percent in the “poor to very poor” rating categories.

In recent years, several initiatives have been implemented to provide enhanced customer service to licensed retailers. Ongoing improvements to the web-based Retailer Services Center, available to retailers at txlottery.org/rsc, include online license renewals and specific reports useful in helping retailers manage inventory and financial matters related to the lottery.

To welcome new applicants to the lottery and provide basic information on the agency’s processes, a retailer welcome packet was developed and, since 2011, has been mailed to all new retailers upon approval of their license application. In an effort to facilitate prospective licensees’ access to information on becoming a lottery retailer, a Spanish-language recruitment brochure was introduced in November 2011 and added to the variety of English-language information already available on the Texas Lottery website.

The implementation of player ticket self-check technology reduces retailer labor transaction time in processing ticket inquiries and validations by minimizing player questions about the prize amount of potential winning tickets. Additionally, Texas Lottery and lottery operator personnel continue to reach out to retailers in small group settings called Retailer Links meetings, held throughout the state each year, reaching retailers in more than 60 cities and towns from 2006 through March 2012. Links meetings provide retailers the most current information on Texas Lottery policies and game initiatives, while offering an open forum for soliciting feedback and addressing retailer concerns. Retailers view these meetings as a positive means of furthering communication between the Texas Lottery, the lottery operator and lottery retailers.

B. Bingo Customer Satisfaction

Though surveys consistently show a very high customer-service rating, the management and staff of the CBOD strive to continuously provide and maintain high standards of customer service in all interactions with licensees.

V. PERFORMANCE MEASURE INFORMATION

A. Customer Service Providers and Standards

Communications Services Hotline

Communication Specialists strive to respond to general Internet email messages within two business days, and within five business days to messages requiring research to respond. Correspondence is answered within an average of five business days or less, and general requests for public information are processed within 24 hours. Retailer license application procedures vary depending upon the type of business (independent, chain, or corporate account) and according to the type of application.

Typically, the processing of a properly filled out Texas Lottery Ticket Sales License Application will be completed within seven to 10 business days of receipt of the application in the Retailer Services section. The Electronic Funds Transfer (EFT) system connects retailer bank accounts with the Treasury Operations Division of the Comptroller's Office through an electronic computer network. It reduces retailer paperwork and streamlines the accounting process required to deposit Texas Lottery ticket sales revenue into the Texas State Treasury. EFT transfers are done weekly.

Claim Centers

Wait times for processing and issuance of prize checks vary depending on many factors, including but not limited to: completeness and accuracy of the submitted claim form; the condition of the apparent winning ticket; and/or any debts owed to the state of Texas by the claimant. Barring any problems with these items, the standard wait time for a claimant to receive a prize check in a claim center is 10 to 15 minutes.

Retailer Hotline

The goal of the Hotline operators is to answer 100

percent of incoming calls within an average of 45 seconds. Inquiries needing additional research are generally answered within two business days, or the appropriate party will be notified of any further delay within that time period.

Charitable Bingo

Wait times for processing applications and issuance of licenses varies depending on many factors, including but not limited to: completeness and accuracy of the submitted application and required supporting documentation; existence of financial liabilities; existence of a pending compliance case; audit in progress; results of criminal background checks of individuals on the organization's bingo record; and the existing backlog of applications.

Conductor quarterly reports are due the 25th of the month following the end of the calendar quarter. Prize fee allocations are processed for the local jurisdictions by the 6th day of the month following the quarterly report due date.

B. Complaint Processing

CAMP

The agency continues to receive, track and address jurisdictional concerns from the public via the Compliance Activity Monitoring Program (CAMP) hotline, established in 2004. Awareness of the hotline is supported through placement of the toll-free 1-800 number on the website, in retail locations, and in venues where bingo games are conducted. The Compliance Hotline Section of the Retailer Services Department is responsible for monitoring the life cycle of complaints and

violations of the Bingo Enabling Act, State Lottery Act and administrative rules. The Compliance Hotline Section is a centralized intake unit for complaints, and also monitors violations that are identified internally. Compliance staff is responsible for maintaining the standards set by the Texas Lottery relating to complaints.

An automated system has been developed which provides the ability to track all complaints and violations from initial intake or discovery to final disposition by allowing the Compliance Hotline Section to monitor the compliance resolution process as work flows between the Enforcement, Legal Services, CBOD, and/or Lottery Operations Divisions. The section maintains a comprehensive database on complaints, violations and disposition to facilitate trend analysis and reporting. The information allows the agency to make informed decisions relating to licensees by reviewing compliance history when considering license issuance and/or administrative action.

Communications Services

The Communications Services Section of Retailer Services receives customer and retailer questions and complaints through the telephone hotline or via mail or fax. Communication Specialists handle customer service complaints and concerns from Texas Lottery retailers and prospective retailers; customer service complaints, questions and concerns raised by players and the general public; and responds to calls from Spanish-speaking callers. The calls are routed to the different groups based on caller input on the Voice Response Unit (VRU) of the agency telephone system. Communications specialists also respond to the customer service complainants via telephone calls, written correspondence or email. Periodically, one-on-one meetings with a complainant are held at the agency or in a retailer location.

Retailer Hotline

Issues and concerns raised by retailers regarding stolen tickets, missing packs, ticket deliveries, retailers, equipment difficulties or other issues are resolved by Texas Lottery operator hotline staff, and may be handled by dispatching a technician to the retailer location or forwarding the issue to the appropriate Texas Lottery division for resolution.

Charitable Bingo

Jurisdictional complaints related to the conduct of charitable bingo in Texas are handled by the Compliance Section of the Texas Lottery. A jurisdictional complaint is one in which the Texas Lottery has the authority to interpret and apply the law in accordance with the Bingo Enabling Act or Charitable Bingo Administrative Rules. The process tracks and monitors the status of complaints from the time they are submitted through the final disposition. The centralized process enables the agency to rapidly identify problem areas of compliance activity or complaint trends.

When an increase in a particular type of violation or complaint is seen and the complaints or violations are determined to be valid, steps are taken to remedy the situation. Educational information designed to prevent the complaints or violations are incorporated into the training program.

Complaints must be submitted in writing, and complainants are encouraged to submit complaints on an official Texas Lottery complaint form. The forms are available on the website at **txbingo.org**, from the regional offices, or by contacting the Texas Lottery by telephone, fax, email, or in writing. Once filed, complainants are informed of the status of their complaints every 90 days, or when the complaint case is closed.

PERFORMANCE MEASURE INFORMATION

C. Customer Service-Related Performance Measures: Lottery

CUSTOMER SERVICE PERFORMANCE MEASURES	TARGETED FY 2014 PERFORMANCE
OUTCOME MEASURES PERCENTAGE OF RETAILERS SATISFIED LOTTERY COMMISSION <i>The percentage of respondents to the Retailer Research Surveys that rate the Texas Lottery's services as "Good" or Excellent," with "Uncertain" responses removed.</i> PERCENTAGE OF RETAILER SURVEYS COMPLETED <i>The percentage of Retailer Research Surveys completed.</i> PERCENTAGE OF ELIGIBLE PLAYERS SERVED <i>The percentage of respondents to the Monthly Tracking Surveys that report participating in any Texas Lottery game during the last month.</i>	 95% 85% 34%
OUTPUT MEASURES NUMBER NEWSLETTERS DISTRIBUTED TO RETAILERS <i>The number of newsletters distributed annually to active retailers and chain retailer headquarter offices.</i> NUMBER OF RETAILER VISITS <i>The number of retailer visits conducted annually by the lottery operator sales representatives.</i>	 104,262 439,400
EFFICIENCY MEASURES AVERAGE COST PER SURVEY ISSUED <i>Estimated employee hours required to prepare, administer, enter data, analyze and summarize data and cost of materials utilized.</i>	 \$1.76

D. Customer Service-Related Performance Measures: Charitable Bingo

CUSTOMER SERVICE PERFORMANCE MEASURES	TARGETED FY 2014 PERFORMANCE
OUTCOME MEASURES PERCENT OF SURVEYED CUSTOMER RESPONDENTS EXPRESSING OVERALL SATISFACTION WITH SERVICES RECEIVED <i>This data is collected via the participants in the Operator Training Program, and at license renewal.</i>	 97.1%
OUTPUT MEASURES NUMBER OF CUSTOMERS SURVEYED <i>Representatives of licensed organizations are surveyed when they attend the Operator Training Program. Representatives of licensed organizations are also provided a survey to complete when their bingo license renewal is mailed to them at renewal time.</i>	 374
EFFICIENCY MEASURES AVERAGE COST PER SURVEY ISSUED <i>Estimated employee hours required to prepare, administer, enter data, analyze and summarize surveys and cost of materials utilized.</i>	 \$0.53

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