

~TEXAS LOTTERY~ RoundUp

News and Ideas for Texas Lottery® Retailers

The Texas Lottery® Launches a Trail-Blazing Ticket!

by Roger Prather

The Texas Lottery has become the first North American lottery to offer a \$50 scratch-off ticket! The trail-blazing *\$130 Million Spectacular* game features three \$5 million top prizes and six \$1 million prizes, as well as other great prizes ranging from \$50 to \$50,000.

The Texas Lottery's best-selling games are its \$5 tickets, followed by its \$2 and \$10 tickets. In recent years, the Texas Lottery has added \$20, \$25 and \$30 scratch-off tickets to its game mix, all of which have sold well in certain markets. [484702] The new \$50 ticket is designed to appeal to players who purchase higher-priced scratch-off games (\$20 and above) and may be interested in winning a potentially larger prize.

In addition, Texas Lottery staff believe that higher-income individuals with more disposable income (who don't currently play Texas Lottery games) also may find the \$50 price point appealing.

"The development of this price point was a result of two years of research to ensure there was a potential customer base to support a \$50 game, and to develop the optimal game design," said Instant Products Coordinator Dale Bowersock.

The Texas Lottery reached out to retailers across the state via retailer forum meetings called "Links Meetings" to ask

if retailers believed a \$50 scratch-off ticket would have a positive impact on sales in their stores. [312421] A large percentage of these retailers responded in favor of this price point and expressed interest in adding it to their ticket inventory.

The Texas Lottery's research team worked with Ipsos-Reid, the agency's market research contractor, to conduct focus groups and interview players to determine the level of interest in the game among "premium" players—i.e., those willing to spend \$20 or more on a single lottery ticket. The market research firm calls some of these players "upscale dabblers."

"We conducted focus groups in the Dallas and Tyler markets, and in-store player interviews at retail stores in Dallas, Houston and Austin, all areas where our \$20, \$25 and \$30 tickets have sold well," said Texas Lottery Research Coordinator Dr. David Sizemore.

The market research was conducted in several phases, with three primary objectives. [131391] First, the research attempted to determine the level of interest in and acceptance of a \$50 ticket among higher price point instant-ticket players. Second, the research intended to establish the optimal game attributes for this price point.

cont'd on page 3

**\$130 Million
SPECTACULAR**

RoundUp

June/July 2007

Email questions or comments

about RoundUp to:

roundup@lottery.state.tx.us

Editors:

Robert Elrod & Roger Prather

Graphic Designers:

Coleen McKechnie & Karen Guzman

Published by the
Texas Lottery Commission

Headquarters:

611 E. 6th Street
Austin TX 78701

Mailing Address:

PO Box 16630
Austin TX 78761-6630

Retailer Services Hotline:

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

Web site:

www.txlottery.org

Beat the Summer Heat with Cool Lottery Events!

by Kaye Taylor

This summer, the Texas Lottery will once again bring the fun of playing the *Games of Texas* to fairs and festivals across the state. Here's a glimpse of some of the fun-filled promotional activities the Texas Lottery's Promotions Team, retailers and GTECH sales force will be hosting.

As the weather heats up, so will lottery excitement when the Texas Lottery takes its promotional trailer [311883] and the Lone Star spinning wheel on the road to Mex-Tex Family Fiesta in Midland, Shrimporee in Aransas Pass, Alleyfest in Longview, the Chisholm Trail Roundup & Rodeo in Lockhart, and Jacksonville's Tomato Fest.

At all events, visitors will be able to play the lottery's wide variety of scratch-off games, along with their favorite on-line games—*Mega Millions*® (with the exciting Megaplier® feature), *Lotto Texas*®, *Cash Five*®, *Pick 3*™, and *Texas Two Step*®. Lottery representatives will be on hand to explain the features of each game.

The Texas Lottery will make a first-time appearance at the Old Mill-Trade Days in Post, and at the Salsa Festival in El Paso. Also in West Texas, the lottery will be at El Paso's Custom Car & Chopper Festival and at Hockley County Early Settlers Day in Levelland.

Texas Lottery staff [312321] will make encore appearances at the Hispanic State Fair in San Antonio and the Polk Street Block Party in Amarillo.

Independence Day celebrations will feature exciting fireworks in the sky and excited players as they try their lottery luck at the Downtown Street Festival in El Paso and the Fourth of July Celebration in McAllen.

Things are sure to get hot [105301] with lots of winners at all of these events! Best of all, players can cash in their winning tickets (up to \$599) right on site, so there's no need to miss any of the fun at these great events this summer.

The Texas Lottery also will be hosting promotional activities at baseball games, including the El Paso Diablos, San Angelo Colts, Fort Worth Cats, Amarillo Dillas, Rio Grande Valley White Wings and Coastal Bend Aviators. Rodeo fans in Central Texas can also join the fun at rodeos in Wimberley, Stonewall and Utopia. [146764] FC Dallas soccer fans and Houston Comet basketball fans also will have a chance to score a free scratch-off ticket when the Texas Lottery visits Frisco and Houston this summer.

It's a summer packed with excitement and opportunities to win great prizes. So come on out and join the fun!



Trail-Blazing Ticket!

cont'd from cover

And finally, a test was conducted with reference to the performance of a premium-priced ticket within the existing game mix. The end result of all of this careful research was *\$130 Million Spectacular*, North America's first \$50 scratch-off ticket.

"This is a really fun ticket that players should enjoy. It features four games on each ticket, and offers a chance to win up to \$5 million, a prize level usually seen only in on-line jackpot games," said Bowersock.

Projections show that *\$130 Million Spectacular* could generate more than \$180 million in sales, pay up to \$130 million in total prizes, and generate up to \$27 million for the Foundation School Fund.

"We continually work to offer an attractive mix of scratch-off games and we believe that *\$130 Million Spectacular* will have a lot of appeal for our retailers and players alike," said Anthony Sadberry, executive director of the Texas Lottery. "And if the game performs as we expect, it will have a significant impact on helping us achieve our most important goal: generating revenue for public education in Texas."

The ticket, which comes in a pack size of 20, will be made available to all retailers who wish to offer it to their customers. [143662] For more information about carrying this game in your store, please call the toll-free Instant Ticket Service Hotline at 1-800-458-0884.

New Game-Closing Procedures for Scratch-Offs



The Texas Lottery Commission recently implemented revised procedures that will promptly initiate the game-closing process for scratch-off games after all the top prizes in the game have been claimed.

Under the new procedure, retailers will be notified via a terminal message showing games in which all top prizes have been claimed, and directing them to immediately cease sales of those games. [142060] At the same time, the agency will post game-closing notification on our Web site.

Another change shortens the inventory retrieval or "call" period from 60 days to 45 days. During that period, GTECH lottery sales representatives will physically remove the tickets from the TLC's more than 16,000 retailers.

Players are also able to request a print-out from retailers [466101] listing the number of top prizes unclaimed for scratch-off games identified by the Texas Lottery Commission as being of special interest to players.

CorporateSpotlight

7-Eleven, Dallas

by Eric Beaty, KAR

The 7-Eleven chain has 266 locations across the state that currently sell Texas Lottery products. 7-Eleven continues to show great effort in increasing lottery sales by providing superb customer service, inventory management, and offering a variety of games to lottery customers. On average, the stores sell approximately 21 games from in-counter [226185] dispensers and do a great job of keeping the dispensers full. 7-Eleven also continues to focus on "fresh foods" which helps drive new customers to these stores where lottery sales can be initiated.

This year, we conducted six Lone Star Spins at locations that opened around the Dallas-Fort Worth area. These events were conducted at store "Grand Openings" on Saturdays from 11 a.m. to 1 p.m. and featured a number of different vendors. 7-Eleven also offered seven-cent fountain drinks, 11-cent hotdogs, and offered gift cards for in-store purchases on the Texas Lottery Wheel. [258118] These promotions allow us to improve our working relationship with store managers and maximize Texas Lottery sales in the future.



7-Eleven in Dallas

Albertsons LLC, Fort Worth

by Eric Beaty, KAR

Albertsons LLC made many strides this year to improve and maximize sales at all of their 133 Texas locations. Albertsons added additional vending machines, relocated vending machines to increase visibility, and participated in a great holiday promotion during November through December 2006. Due to the high sales of



Albertsons in Fort Worth

Texas Lottery products during the holiday season, Albertsons added six dispensers to each [125479] business center to promote the holiday scratch-offs. The addition of dispensers helped Albertsons increase their Texas Lottery sales by approximately 24 percent for the 10-week promotion.

Albertsons has also focused their attention on keeping the vending machines full. Their weekly "out of stock factor" decreased seven percent over a nine-month period, allowing them to provide increased sales and customer satisfaction at their grocery stores by offering

consistent game variety. In many locations, Albertsons also has created an "Entertainment Area" to drive customers to self-service machines. [446519] This is just another step Albertsons has taken to help improve Texas Lottery sales.

Exxon, Houston

by Deborah Burch, KAR

Exxon Corporation has been aggressive this year in its efforts to increase player awareness [131033] of the Texas Lottery, in addition to increasing lottery sales in their Texas locations. Exxon recognizes the success of Grand Openings for their new stores and the Texas Lottery's participation in "Spin the Wheel" promotions. The promotion provides immediate player awareness of lottery products as the customers purchase Texas Lottery tickets to take a spin on the lottery wheel and a chance to win Texas Lottery promotional items. When purchasing your lottery tickets at the next Exxon Grand Opening, [210323] don't be surprised to find a tiger in the parking lot, along with the tiger in your tank!



Exxon in Houston

H-E-B Food Stores, San Antonio

by Linda Sanderson, DSM

H-E-B joined the Texas Lottery in full force in 2002. The account has aggressively [132398] taken the lottery product and made a permanent home for it in more than 270 locations statewide. Their goal is to be the top grocery account for the Texas Lottery.

H-E-B encourages stores to participate in all Texas Lottery contests and promotions, and rewards their employee partners for their hard work. [234402] Their positive attitude, creativity and willingness to promote all lottery products are just some of the keys to their success. Way to go, H-E-B!



H-E-B in San Antonio

Tobacco Barns and Brookshire Brothers Grocery Stores, Lufkin

by Deborah Burch, KAR

Tobacco Barns consistently keep exterior point-of-sale advertising posted to remind their customers of current Texas Lottery jackpot levels. Customers [446522] comment that these efforts remind them to purchase their lottery tickets. Customers are spoiled by the drive-up windows that the Barns provide for quick lottery purchases. Simply drive up to the window and ask for your favorite instant tickets or for tonight's on-line games!

Need to pick up a loaf of bread or a gallon of milk before going home? Just drive across the parking lot from most Tobacco Barns to your nearest **Brookshire Brothers Grocery Store**, where Texas Lottery products are offered for sale along with groceries. [145807]



Tobacco Barn in Lufkin



Brookshire in Lufkin

Corporate Accounts



Key Account Manager: Charles Howard

Key Account Representatives:

Deborah Burch
Houston
800-460-4687

Edward Barron
San Antonio
800-460-7262

Eric Beaty
Irving
800-460-3374

Key Account Representatives (KARs) and their manager are located regionally across Texas to provide hands-on service to all assigned key and corporate accounts. The ten District Sales Managers (DSMs) are also partnered with the KARs for many larger accounts based within their respective sales districts. This helps ensure the best possible customer service and response. Through this partnership, effective sales strategies for different trade-styles are developed and continually improved. Customized instant-ticket plan-o-grams are provided to impact sales and facilitate more accurate ticket accounting and reporting. Account discussions include support for new store openings, any upcoming retailer contests, scheduled promotions and any ongoing or future game enhancements, and these are just a few of the topics. Annual business reviews provide corporate management with sales analysis and specific recommendations to potentially increase retailer commissions and contributions to the Foundation School Fund. To explore ways to enhance your Texas Lottery sales, contact your Key Account Representative!

Retailer Survey

Does your store have advertising space available on gas pumps?
Yes ____ No ____

If the answer is "Yes," would you allow the Texas Lottery representative to place point-of-sale items on the gas pumps?
Yes ____ No ____

If the answer is "No," please explain

If the answer is "Yes," what would be the preferred size for Texas Lottery point-of-sale items placed on your gas pumps?

Your Retailer Number _____

Thank you for your time. A retailer will be selected from a random drawing of all completed surveys from this issue of *RoundUp* to receive a Texas Lottery prize package of promotional items!

Please send survey to: Dr. David Sizemore, Research Coordinator
Texas Lottery Commission • P.O. Box 16630 • Austin, Texas 78761-6630 • FAX: 512-344-5254



RetailerBonuses



Draw Date	Retailer	Location	Bonus
10/30/06	Holiday Food Store	Houston	\$1,000
12/7/06	Cracker Barrel Food Store	Denton	\$10,000
1/22/07	Stop N Bye	Brenham	\$4,500
1/25/07	Good Stop Food Store	San Antonio	\$2,000
2/19/07	Salysers Short Stop	Clute	\$3,625
2/22/07	Larry's Discount Liquor	Port Arthur	\$2,000



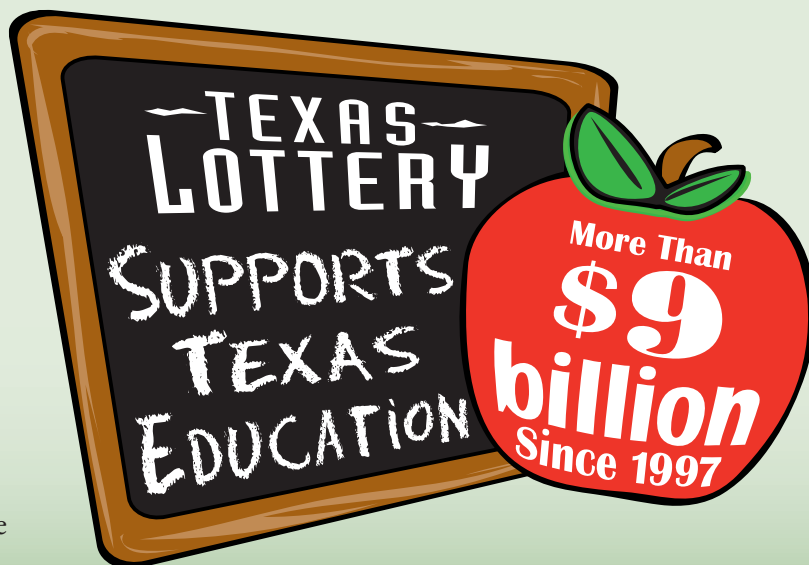
Game	Retailer	Location	Bonus
\$3,000,000 Texas Holiday Riches #752	Quick Stop Grocery	Bowie	\$10,000
\$3,000,000 Texas Holiday Riches #752	Quix #401	Belton	\$10,000
\$1,000,000 Mega Bucks #742	Shop N Go	Houston	\$10,000
Weekly Grand #699	Pruitt's	Gatesville	\$10,000
\$1,000,000 Mega Bucks #742	Metro Discount Foods	Mineral Wells	\$10,000

Texas Lottery Transfers Top \$9 Billion

The Texas Lottery Commission reached another important milestone earlier this year when transfers to the state's Foundation School Fund topped the \$9 billion mark. As of February 7, 2007, the exact amount transferred to the fund was \$9,051,351,808.

The Foundation School Fund, administered by the Texas Education Agency, assists public education in Texas at the local level by contributing to teacher salaries, administration and educational resources. The \$9 billion transferred to this fund is the biggest part of the more than \$14 billion in revenue the Texas Lottery has generated for Texas since the first lottery ticket was sold in May 1992.

Lottery revenues have gone to the Foundation School Fund since September 1, 1997, as directed by the state legislature. Prior to that date, they were allocated to the state's General Revenue Fund.



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 July 31, 2007.



Scratch-Off *Update*

Upcoming Games

GAME #	AMT.	GAME #	AMT.
762 YAHTZEE	\$2	810 \$50,000 BIG MONEY	\$5
Top Prize: \$25,000		Top Prize: \$50,000	
764 ACES HIGH	\$1	818 RUN THE TABLE	\$3
Top Prize: \$1,000		Top Prize: \$35,000	

Games Closing

CALL DATE: 3/30/07 CLOSE DATE: 5/14/07 END VALIDATIONS: 11/10/07

GAME #
692 **IN THE CHIPS**
Overall Odds are 1 in 4.14

CALL DATE: 4/6/07 CLOSE DATE: 5/21/07 END VALIDATIONS: 11/17/07

GAME #
730 **MAGNIFICENT 7'S**
Overall Odds are 1 in 3.48

CALL DATE: 4/13/07 CLOSE DATE: 5/28/07 END VALIDATIONS: 11/24/07

GAME #
753 **BAH HUMBUCKS**
Overall Odds are 1 in 4.34
760 **HOLIDAY CASH**
Overall Odds are 1 in 4.83

GAME #
761 **\$300,000 CASINO ACTION**
Overall Odds are 1 in 2.35

CALL DATE: 4/1/07 CLOSE DATE: 5/31/07 END VALIDATIONS: 11/27/07

GAME #
626 **BETTY BOOP**
Overall Odds are 1 in 4.31
631 **INSTANT KENO**
Overall Odds are 1 in 4.34
646 **\$3,000,000 VEGAS ACTION**
Overall Odds are 1 in 2.11
651 **TOP PRIZE \$500,000**
Overall Odds are 1 in 4.67
728 **ROCKY™**
Overall Odds are 1 in 4.18
735 **5 CARD DRAW**
Overall Odds are 1 in 3.94

GAME #
749 **JACK FROST**
Overall Odds are 1 in 4.36
751 **EXTREME FROSTY**
Overall Odds are 1 in 3.61
754 **HOLIDAY GRAB BAG**
Overall Odds are 1 in 3.58
756 **CHILI NIGHTS**
Overall Odds are 1 in 4.80
759 **\$50,000 CELEBR8ION**
Overall Odds are 1 in 3.49
832 **SCRATCHMAN RETURNS**
Overall Odds are 1 in 4.83

DO YOU THINK YOU WON?

If you believe you are holding any of the following:

- a possible winning *Lotto Texas* or *Mega Millions* jackpot ticket
- a possible winning on-line ticket valued at \$1 million or above
- a possible winning instant ticket to be paid as an annuity
- a possible winning instant ticket valued at \$1 million or above

please call 1-800-37-LOTTO prior to traveling to Austin for processing.

Call Date: Sales reps have 45 days to bring in all remaining tickets for these games. A physical inventory must be conducted at each store to make sure all packs are picked up. Partial packs may not be returned prior to this date.

Close Date: Games have ended. No tickets may be distributed to, or sold by, retailers after this date. An auto settle will be run on this date to ensure that all packs are accounted for.

End Validations: The last date that players can redeem any prizes for these games.

NOTICE: A scratch-off game may continue to be sold even when all the top prizes have been claimed. For more information on prizes remaining in a scratch-off game, call the TLC Customer Service Line at 1-800-37-LOTTO.

Visit us online at:
www.txlottery.org

PLAY RESPONSIBLY.



Your chance to win every day!

MON



Day/Night



TUE



Day/Night



WED



Day/Night



THU



Day/Night



FRI



Day/Night



SAT



Day/Night

