

—TEXAS LOTTERY— RoundUp

News and Ideas for Texas Lottery Retailers

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August/September 2011

RoundUp

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1-800-375-6886

(Select Option 2, then Option 3 for
licensing or accounting questions.)

Available 7 a.m. - 5:30 p.m. Central Time
Monday - Friday

GTECH Hotline:

1-800-458-0884

(For equipment problems
or to order tickets.)

Available 4 a.m. - midnight,
7 days a week

Drawing Results:

512-344-5010

(For winning number results only.)

Website:

www.txlottery.org

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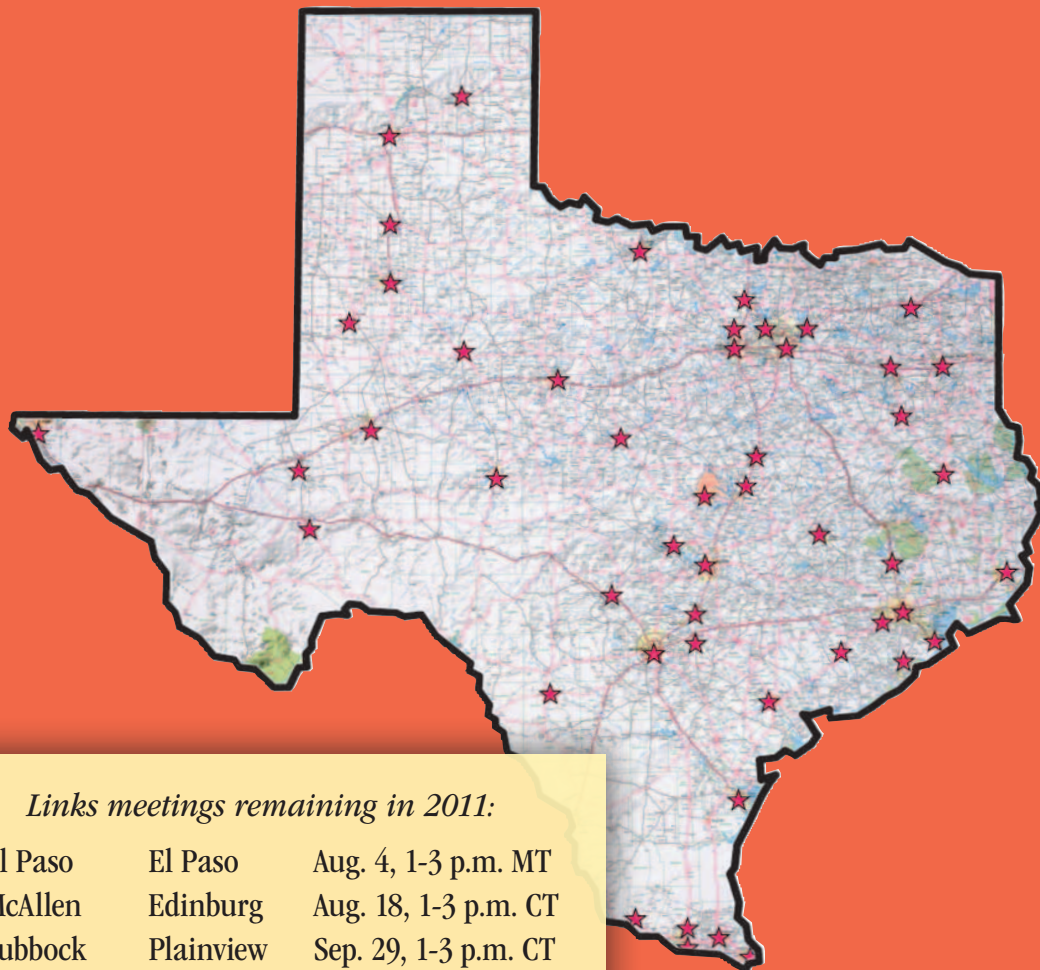
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REMEMBER!

If you find your retailer ID number hidden in
this issue of *RoundUp*, you can receive a prize
package of Texas Lottery promotional items!

To claim your prize, call 1-800-37-LOTTO.
You must call by September 30, 2011.

Links Meetings 2006-2011



Links meetings remaining in 2011:

El Paso	El Paso	Aug. 4, 1-3 p.m. MT
McAllen	Edinburg	Aug. 18, 1-3 p.m. CT
Lubbock	Plainview	Sep. 29, 1-3 p.m. CT
Austin	Killeen	Oct. 27, 1-3 p.m. CT

Reminder =

Don't panic if you accidentally **SEND** a transaction for more tickets than the customer wants - quickly press **STOP**. Located in the upper right corner of the Altura Home screen, the **STOP** button functions the same as the ISYS **BREAK** key, but quicker, by stopping the processing of any tickets that have not been confirmed by the host. A few tickets may print after you press **STOP** because they have already been transmitted to the host. You may sell the extra tickets before the game draw break.



Linking Retailers to the Texas Lottery

Reaching out to the owners and operators of lottery sales locations is an ongoing initiative of Texas Lottery staff. [250229] We are continuously expanding and examining the ways we communicate with you, our retailers. Our website and retailer newsletter *RoundUp* are useful tools for providing you information, but talking face-to-face is always the best way to do business. It is a challenge though, to have conversations with thousands of business owners across the state. One opportunity we have to hear your ideas is through our annual Retailer Links meetings.

Each year, Texas Lottery staff join GTECH in holding small, informal round-table discussions with owners, supervisors and managers, as well as office staff who have direct involvement in their company's lottery business. [116937] The groups are limited to about 20 participants in order to encourage conversation and open discussion on a variety of topics including lottery games, policies and services. These meetings are our links to your concerns and recommendations for improving our service to you and lottery business in general.

By the end of 2011, we will have traveled to 51 cities and towns since 2006 to meet with more than 650 retailer representatives. Many retailers indicate the

most effective part of the meetings is learning from each other as well as sharing their ideas and concerns with Texas Lottery and GTECH management. [145866] Many retailer ideas from these meetings have resulted in changes that benefit all retailers including: smaller and consistent pack sizes by price point, pack settlement at 70 percent of low-tier validations, online access to accounting and ticket inventory reports, and most recently, the retailer incentive program and a revised layout of the Altura home screen.

We make every effort to reach out to you, from the small towns of Pampa, Fort Stockton, Mount Pleasant and Wharton to the cities of Dallas, Houston and San Antonio. Upcoming Links meetings are scheduled for Edinburg, Plainview, El Paso and Killeen. Participants include sole proprietors as well as representatives of small chains and large corporations. [230904] Your lottery sales representative will let you know the next time we plan to be in your area, so let them know if you are interested in attending one of the meetings.

Your comments and ideas are important to us and we will continue to work to stay linked to you and your business. [149199] For more information about the Retailer Links meetings, call 800-375-6886 or email Teresa.Edwards@lottery.state.tx.us.

ESMM - A Revolution in Lottery Messaging



By now, most Texas Lottery retailers have an Enterprise Series Multi Media (ESMM) monitor installed in their store. ESMM revolutionizes the way lottery messaging is delivered [203653] to players to drive Texas Lottery sales and build brand awareness. Since May 2011, we've been monitoring the sales performance of retailers with ESMM. During the first eight weeks of deployment, retailers with ESMM outperformed those in the control group in all Texas Lottery products advertised in the show.

Not only does ESMM bring awareness to both instant and on-line games, but it also provides a number of benefits such as displaying transaction information, real-time jackpot amounts and draw results for the daily games. [154324] Beginning in September, ESMM's functionality will be expanded to include customized messaging for your location!



The following are the customized features of ESMM:



1. Store-Specific Winner Information:

Based on pre-established sales thresholds, ESMM will report total dollars of prizes sold by retail location, by city, by county or by state. If your count of qualifying prizes for the previous week meets the set threshold, the message will read, “\$XX,XXX in prizes were sold here last week!”



2. Top Prizes Unclaimed:

ESMM will display the number of top prizes unclaimed for the 10 highest selling scratch-off games at your store, keeping players aware that top prizes are still to be won!

3. Scrolling News Banner:

A banner at the bottom of the screen will display news information, sports results and weather for your geographic area. [144791]

Although this functionality is very helpful in attracting the attention [133568] of your customers there are important steps to maximize ESMM’s effectiveness in your store:

1. Turn on your monitor!

Leaving your monitor off not only hurts your potential sales but it is also a consumer protection issue if players are unable to see transaction information.

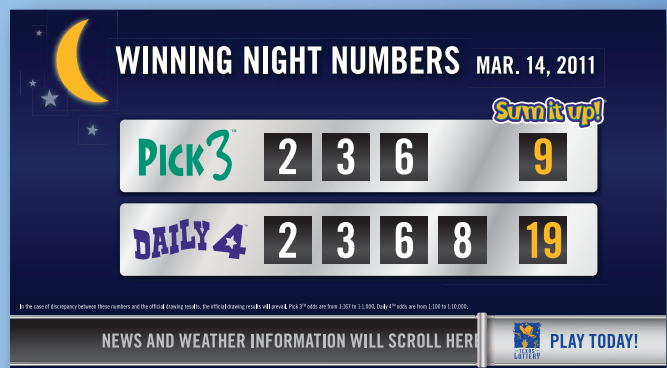
2. Place your ESMM prominently at the point of purchase:

Be sure your screen is clearly visible and unobstructed by merchandise displays. Large jackpots drive sales and ESMM is designed to effectively communicate this information to your shoppers.

3. Talk to your players about ESMM:

ESMM is new to players and they may not fully recognize all of the valuable information they can obtain from it. Be sure to discuss the screens so they know to look at ESMM for exciting and helpful information about the Texas Lottery.

The customized messaging that ESMM will provide your store(s) can lead to significant increases in sales [155801] resulting in increased retailer commissions. To maximize its effectiveness, remember to keep your screen turned on, clear of merchandise, and to talk to players about the messages displayed on the screen, especially if a large prize was recently won at your store.



Retailer Spotlight

Collins & I 20 Mobil *Strategy for the Perfect Product Mix*

Did you know that the average number of instant ticket slots [258011] for Texas Lottery retailers ranges between 24 and 32 and the average sales for these retailers is \$4,065 per week?

Even with the smaller footprint, some retailers outperform the average. D. Shah, who manages **Collins & I 20 Mobil** in the Dallas-Ft. Worth area, averaged \$5,605 each week with 32 bins in 2010. In a recent interview, Mr. Shah revealed that much of the success in sales can be attributed to the attention he gives to determining the proper Texas Lottery product mix, along with making sure the product is visible and providing great customer service.

How to determine your retail mix – The primary goal in designing your instant ticket “plan-o-gram” is to make sure you are satisfying your customers’ needs and wants. Making sure you exceed your customers’ expectations will ensure repeat business and excellent word-of-mouth marketing.

Volume is the first thing you should consider when developing an instant ticket plan-o-gram. [496801] You want to make sure that you have enough bins to carry the different price points, yet not too many resulting in empty bins or slow-moving bins, which would not allow you to display new games. By working with your LSR, you can always increase your bin count and manage your financial liability as your business grows.

Although every retailer’s needs and store merchandising capabilities are unique based on today’s product offerings and Texas Lottery sales, the

following is a good baseline recommendation for an overall instant product mix: 3 - \$1, 3 - \$2, 2 - \$3, 8 - \$5, 1 - \$7, 3 - \$10, 3 - \$20, 1 - \$50

Inclusion of niche games and new games – The Texas Lottery distributes more than 80 scratch-off games per year, including base, spotlight, licensed property and niche games. Mr. Shah participates in the procall ordering system to receive distribution of all new games and works with his LSR to make sure the product line he maintains is a good fit for his customer base.

Visibility and retailer convenience – As demonstrated by Mr. Shah, it’s important to make sure the product line is visible to players and a convenient reach for you [142280] and your employees. Transaction times for lottery purchases do not have to be long if the tickets are placed in an area that is within arm’s reach of your register and lottery terminal. Mr. Shah’s ESMM monitor is positioned to attract his customers’ attention and his counter is well merchandised with how-to-play brochures and a results holder.

Mr. Shah continues to focus on his product mix. As a result of his attention to detail and great customer service, [507521] Collins & I 20 Mobil continues to realize steadily increasing sales, achieving a 5-percent sales growth this past year.

Scratch-off tickets and the Texas Lottery playstation are clearly visible to Collins & I 20 Mobil customers.



Retailer Spotlight

Bowen Beer & Wine *Merchandising Matters*

With the launch of new merchandising tools like ESMM (see page 4), new playstations and new LED signs, it's the Texas Lottery's goal to bring awareness to the brand and promote the *Games of Texas*. Armed with the new merchandising tools, Texas Lottery retailers can gain an even greater impact in sales performance with a few simple merchandising steps.

To help us illustrate these key merchandising guidelines, Syed Rizvi of **Bowen Beer & Wine** in Arlington agreed to share his secrets to Texas Lottery success and how visual impact is a huge component of retail merchandising.

Display your lottery tickets in a thoughtful way

– Double stack your highest performing tickets. Since Mr. Rizvi knows his customers so well, he also knows how [152277] important it is to ensure that his instant ticket bins have two facings of all \$50 and \$20 games, along with most of the \$10 games.

Cluster but do not clutter – Bowen Beer & Wine has dedicated an unobstructed front counter for customers to clearly see all of the Texas Lottery games available

for purchase. With such a wide variety of games, this allows players to focus on the products, which in turn allows for a quicker transaction. Positioning the ESMM monitor next to the instant games provides an excellent opportunity to bring awareness to Texas Lottery products. And it works: Mr. Rizvi has seen a 19 percent increase in lottery sales since the ESMM was installed. Another tool Mr. Rizvi is using is positioning his playstation close to his Texas Lottery display and next to the front door to provide customers easy access to playslips and brochures.

Continue to update your merchandising with new games – Customers always want to see new and different products, and instant tickets are no exception. [487523] The employees at Bowen Beer & Wine have all been trained to continuously re-merchandise the instant ticket bins to immediately accommodate new tickets. They also often double face new products for a more powerful visual message.

Promote inside and out – Mr. Rizvi does a great job making sure he has appropriate POS posted both inside and outside the store with permanent and temporary POS. [124217] He has a curb sign at the street corner; uses coroplast signs to promote recent product launches and has a new LED jackpot sign that replaced his Texas Lottery neon.

Look at your merchandising techniques through your customers' eyes – The next time you move around to the front of the counter, step back and look at the Texas Lottery product from your customer's perspective. Is the merchandising visually appealing? Are the instant tickets being covered by other merchandise? Can your customer see the entire ESMM screen easily? Do you get the sense that it may be your lucky day? If not, try some of the techniques that have worked so well at Bowen Beer & Wine!



Syed Rizvi at Bowen Beer & Wine



Bowen Beer & Wine has dedicated an unobstructed front counter for customers to clearly see all of the Texas Lottery games.



The Texas Lottery Will Be Back to Visit Big Tex at the 2011 State Fair of Texas!

The Texas State Fair will mark its 125th anniversary in 2011. This will also be the Texas Lottery's 19th year at the State Fair! The lottery will be keeping fairgoers entertained with the *Games of Texas* and fantastic prizes [155730] at the Texas Lottery Luck Zone located at the East Park Plaza on Coliseum Drive.

Players can play the multi-million-dollar jackpot games, *Lotto Texas*®, *Mega Millions*®, and *Powerball*®. Players can also play for big bucks in our other drawing games—*Cash Five*®, *Texas Two Step*®, *Pick 3*™ and *Daily 4*™, along with the always popular scratch-off games like *\$500 Million Frenzy* and *Texas Lottery Black*. [135862] This year, approximately 50 different scratch-off games will be offered during the State Fair.

The Texas Lottery Luck Zone will feature exciting player promotions like the Texas Lottery Spinning Wheel and the Texas

Lottery Money Machine. When fairgoers purchase Texas Lottery tickets, they can spin the wheel to win exciting prizes including Texas Lottery scratch-offs and t-shirts or enter the Money Machine for a chance to win multiple scratch-off tickets.

The 2011 State Fair of Texas runs from September 30 through October 23 at Fair Park in Dallas. [507414] Be sure to tell your customers going to the fair to visit the Texas Lottery Luck Zone for their chance to have fun and win prizes!



Frequently Asked Questions

Q. How does a retailer pay for scratch-offs?

A. There are four ways that a pack of instant tickets can be settled (charged) to a retailer's account:

1. *Validation* – When approximately **70 percent** of the low-tier winning tickets (\$24.99 or less) have been validated, the pack will settle. A G-Tier (guaranteed prizes in a pack) prize level category exists for all games \$25 and higher which do not have low-tier prizes. These games will settle when 70 percent of the G-Tier prizes have been validated. The charge will be reflected in the weekly invoice available the following Sunday.
2. *Manually* – After a pack is activated, the retailer may choose to settle the pack and it will be charged to the current accounting week, which will be reflected in the weekly invoice available the following Sunday.
3. *Time* – A pack will automatically settle 45 calendar days from the date a pack is activated, if the pack was not previously settled by another method. The charge to the account will be reflected in the weekly invoice available the following Sunday.
4. *Game Closing* – Retailers will be charged for any tickets not previously settled that are in their possession after the official End of Game date.

Q. How can I get current information on the Altura terminal about unclaimed top prizes for scratch-off tickets?

A. For current information about unclaimed top prizes for scratch-off tickets, the retailer may print a report from the Altura terminal. The report is updated nightly and may be accessed on the terminal by selecting:

Reports

Top Prize(s) Unclaimed

For more information, you may visit our website at www.txlottery.org. You may also contact Texas Lottery Retailer Services at 1-800-375-6886.

Q. How do I report damaged tickets?

A. Tickets are considered damaged or destroyed if rendered unsalable through circumstances or events not the fault of the retailer. Texas Lottery retailers that experience damages from fire and other causes outside of their control should contact GTECH immediately following the guidelines listed below:

1. Call the GTECH Hotline at 1-800-458-0884 to report damaged or destroyed tickets as soon as possible and no later than three (3) weeks from the occurrence or event.
2. If tickets were damaged or destroyed by fire, retailer must make a formal report to appropriate fire department authorities within 24 hours of discovery of the fire and provide the Texas Lottery Operations Division a copy of the Fire Marshall's report that identifies the location and cause of the fire.
3. If tickets were damaged or destroyed other than by fire, retailer must provide the Texas Lottery Operations Division a copy of the insurance claim or receipt for repairs that identifies damage at the retail location related to the damaged or destroyed tickets reported.
4. Retailers may receive credit for a range of activated tickets that are damaged or destroyed if no validations have occurred on tickets in the range reported.
5. There is an administrative fee of \$25 for a pack of unactivated tickets that is damaged. The fee may be waived in circumstances caused by an overwhelming, unpreventable event caused exclusively by forces of nature and where the retailer complied with reporting requirements.
6. Credit for damaged tickets may be granted for no more than two separate incidents in a 12-month period except in circumstances caused by an overwhelming, unpreventable event caused exclusively by forces of nature.

Retailer Bonuses



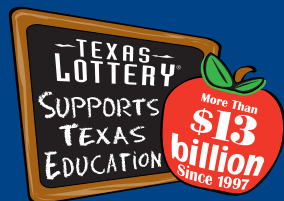
Game	Retailer	Location	Bonus
Texas Lottery Black Series II Limited Edition #1324	Little Buddy #1	Houston	\$10,000
\$500 Million Frenzy #1354	Speed	Pasadena	\$10,000
\$500 Million Frenzy #1354	EZ Shop #3	San Antonio	\$10,000
Texas Lottery Black Series II Limited Edition #1324	Big Diamond #1038	San Antonio	\$10,000
Texas Lottery Black Series II Limited Edition #1324	Liberty Food Mart	Kilgore	\$10,000
\$500 Million Frenzy #1354	Kroger TX LP 542	Fort Worth	\$10,000



Draw Date	Retailer	Location	Bonus
2/1/10	Quicky Mart	Pasadena	\$750
4/11/11	Big Diamond #1412	Houston	\$3,000
4/25/11	Mama Food Market	Houston	\$4,250



Draw Date	Retailer	Location	Bonus
4/20/11	Dos Amigas	Beaumont	\$150,000



PLAY RESPONSIBLY.

Visit us online at:
www.txlottery.org

Maybe It's Your Lucky Day★

Mon

Tue

Wed

Thu

Fri

Sat



Day/Night

Day/Night

Day/Night

Day/Night

Day/Night

Day/Night



Day/Night

Day/Night

Day/Night

Day/Night

Day/Night

Day/Night

