

RoundUp

— TEXAS LOTTERY —

News and Ideas for Texas Lottery Retailers

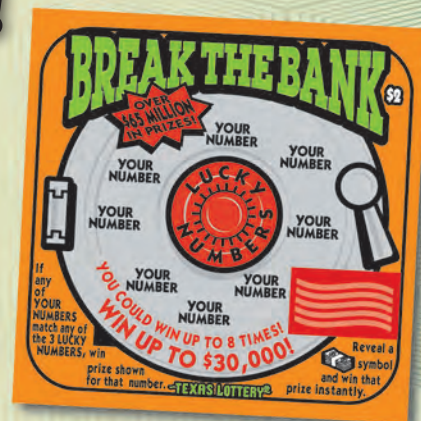


SUMMER
2010



Texas Lottery® Retailer Promotion

Sell These Games and Win a Free Pack of
Break the Bank!



July 4 -
August 14, 2010

See details on Pg. 3



RoundUp

June/July 2010

Email questions or comments about

RoundUp to:

roundup@lottery.state.tx.us

Editors:

Robert Elrod & Roger Prather

Graphic Designers:

Coleen McKechnie & Karen Guzman

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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

Website:

txlottery.org

Gary Grief

Appointed TLC Executive Director



Gary Grief was appointed executive director of the Texas Lottery Commission on March 9, 2010.

Grief is an 18-year lottery veteran. [252860] He was appointed in 1991 by the Texas Comptroller of Public Accounts to the original eight-member task force assigned to research and launch the Texas Lottery. After lottery start-up in 1992, Grief assumed the role of manager of claim centers, overseeing 24 field offices statewide. In 1997, Grief accepted the position of director of lottery operations. While serving in that role, Grief was the recipient of the 2002 "Powers Award" for Performance Excellence in Lottery Operations by the National Association of State and Provincial Lotteries (NASPL). [311854] This award is presented annually to outstanding performers in the North American lottery industry.

In 2002, Grief was appointed by the commission to serve the first of two separate terms as acting executive director. He served in this capacity from September 2002 to February 2003, and again from July 2005 to January 2006. He also led the agency as deputy executive director from October 2008 to March 2010, during the commission's search for a new executive director. Between and after each stint as acting executive director, Grief served as deputy executive director until his official appointment as executive director.

In announcing Grief's appointment as executive director, Texas Lottery Commission Chairman Mary Ann Williamson stated, "Our decision was unanimous. Commissioners J. Winston Krause, David Schenck and I weighed our options carefully, and we are confident that Mr. Grief is the right choice to lead this agency. He has consistently demonstrated his knowledge, [226171] leadership skills, and decision making ability throughout his tenure at the Texas Lottery."

A native Texan, Grief is a graduate of the University of Texas of the Permian Basin where he earned a bachelor's degree in business administration.



Summer Retailer Promotion!

Get rewarded for your sales efforts! The Texas Lottery is conducting a retailer promotion from July 4 through August 14, 2010, to support the new *Jumbo Bucks III* suite of games, as well as the popular *\$500,000,000 Blockbuster* game. Retailers have the opportunity [147464] to be awarded free packs of \$2 *Break the Bank* tickets based upon sales of these games. The pack value for the \$2 *Break the Bank* tickets is \$250 for each pack awarded!

Retailers may use the tickets in a number of ways. Some retailers use these tickets as prizes for their customers while others present them to their staff as sales incentives. [126097] Retailers also may sell the tickets if their Texas Lottery license is active.

During the promotion, retailers can earn a free pack of \$2 *Break the Bank* tickets in four ways: for every eight (8) packs of *\$500,000,000 Blockbuster* #1114 \$20 tickets settled, or for every eight (8) packs of \$10 *Mega Jumbo Bucks III* #1257 tickets settled, or for every ten (10) packs of \$5 *Giant Jumbo Bucks III* #1256 tickets settled, or for every ten (10) packs of \$2 *Jumbo Bucks III* #1255 tickets settled. All settled packs must have validations to be counted toward the promotion. Ask your sales representative for more details or view the promotion flyer on the Texas Lottery website at txlottery.org/retailerpromotions.



LUCKY RIDER MOTORCYCLE IS A DREAM COME TRUE!

Clinton G. Shanefelter Jr. of Somerset claimed his custom-made Lucky Rider motorcycle in February. Shanefelter won the bike, made by LTD Customs, after scratching a winning Texas Lottery *Lucky Rider* instant ticket in November 2009.

Each custom pro-street motorcycle features a hand-painted tank with 24-karat gold-leaf striping, a diamond wheel design and oil-tanned leather seat.

This win was a dream come true for Shanefelter, who said, "I've always wanted a motorcycle. [152047] I used to ride when I was younger, and I enjoy the freedom of it."



Corporate *Spotlight*

As promised at the beginning of 2009, the Corporate Accounts Team has focused on developing, implementing and tracking the results of innovative, sales-driven promotional and marketing plans for their assigned accounts.

Specifically, the senior business development manager and each of the key account reps (KAR) worked diligently with interested corporate accounts to design and execute an unprecedented six exclusive Texas Lottery co-op promotions that have resulted in significant gains in lottery product sales and provided additional free value to the customers within those accounts.

The exclusive promotions consisted of a customer offering — “Buy \$X of a specified Texas Lottery on-line game, Get \$X of a specified Texas Lottery on-line game FREE.” In order to gain approval to conduct an exclusive co-op promo, the corporate account had to provide substantial support of the promo with multiple prominent point-of-sale pieces, media promotion (such as newspaper ads/flyers, in-store radio spots, external banners, and signs) along with store-associate selling. The incredible sales increases during each of these promotions ranged anywhere from 27 to 84 percent in the various Texas Lottery on-line game categories!

In addition to the exclusive co-op promotions, the Corporate Accounts Team is working with the accounts to drive their Texas Lottery product sales and increase their contributions to the Foundation School Fund through internally sponsored customer/player promotions, as well as contest/reward programs for their sales associates to encourage active selling on a consistent basis.

The keys to creating a successful Texas Lottery product marketing plan are to educate your customers/players on the game offerings and equipment types, communicate all available promotional offerings, and ask for the sale!

Toot’N Totum Amarillo

by *Randy Hudman, KAR*

How about them Cowboys! Last year during the Texas Lottery Dallas Cowboy ticket retailer promotion, Amarillo-based **Toot’N Totum** won several sets of free tickets to Dallas Cowboys games. David Hudson, special projects manager for Toot’N Totum, used the first set of tickets to attend the Cowboys vs. Redskins game and reported, “Had a [139996] great time at the Cowboys game yesterday, even though they did not play well. The seats were very good and anyone that goes should have an unbelievable time.”

In the spirit of charity, Toot’N Totum raffled off the next set of seats they won for the Cowboys vs. Eagles game on January 3, 2010, among their employees and donated the proceeds to the Salvation Army Angel Tree Program. Not only did the lucky Toot’N Totum employee get the FREE Cowboys game tickets, but they also received two free airline tickets donated by Toot’N Totum Owner Greg Mitchell. This was

an innovative internal-account promotion that gave back to the employees and the community, while also driving Texas Lottery sales. Thank you Toot’N Totum for your support of the Texas Lottery!

Fiesta Mart #7 Houston

by *Gina Easley, KAR*

Fiesta Mart strives to stay at the top of their game! Connie Fuentes, courtesy booth operations manager at Fiesta, was recently presented with “Top 10 in Texas” plaques for 2009 sales of specific Texas Lottery games at 13 of their stores. [144876]

You can visit Fiesta Mart #7 in Houston and see why their hard work, dedication and focus on driving Texas Lottery sales would make them a “Top 10” anywhere! Fiesta Mart #7 received awards for outstanding performance in Total Sales, Instant Sales (scratch-offs) and Total Cashes. The store cur-

Fiesta Mart # 7 Team Members

(left to right): Jocelyn Garza, Elsa Martinez, Brenda Cepeda, Jose Salamanca and Betty Carmona.



rently displays 92 slots, including 20 on-counter slots at the Lottery Booth, two 24-bin ITVMs and one 24-bin GamePoint. They were [509214] ranked 8th in the state for total lottery sales in 2009, equating to more than \$1.8 million!

When asked for the secret to their success, Courtesy Booth Manager Jose Salamanca said, "Keep it full!" Their entire team is trained on Texas Lottery products and equipment. It is their top priority to always make sure their ticket dispensers are full with a diverse product assortment. They staff the Lottery Booth throughout the day to provide excellent service and ensure that their customers return to play the *Games of Texas* again and again.

Timewise Food Store Houston

by Terri Rose, KAR

A successful **Timewise**-exclusive Texas Lottery co-op promotion offering customers a free \$1 *Lotto Texas*® Quick Pick with a \$5 *Mega Millions*® purchase was conducted January 11 – 24.

Timewise provided POS, signs and Muzak messaging advertising the promotion both inside the stores and at the gas pumps. Additionally, there was a gas pump screen message that encouraged pay-at-the-pump customers to come into the store. Timewise also offered prize incentives to all their store teams that sold an average of 10 or more \$5 *Mega Millions* per day during the promotion. Timewise saw a 44-percent increase in *Mega Millions* sales during this promotion! Not only were the sales results tremendous, but it also coincided with their total chain re-branding. Chuck Miller, Timewise

operations manager, believes that customers are now recognizing their stores as Timewise, not simply Shell or Chevron as they have in years past.

Tiger Tote #17 Schertz

by Terri Rose, KAR



Cashier Jennie Wedding (left) and Store Manager Deana L. Beck with the Tiger Tote #17 GamePoint

On December 30, 2009, **Tiger Tote #17** in Schertz received a GamePoint terminal based on research that indicated a high propensity to use self-service equipment, as well as a high propensity to play Texas Lottery games. A final factor in determining the location's qualification for the terminal was their sales history of more than \$15,000 in instant ticket sales weekly and more than \$4,000 in on-line sales.

The Tiger Tote #17 GamePoint is in the perfect, prominent location—right at the front door—and offers self-service of 24 instant games, all on-line games as well as the ability for players to check the winning status of their own tickets. [152159] As always, customers can still play at the counter with a selection of more than 20 instant and on-line games. Currently the GamePoint is averaging more than \$5,300 in weekly sales. Manager Deana Beck is happy with her newest Texas Lottery addition.

Corporate Accounts



Senior Business Development Manager:

Mandy Carter
Austin
512-988-4203

Key Account Representatives:

Gina Easley
Austin
800-460-2878

Terri Rose
Houston
800-460-4687

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

Edward Barron
San Antonio
800-460-7262

Corporate Spotlight

Murphy Oil USA #6950 Houston

by Edward Barron, KAR

Murphy Oil USA has seen some big changes to the way they do business in Texas. [510704] Over the last year they added an astounding 75 additional stores to bring their total up to an impressive 216 lottery-selling locations. Although there were many challenges to complete the installs, the GTECH Field Service Team worked diligently with the Corporate Accounts Team to install the equipment and provide excellent customer service.

Across the state, Murphy Oil district managers and staff have been pushing to get as much point-of-sale material out for player awareness as possible. They also have been conducting ask-for-the-sale promotions every three or four months to promote Texas Lottery products and reward staff for a job well done. Many Murphy Oil stores went the extra mile promoting *Powerball*®, the newest addition to the Texas Lottery on-line game mix.



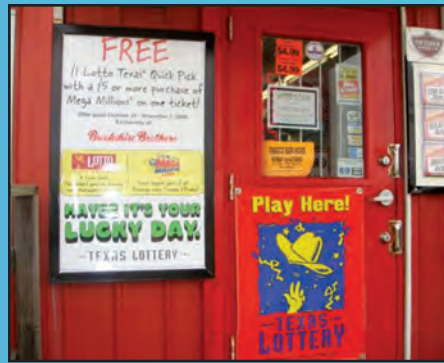
Murphy Oil USA #6950 Manager
Fahi D. Fahi.

Murphy USA 6950 Manager Fahi D. Fahi hosted a Lone Star Spin event at his Houston location on the day of the first *Powerball* drawing—

February 3, 2010. Although it was a cold and rainy day, Fahi wanted his customers to know how he appreciates them and their purchases of Texas Lottery products at Murphy Oil USA. He attributes his loyal customer base to providing as many instant tickets as possible and promoting all Texas Lottery drawing games.

Brookshire Brothers and Tobacco Barns Lufkin

by Gina Easley, KAR



At Brookshire Brothers, the mission is simple—create satisfied customers! Brookshire Brothers conducted two exclusive Texas Lottery promotions last year to help achieve that goal. Customers received a free \$1 *Lotto Texas* Quick Pick with a \$5 or more purchase of *Mega Millions* on one ticket June 28 through July 11, 2009, and again October 25 through November 7, 2009. Brookshire Brothers' support of the promotions included POS, prominent feature of the promotion in their weekly consumer advertisement, in-store radio and flyers posted in almost [513814] every department in each store, along with signs at all Tobacco Barn locations.

Both promotions were very successful. Brookshire Brothers saw a significant year-over-year sales increase on the *Mega Millions* game during their exclusive promotions.

Phil Metzinger, vice president of operations for Brookshire Brothers, was very pleased with the outcome of both promotions and is committed to developing and implementing similar promotions that drive traffic to his stores and give back to his customers! [141371] Brookshire Brothers is headquartered in Lufkin and operates 72 retail supermarkets and 41 Tobacco Barns in predominantly rural markets, and the outskirts of the Houston-metro area.

CEFCO Stores Temple

by Edward Barron, KAR



The CEFCO A Partnership started out 2010 by designing, fully funding and executing a new, one-of-a-kind promotion called "Millionaire Mondays." They partnered with

one of their retail vendors and the Texas Lottery to offer customers a FREE \$1 *Mega Millions* ticket when they purchased a CEFCO coffee and a pastry. CEFCO Marketing Coordinating Manager Rick Rettig and staff really shined when it came to creating the innovative POS and implementing it in all 80 stores. During the promotion, customers were allowed to pick their own *Mega Millions* number or choose the Quick Pick option.

CEFCO took the lead with this eight-week promotion and the results were incredible. The total sales increase for *Mega Millions* over the span of the promotion was more than 26 percent! CEFCO and Rick Rettig are looking forward to implementing their next ground-breaking promotion!

Crawdad's Inc. Orange

by Terri Rose, KAR

Crawdad's Inc.—a small account that gives a ton of effort and gets a huge return! This East Texas account is among the top 15 chain accounts statewide for sales per location. [507384] They average more than \$8,000 per store in weekly sales. How do they do it? They continually push Texas Lottery sales through various promotions and advertising support. They advertise large jackpots, not just in the window or at the point of purchase, but at the drink station, cooler doors, restroom doors and outside on the marquee.

Also, any holiday is a good excuse for a second-chance drawing in their stores. During an ask-for-the-sale promotion, the Port Arthur location increased sales by 47 percent. Considering that two weeks prior, sales were already at more than \$18,000, this was quite a feat. [130076] The key to their success was the message outside on the gas marquee, "If we don't ask, get a FREE ticket" and on signage visible immediately as you walked into the store.



Crawdad's #5 Assistant Manager Tracey Gibson (left) and Cashier Jennifer Hartman.



Texas Lottery players have plenty of stores to choose from when buying their tickets. At some intersections, they can pick a different store on every corner. But [483481] the hard work of the Crawdad's team keeps their customers coming back again and again!

United Supermarket Lubbock

by Randy Hudman, KAR

In June 2009, the **United Supermarket** chain began offering Texas Lottery products to customers in 50 of their Texas locations. Self-service equipment was installed in all United locations and, for customer convenience, the stores cash all tickets up to \$599. Continual education of United's customers about the availability of Texas Lottery products has been, and will continue to be, the key element in sustaining and growing the company's Texas Lottery sales, which totaled more than \$2.6 million in the first nine months of offering the *Games of Texas*.

To generate excitement, several Lone Star Spin events have been conducted at the stores, and more are scheduled. With the support of United Supermarket management and leadership, continued sales growth and substantial contributions to the Foundation School Fund are expected.

Corporate *Spotlight*

Big Diamond #1334 Northcrest

by Edward Barron, KAR

The 2009 Retailer Cash Incentive Program top drawing prize was something **Valero Big Diamond #1334** Manager [236891] John Robinson hoped to win at the Northcrest store, but really didn't think would happen. However, John decided that the incentive

payment was worth shooting for and the top prize from the special drawing would be icing on the cake for all his efforts to increase Texas Lottery product sales.

Their sales goals set the bar high and with a little extra effort in plus-selling, they earned the incentive payment and chances to win in the drawing. Well, John and his staff got the icing on their cake when they won the drawing top prize of \$50,000. Big Diamond #1334, just north

of Waco, has a mixture of I-35 customers and a solid neighborhood player base. Their customers know they can buy the most recent instant tickets games because John and his staff keep every slot full and always know what their customers want.

2009 Retailer Cash Incentive Program




*\$50,000
Drawing
Prize
Winner*

Valero

Big Diamond #1334:

From left: Dale Bowersock, Texas Lottery instant product coordinator; John Robinson, Valero Big Diamond #1334 manager; Ed Passalugo, assistant manager; Joyce Williams, customer service representative; Christy Burford, LSR.

TEXAS LOTTERY BASE SCRATCH-OFF GAMES!

 All retailers are encouraged to carry these base games at all times.



Frequently Asked Questions

Q. What do I do with validated tickets?

A. It is important to deface the barcode on all validated tickets—instant and on-line—to prevent further validation attempts. The barcode should be defaced from top-to-bottom. After a prize has been paid, the retailer should not return a validated ticket to a player. The terminal will produce two validation receipts. The player copy should be given to the player after validation has occurred. This receipt will confirm to the player the prize amount. If you validate a ticket and cannot pay the prize, you should return the ticket to the player and direct them to the nearest claim center.

Q. When do I notify the lottery that I am temporarily closing my business?

A. It is important that you contact the Texas Lottery immediately. We will assist you with tickets and equipment, and explain any financial responsibilities you may have while your business is closed. Advance notification will ensure that lottery sales representatives can complete their work in accordance with your business plans. Please contact the Texas Lottery Retailer Services Department at 1-800-375-6886.

Q. Do retailers receive a bonus for selling a winning ticket?

A. Yes, bonuses are paid for selling the top-prize winning ticket for on-line games listed below and for any scratch-off prize of \$1 million or more. To receive a bonus, a retailer must be in good standing with the Texas Lottery Commission and the State of Texas. [501911] (Note: Information below is not comprehensive. All TLC directives, policies, procedures, rules and regulations apply.)

- **Mega Millions:** 1% of advertised grand/jackpot portion won in Texas, capped at total of \$1 million for all bonuses paid for a single drawing. Bonus is pari-mutuel.
- **Powerball:** 1% of grand/jackpot portion won in Texas, capped at total of \$1 million for all bonuses paid for a single drawing. Bonus is pari-mutuel.
- **Lotto Texas:** 1% of advertised jackpot or jackpot based on sales (whichever is greater), capped at \$500,000 total. Bonus is pari-mutuel.

- **Texas Two Step®:** 1% of advertised jackpot, capped at \$10,000. Bonus is pari-mutuel.
- **Cash Five®:** 1% of the top prize winning ticket, no cap. Bonus is pari-mutuel.
- **Scratch-Offs:** \$10,000 on prize winning tickets of \$1 million or higher.

Q. How Do I Change My Bank Account?

A. Retailers with access to the Retailer Services Center (RSC) may update their bank account information via the internet. For more information on the RSC, visit txlottery.org/rsc. Retailers also may change their bank account information by completing and submitting an Electronic Fund Transfer Authorization Form. A retailer may submit the completed form along with a copy of a voided check from the new account to the Texas Lottery by mail or fax. You may download the form from the Retailer Services section on our website, txlottery.org/retailerforms or request the form be mailed or faxed to you. Please do not close your account until notified by the Texas Lottery of the effective date of change.

Q. How Many Tickets Are In Each Pack of Scratch-Offs?

A. See pack sizes below:

\$1 games	150 tickets = \$150 pack value
\$2 games	125 tickets = \$250 pack value
\$3 games	125 tickets = \$375 pack value
\$5 games	75 tickets = \$375 pack value
\$7 games	75 tickets = \$525 pack value
\$10 games	50 tickets = \$500 pack value
\$20 games	25 tickets = \$500 pack value
\$50 games	20 tickets = \$1,000 pack value

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

FAQ FAQ FAQ FAQ FAQ

June/July Retailer Survey

- Yes No 1. Are you aware that a new Texas Lottery retailer cash incentive program began on May 9?
- Yes No 2. Do you understand that this program does not separate scratch-off and on-line game sales?
- Yes No 3. Do you know that there is an ISYS terminal report that allows you to track your sales status during the incentive program?
- Yes No If you answered "Yes" to 3, have you viewed the ISYS report?
- Yes No 4. Do you understand how this incentive program works—that is, how to earn cash and entries into the drawing?
- Yes No 5. Would you like additional information on the cash incentive program?

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

Short Stop Market Receives \$1 Million Bonus!



The **Short Stop Market**, located at 5304 E. 5th St. in Katy, received a \$1 million retailer bonus on March 23 for selling the \$144 million jackpot [151369] prize winning ticket in the January 29 *Mega Millions* drawing.

(L to R) Short Stop Market employees Habib Wadsaria, Zulfiqar Dhukka, Salim Turk and Zulfiqar A. Momin; Texas Lottery Commission Executive Director Gary Grief; and GTECH representative Kim Martin.

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, 2010.



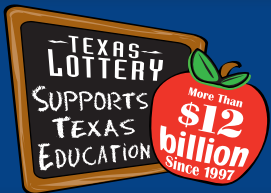
Draw Date	Retailer	Location	Bonus
8/11/08	Brookshire Brothers #6	Navasota	\$1,125
9/7/09	Big C	Pasadena	\$2,250
12/17/09	E-Z Mart 590	Garden Ridge	\$4,625
1/11/10	QuikTrip #950	Arlington	\$6,750
1/14/10	Fate Grocery Store	Fate	\$2,000
1/25/10	Country Boys Country Store	Hankamer	\$2,750
2/1/10	La Fiesta Super Market #10	San Antonio	\$750
2/1/10	7-Eleven Conv Store #34044	Mansfield	\$750
2/8/10	Vin Chau Food Market	Houston	\$2,250



Game	Retailer	Location	Bonus
\$500,000,000 Blockbuster #1114	Fuzzy's	Beaumont	\$10,000
Set For Life #1057	La Salle Food Mart	Waco	\$10,000
Weekly Grand #1153	Quix #468	Schertz	\$10,000
Monthly Bonus #1062	One Star Food MT&CK Cashing	Garland	\$10,000
\$500,000,000 Blockbuster #1114	Right Food Mart	Porter	\$10,000
Monthly Bonus #1164	Leo's Stop-N-Shop	Schulenburg	\$10,000



Draw Date	Retailer	Location	Bonus
3/23/10	Short Stop Market	Katy	\$1 million



PLAY RESPONSIBLY.

Visit us online at:

txlottery.org

MAYBE IT'S YOUR LUCKY DAY.

Mon

Tue

Wed



Thu

Fri

Sat

