

—TEXAS LOTTERY®—

RoundUp

News and Ideas for Texas Lottery Retailers

June / July 2008

Check-a-Ticket Terminals Bring New Convenience to Players!

To keep pace with our customers' growing demands for new and innovative entertainment, the Texas Lottery is continually offering more games and new play styles. [283605] The increasing variety of tickets often results in players turning to you, the retailer, for assistance in identifying winning tickets.

By providing players the ability to check their own tickets, the Texas Lottery offers convenience and confidence in identifying their winnings. The benefit to retailers is increased efficiency by reducing employee inquiry time and providing more time to make a sale. Currently, Texas Lottery players have the ability to check their tickets at more than 900 Self Service Terminals (SSTs) located primarily at large supermarkets and travel centers.

Beginning in June 2008, the Texas Lottery will place approximately 10,000 check-a-ticket terminals [496808] in retail locations across the state. This will provide more players easier access to equipment that allows them to check the winning status of both scratch-offs and on-line game tickets.

For greatest efficiency, the check-a-ticket should be placed within 50 feet of the ISYS terminal and requires a 110-V outlet provided by the retailer. Since not all retailers will receive a check-a-ticket, the following criteria will determine placement in locations that currently do not have an SST.

1. Retailers averaging \$1,500 or more per week in cashing activity as of March 15, 2008.
2. Retailers cashing less than \$1,500 per week, but with average weekly sales of \$3,000 or more as of March 15, 2008.
3. Retailers in geographically remote locations will be identified to provide service to all consumer populations regardless of other criteria.

The check-a-ticket machine weighs just 6 pounds and has a footprint of 6 inches by 9 inches. The actual specifications are 8.8 inches wide by 5.5 inches by 12.5 inches high, and the machine can be wall mounted.



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Email questions or comments

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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

Check-a-Ticket Terminals Bring New Convenience to Players!

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For security, an additional PDF barcode under latex in the scratch area is required [133205] and is already being printed on games as we prepare to introduce the equipment. By this summer, almost all scratch-offs will include the additional barcode.

The check-a-ticket will allow players to scan a ticket and receive a visual message showing the prize amount or that the ticket is not a winner. The check-a-ticket will produce an audible beep for all winning tickets and does not print any receipt.

- If the ticket is a high-tier prize (\$600 or more), the unit will display "WINNER CLAIM AT LOTTERY. CALL 1-800-375-6886 FOR LOCATIONS."
- A winning ticket for a prize package will display "CLAIM AT LOTTERY NON-CASH PRIZE WINNER."
- If the prize winning amount is \$599 or less, the unit will display "WINNER \$XXX.XX."
- If an on-line ticket is scanned and the drawing results are not available, the unit will display "RESULTS NOT IN."
- If a ticket is not a winner, the unit will display "SORRY NOT A WINNER."

Retailers are encouraged to validate and pay prize-winning tickets of \$599 or less and free-ticket prizes. [147256] It provides good customer service, [225226] provides customers cash to make additional purchases in your store and helps identify you as a "winning location" — all good for business.

As the Texas Lottery and GTECH work together to deploy the check-a-tickets this summer, [133710] we encourage you to share this information with your staff and customers so that everyone is aware of the new service to players.

For additional information, contact your Lottery Sales Representative, GTECH district office, or call the Texas Lottery Customer Service Hotline at 1-800-375-6886 or send an email to customer.service@lottery.state.tx.us.



Lottery Fun in the Summer Sun

Hot new games and more exciting ways to play and win are definitely heating up this summer as the Texas Lottery makes promotional appearances at 14 selling events across the state. [104367] From as far east as Longview to the wild west of Buffalo Gap and Marfa, the variety of events and their locations are as vast as Texas itself.

For the first time, the Texas Lottery will be stirring up sales at this year's Chili Super Bowl Cook-off in Buffalo Gap, Vision's "The Women's Expo" in Dallas, and Crowley's Celebration of Freedom festival. Heading to the coast? Make sure to stop by the Texas Lottery promotions trailer and take your turn at the Lone Star Spinning Wheel at this year's Shrimpooree in Aransas Pass. From block parties to rodeos, the Texas Lottery will be two-stepping its way from Amarillo's renowned Polk Street Block Party, Jacksonville's Tomato Fest, Lockhart's famous Chisholm Trail Roundup and Rodeo, to Longview's AlleyFest. So keep a lookout for the Texas Lottery promotions trailer as it makes its way across Texas with all of your favorite lottery games!

During Independence Day weekend, Houston and San Antonio skies will be filled with fireworks while Texas Lottery players try their luck at some of our newest scratch-offs and on-line games. Even the "Sun City" will be dancing in the streets at the El Paso Downtown Street Festival as festival-goers play old favorites and new additions to their favorite on-line games.

[143864] Elgin will be celebrating Elgin Western Days, where players can win exciting lottery loot! Best of all, players can cash in their winning tickets up to \$599 right on-site at these events.

Heading north? Levelland hosts Hockley County Early Settlers Day, and who better to get things saddled up and ready to play than the Texas Lottery. You can't miss us!

Sports fans won't be left out this summer, either. [146245] Watch for Texas Lottery Night with the Houston Comets, Amarillo Dillas, San Angelo Colts and Austin Wranglers. You might just win a free Texas Lottery scratch-off ticket while you watch your favorite Texas team!

For rodeo fans in Central Texas, [148042] the Texas Lottery Promotions Team will be making its way to your area with the Lester Meier Open Pro Rodeo circuit.

Texas Lottery games and winning experiences will be all over Texas this summer! With more ways to win and new scratch-off tickets, this summer may be the hottest one yet!



Sight Validation Codes Removed From Instant Tickets

Have you ever noticed the small letters that were printed in the ticket play area? These were called Sight Validation Codes. Years ago before the advancement of the Texas Lottery's sales terminals allowed validations to occur on the terminal, retailers could use these codes to visually determine ("sight validate") if a ticket was a low-tier winner. [232297] The flaw in using these codes is that they were only provided for prizes up to \$24. Any prize of \$25 or higher did not have an associated sight validation code. As terminal validations have replaced sight validations, these codes no longer serve their original purpose. For this reason, the Texas Lottery has chosen to remove the codes from its scratch-off games. [148319] The Lottery will begin producing tickets without the site validation codes this summer. Please remember that retailers should always scan tickets on their lottery terminals to validate prizes.

CorporateSpotlight

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 10 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 increase sales yielding greater retailer revenue through commissions and growing contributions to the Foundation School Fund. If you are part of a major chain, explore ways to enhance your Texas Lottery sales with your Key Account Representative! Any retailer also can talk with their Lottery Sales Representative to discuss sales.

Brookshire Brothers #24 Corrigan

by Charles Howard, KAM

We spend a considerable amount of time talking with Texas Lottery key and corporate account retailers about best practices, ticket placement, "keeping it full," double facing and focusing on the "classic" and base games. On a recent visit to **Brookshire Brothers #24** in Corrigan, it was clear that these proven sales strategies are really taking hold. The \$50 scratch-off game was double faced, price-point placement was great, all bins were full, and seven classic games were loaded. Store Manager Dustin Colvin gives all the credit to Erica Vera, who takes care of the store's ITVM. Thanks Erica! Great Job!



*Brookshire Brothers #24
Manager Dustin Colvin.*

Murphy Oil El Dorado, Arkansas

by Eric Beaty, KAR

Murphy Oil continues to expand its retailer base across Texas and increase lottery sales nationwide. Murphy Oil's focus and determination to increase sales by concentrating on lottery advertising, high

payouts, and commitment to keeping the dispensers full are just a few focus points that have allowed them to maximize their sales.

Recently, Murphy Oil focused specific attention on marketing the Texas Lottery. This led to Murphy using a new piece of advertising at some of their kiosk locations across Texas. All games that are sold at these locations are advertised, as well as current jackpot information, in this new style of advertising. The new approach to marketing the Texas Lottery will definitely increase lottery sales and is expected to increase overall sales.

Lowe's Pay N Save Inc. Littlefield

by Eric Beaty, KAR

The Texas Lottery licensed a new chain account this year. **Lowe's Pay N Save Inc.**, located in Littlefield, purchased some Big 8 stores in the El Paso area that were already selling Texas Lottery products and decided to apply for all their existing stores. There are 51 stores currently selling Texas Lottery products, with six more coming on board very soon. [139426] Lowe's increased sales by more than \$3 million in 2007, with only a few months left in the year.

The owners are committed to maximizing sales in all their locations. Most of the Lowe's stores have ITVMs and many also have SSTs to assist in the sale and marketing of Texas Lottery products. [489910] We look forward to working with this new and progressive account in the upcoming years!

Kent Distributors Inc. Midland

by Randy Hudman, KAR

Kent Distributors Inc., located in Midland, is a growing Texas Lottery retail account. They added three new Kent Kwik stores in 2007, and have plans for more this year. They are always ready for a Texas Lottery promotion and are quick to sell it to the public.

Kent Kwiks' total lottery sales increased by more than 32 percent in 2007 and are on pace to go much higher this year. Of the 28 stores owned by Kent Distributors, the **Kent Kwik #309** located in Midland, showed the largest increase of any store selling Texas Lottery products in 2007. This store almost doubled sales from 2006 with a whopping 94-percent increase. [313303] Just keeping dispensers full and consistently asking customers to purchase a ticket has led this store to the front of the pack for Kent Kwiks!

Southwest Convenience Stores Odessa

by Randy Hudman, KAR

2007 was a great year for **Southwest Convenience**. The acquisition of Skinny's added 102 accounts to their existing 183 stores. Shortly after the purchase, they ran an "Ask for the Sale" promotion and, after two weeks, increased

sales by 17.5 percent! Total sales for the year increased by 11.8 percent.

7-Eleven #125 is a huge contributing factor for this corporate account and ranks seventh in the state for instant sales, and 10th statewide for total sales. This one store averages more than \$33,000 a week and increased their sales by almost 13 percent from 2006 to 2007.

Quix #871 Round Rock

by Charles Howard, KAM

Wendy Woods is the new category manager for Texas Lottery products at Strasburger Enterprises, based in Temple. In a recent meeting, she asked for suggestions to help increase lottery sales for their locations, and it was agreed that adding more slots to provide greater variety of games would be the best place to start.

With limited space and competing products on many store counters, adding additional dispensers can be a challenge. [144462] A special 32 slot "promoter" unit was added to **Quix #871** in Round Rock, which increased the number of games from 22 to 32. "Sales have gone up at least 50 percent and it is a challenge to keep the bins full," according to Assistant Manager Cheryl Smiley.

Strasburger is now testing more dispensers at several more locations. Want to increase your Texas Lottery sales? Try adding more games!

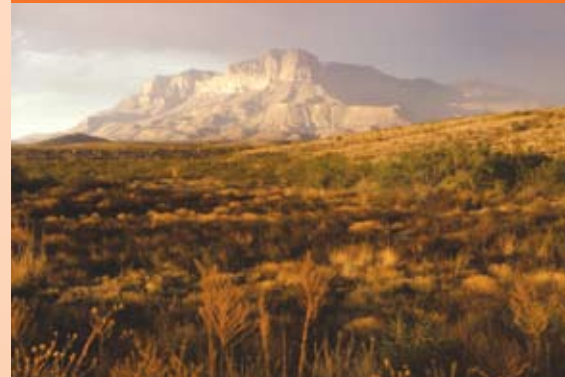


7-Eleven Clerk Cherri Timms (left)
and Manager Millie Owens.



Quix #871 Assistant Manager
Cheryl Smiley.

Corporate Accounts



Key Account Manager:
Charles Howard

KARs:

Open
Houston
800-460-4687

Edward Barron
San Antonio
800-460-7262

Eric Beaty
Irving
800-460-3374

Randy Hudman
Lubbock/Abilene
800-460-5763/800-460-2263

Big Diamond #1030 San Antonio

by Edward Barron, KAR

Big Diamond #1030 in San Antonio really knows how to put on a show. [141958] On February 1, 2008, the Texas Lottery and Big Diamond teamed up to host a Customer Appreciation Day featuring the official Lucille Ball impersonator, Suzanne LaRusch. LaRusch was in town helping to promote the new \$2 *I Love Lucy*® scratch-off ticket at the Big Diamond event and at the San Antonio Stock Show & Rodeo.

Big Diamond #1030 is always a very busy store, but with the rodeo in town and the *I Love Lucy* event, the store was busier than ever! People from all over the state had a chance to take pictures with LaRusch and play the new scratch-off game. To bring even more excitement, KONO FM 101.1 had a live radio remote and customers were given trivia questions to answer for a chance at a free *I Love Lucy* ticket. Manager Debi Rossi and all the staff at Big Diamond #1030 had fun and they made sure that all the customers did, too.

Debi always makes sure all of her 48 scratch-off slots are filled and, for this event, she had multiple *I Love Lucy* tickets available inside and out. LaRusch got in on the fun by getting behind the counter inside the store and encouraging people to play her new game!



Lucy (aka Suzanne LaRusch) and
GTECH KAR Edward Barron.

Diamond Shamrock #105 San Antonio

by Edward Barron, KAR

Diamond Shamrock #105 is always abuzz with Texas Lottery winners. On March 3, 2008, they sold a winning *Cash Five*® ticket worth \$27,594. The winner was so excited he actually brought the check to the store to thank the staff on the same day he cashed in his winning ticket at the Texas Lottery claim center in San Antonio. Store staff say that many of their customers come by and brag about their winnings; it keeps people excited about playing, especially the regulars that live in the neighborhood. With more than \$8,300 weekly in total Texas Lottery sales, it's no wonder they have a lot of winners who return to play at Diamond Shamrock #105.

H-E-B #385 San Antonio

by Edward Barron, KAR

When it comes to having a Texas Lottery promotion, the Business Center partners at **H-E-B #385** in San Antonio really know how to have fun with it! These partners look forward to keeping the 50 \$1 tickets they have for the "Ask for the Sale" promotion by asking every customer if they want to buy a Texas Lottery ticket. [315303] The lines in the business center are pretty long and the partners at #385 are happy to validate winning tickets because H-E-B pays up to \$599. With a winning attitude like that of the partners at HEB #385, it's no wonder their players keep coming back!

H-E-B joined the Texas Lottery in full force in 2002 and continues to encourage stores to participate in all contests and promotions, and



H-E-B #385 Business Center partners.

rewards their employees for their hard work. 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!

Save-A-Lot #723 Victoria

by Charles Howard, KAM

With more than 1,150 locations nationwide, **Save-A-Lot** is one of the largest grocery chains in the country and is currently expanding operations in Texas. When Save-A-Lot recently decided to begin selling lottery tickets in their locations, they knew the right place to start: Texas! [134783] Save-A-Lot #723 in Victoria sold the first ticket on March 6, 2008. Fourteen more locations from Dallas to Brownsville and in the Houston area are now selling the *Games of Texas*. Thank you Save-A-Lot for all you do to contribute to the Foundation School Fund!



Save-A-Lot #723 in Victoria.

New *Instant Cash Five*® Scratch-Off Is Here!

Cash Five, the Texas Lottery's popular on-line daily drawing game that features excellent 1 in 8 overall odds of winning a prize, will now have a companion scratch-off game. The Texas Lottery is introducing *Instant Cash Five*, with a top prize of \$1,000 and chances to win free *Cash Five* Quick Picks that give your players even more chances to win! This is the first time the Texas Lottery has offered a Quick Pick as a prize in a scratch-off game! In addition, you get a 5 percent retailer commission on the free *Cash Five* Quick Pick tickets printed at your store. When a player presents a winning *Instant Cash Five* ticket for validation with the Quick Pick prize, all you need to do is scan and validate the ticket as you would any scratch-

off game. [140350] The terminal will automatically print the player's *Cash Five* Quick Pick. You will now be able to cross-promote the easy-to-win *Cash Five* on-line game with the new *Instant Cash Five* scratch-off.

To further promote this new ticket, the Texas Lottery will be mailing coupons to a million households across Texas. The coupon offers one (1) FREE *Instant Cash Five*

scratch off (any \$1 ticket may be substituted if you do not have *Instant Cash Five*) with the purchase of \$5 or more of the on-line *Cash Five* game.

Look for the new game and the promotional coupon at your store soon!



June/July Retailer Survey

How many different instant tickets do you offer for sale? _____

How many different \$1 and \$2 tickets do you offer for sale? \$1 _____ \$2 _____

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 Specialist
Texas Lottery Commission • P.O. Box 16630 • Austin, Texas 78761-6630 • FAX: 512-344-5412

Retailer Bonuses

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, 2008.

Game	Retailer	Location	Bonus
Weekly Grand #827	Storm Gas Station	Mesquite	\$10,000
\$1 Million Extravaganza #825	Scotties-Longview	Longview	\$10,000
\$130 Million Payout Bonanza #833	S & A Grocery	The Woodlands	\$10,000
\$130 Million Payout Bonanza #833	7-Eleven #46	Colorado City	\$10,000
\$130 Million Payout Bonanza #833	Jones Food Mart #1	Gonzales	\$10,000
Millions & Millions #836	Gunny's Lakeside Grocery	Granbury	\$10,000
\$1,000,000 Vegas Luck #774	Fina Kwik Mart	Nederland	\$10,000



Draw Date	Retailer	Location	Bonus
12/31/07	Tahitian Village Market	Bastrop	\$3,250
1/3/08	Fats Exxon	Jefferson	\$2,000
1/21/08	White Settlement Fina Gas Station	White Settlement	\$2,500
2/28/08	Cash & Carry	Arlington	\$10,000
3/3/08	Tom Thumb #3522	Dallas	\$2,000



Draw Date	Retailer	Location	Bonus
1/1/08	C-Store Sub Express	Fort Worth	\$330,000

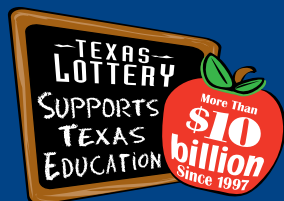
Draw Date	Retailer	Location	Bonus
12/8/07	Phillips Express	San Antonio	\$308,747.39
2/23/08	Tom Thumb #2643 SST	Addison	\$143,234.31



*Retailer Bonus presentation at Phillips Express.
(left to right) Tomas L. Martinez, Riyaz Kara, Owner,
and TLC Media Relations Director Bobby Heith.*



*Retailer Bonus presentation at C-Store Sub Express.
Salim Bhaidani receives his check from Bobby Heith.
Joining the presentation are Suresh Neupane,
Iskal Shreshtha, Salim Makani, and Victor Brito.*



PLAY
RESPONSIBLY.

Visit us online at:
www.txlottery.org