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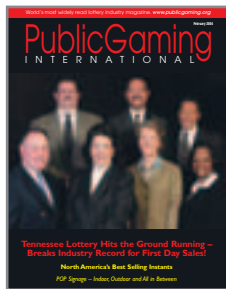
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ON THE COVER:

TELC CEO Rebecca Paul, with
TELC Board Members: (left to
right) Denny Bottorff, Jim Ripley,
Rebecca Paul, Marvell, Mitchell,
Claire Tucker, Jim Hill and
Deborah Storey.

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PUBLISHER
Duane V. Burke
EDITOR
Todd Koepfen
ART DIRECTOR
L. Robinson

CEO/CHAIRMAN
Duane V. Burke
DIRECTOR OF OPERATIONS
Susan Jason
COLUMNIST
Guy Simonis

EXECUTIVE VICE PRESIDENT
Doris J. Burke
FORMER DIRECTOR
Ralph Batch

CIRCULATION
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1-800-493-0527
Fax: (425) 803-6830
1-800-657-9340

ADVERTISING SALES

VICE PRESIDENT OF MARKETING & SALES
David Mello
VICE PRESIDENT OF INTERNATIONAL SALES
Susan Burke
Tel: (800) 493-0527 Fax: (800) 657-9340
(425) 765-4119 Fax: (425) 415-2125

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E-mail: publicgam@aol.com

Web site: www.publicgaming.org





A Welcome to Our New Lotteries

NASPL and the lottery industry are pleased to welcome the recently started Tennessee Lottery, and its CEO Rebecca Paul, as well as the new North Dakota Lottery, and it's Director Chuck Keller.

Congratulations to Rebecca, the Members of the Board of Directors and the staff of the Tennessee Education Lottery Corporation, for your outstanding achievement in starting the Tennessee Lottery!

Although expectations were high for Rebecca and her start-up team, breaking the record for first day sales for a lottery in North America was certainly beyond all expectations. You are all to be commended.

North Dakota is expecting to start ticket sales on March 25, 2004 with the Power Ball game and then expand to other games currently available through the Multi-State Lottery Association. Chuck, you are joining a very unique association of government lottery professionals, all of whom are your new friends in this exciting business of lottery. As a newcomer to the lottery industry, you have the support, cooperation and best wishes for success from your new NASPL associates.

A unique aspect of the lottery business in North America is, of course, that each state or provincial lottery is a unique jurisdiction. Lottery administrators freely exchange key marketing and operating details of their business, for the benefit of other jurisdictions.

The start of new lotteries brings to mind a subject near and dear to my heart and to that of every experienced director in the lottery industry. That is, the importance of INTEGRITY. The integrity of lottery employees, lottery suppliers and the overall integrity of the game itself.

Had it not been for the integrity of the lotteries that have gone before who provided the foundations, cornerstones and reputations of lotteries over the past 40 year in North America, there might never have been a Tennessee Lottery or a North Dakota Lottery. The great losers would have been the citizens of these two states, who will now have the benefit of seeing new and worthy programs, flourish in their states. And, in a larger sense, our country would have been the poorer by missing the greater contributions better educated children could have made.

We need to regularly remind ourselves that the ability of lotteries to successfully raise money for good causes is completely dependent upon the publics' belief in the honesty and fairness of the games. If we lose the confidence of our players, lottery revenues will diminish and disappear.

The lottery is a public trust of critical importance to the beneficiary programs of the states and provinces. This public trust can never be taken for granted.

A handwritten signature in black ink, appearing to be 'A. Yandow'.

Alan Yandow
NASPL First Vice-President



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Intralot Signs 7-Year Deal in Nebraska, 10-Year Deal in Romania

Intralot Inc. announced the successful execution of its On-Line Gaming System Contract with the Nebraska Lottery, following a series of background investigations required by the State of Nebraska. The state has signed a seven-year deal with Intralot, beginning July 1, 2004, with one 2-year extension option.

Intralot will provide the Lottery with all new state-of-the-art gaming equipment, software and related services, with significant emphasis placed on increasing sales through the development and implementation of customized and innovative marketing and promotional programs. The Company will also install its LOTOS™ On-line gaming computer system and provide approximately 1,500 of its Coronis full-function terminals at retailer locations across the state.

The Intralot Group has also signed a ten-year contract with the Romanian State Lottery CNLR to introduce fixed odds betting in the country, increasing the range of successful games already offered in Romania.

The company will undertake the product design, events selection, odds compilation and risk management. Moreover, it will participate in developing the game's marketing and promotional strategy in cooperation with the State Lottery. Intralot will install a state-of-the-art 1,800 CORONIS terminal network, which will be connected on-line to CNLR's IT center, in which Intralot's LOTOS platform operates. Moreover, the existing VSAT telecommunications network, on which the existing games operate, will expand. The game will start operations within the 1st half of 2004 and will include events on football, basketball, tennis, and Formula 1.

Costa Rica Signs with OGT

The National Lottery of Costa Rica, The Junta de Protección Social de San José, has recently awarded a contract to Oberthur Gaming for the supply of the Lottery's instant tickets. The new contract is for one-year and includes three one-year extensions for a total of four years. Oberthur and Junta de Protección Social de San José have worked together since 1992.

EGC Announces Iowa Order

Electronic Game Card Inc. announced an order for its accumulator gamecard format for a promotion to be run by the Iowa State Lottery early in 2004. The EGC Gamecard format will be retailed by Iowa State Lottery at a price of \$20 a unit.

Multimedia Installs Electronic Bingo in Alabama

Multimedia Games has entered into a definitive agreement to install its interactive electronic standard-sequence bingo game player stations at VictoryLand Dog Track in Shorter, Alabama, marking the Company's entry into the charity bingo market. Multimedia Games ("Multimedia") expects to install approximately 300 bingo player stations at VictoryLand prior to the end of 2003. Multimedia will participate, on a recurring basis, in the net gaming win of the installed charity bingo units.

OGT Axes Dilbert

Oberthur Gaming has decided not to renew its licensing contract for the DILBERT™ property with United Media Licensing, a division of United Features Syndicate. In the two-year term that

OGT was granted the right to license DILBERT™ scratch-off lottery tickets, five lotteries printed a DILBERT™ game, equaling over 15 million ticket impressions.

Intralot Buys Tektron

Intralot bought Peruvian gambling operator Tektron SA in a deal worth euro15.6 million (US\$19.06 million), giving it a leading role in that country's market. Intralot fully owns Tektron after buying a 50 percent stake owned by IBM Peru and the remainder from Peruvian media companies. The company said Tektron's 1,400 sales points would be added to the 1,000 sales points already owned by the Greek company's already existing local subsidiary, Intralot de Peru.

EGET to Provide Internet Sports Betting to Estonia

European Game & Entertainment Technology Ltd Ab, signed an agreement to deliver an Internet gaming system to the Estonian licensed gaming operator Spordiennustus A/S. The system, which will be released during spring 2004, will offer betting, mainly on sports events, to Estonian players. The delivery will be done in cooperation with Ålands Penningautomatförening.

GTECH Inks Deal in Sri Lanka, Spain

GTECH signed a 10-year integrated services contract with the Mahapola Higher Education Scholarship Trust Fund to be the provider of online, instant, and passive lottery technology and management services in Sri Lanka. The contract includes a five-year extension option.

Under the terms of the agreement, GTECH will deploy the Company's Enterprise Series architecture, and initially will install approximately 1,000 Altura® terminals on an island-wide IP-based communications network. The number of terminals is expected to grow over time. GTECH anticipates launching the new system in mid-2004. With respect to its contract with MTF, GTECH anticipates generating revenues in excess of \$100 million over the life of the contract.

GTECH also signed a product sale agreement to provide new online lottery terminals to Sistemas Tecnicos de Loterias del Estado (STL), the operator of the online system for the National Lottery in Spain. Under the terms of the agreement, STL will replace 2,500 existing Spectra® online lottery terminals with 2,500 Altura® terminals. In addition, GTECH will continue to provide STL with terminal maintenance and repair services. With respect to its product sale agreement with STL, GTECH expects to generate approximately \$9 million.

Schafer Systems Announces Contract Award

Schafer Systems has been awarded the Instant Ticket Dispenser contract by Scientific Games International (SGI). The dispensers will be used for the Tennessee Education Lottery. Schafer Systems will initially provide 32,000 Dual Dispensers and 8,000 Dual Locking Mounts to assist the lottery in meeting its goal of a January 20, 2004 ticket launch. According to Schafer Systems officials, the Dual Dispensers allow SGI to provide retailers with a dispenser that is very versatile. "The Dual Dispensers are injection molded for extreme durability and will accommodate a variety of ticket sizes," said Teresa Immel, Sales Director for Schafer Systems. The dispensers can be placed alone on the counter or stacked to increase capacity and game versatility. ■



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Around the World

Armenia

The Armenian Government is trying to tighten regulations on the country's lottery industry. A new law came into effect on January 1, restricting lottery commercials to nine minutes a day and one minute an hour. The annual tax on lotteries was also increased from \$44,000 to \$177,000. Also, people under 18 have been banned from participating in lottery draws and appearing in lottery commercials.

Bulgaria

The Bulgarian Government will reissue its tender for a company to run the State Lottery in the very near future. The original tender was scrapped when it was found that two of the four bids received did not meet the essential criteria. The State Procurement Act requires that at least three candidates meet all the conditions.

Channel Islands

The Channel Islands Lottery launched the Superscratch, its first all instant lottery game offering instant prizes of up to £10,000. The game, which has a Treasure Islands theme, offers a one-in-seven chance of winning a prize.

Chile

Chile's Polla Chilena de Beneficencia has signed up e-transactions portal Miscuentas to provide its customers with an online pre-paid payment option. The two companies are operating under a one-to-two week trial period. Customers must register through one of the portals and charge their credit card in order to place a wager.

China

Win Win Gaming Inc. has entered into an exclusive agreement with the Shanghai China Welfare Lottery to develop new Instant Ticket lottery games and a new TV lottery game show to be marketed throughout the Shanghai region. Sande Stewart Television Inc., has been retained by Win Win to produce the TV show.

Welfare lottery sales in China exceeded 20 billion yuan (US\$2.4 billion) in 2003, generating 7 billion yuan (US\$843 million) for the country's public welfare fund. The figures indicate a 3.3 billion yuan increase over 2002 – a 19.05 percent increase. This is the third straight year the Lottery has experienced record sales.

Czech Republic

SAZKA recorded a record after-tax profit of Kc1.4bn last year, an increase of nearly Kc200m over the previous year. Sales from lotteries exceeded Kc8bn for the first time and were more than Kc500m higher than in 2002. Sales were also helped by growing revenues from credit recharging via online Sazka terminals.

France

Francaise des Jeux (FDJ), the French national lottery, had sales of 7.79 billion for 2003, up 4.8% over 2002. Millionnaire, the Lottery's most popular game, posted a 3.3% increase in sales. The French government will receive nearly 2.09 billion in revenue from the Lottery.

Ghana

Ghana's Department of National Lotteries will conduct an education program to inform lotto receivers, private lotto agents and writers about the proposed new lottery legislation. The new bill seeks to abolish private lotto and "Banker-to-Banker" operators. When passed the Bill will give the sole mandate to organize and operate Ghana's lotto business to the DNL.

The DNL says the new Bill is necessary because the government's previous liberalization of the lotto business had not produced the desired results. Most of the private lotto operators have not been able to meet their tax obligations.

Hungary

Hungary's Szerencsejáték Rt is set to announce Ft120 billion (\$545.45 million) in revenues for 2003, well up from its original forecast of Ft94.5 billion (\$429.54 million). The increase in revenue is being attributed in part to a record lottery jackpot of Ft5.08 billion (\$23.11 million), which finally produced a single winning ticket on December 1.

India

On January 10, India's DhanDhanaDhan online lottery announced a "temporary suspension of operations". The decision is due to drastic increases in statutory levies, governmental intervention and social unrest. Forbes Infotainment has given retailers and distributors the option to have their selling terminal deposit refunded. A spokesman for the company said the lottery would be operational in a new form in a matter of weeks.

India's Punjab Government has reportedly finalized its policy for the introduction of online lotteries, and tenders are likely to be issued by the end of this January. The government stressed that it has moved very cautiously on developing these guidelines, looking to avoid the difficulties associated with launches in other states.

Italy

Italian lottery games operator Sisal began distribution of the Kalibra credit card on Monday, January 12. The pre-pay, throw-away credit card can be bought in all of Sisal's 18,000 lottery outlets.

Jamaica

After seeing a sharp fall in Lottery sales, the Jamaican Government is planning to amend its tax on lottery winnings. It's been reported that once changed, the 15% tax will only be applicable to prizes in excess of \$15,000.

New Zealand

Powerball got much bigger in New Zealand as Kiwis now have the chance to win up to \$30 million. A resolution by the Board of the New Zealand Lotteries Commission has changed the rules of the Powerball game so that it can now jackpot to \$30 million, up from the \$15 million limit set last year.

Poland

Totalizator Sportowy, Poland's state lottery, reported another excellent fiscal year in 2003. The Lottery reported a profit of Z117.2 million – nearly the same amount it made in its record-setting FY02. FY04 could turn out even better, as the Lottery is reportedly looking to increase its number of retailers to 10,000.

U.K.

Camelot plans to send tens of thousands of National Lottery plaques across the UK in an effort to show how money raised by the Lottery has helped communities across the country. The Lottery parceled-out the first 10,000 blue, oval-shaped plaques in January.

The UK National Lottery added more instant games to its online line-up over the holidays: Prize Puddings (top prize – £5,000), Cash Machine (top prize – £20,000) and Hot Cards (top prize – £10,000). All three were Christmas-themed games. ■

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Is it not as much fun as it used to be?

by *Guy Simonis*

I have been given the privilege of nattering away at you on these pages for a whole year now. I used to glance at certain column writers' efforts with some amusement, quietly wondering where they got all this fodder for their opinions. Now after having stared at many a blank page, I still don't know where to dredge up these weighty matters for purposes of boring the hell out of you.

Maybe weighty matters are not the only topics worthy of consideration. The lighter side of lotteries is hardly ever found in magazines like this and therefore I thought I'd regale you with a few stories of – what now seems – a distant past.

There was time at the Western Canada Lottery when we produced a half-hour weekly television show to draw the winning numbers for our one-and-only (passive) game and filled the rest of the time expounding on all the Good Things the lottery was funding. This show was telecast over three different time zones. The Yukon and the North West Territories added to the four Western provinces made for a six jurisdiction lottery partnership. It is not easy to generate the feeling of the lottery being "our lottery" when the players are dispersed over an area larger than Europe.

It would be nice to show-off the lottery in diverse places of this huge landmass but it would simply cost too much to do a remote weekly telecast originating from a different region each week. A brilliant idea was born. Why not pretend that it was a remote telecast originating from different provinces or territories?

The show would stay in Winnipeg and be sent out on the network from a TV station located in a major shopping mall. To create the aura of the show traveling around, we would invite different personalities who were well known in the area from which we were pretending to originate. In fairness, we never actually said that we were broadcasting from these regions. But the guest-host bantering about 'welcoming' us and showing filmed vignettes featuring his home base added to the perception.

Even the North West Territories, where local lore has it that the polar bears outnumber the population, received a turn. The town of Tuktoyaktuk has a radio station and they sent its on-air personality to fly from the Arctic outpost to Winnipeg. Let us call him Tom Jones, to protect the ignorant.

Upon his arrival, the lottery's guest-relations' staff member wanted to know what the celebrity's luggage looked like. It appeared he had no luggage other than a toilet kit. This, in spite of the fact that it was a chilly day in October.

Our hero, badly in need of a haircut, was dressed in a red shirt

made fashionable in the 18th century by the woodsy axe man, Paul Bunyon. The material was a sturdy Mountie-red flannel with a prominent set of blue lines that divided his immense shirt-front in equal squares, bushwhacker-style. The impressive red image was tastefully offset by the light blue-gray denim jeans, suitably aged with appropriate knee holes.

I realize that kind of dress is de rigueur for appearances on late-night talk shows today, but this was 25 years ago, when we had a remaining vestige of good taste.

Broadcast standards of the lottery show required a business-like appearance and the guest-relations guy immediately sprung into action ordering the rental of a suit from the local stage-prop rental company. They had very little in the way of business suits for our Northern Husky and could only send over a brown-on-brown tuxedo likely last used in the local production of the wedding scene in the musical version of the Godfather. The fully frilled paisley shirt front and sleeves added a gay bohemian touch.

The lottery Tom Jones is ensconced in the Viscount Gort Hotel near the TV studio awaiting his reincarnation as a well dressed television celebrity.

Now the plot thickens. Also in the hotel is an executive of one of North America's well known department stores. Their big store is adjacent to the television station. This executive whose name is also Tom Jones (not really his name either) is relaxing at the Viscount Gort in preparation for a dinner with the local departments store's executives. He is here to read the riot act. He wants to make an impression!

The Department store Jones has had the hotel send out his perfectly tailored pinstriped suit to be pressed in time for his dinner party which, because of the telecast of the fourth game of the World Series, is delayed until the game is over.

He stretches out on the bed watching the game contentedly until the bellhop delivers his suit which turns out to be the ugliest brown tuxedo Mr. Jones has ever seen. His yells, screams and flow of invective to the hotel manager not only cause him to miss much of the game but does not result in his fine suit showing up.

Meanwhile, a block away at the TV studio, our weekly show is being recorded at the normal time but will be delayed in going to air until the World Series games is finished. The celebrity host Mr. Tom Jones of Tuktoyaktuk fame, his hair neatly trimmed, looks resplendent in his expensive pinstriped suit albeit a little tight in his shoulders. He ventures the opinion that the lottery people are a first class crowd. The guest

relations guy didn't realize the prop company has such expensive clothes to rent.

The lottery show over Tom Jones goes back to the hotel. It'll be another 70 minutes before he can see himself on TV. He hangs the suit neatly back on the hangers it came in.

Department store Tom Jones meanwhile lays on his bed his underwear nursing the double scotches the manager has sent over. He waits in righteous anger, for he refuses to wear the brown-on-brown tuxedo. The game's end gives him no joy.

The hotel manager in his office, watching the game's end, suddenly realizes he has two Mr. Jones staying with him and sends the bellhop to check out Mr. Eskimo Jones suit and bring it back if there was a switch.

The bellhop is on his way back with the pinstriped suit when Department store Jones hears the opening strains of the lottery shows and hears the announcer loudly proclaim; "and from Toktoyaktuk in the Yukon, heeere iss your hooost; Toooooommm Jooooones!"

Executive Jones, well into the sauce from the double scotches, grabs the phone and yells at the manager: "Some guy on television with my name has my suit and he is in Toktoyaktuk"

The manager, slick as always assures him he is mistaken and that the suit already unwrapped from its clear plastic cover will be delivered in a minute.

Nobody ever told anyone about the televised pinstripe. Until now, I guess. ■

Please respond to Guy Simonis at gsimonis@telus.net.

Florida Lottery Seeks CFO



The Florida Lottery is seeking applicants with a comprehensive knowledge and understanding of accounting, finance, economics and financial risk analysis to work in its fast-paced, high energy \$3 billion dollar per year gaming enterprise.

The Chief Financial Officer (CFO) is a Lottery Executive Management Service position, which directs the general accounting activities of the Florida Lottery in areas of cash management, financial reporting, managerial accounting, retailer accounting services, games accounting, player accounting, disbursements, purchasing and facilities management. The CFO ensures that activities are in compliance with applicable statutory, regulatory, policy and procedural guidelines, and financial reporting practices conform to all applicable State, GAAP and FASB standards and guidelines.

A successful candidate will demonstrate an ability to effectively communicate with Executive staff and Senior Management about the results and/or implications of financial reports, financial analysis, historical and trend analysis, cost analysis, and P/L and margin analysis. This candidate is also responsible for policy development and rule-making and implementation relating to all accounting matters including internal controls, cash management, prize payment, financial transaction recording and financial statement reporting. This candidate will monitor all federal income tax filing and reporting requirements.

The successful candidate should possess a high level of integrity, loyalty, discretion and commitment to public service; have 15+ years of progressively responsible work experience in an accounting or finance department; possess a valid license to work as a Certified Public Accountant (CPA) with at least 3 years of professional accounting practice; demonstrate exceptional verbal and written communication skills; demonstrate strong organizational, prioritization and time management skills; and demonstrate sound professional judgment to plan and accomplish financial goals.

Minimum Qualifications: A Bachelors degree (MBA a plus) in Accounting or Finance, a CPA license and 15 years experience in an accounting or finance department with responsibility for all general accounting activities, at least 5 of which must have been in a senior management role. Anticipated Salary \$100 to 105K annually.

Applications can be downloaded at www.myflorida.com. Completed applications can be emailed along with resumes to bouldingk@dol.state.fl.us or sent to: Florida Lottery Human Resources Recruitment, 250 Marriot Drive, Tallahassee, FL 32301-4014

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Tennessee Lottery Launches Ahead of Schedule Sets First Day Sales Record!

Last summer, Denny Bottorff picked up a new mantra. Whether he's meeting with lawmakers or community groups, the chairman of the fledgling Tennessee Education Lottery Corporation always starts off repeating the same words. It's become a sort of mission statement: "Everything we do is about maximizing net revenues for scholarships."

Most immediately, the new Tennessee Lottery is charged with raising \$88 million in profits by July 1 in order to fund the first round of scholarships for 65,000 students expected to attend Tennessee colleges and universities next fall. Long-term, the financial hurdles get higher as more and more students pour into the state's higher education system.

Raising money for college scholarships is a mission that Bottorff and the other six members of the Board of Directors take seriously.

"There's no business in recent memory that will have as profound an impact on students and families as the Tennessee Lottery," says Bottorff, a Nashville venture capitalist and former chairman of AmSouth Bancorporation. "The bottom line is, we're committed to doing it right."

Over the past six months, the lottery board—and its management—went through a whirlwind startup process. This is the story of the Tennessee Lottery, from the beginning.

The question of whether to have a lottery in Tennessee had been debated for nearly 20 years. Finally, a statewide referendum in 2002 answered the question. Fifty-eight percent of Tennesseans voted in favor of creating a lottery if the proceeds were used for college scholarships.

The Tennessee General Assembly spent much of the following spring writing and approving legislation to set up the games, and policies to administer the scholarships. Then, on June 30, Governor Phil Bredesen appointed the first seven members to the Board of Directors of the Lottery Corporation.

For two months beginning in late July, the volunteer board operated virtually full time, making both policy and operational decisions. Board members took a crash-course on the lottery business, traveling to other states to inspect lotteries and learn about the games. They talked to experts and they conducted the due diligence necessary for a billion-dollar startup enterprise.

They also conducted a nationwide CEO search to find the right person to build a billion-dollar enterprise from scratch. "In terms of the top manager, we wanted someone who understood the unique demands of the lottery business," Bottorff says. "Just as important, we wanted someone who had mastered the complex art of the startup."

That someone turned out to be lottery veteran Rebecca Paul.

Paul, then-president and CEO of the Georgia Lottery, weeks earlier had discussed a possible joint venture with the Tennessee Lottery that would have allowed the new startup to leverage Georgia's low vendor rates while driving down overhead costs for both organizations.

But when the revolutionary idea met resistance from a handful of



competing vendors and other lotteries, the Tennessee Lottery board turned its sights directly on Paul.

In making the September 8 announcement that Paul had been hired as the Tennessee Lottery's first CEO, board members noted her "unparalleled experience."

She headed up the Illinois Lottery in 1985, launched the Florida Lottery in 1988, and started up the Georgia Lottery in 1993. During Paul's 10 years in the Peach State, the Georgia Lottery generated \$6 billion for education programs, including college

scholarships for more than 700,000 students and pre-kindergarten learning for 400,000 four-year-olds.

The Tennessee board members made it clear they expected similar success in the Volunteer State. "Under state law, college scholarships are the top priority for lottery proceeds," Bottorff says. "But if there's any money leftover, we can help fund initiatives like early childhood learning, which is a priority for both the Governor and the Legislature."

He adds: "We thought Rebecca would give us the best opportunity to meet and exceed our goals."

As part of the oft-repeated mission to maximize net revenue, the Board structured an incentive program that would provide Paul with unprecedented compensation in exchange for unprecedented performance.

And she went to work immediately to deliver a February 10 start date. It would make the Tennessee Lottery one of the fastest startups in U.S. history.

Paul arrived in Nashville, the capital of Tennessee, full time on September 22. Her first task: Work with attorneys to draft the lottery's vital requests for proposals (RFPs) for both instant and online contracts.

She brought with her to Tennessee three of her top lieutenants in Georgia—Wanda Young Wilson, Andy Davis and Sidney Chambers—to handle legal, finance, information technology and sales, respectively. Combined, the four-person management team brought more than 50 years of lottery experience. Two Tennesseans were chosen to round-out the senior team. Steve Adams, who served as State Treasurer of Tennessee since 1987, and Will Pinkston, who served as special projects director for Governor Phil Bredesen.

Within weeks, RFPs hit the street and proposals were received back at the lottery's temporary headquarters in a state office building in downtown Nashville. In late October, a six-person evaluation team began working day and night to review the thousands of pages of technical documents submitted by global vendors.

As the critical evaluation process moved ahead, the lottery's management moved ahead rapidly on other fronts to procure office space, furniture, computers and other infrastructure necessary to support the fast-growing corporation.

On November 21, the Tennessee Lottery hit its first milestone. Paul recommended to the board that GTECH Corp. be awarded the online

contract and that Scientific Games International Inc. be awarded the instant contract. Both contracts would carry seven-year terms. The board concurred with the recommendation unanimously.

"GTECH and Scientific Games each offered the most comprehensive proposals at the best overall value," Bottorff says. "Both companies are industry leaders with strong track records in the U.S. and around the world."

Tennessee Lottery officials were especially pleased with the competitive rates that each vendor brought to the table. "At the end of the day," Paul says, "this will translate to more scholarship dollars for the students of Tennessee."

In addition to the gaming contracts, a third major contract was awarded for advertising services to Nashville's Gish, Sherwood & Friends on December 22, securing a third vital component to ensure a successful launch. From that point forward, the Tennessee Lottery's expansion moved at a breakneck pace.

The first retailers were approved on December 5, after clearing criminal background checks, credit checks and tax checks. GTECH immediately dispatched nearly 100 two-person teams to begin equipment installation. Scientific Games secured a warehouse just south of Nashville for statewide ticket distribution. Paul unveiled the first four colorful instant games on December 29.

Working straight through the holidays helped. By early January, enough work had been completed to move the launch date up from February 10 to January 20—a full three weeks earlier than originally anticipated. Paul estimated it would mean \$15 million to \$20 million in additional scholarship funds for Tennessee students.

By that point, the Tennessee Lottery also was well on its way to launching with a much larger-than-expected retailer base—nearly 3,500 outlets statewide, or 17% higher than the initial goal. Again, Paul noted, "more dollars for scholarships."

Another priority of the Tennessee Lottery is its commitment to minority participation, not only from meeting its goal of at least 15% business participation, but also in its staffing. At press time, the Lottery's employee base was made up of 43% minorities and 51% female.

By the time the games went on sale at 12:01 a.m. January 20, the Tennessee Lottery had shipped 47 million tickets to retail outlets spanning 500 miles, from Memphis to Mountain City.

The first instant win ticket in the amount of \$2 was cashed at 12:03 a.m. EST at Tellico Pride, an independent retailer in Tellico Plains, Tenn. Lottery retailer-service representatives manned phone lines throughout the night, fielding calls with last-minute questions about Lottery games and equipment.

At 10 a.m. that morning, Governor Phil Bredesen and sponsors of the lottery legislation, State Senator Steve Cohen and State Representative Chris Newton, joined Lottery President and CEO Rebecca Paul for an up-close look at first-day sales at Florence Station, an independent retail outlet in Murfreesboro.

During the visit, Bredesen commended the lottery's Board of Directors and employees for a successful and early startup. "Short term, this early startup will generate millions of extra dollars for college scholarships," Bredesen said. "Long term, the Lottery should be a stable source of scholarship funding for years to come."

Cohen, who is considered the "Father of the Tennessee Lottery" after pushing for legislation for 20 years, says "the lottery's board and management should feel proud of how much they've accomplished. We've got the best lottery in the world."

The next morning, on January 21, Paul announced that first-day ticket sales hit \$10.8 million, or \$1.87 per capita—a number that potentially set a new record. At the very least, it officially confirmed the Tennessee Lottery as one of the fastest and most-effective start-ups in U.S. history.

Paul knows there's plenty of work left to be done. Online games launch in March. The question of which multi-state game Tennessee will join still needs to be answered. But Paul feels good about the progress that's been made so far.

"We're excited to provide a lasting source of fun and entertainment for Tennesseans," she says. "Most importantly, we're excited about generating dollars for education programs in the Volunteer State." ■



Tennessee Lottery Timeline

May 21, 1984 – Sixteen months after winning election to the Tennessee Senate, Memphis attorney Steve Cohen begins a nearly 20-year quest to build support for a lottery in the Volunteer State. He files Senate Joint Resolution 252 to amend the state's Constitution to allow a lottery.

April 12, 2000 – In a first step toward a statewide referendum on the matter, majorities in both the Tennessee House of Representatives and the Senate approve legislation that would allow Tennesseans to vote on a Lottery. A follow-up vote is required.

February 14, 2001 – This time, two-thirds of both the House and the Senate pass legislation allowing Tennesseans to vote on a lottery. The referendum would amend the Constitution to permit a lottery to fund college scholarships, and, if enough funds are left over, K-12 capital projects and early learning and after school programs.

November 5, 2002 – The statewide referendum to allow a lottery passes with 58% of the vote.

April 21, 2003 – The Senate authorizes legislation allowing the Tennessee Education Lottery Corporation, a quasi-governmental entity, to operate games and generate funds for education.

May 21, 2003 – The House passes legislation authorizing the Lottery Corporation.

June 11, 2003 – Governor Phil Bredesen signs the final legislation into law, creating the Tennessee Lottery.

July 1, 2003 – Bredesen appoints the first seven members to the Lottery's Board of Directors.

September 22, 2003 – Rebecca Paul, a nearly 20-year veteran of the Lottery industry, joins the Tennessee Lottery as its first president and CEO.

December 5, 2003 – The Lottery approves the first retailers to sell tickets when the games begin.

December 29, 2003 – The Lottery unveils its first Instant games, including the popular "Tennessee Millionaire."

January 20, 2004 – The Tennessee Lottery sells its first tickets ■



On Track with Great Success Rhode Island Video

Rhode Island Video Lottery debuted in September of 1992 with 1,282 Video Lottery Terminals (VLTs) operating at the State's two pari-mutuel Facilities, Lincoln Greyhound Park and Newport Grand Jai Alai. There were four technology providers at start up – GTECH, IGT, WMS Gaming and VLC – and the only games offered were card games. The central system provider was GTECH. The system was cash in and ticket out for validation. GTECH's cash management system accounts to the dollar for reconciliation daily. The VLTs were, and still are, owned by the technology providers; and they received 15 percent of their Net Terminal Income. Both Lincoln Greyhound Park and Newport Grand Jai Alai received 33 percent. The central system provider received 3 percent, and the dog owners received 10 percent. The town of Lincoln and the city of Newport each received 1 percent. The state of Rhode Island received 38 percent from Lincoln Greyhound Park and 48 percent from Newport Grand Jai Alai. The Net Terminal Income for Fiscal Year 1993 was \$16,410,536.

There was an increase of 370 VLTs in December of 1995, bringing the total at Lincoln Greyhound Park to 1,226. The VLT count at Newport Grand Jai Alai remained at 426, for a total count between the two facilities of 1,652. The Net Terminal Income for Fiscal Year 1996 was \$86,628,033.

In April of 1997, Spielo was added as a technology provider bringing Rhode Island's total to five technology providers. There were many different games being introduced by these providers, creating a very diverse video lottery market. The Net Terminal Income for Fiscal Year 1998 was \$132,164,698.

Over the next six years, the number of VLTs grew to the current total of 3,292 VLTs at the two pari-mutuel Facilities. Lincoln Greyhound Park, which is now called Lincoln Park, has 2,272; and Newport Grand Jai Alai, which is now called Newport Grand, has 1,020. As part of the Licensing Agreement with the Technology Providers, the Lottery instituted an Efficiency Evaluation Program in the year 2000. This Efficiency Evaluation is based on performance for the first three months of the year. Depending on performance, providers could either gain or lose machines; or in the event the performance among the providers is even, the machine count would stay the same for each. This Evaluation Program led to fierce competition among Rhode Island's five providers, resulting in a constant flow of new games to the state. Because of this, the Lottery has the same games that the major casinos have, which means substantial revenue growth for Rhode Island. The constant flow of new and exciting games is a key factor in the Lottery's continued success, and the

Facilities are over 95% utilized on weekends. The Licensing Agreement also requires that the providers contribute \$80,000 per year for promotion prizes at the Facilities. Each Provider must conduct five promotions per year and utilize the prize money for the players.

Rhode Island also implemented the very first multi-vendor/multi-site progressive system in February of 2002. GTECH developed this system, which allowed GTECH, WMS, Spielo, and IGT to be connected to the Central System, with different games at both of the Lottery's facilities all contributing to the same jackpot. The player must wager \$1.25 per spin. The average jackpot is \$85,000 and is hit approximately every ten days. The highest jackpot win to date has been \$350,000. The Lottery is currently exploring the possibility of aligning with other video lottery states for a multi-state progressive game.

In March of 2002, IGT acquired VLC, bringing the total number of Technology Providers to four.

The Rhode Island Lottery Commission recently approved an additional 1,011 VLTs. Both Lincoln Park and Newport Grand must expand their buildings to accommodate these additional machines.

Rhode Island's Video Lottery Program has been successful for many reasons. In addition to the Efficiency Evaluation Program, another very important ingredient is the cooperative effort of all parties; i.e. the Lottery, the facilities, the technology providers, and the central system provider. Both individual and group meetings are held on a regular basis at the Lottery to ensure open and constant flow of communication. The facilities have renovated over the years to create an inviting atmosphere, and both conduct strong advertising campaigns. The technology providers, as mentioned previously, continuously create new games and provide training and assistance to the facilities' staff for new game implementation and promotions. The Lottery regulates all parties from an administrative and security standpoint.

Rhode Island's financial growth has been tremendous over the last eleven years. The Net Terminal Income for Fiscal Year 2003 was \$314,701,843. While the percentages paid to all parties involved, except to the state, have decreased over the years, because of the increased number of VLTs, revenue for all parties has increased. Currently, the central system provider receives 2.5 percent, the technology providers 7 percent, the dog owners 3.4 percent, Lincoln Park 27 percent, Newport Grand 26 percent, the Town of Lincoln and City of Newport each receive 1 percent, and the state of Rhode Island receives 59 percent from Lincoln Park and 63.5 percent from Newport Grand. ■

Hot Instants! North America's Best Selling Games

Public Gaming International recently surveyed North American Lotteries to find out which were the best selling instant tickets for each lottery. The categories were: total dollars sold for a one-year period; average dollars sold per week on the market; total number of tickets sold for a one-year period; and average number of tickets sold per week on the market.

Understanding that each game is different, and several factors can influence the life of a game, we also gave lotteries an option of listing a few more tickets that were worthy of mention.



Arizona

Total Dollars Sold: Crossword \$2 swept all sales categories for the Arizona Lottery. Total sales for the ticket in CY03 reached \$35,069,894. Crossword has continuously been in market since January 1999 with no changes and sales have grown every year. With \$35 million in sales for the calendar year, this game represented 21% of the Lottery's total instant sales.

Average Weekly Sales: Crossword – \$674,421

Number of Tickets Sold: Crossword – 17,534,947

Number of Tickets Sold per week: Crossword – 377,210

Other tickets the Lottery felt worthy of mention include Wild Willie (\$1), Slingo (\$3), Cash Bonanza (\$5), and \$100,000 Jackpot (\$10). All these tickets were the top sellers in their respective price points.

Also, the Lottery's Bingo game continues to perform very well. The Lottery keeps the game in market all the time and pulses the ticket with color changes periodically. With calendar year sales of \$26,854,334 this game represents 16.1% of the Lottery's total instant sales.



California

Total Dollars Sold: Instant Bingo (\$3). The game sold \$104.76 million. This was the Lottery's first-ever Bingo ticket, and it continues to sell like gangbusters.

Average Weekly Sales: Again, Instant Bingo. The game sold \$2.99 million per week..

Number of Tickets Sold: Big Spin (\$1) sold 68.01 million tickets. This is the Lottery's flagship product and is always on the market. It gives access to California's Big Spin television show.

Number of Tickets Sold per Week: Big Spin sold 1.31 million tickets per week.

Both Bingo and the Big Spin received extra promotion. Since Instant Bingo was the California Lottery's first Bingo game, the lottery ran television advertisements and a whole range of POS to support the launch. Sales were commensurate.

One other California Lottery ticket that sold exceptionally well was 10 Times the Money (\$3). This was the Lottery's first ticket

ever with a 10x multiplier, and players really seemed to like it. It averaged over \$2 million in sales for the first 20 weeks.

Colorado

Total Dollars Sold: \$5 Cash Corral, selling \$13,310,440.

Average Weekly Sales: \$10 Holiday Treasure, selling \$1,478,400 per week, for each week it was available.

Number of Tickets Sold: Crossword X-tra, selling 6,103,345 tickets.

Number of Tickets Sold per Week: The \$1 ticket Hot 7s sold 531,765 tickets per week.

Of these tickets, Hot 7s did receive some special television advertising.

D.C.

Total Dollars Sold: \$100,000 Cash was the D.C. Lottery's best selling Instant ticket in Calendar Year 2003 based on total dollars sold. It is a \$10 money-themed ticket in which players can play 10 different games on one ticket. D.C. players like \$10 tickets, especially ones with a high jackpot like \$100,000 Cash. A high jackpot motivates people to play.

Average Weekly Sales: Wild 8's was the D.C. Lottery's best selling Instant ticket based on total dollars per week. On average, the lottery sold 6,000 tickets per week, and the ticket sold out in eight weeks. Players like number-themed games, and Wild 8's is one that people easily recognize. The game is also set up like a tic, tac, toe board, which allows players to quickly see whether or not they have won.

Number of Tickets Sold: In two print runs, the D.C. Lottery sold approximately 960,000 Instant Monopoly tickets. This is a staple game that is included in the product mix year-round and sells well because of the brand recognition of Monopoly.

Number of Tickets Sold per Week: Spicy 8's sold the greatest number of tickets per week in Calendar Year 2003, with ticket sales averaging 7,500 packs per week. It is a \$1 ticket that was on sale in conjunction with the annual three-day Taste of D.C. festival. Along with selling the tickets at the event, the D.C. Lottery ran radio and newspaper advertisements.

Other tickets the D.C. Lottery felt worthy of mention included : Sapphire Blue 7's, Cash in a Flash, and Pharaoh's Gold. All are \$2 tickets that sold out in 13-14 weeks.





Georgia

Total Dollars Sold: Jumbo Bucks Classic (\$2), sold \$369,800,163 worth of tickets. This game featured a higher payout and higher top prize than other \$2 games. The Prize structure created more visible winners at store level (to retailers and players). **Average Weekly Sales:** Jumbo Bucks Classic averaged

\$7,111,542 per week that it was available.

Number of Tickets Sold: At 184,900,082 total tickets sold, Jumbo Bucks Classic also sold the greatest number of tickets overall.

Number of Tickets Sold per Week: The average number of tickets sold each week for Jumbo Bucks Classic was 3,555,771.

The top four selling instants for the Georgia Lottery in 2003 were: 1. Jumbo Bucks Classic (\$2) - \$369,800,163; 2. Giant Jumbo Bucks (\$5) - \$169,606,405; 3. Jumbo Jumbo Bucks (\$10) - \$95,670,205; 4. Junior Jumbo Bucks (\$1) - \$83,941,847. They are all part of the Jumbo Bucks family. It's an incredibly popular ticket line, with extremely high sales, and successful brand extension.

Kansas

Total Dollars Sold: Bonus CROSSWORD selling a grand total of \$15,591,092. This equals 17 percent of the Kansas Lottery's total scratch ticket sales of \$91,000,000-plus. It is a long-playing ticket, favorite of loyal fans, and is continuing to sell at this feverish pace. As the Lottery has said in answer to many inquiries, "He who hesitates is lost. Put Crossword out at any cost!"

Average Weekly Sales: Bonus CROSSWORD, selling at a rate of \$300,000.

Number of Tickets Sold: Bonus CROSSWORD - selling approximately 150,000 tickets a week for the entire year.

Bonus CROSSWORD received no game specific advertising or promotion. It just sold.



New Jersey

Total Dollars Sold: The best selling Instant for calendar year 2003 from New Jersey was the Crossword game. With approximately \$150 million in sales this was a favorite among the players due to the play value of the game.

Average Weekly Sales: Crossword was New Jersey's top weekly Instant Game as well, selling an average of approximately \$2.0 million per week.

Number of Tickets Sold: Crossword also sold approximately 50 million tickets.

Number of Tickets Sold per Week: The most tickets sold per week was once again Crossword with 3.1 million.

The Crossword game was featured along with a few of the other New Jersey core games in an edition of Retailers Insight that stressed the importance of keeping a healthy amount of these tickets in stock.

New Mexico

Total Dollars Sold: Pinball Wizard achieved \$3,611,245 worth of sales. This was a \$5.00 game that launched January 7, 2003. It was available for sale the majority of the calendar year.

Average Weekly Sales: Double Doubler Crossword sold an average of \$228,544 per week. This game Combined the loyal Crossword player base with the popular Double Doubler play style.

Number of Tickets Sold: The game 25 Grand sold 992,960 tickets. This tickets top prize of \$25,000 was a higher than normal top prize for a \$2.00 game, combined with a ratchet prize structure.

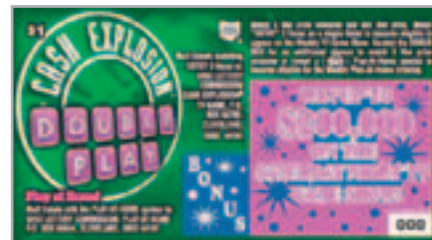
Number of Tickets Sold per Week: Betty Boop sold 99,067 per week during the time period it was offered. The game was launched to coincide with Valentine's Day and featured four collector Betty Boop - scenes, designed "in house." Radio and store POS supported the game.

The New Mexico Lottery also achieved excellent sales with three holiday games. \$1.00 - "Sleigh Bills;" \$2.00 - "Christmas Chile Cash;" and \$10.00 - "\$100,000 Holiday Treasures." Holiday sales were up an average of 16.30% for a 10-week period because the variety of play styles and combination of price points available in the holiday games this year. As a result, the Lottery had record daily and weekly sales.



Ohio

Total Dollars Sold: Cash Explosion® (\$1), selling \$57,810,120. This ticket has done well because it is connected to the Lottery's popular weekly TV game show, Cash



Explosion® Double Play. The TV show offers prizes of up to \$200,000 and also has a play-at-home feature that offers certain players of Cash Explosion the ability to win prizes.

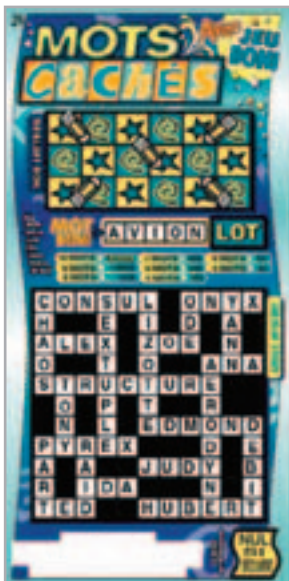
Average Weekly Sales: Holiday Cash (\$1), selling an average of \$2,081,969 per week. This game was successful because it had a 73% payout and was a holiday game. It becomes more popular every year.

Number of Tickets Sold: Cash Explosion, selling 57,810,120 tickets **Number of Tickets Sold per Week:** Cash Explosion, selling an average of 1,111,733 tickets per week.

Because Cash Explosion is associated with a game show, it receives more advertising than the average ticket.

Quebec

Total Dollars Sold: The instant game with the highest sales in 2003 for Loto-Québec was the \$2 crossword-type game Mots cachés, with \$178 million in sales. Crossword puzzles are very popular in Québec, and this product addresses that demand.



Since it was launched in 1997, the \$2 lottery Motos cachés has not only maintained its position as Québec's most popular instant lottery, but until 2002, yearly sales had increased steadily. However, in 2003, sales dropped slightly, most certainly due to the launch of other word and letter games.

Since June 2003, Loto-Québec has regularly added bonus prizes to Motos cachés. Moreover, for the past two years, Loto-Québec has been offering a \$5 version of Motos cachés. Because the two versions are identical in every way except their length, the launch of the \$5 version of Motos cachés did have an effect on sales of the \$2 version.

Average sales for these two lotteries reach approximately \$3.6 million a week.

Of the 50 instant lotteries launched each year, only Motos cachés, Loto-Bingo and Gagnant à vie are available on a permanent basis. **Average Weekly Sales:** With respect to the weekly sales performance of instant lotteries, Motos cachés is also the leader, with average weekly sales of \$3.2 million.

Number of Tickets Sold: Loto-Québec sold 89 million Motos cachés tickets in 2003, which places it at number one in terms of the number of tickets sold.

Number of Tickets Sold per Week: In 2003, Motos cachés also came out on top for the number of instant lottery tickets sold per

week. Average weekly sales of this lottery reached \$1.6 million.

Every year, the instant lottery Motos cachés is supported by an advertising campaign (TV or radio, print ads in newspapers or magazines, and point-of-sale materials) spanning three or four weeks, whereas the other instant products are usually supported by point-of-sale ads alone.

In 2004, Loto-Québec expects to launch two ad campaigns for Motos cachés, which will also span a three- or four-week period.

Other tickets Loto-Quebec felt worthy of mention include: Poker and Jeu de Mot\$ - two products that generate substantial sales. However, these games are not permanent fixtures. Over the 2004-2005 period, Loto-Quebec will be launching the fifth edition of Poker and the third edition of Jeu de Mot\$. Their sales objectives are \$15 million and \$13 million, respectively. Average weekly sales are steady and have remained so despite the fact that the games are in their fifth and third editions, respectively. In the case of Poker, the game is loved by fans of card games, whereas Jeu de Mot\$ consumers are mostly those who also enjoy playing Motos cachés.

Rhode Island

Total Dollars Sold: Mega Riches, selling \$4,893,360. This game was a \$10 ticket.

Average Weekly Sales: Crossword 11. For twelve weeks worth of sales this game averaged \$154,962. It was a \$2 ticket.

Number of Tickets Sold: Crossword 11, with 1,279,113 tickets sold.

Number of Tickets Sold per Week: Baseball I. For twelve weeks this ticket sold an average of 78,892 tickets per week. It was a \$1 ticket.



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Texas

Total Dollars Sold: The Texas Lottery's best-selling instant ticket by total dollars sold was \$1,000,000 Classic (\$20). Sales for this game totaled \$135,889,740 (unaudited) for Calendar Year 2003. This was TLC's first non-holiday \$20 ticket and was originally introduced in April. This game did so well that it was re-ordered for July. This game did well because of the attractive top prize, the "classy" look of the ticket, and the 24 chances to win.

Average Weekly Sales: The Texas Lottery's best selling instant ticket by total dollars sold per week was \$2,000,000 Spectacular (\$20). After 10 weeks of sales, this game had average weekly sales of \$4,791,074 (unaudited) for Calendar Year 2003. Since \$2,000,000 Spectacular had a shorter time frame (start date of October 22) than did the other \$20 game for the calendar year, this game performed better. This game also had a chance to win up to 24 times.

Number of Tickets Sold: The instant

game that sold the greatest number of tickets for Calendar Year 2003 was Break the Bank™. TLC sold 44,514,909 (unaudited) tickets of this game. This has been one of the Texas Lottery's core instant games since its original introduction in 1995. TLC has since re-printed this game 11 times.

Number of Tickets Sold per Week: The instant game that sold the greatest number of tickets per week in Calendar Year 2003 was Break the Bank™, with an average of 1,203,106 (unaudited) tickets sold per week.

TLC conducted retailer contests for \$1,000,000 Classic and \$2,000,000 Spectacular, based on pack settlements. Goals were set for each contest and the prizes awarded were free packs of another instant game. For example, for \$2,000,000 Spectacular, if a retailer settled five packs of the game, they won a free pack of a \$2 game. These pack settlement contests have been very successful for TLC, and the retailers really like the free packs as prizes because they are almost as good as cash.

Virginia

Total Dollars Sold: \$5 Win for Life, selling \$20,718,975. Although this game was launched in the last half of 2002, it was the top seller (judging by total dollars sold) in



calendar year 2003. Win for Life has a top prize that appeals to many players. After huge early sales, Win for Life has found a base at about \$300,000 per week in sales.

Average Weekly Sales: \$5 Ruby Red 7's sold \$823,718 per week. Ruby Red 7's benefited from a strong demand for \$5 tickets, a favorable launch date in mid October, and an apparent demand for tickets with numbers or dollars in the title. It has only been out for 14 weeks, so average sales will drop, but through its first 12 weeks, it was Virginia's highest selling ticket at any price point in recent years.

Number of Tickets Sold: \$1 Blackjack, selling 15,969,515 tickets. Blackjack has long been a favorite theme for scratch players in Virginia. It sold 60% more tickets than the second place ticket.

Number of Tickets Sold per Week: \$1 Wild Card, selling an average of 646,013 tickets per week it was available. This game became available three weeks before the end of the calendar year, generally a very good sales period.

Of the tickets mentioned, \$5 Win for Life received statewide television and radio support for 4 weeks, POS support with a change mat, counter device, and Playcenter/Scratch POS items. \$5 Ruby Red 7s received Playcenter/Scratcher POS items.

Wisconsin

\$2 Crossword, offered since May 1999, has been one of the most successful instant tickets in the Wisconsin Lottery's history. Crossword was the Lottery's best selling instant ticket of 2003 with total sales of \$33.2 million. Crossword also led the way in weekly sales, with average sales per week of nearly \$638,000. More Crossword tickets were sold during the year than any other ticket. An average of nearly 319,000 Crossword tickets was sold each week for a yearly total of 16.6 million.



Crossword's success is due to a combination of prize structure, extended playstyle, ticket size and price point. The game's prize payout of 63% is higher than that of a typical \$2 ticket. Its extended playstyle and larger ticket size give players a feeling that they're getting more for their money, which has created a very loyal player base for the game.

Crossword did not receive an unusual amount of advertising. At its launch, a TV spot and a POS piece introduced players to the game.

While Crossword continues its successful run, other tickets also made an impact in 2003. In August, the Wisconsin Lottery launched its first non-holiday \$10 ticket, Casino, which averaged nearly \$725,000 a week in its first 10 weeks and continues to perform well. Licensed product category games enjoyed success in 2003 as well. \$3 Harley-Davidson had weekly sales of more than \$365,000 in its first 10 weeks and \$3 The Price is Right averaged nearly \$284,000 per week in the same time period. A new playstyle helped \$5 Hit the Jackpot reach average weekly sales of \$450,000 in its first 10 weeks, which is \$90,000 more a week than a typical \$5 game's initial 10-week period. ■

Rmmm, Rmmmm – Mass' Harley Game Breaks Sales Records

You're the world's Number One lottery in per capita instant sales. A fiscal crisis in your state challenges you to explore every possibility available to grow new sales and profits, while budget constraints test your ability to generate excitement among your players through traditional game promotion.

That was the situation facing the Massachusetts Lottery in early 2003. One of the marketing tools the Lottery's new administration decided to leverage more fully was licensed instant games. "We were looking for ways to generate incremental sales without straining our limited promotional resources," said Massachusetts Lottery Executive Director Joseph Sullivan, who took over the lottery reigns in February of last year. "So in the summer of 2003, we launched Harley-Davidson."

The result? The Massachusetts Lottery's Harley-Davidson game shattered all records for the nation's leader in scratch game sales. Introduced in July of 2003, the \$5 Harley-Davidson game outpaced the average game for the price point by 64% through the game's first 12 weeks of game sales.

By year's end, the game had generated \$112 million in sales. Total instant tickets sales in Massachusetts were \$2.9 billion in 2003.

"Harley-Davidson is the fastest selling five dollar game in Massachusetts Lottery history," Sullivan said. "When all is said and done, we expect the game to sell out – hitting \$150 million in sales."

The Lottery secured the Harley-Davidson property through MDI Entertainment, a wholly owned subsidiary of Scientific Games Corporation and a leader in licensed lottery games and promotions.

"Harley-Davidson's powerful brand, combined with its highly sought-after motorcycles and logo merchandise, make it one of our most successful brands," said MDI President Steve Saferin. "We were particularly gratified the Massachusetts Lottery decided to run the promotion and were most pleased with the level of commitment the Lottery put behind the game."

In addition to featuring ten top prizes of \$1 million, the Harley-Davidson game offered players the opportunity to instantly win one of sixty 100th Anniversary edition motorcycles – 50 Harley-Davidson Sportster® 1200 Custom™ motorcycles and 10 Harley-Davidson VRSCA V-RODS. Each motorcycle prize included a helmet, all fees and required federal and state withholding taxes.

Players could also instantly win one of over 30,000 Harley-Davidson merchandise prize packs consisting of a Harley-Davidson wristwatch, blanket, sunglasses, leather cap, T-shirt and collectible playing cards tin. The odds of winning a prize pack were set at a U.S. lottery all-time low of 1 in 1,000.

The Lottery timed the launch of the Harley-Davidson game to coincide with promotional events surrounding Harley-Davidson's



(L-R) 5-time NFL Pro Bowler Fred Smerles, Massachusetts Lottery Executive Director Joseph Sullivan and Super Bowl veteran Steve DeOssie kick off the Harley-Davidson instant game at a dealership near Boston.

100th Anniversary celebrations.

"As one of the top brands in the world and one that conveys a message of 'personal freedom,' Harley-Davidson was simply a great fit for a lottery game here in the Commonwealth," said Sullivan. "The 100th Anniversary celebrations allowed us to tap into the added excitement associated with that milestone."

One of the challenges in developing the game was to structure the non-cash expenses in a way that preserved the Lottery's customary return on investment. MDI and the Lottery developed a prize fund for the Harley-Davidson game that was consistent

with other \$5 games. "During these tough fiscal times, it was important to us to preserve our bottom line," Sullivan said. "Since the prize fund percentage was not increased and the motorcycle and merchandise allocation came from the prize fund, there were no 'out-of-pocket' costs associated with the game."

In addition to the merchandise prizes, the Harley-Davidson promotional package the Lottery received from MDI included the right to use the Harley-Davidson name and imagery, complete fulfillment services, ticket and game design assistance, prize structure development, a complete point-of-sale program with a complementary informational web site, a comprehensive promotional program that included 400 radio spots, customer service (including a player hotline) and post-game research services.

"We challenged MDI to create a package of game value and benefits that would make this game stand out as something special," said Sullivan. "We also wanted to use the Harley-Davidson game to gauge the potential success of similar games in the future. Judging by the outcome thus far, I think we have our answer."

To support the game, the Lottery created eye-popping Harley-Davidson point-of-sale designed in conjunction with MDI that included life-size motorcycle standees, counter cards, wobblers, posters, brochures, envelopes, and static clings.

"One of our objectives with the promotional campaign was to take advantage of the powerful imagery associated with the Harley-Davidson brand," said Jim Acton, Massachusetts Lottery Chief of Staff. "The point-of-sale campaign represented one of our most comprehensive agents sales pack-



continued on page 28...

Lotteries “POP” for Signage to Drive Games Sales

So much of Lottery sales is dependent on the impulse buy. While standing in line at the convenience store, a customer may suddenly “feel lucky” and decide to buy a lottery ticket or two. Of course, that lucky feeling is often induced by well-placed POP signs.

POP (Point-of-Purchase) signage plays a big roll in Lottery sales. It alerts players to jackpots, let's them know that Lottery products are sold at particular locations, it can highlight certain games, and can even play a roll in pushing fence-sitting buyers over onto the Lottery side of thinking.

Public Gaming International recently picked the mind of several North American Lotteries to find how they use, and some of the ideas behind, their POP signage.

Public Gaming International (PGI): *What types of POP materials does your lottery most commonly use; temporary, permanent or both?*

Wisconsin (WI): The Wisconsin Lottery uses both permanent and temporary POP displays. The most commonly used permanent displays include scratch ticket displays such as Promoters, in-counter dispensers, ticket towers and cube displays. Many retailers also use Lottery play stations. The large counters can be placed anywhere in a retail location to display game brochures, playslips, how-to-play guides, jackpot amounts and winning numbers. Retailers are also provided with signs and decals for placement in windows, outside and at the checkout.

Oversize tickets and terminal-backers (small posters) are created for new instant games and larger posters are sometimes used for special offers, online game awareness and unique tickets. Two POP items currently being used are a “desktop calendar” for a daily rolling jackpot game and a moving display for scratch tickets. The calendar has an area for retailers to write in the current jackpot amount and change it each day. The moving display has a hand that “scratches” in a back and forth motion with a slot behind to display a scratch ticket.

West Virginia (WV): The West Virginia Lottery uses a variety of POS to suit individual retailer needs. On-counter and in-counter instant dispensers are provided as well as lit signage for Keno. Door decals, Powerball jackpot signs, banners, winning numbers posters, play stations, “rules” and age restriction signage, and a multitude of other POS is provided on a continuing basis.

Virginia (VA): The Virginia Lottery uses both types of POP, because they provide different ways of promoting our products and the Virginia Lottery. In the “temporary” category we provide a wide array of items including change mats, posters, danglers, door decals, wobblers, curb sign covers, at the pump items, pump toppers, etc. In the “permanent” category we also provide a wide range of items including neon signs, indoor and outdoor jackpot signs, curb signs, play-centers, and ticket dispensers.

Texas Lottery (TX): The Texas Lottery uses both temporary and per-



manent POP. Our temporary POP includes shelf talkers, on-line terminal toppers, play station inserts, oversized tickets, sell-in sheets, mini billboards, clerk stickers, curb sign sleeves, starbursts, how to play brochures, gift envelopes, Winning Tickets Remaining flyers, change mats, “We Sold A Winner” posters/banners/ signs, game play grid cards, pump toppers, and price point stickers for instant ticket dispensers. Our per-

manent POP includes jackpot window signage, play stations, acrylic terminal toppers (to hold different POP), brochure holders, outdoor metal wall signs, curb signs and neon window signs.

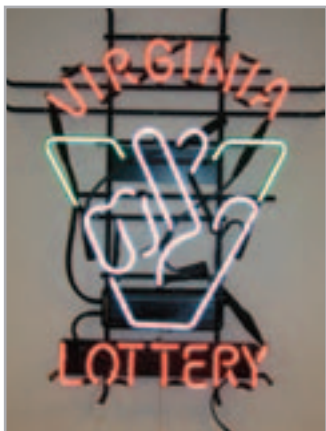
South Dakota (SD): Both

Ohio (OH): Temporary POP - posters, counter cards (also called shelf talkers), easel literature holders, 8.5" x 11" fliers, banners, flip charts, dollar denominational stickers for instant ticket dispensers, oversized tickets and how-to-plays (via Instant Ticket Dept.). Permanent POP - in-counter & on-counter dispensers, window/door decals, outdoor jackpot sign, luminary action sign, simulated jackpot sign, counter/wall jackpot sign, 4' fluorescent signs, 8.5" x 11" plastic holder for fliers, plastic literature holders, wet erase boards, and oversized ticket displays.

New York (NY) *from Matt Mansfield, Advertising/Product Development Director:* We have both temporary and permanent POS materials. The bulk of our temporary POS consists of Terminal Toppers and Backlit Sign Inserts. We produce these for every group of Instant Games we launch - about every six weeks or nine-ten times a year. Our permanent POS promotes the Lottery overall as well as on-line and Instant Games and consists of Neon Signs, Banners, Jackpot Pads, Jackpot Hanging Signs and on-counter dispensers that display our Instant Games.

New Mexico (NM): The New Mexico Lottery uses a combination of both. Permanent neon window signage denotes locations as lottery retailers and the majority of these retailers also have a play-center, brochure carousel and/or ITVM. Temporary signage and point-of-purchase materials are primarily used for new product introductions or enhancements for instant and on-line products. These include banners, brochures, counter cards, posters, counter mats and in-counter dispenser frames. Playcenter display areas are updated frequently with 8.5" x 11" fliers and scratch surface posters. Campaigns regarding beneficiaries of NML proceeds (Lottery Success Scholarship) are usually updated semi-annually.





New Jersey (NJ): Dangers, headers, wall and window signage, instant ticket counter displays and mobiles. These are permanent and temporary. The temporary displays are for monthly promotions or new product introductions.

Louisiana (LA): Counter Mats (these handy mats are placed on the counter near the register to help keep the purchase area clean and advertise products at the same time), Penny Trays (these are plastic "cups" that hold spare

change for customers and can exhibit brochures. They usually have a space for a logo or brief slogan and are positioned next to the cash register), Play Center Cards and Banners (these pieces "decorate" the front and sides of the playcenter to announce new scratch-offs. Most often, they are oversized tickets that demonstrate how to play), Play Center Back Posters (these full-size posters adhere to back of the playcenter in locations where the back of the center is against a store window or in an area where the back can be seen by customers. They can also be posted in other visible areas of the store), Play Center Writing Surfaces (these posters are placed underneath the acrylic on the playcenter writing surface), Register Inserts (these 5"x12" double-sided posters are designed to fit in acrylic "pockets" that adhere to the register. They can also be slid into six-inch clips that can adhere to the register, starlit and dispensers), Static Clings (these pieces adhere to slick surfaces such as glass entrance doors and store windows without the use of messy adhesives. A triangular version is designed to fit in the upper corner of cooler doors to promote scratch-offs without blocking customers' view of the cooler's contents), Tent Toppers (these fold into a triangular tent shape with low-tack adhesive on the bottom and can be mounted on terminals, starlits, dispensers and playcenters), and Wobblers (these usually involve two pieces of POS

attached to each other to create a 3-D effect. The POS is then attached to a flexible plastic piece that is mounted to terminals or dispensers so that its movement will attract attention). The Lottery also produces a collection of "permanent" POS, including neon "Play Here" signs, changeable jackpot curb signs, "deli-style" menu chalkboards, menu boards with changeable letters, and floor mats.

Kentucky (KLC): The KLC uses both temporary and permanent signage. Temporary POP is used with all instant games and promotions. A great deal of this material is placed on the play centers or as close to the point of purchase as possible. We also have permanent signage which includes retailer identification signs, lighted signs, street talkers, jackpot signs and banners.

Kansas (KS): Both

Connecticut (CT): We have been using less and less of temporary POS, due to retail clutter. We do post heavy-duty "We Had A Winner" posters at stores that had larger prize winnings. Most of our efforts have been on permanent POS. We offer LED "lottery" signs, motion signs that display our most current oversized instant lottery tickets, and we are currently installing customer display units at every lottery terminal. These CDU units are maintained by our on-line vendor, and offer sales & winnings information as well as jackpot amounts, and important updated messages.

Colorado (CO): About 50% temporary and 50% permanent. Easiest placement is space we "own" like playcenters or terminals.

California (CA): Both

Atlantic Lottery Corporation (ALC): Paper POP to support game launches. Pieces fit into existing merchandising displays such as jackpot signs, selection slip holders, ticket trays



A Whole New Point of View

Sunshine Electronic Display Corporation recognizes what the Lottery Industry has always known – Lottery sales are jackpot driven and consumer spending decisions are made at the point of purchase.

Incorporating this basic marketing premise, Sunshine's POPDIGIT Jackpot Displays affords your Lottery players a Whole New Point Of View.

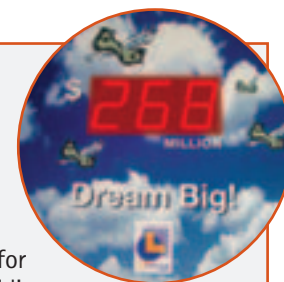
Sunshine's POPDIGIT Displays are custom designed and manufactured to meet your specifications. Sized for on-premise use, our innovative displays may be placed indoors or out, post-mounted or affixed to the buildings façade. Our exterior units are completely weatherproof and are configured either single or double faced. These signs are constructed of durable lightweight aluminum with a UV-protected, impact resistant polycarbonate face. Our interior units are constructed of a versatile, featherweight foamcore material.

Installation is as easy as hanging it up and plugging it in.

Sunshine's Skylink® satellite uplink center handles the updating instantly – Simply dial our toll-free number, enter your Jackpot value, and all your displays are updated! Of course, you may manually update as well.

As our reputation confirms you can rest assured of many years of worry-free operation with Sunshine's POPDIGIT Signage. We provide "twenty four seven" toll-free technical support with technicians prepared to respond immediately to you service needs.

Bold, colorful, reliable, and accurate – Sunshine's POPDIGIT Jackpot Displays bring your Lottery and your customers together at that all important Point Of Purchase.



Arizona (AZ): Most of the Arizona Lottery's POP is temporary. Pieces that we routinely produce include tent cards, rack backers (fit behind Lottery brochure/playslip holders), play center inserts and frames for our in counter dispensers. We also have a small amount of permanent signage that includes window signage and jackpot alert messaging. We have an agreement with two of our largest chain convenience stores for play center placement that offers both permanent and temporary signage opportunities.

PGI: *What are the biggest challenges you face in the placement of POP?*

WI: Most Wisconsin Lottery retailers consistently place POP items, and POP placement is a priority for Field Marketing Reps. and Key Account Reps. If a retailer does decline POP placement, it is usually due to lack of space in a small location or a desire to eliminate clutter at the service counter.

WV: All lotteries face the challenge of acquiring and maintaining real estate in retail locations. Our POS is often "bumped" by POS that is paid for by tobacco and other product vendors. In West Virginia, retailer cooperation and good will have helped keep our POS in prominent positioning.

VA: Continually developing and producing new and exciting point-of-sale/point-of-purchase that communicates a strong message to our players, excites our retailers, and motivates our sales staff.

TX: The biggest challenges we face in the placement of POP is the fact that other vendors pay for space in retail locations which limits availability for our pieces and local ordinances that restrict the placement of signage.

SD: Space constraints and retailer attitudes.

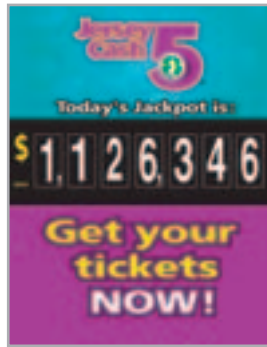
OH: Agent awareness of POP available, space constraints, and the fact that other companies pay to have their POP displayed.

NY: Our biggest challenge is retail space.

NM: Retailer space constraints are the biggest challenge to POP placement. While the playcenters in most locations enable the NML to somewhat overcome this issue, this may also increase the need to have a consistent image from one product/message to avoid player confusion and a cluttered look. We have also experimented with a variety of sizes for posters and banners to more effectively address space challenges and increase placement opportunities. Those playcenters that are placed in storefronts with window positioning have plexiglass affixed to the back to enable 22" x 28" poster placement.

NJ: Getting the retailer to use it and place it appropriately as well as remove POS when it is no longer valid.

LA: Competition for space in retailer establishments remains the biggest challenge. Many other vendors pay retailers to display POS or for certain locations within the store. The Lottery does not and thus relies on its relationship with the retailer to post POS. A second challenge is the ever-changing attitudes of corporate management with



regards to POS. To ensure coverage in these stores with varying POS restrictions, the Lottery produces a wide variety of different types of POS based on seasonality and longevity.

KLC: The biggest challenges come in the chain segment of our business. These retailers normally limit pop placements by vendors including the lottery. Some vendors play for placements which we are not allowed to do. In the independent retailers you are competing for space and also run into signage ordinances which restrict outside placements.

KS: In most cases we can only place POP pieces on equipment we own.

CT: Finding the "right" useful piece, the retailer will continue to feature an item if it meets his/her needs. Example: We designed "Take-A-Penny" trays to double as a winning numbers holder.

CO: Biggest challenge is most of the available space in chain stores is sold to vendors. Our policy is to never pay for space. We feel if we ever break that policy, it would be like opening Pandora's box and all the retailers would want to get paid for all the space.

CA: Space constraints

ALC: Space constraints are less of a factor as we use our displays to hold POP. However, looking for new opportunities is a challenge in terms of space and retailer attitudes.

AZ: Challenges include securing placement and overcoming the wealth of POP messaging in many of our retailers. The corporate account management team strives to secure additional placement opportunities, but these victories are few and far between. The Arizona Lottery doesn't pay for POP placement. The marketing team strives to maximize usage of secured placements by creating effective messaging and creating unique POP to utilize "real estate" that the Lottery currently has in the retail environment. Recent new pieces that we have added to maximize this "real estate" include GTECH Starlet displays and a changeable border surrounding it. We primarily use the Starlets to provide current jackpot amounts and use the borders for new game introductions or other seasonal messaging. Additional signage opportunities have come with our new Interlott ITVMs. We now produce button borders to call attention to the newest games and are working on a large piece of POP for the bottom of the machines.



PGI: *How do you define and measure the effectiveness of your POP materials?*

WI: POP effectiveness has been measured through retailer surveys about customer reactions to specific POP. Field Marketing Reps monitor which POP items retailers ask for in their locations and which materials players take with them from retail locations. Game awareness, which is related to POP effectiveness, is measured through regular player focus groups.

WV: The primary measure of effective POS is demonstrated by sales increases and player awareness. The West Virginia Lottery



conducts semi-annual baseline research to measure product and advertising awareness.

VA: We do not measure it on a piece-by-piece basis, but by how effective our overall POP program is. We solicit feedback from retailers, corporate account reps, and our sales staff. We also listen very closely to our focus groups to see if participants mention or discuss our POP items.

TX: The effectiveness of POP materials is determined through surveys to our retailers on a monthly basis. We also conduct various retailer meetings where we ask what pieces are considered to be most effective. The Lottery Sales Representatives and District Sales Managers provide useful information and feedback as they have the most interaction with the retailer base.

SD: We don't.

OH: We measure the effectiveness of POP by monitoring inventory, and receiving feedback from regions.

NY: Our research demonstrates that player awareness of Lottery information through store signage is second only to television. The immediate feedback on POP material effectiveness comes through weekly sales calls with our sales team. Additionally, we conduct periodic surveys of signage usage through sales rep visits to retail locations. We can also track demand for all and specific POP items through our in-house fulfillment system direct to retailers.

NM: The NML believes sales is the most effective means of measuring the effectiveness of advertising, however; player and retailer feedback also play a significant role.

NJ: The feedback we receive from our retailers.

LA: The first measure is having the POS actually being used in the store, especially considering the challenges. We also rely on anecdotal feedback from our customer service representatives on what retailers like or need. We feel if the item is needed and serves a business function outside of promoting Lottery products, it will be used. Finally, we watch game launch sales for our scratch-offs as a guide to whether game-specific POS is having the desired effect.

KLC: While it is difficult to measure the effectiveness on the POP independently we look for placements which will help to identify the location as a Lottery retailer and make the customers more aware of lot-

tery products and promotions. For some retailers placement of POP is included in sales improvement plans to help them improve sales, and results are monitored.

KS: With placement of POP and sales of the game/promotion.

CT: If we find it has longevity, and meets both the needs of the lottery/retailers.

CO: We measure effectiveness by percentage of retailers putting up the POP.

CA: We track awareness and sales of our products.

ALC: Nothing specific is in place.

AZ: Specifically measuring effectiveness of POP would be very difficult, but most POP is associated with a coordinated marketing campaign. Each campaign we produce is measured by tracking consumer awareness through a monthly research survey and by sales comparisons to products without marketing support.

PGI: *On average how much does your lottery spend on POP materials annually?*

WI: The Wisconsin Lottery's advertising budget is \$4.6 million annually and POP expenditures are a small percentage of that total.

WV: The West Virginia Lottery spends less than \$500,000 per year on POS signage materials, annually. The largest outlay of expense is in that of on-counter and in-counter dispensers for instant tickets and lighted signage.

VA: The Virginia Lottery spends over \$1MM annually on temporary POS and \$500K - \$1MM annually on permanent POS.

TX: We average about \$1,000,000+ on POP materials annually.

SD: Less than \$250,000

OH: Annual spending for POP is approximately \$1.3 million, but it varies year to year because we don't have to buy every single POP item each year (depending on inventory).

NY: Approximately 15% of our annual advertising/marketing budget allocation.



BENCHMARK TO HOST "THE NUTS AND BOLTS OF P-O-P" SEMINAR

Benchmark Lottery Merchandising is pleased to invite lottery professionals to their seminar created specifically for those involved in the development and/or procurement of P-O-P materials. "Nuts and Bolts" will be held in Chicago from March 8-10, 2004 and is free of charge including all meals (delegates are responsible for hotel and travel only). According to Steve Casebeer, Senior Vice-President of Sales and Marketing for the Kentucky Lottery, "Our Advertising & Production Manager attended Benchmark's 'Nuts & Bolts Seminar' in September, 2002. This program broadened her knowledge of the materials and processes used in the production of high quality, cost-effective P-O-P items. The seminar problem-solving exercises, with attendees from other industries that compete for retail space, created a better understanding of how particular manufacturing materials and processes can improve retail impact and item durability, and, at the same time optimize budget management and delivery to the field. This has been a real benefit to the Kentucky Lottery. I highly recommend this seminar to anyone involved in lottery P-O-P production." For more information please contact Glenn Gratta at ggratta@benchmark.com or 847-353-6225. ■

NM: Less than \$250K.

NJ: \$250,000 to \$500,000.

LA: \$250K- \$500K

KLC: \$250-\$500K

CT: \$500K - \$1MM

CO: \$425,000 annual POP budget (does not count Scratch ticket dispensers as POP)

CA: For FY03 - \$5.37MM

ALC: Less than \$250k.

KS: Less than \$250K!

AZ: Arizona is a relatively small lottery with about 2,600 retailers. Since we don't pay for POP placement and don't have the ability to use large pieces of messaging (like neons) we typically spend around \$100,000 per year on POP. This doesn't include the play center agreement we have with the two convenience chains. That agreement is partially funded through an agreement with a local newspaper.

PGI: *What have been the most interesting/effective lottery or non-lottery POP materials that you have seen or used?*

WI: One of the most successful POP placements for the Wisconsin Lottery is in a grocery location where scratch ticket dispensers are built into the service counters, creating a permanent eye-level display of Lottery products and materials.

VA: The most effective POP we have used and continue to use is our Virginia Lottery neon. We encourage our retailers to place the sign in their store windows so that players can see the sign from the street, day or night, and know which retailers sell all Virginia Lottery products.

TX: The most effective POP materials are our Winning Tickets Remaining flyer, jackpot signage, neon signs and playstations. Also, having the product front and center - instant tickets in the dispensers on the counter - is the best POP. Solar-powered pieces are the most interesting POP seen, but because of the cost and space requirements, this is not feasible for our use.

SD: Permanent jackpot display signs.

OH: Luminary action sign and all indoor or outdoor jackpot signs. [Please note, this is for POP items, which does not include support materials for customers (i.e. bet slip protectors, golf pencils, instant ticket scrapers, etc.)]

NY: Generally, the Lottery logo incorporated into all of our retail promotional materials since 1993 and cross-promoted in our advertising and other marketing communication efforts. Nearly 16,000 retail outlets in New York display this logo in one form or another so that players can easily identify a location offering Lottery products. In terms of permanent items, the winning numbers results calendar

is used by virtually the entire retail network. Recently, retail displays tied to the "If I Had a Million Dollars" Campaign...From television advertising to the promotional pos produced, the public LOVED it!!!

NM: Our winner aware-

ness program has evolved over the past few years and top-prize instant ticket retailer signage is created prior to product release. Just like all NML POP, the design is created in-house and in this case, also produced in-house on our banner machine. As soon as notice is received regarding a top-prize winner, the signage is ready to be sent to the local sales representative for timely placement in the retail location, even as the instant ticket is still available (i.e.: no waiting for an order to be placed by a sales rep.). The NML's in-house creative services staff and equipment also enables quick turnaround and timely messages on banners, lapel buttons and posters for winner awareness and special events.

NJ: The 24 and 32 instant ticket dispensers and the flashing oval Cyber Slingo logo.

LA: We have watched the convenience store industry in our state get into the fast food/deli business. The Lottery menu boards have been effective at getting us "front and center" in the store while providing the retailer with a valuable piece of equipment. During the holidays, POS displaying "free" gift envelopes for use with holiday scratch-offs have also been effective.

KLC: Our outside retailer identification signs have been the most effective in letting players know where lottery retailers are located (32"X32" Hanging pole sign, street talkers, flex board pole signs). Inside we recently used a Powerball Lightning Ball to promote the Powerball enhancements and PowerPlay feature. It was well accepted by the retailers and players and helped to spark impulse sales (attached)

KS: Die cut wobbler is the most interesting and the horizontal banner and lane closed pieces are most effective.

CT: The POS / Merchandising materials are not as important as is the placement. Prominently displayed advertising is key to effective lottery POP materials.

CO: We really want jackpot signs that automatically change jackpot amount by wireless so we do not have to depend on the retailer to get that done. Problem is they are very expensive \$500 - \$1500 each. These would be great at gas pumps if we could get the cost down to \$200 - \$300 each.

CA: Instant ticket in-counter display, window signage, change mat, and floor graphics.

ALC: Our approach is very traditional. We have used floor decals, mats, door decals and signage, but typically, we rely on our core merchandising pieces to deliver the product message.

AZ: Our best pieces of POP are our terminals and ITVMs. These items spawn impulse purchases and the awareness they create increases these purchases. We have emphasized attention to the terminals through our recent addition of the Starlets and accompanying borders. ITVMs were recently upgraded to a new 16-game machine. We revised the graphics on the new machines to be vibrant and attention-grabbing. In addition, the visibility and size of the ticket displays on the new machines were vastly improved. The Sales Department continues to place our ITVMs in the most secure but



Arizona Ads Interactive Feature

The Arizona Lottery recently introduced an interactive feature to its Web site, allowing players to play a demo game of Slingo. A number of changes and innovations are coming, pending a complete revamping of the site.

New Jersey Launches Cyber Slingo Instant – First of Its Kind Instant Game with Internet Component

New Jersey will become the first state to begin selling Cyber Slingo, an instant game with an Internet play feature, on February 23rd at over 6,000 licensed New Jersey Lottery retailers.



Cyber Slingo offers lottery players two distinctive play areas – the traditional scratch-off portion and a new revolutionary Internet component. The scratch-off section is played in the same fashion as most instant tickets, with players revealing a series of graphics and symbols to win prizes.

What makes Cyber Slingo a unique lottery game is the Internet feature. To take advantage of the web portion of the game, New Jersey players will visit www.njlottery.net, input the access code printed on their instant game, then play a short five minute Slingo game. To win, players complete horizontal, vertical and diagonal rows to achieve the highest score.

"A main source of success over the recent years to the New Jersey Lottery has been our creative and fun instant games," said Virginia S. Bauer, the Executive Director of the New Jersey Lottery. "Our customers respond very well to them and we in turn respond by developing new games."

"Cyber Slingo represents the next generation of lottery gaming. This instant game offers the opportunity to reach a more Internet savvy lottery player."

Players cannot claim or actually win a prize on the Internet and they are not required to go on-line to win. Instead they can simply ask their retailer to scan their Internet play ticket stub to determine if that portion of their ticket is a winner.

"With 79% of the population using the Internet, players will welcome the interactive play experience that Cyber Slingo offers," added Bauer.

Slingo has been one of the most popular games on American Online since 1995 and the brand has been used in the past by several lotteries, including New Jersey, as a classic instant game. Priced at \$4, Cyber Slingo offers players a top prize of \$21,000 on the instant game and \$5,000 on the Internet component.

Missouri Lottery to Help "Lottery Captains", Begins Offering Email Jackpot Tracking

Missouri Lottery players can access a variety of "Lottery Captain" forms at www.Molottery.com that will help them

manage their group-play activities. To access the "Lottery Captain" tools, players simply need to click on this link in the "My Preferences" section and create or sign in to their existing My Lottery account. From there, they will be able to take advantage of new printable jackpot alert signs, winning number forms and forms to help keep track of who played for how much on which date. And if the group likes to play every week or only after the jackpot reaches a certain amount, Lottery Captains can choose the amount at which they'd like to begin receiving jackpot alert messages via e-mail. Lottery Captains also can share a little information about their team, how much they've won, how often they like to play, etc.



Also, Missouri Lottery players are now able to track jackpots via email. Once players create or log in to their existing My Lottery account, a free new on-line service that offers players a variety of benefits and more opportunities to win at molottery.com, they have the option to choose the jackpot amount at which point they wish to be notified by email. Players can choose from a list of the following amounts: \$50 million, \$75 million, \$100 million or \$150 million. They may also choose "Always" from this list to receive an email notification after every Powerball drawing, regardless of the amount. Lotto players also have the same advantage to be alerted of increasing jackpots. Players can choose to be alerted once the Lotto jackpot reaches any of the following amounts: \$3 million, \$5 million, \$7 million, \$10 million or "Always."

U.K. Launches Big Interactive-Gambling Campaign in 2004.

Camelot is planning an aggressive online marketing campaign to support its Lotto Online service, which launched in December. The campaign will run for the first few months of 2004, and will include several Internet ads. The Lottery has entered into partnerships with MSN, Yahoo and AOL. The portals will develop lottery channels that will allow customers to buy lottery tickets.

Camelot customers can buy both Instant and Lotto numbers for the Wednesday and Saturday draw and daily play draws via the National Lottery website www.national-lottery.co.uk. Camelot plans to extend the service to interactive television and mobile phones in 2004. Instant games were launched on the Internet earlier in 2003.

The UK firm Million-2-1 has been awarded the country's first SMS lottery license by the Gaming Board and is launching a text-based Manchester Lottery in early 2004. The Lottery will allow players to choose which charity the money goes to. Approximately 35% of proceeds will go to good causes. The game, where players buy tickets by text, will cost £1. Million-2-1 is currently seeking to raise £2m in equity funding to market the games. ■

Lottery News

North Dakota Powerball Launch-Date Set

North Dakota Attorney General Wayne Stenehjem announced that the state will start selling Powerball tickets on March 25. The Lottery has already chosen more than 300 of its 319 retailers. .

Both Multi-States Top \$100 Million

Both Powerball and Mega Millions had jackpots that eclipsed the \$100 million mark over the holidays. Mega Millions reached \$162 million before being won, and Powerball climbed all the way to \$221.5 million before two players hit the numbers. It's believed to be the first time both games had jackpots over the century mark at the same time.

Lotteries off to a Great Start in FY04

Several Lotteries are reported to be on a record fiscal pace. The Arizona Lottery has recorded sales of \$142.8 million during the first five months of its fiscal year – almost \$21 million more than the lottery's budget estimates. Sales from Powerball, The Pick, Fantasy 5 and Pick 3 totaled \$77.3 million, beating projections by \$18.1 million, While instant sales are \$2.8 million ahead of projections.

West Virginia's FY04 sales in December were at \$529.8 million – 23% more than the same time period last year. November sales alone were almost \$100 million. That's a 20% increase from November 2002.

Minnesota Lottery sales from July 2003 through December 2003 total \$199.5 million, a 6.59 percent increase over the same period in 2002. Transfers to the State are up 25.64 percent for the same six-month period. The Lottery has netted more than \$53.57 million (net proceeds, in-lieu-of-sales tax, unclaimed prizes, funding for problem gambling programs), an all-time high for comparable six-month periods. The Lottery had previously forecasted that \$94.4 million would be transferred to the State Treasury by the close of the fiscal year on June 30, 2004. Comparing calendar year 2003 to 2002, sales were up 0.59 percent (\$2.1 million), while State transfers of \$90.33 million (an all-time high) were up 14 percent (\$11.14 million). The numbers reflect increased sales, budget reductions and a shift from Instant games to online games.

The Pennsylvania Lottery had record instant games sales of \$30,293,262 the week of December 23 through 29. The sales week topped the old record of \$25,820,287, set December 16 – 22, 2003, by \$4,472,975, or 17.3 percent. Of the Lottery's 30 best instant sales weeks since its inception, 18 have occurred since the beginning of the fiscal year, July 1, 2003. Six of the top ten instant sales weeks have occurred in November and December, 2003. Instant games sales for the current fiscal year totaled \$462,542,865 through week 26, which ended Monday, December 29, 2003. These sales represent a \$79,160,055 or 20.6 percent increase over last fiscal year's sales through week 26, \$383,382,810.

Ohio Lottery profits for the first six months of the fiscal year are approximately \$12 million higher than the same six-month period last year. Despite the profit-rise, these numbers are 1-percent lower than what the budget called for, but there's six months left to make up the difference.

The Story of the Pearl: A Washington, D.C. Story

Dr. Dorothy I. Height, Chair and President Emerita of the National Council of Negro Women, Inc. (NCNW) was the guest speaker for the D.C.

Lottery's unveiling ceremony for its 2004 Black History Calendar/Poster with the theme: "The Story of the Pearl: A Washington, D.C. Story."

The January 7th ceremony was held at the NCNW's headquarters at 633 Pennsylvania Avenue, NW – the location where slave trades were held. "This is the right place at the right

time," Dr. Height said. "We need to continue to tell the story." The Pearl is about a brave group of enslaved African American men, women, and children living in Washington, D.C., who staged a daring attempt to obtain their freedom.

This year, the D.C. Lottery chose to tell their story on its annual Black History Calendar, as it has been doing since 1986. With the posters, the D.C. Lottery highlights African Americans and their contributions to America in such areas as education, arts, entertainment, communications, business, and the military. In addition, in conjunction with the release of the calendar, the Lottery is sponsoring an oratorical contest for junior and senior high school students.

Today, the demand for the posters has resulted in the Lottery printing 25,000 copies of the 2004 poster and half have already been distributed to D.C. Public Schools.

Pennsylvania Joins Amber Alert

More than 6,500 Pennsylvania Lottery online retailers have joined the state's effort to find abducted children, as the state announced the broadening of Pennsylvania's Amber Alert Plan through a new partnership between the Pennsylvania Lottery and the State Police. When the State Police activate an Amber Alert on a statewide or regional basis through the Emergency Alert System, Scientific Games and the Lottery's Security Division will receive information regarding the abduction. Upon reception, Scientific Games will send a message to all Lottery terminals within the designated region, notifying retailers that the Amber Alert Plan has been activated. LED will be immediately re-programmed to display information about the abduction, including details about the victim, the suspect and, if available, the suspect's vehicle. Retailers will also be instructed to print copies of the Amber Alert message from their Lottery terminals. Retailers will distribute copies of the Amber Alert message to customers. ■



Dr. Dorothy I. Height, Chair and President Emerita of the National Council of Negro Women, Inc. (NCNW) (left) and Jeanette A. Michael, executive director of the D.C. Lottery and Charitable Games Control Board (right) unveiling the D.C. Lottery's 2004 Black History Calendar, *The Pearl: A Washington, D.C. Story*.

Lottery People

New York Lottery Director **Margaret R. DeFrancisco** is leaving her position in order to take up the vacant position at the helm of the Georgia Lottery Corporation. There is no immediate replacement for DeFrancisco in New York, where she ran the games since 1999.

Margaret M. "Peggy" Gordon, the victim compensation administrator with Colorado's Office for Victims Programs, will take over as the Colorado Lottery Director on January 1. She replaces **Mark Zamarripa**, who announced his resignation November 12. Gordon said integrity will be the cornerstone of her administration, and that she would work to restore morale throughout the lottery organization. Gordon's entire career has been in law enforcement. She began in 1975 working with victim compensation issues with the 18th Judicial District, and continued there until taking the job with the state in 1997. She has extensive experience working with budgets and the state legislature, and in implementing changes driven by state audits. One of her first tasks will be implementing a new gift policy for Colorado Lottery employees. The Lottery Commission has been urged to ban Lottery employees from accepting any gifts from businesses that have or that are seeking lottery contracts.

Dudley Lehw, director of communications for the Louisiana Lottery Corporation, has been honored with the Public Relations Association of Louisiana's 2003 First Circle Award, which is given annually to PRAL members who have performed outstanding work in the field of public relations over their careers.

Lehw serves on the PRAL board of directors and holds the national Accredited in Public Relations certification (APR) as well as a Senior Practitioner designation. He is a 17-year veteran reporter and editor for the Associated Press in several areas throughout the U.S. Lehw joined the Louisiana Lottery Corporation in 1999 as its public information manager and was named director of communications in 2002. He manages a staff of three public relations professionals and serves as creative director for the Lottery's advertising program.



D.C. Lottery and Charitable Games Control Board Communications Director **Bob Hainey** received a Certificate of Appreciation from the Office of the Chief Financial Officer of the District of Columbia on October 30, 2003. The D.C. Lottery is an independent agency under the oversight of the OCFO, and Bob was recognized for his outstanding accomplishments and individual contributions

to the OCFO's mission and goals.

E.D. "Debbs" Potts, a former lawmaker, president of the Oregon Senate, and until recently, the only chairman of the Oregon Lottery Commission, was found dead at his home one-week after turning 95. The Oregon Lottery Commission only just recently concluded its first meeting without Potts in its 19-year history.

Joan Beatty was sworn in as Minister of Culture, Youth and Recreation by Saskatchewan Lt.-Governor **Lynda Haverstock**. Her new position requires her to oversee the Interprovincial Lotteries. Ms. Beatty is the first Aboriginal woman elected to

the Saskatchewan legislature, and the first Aboriginal woman to serve in the provincial cabinet.

Humphrey Khoza, the CEO of Uthingo, which operates the South African National Lottery, has resigned. Khoza is reportedly leaving to pursue new business challenges. Khoza was instrumental in setting up the lottery industry in South Africa and was involved right from the beginning when the proposal was put together to bid for the license. Oupa Monamodi, chief operating officer of Uthingo, will act as chief executive for six months.

The Ohio Lottery Commission has selected **Leilani Barrett** and **Michell Duda** as the new hosts of Cash Explosion Double Play, the Lottery's weekly game show. They are replacing long-time hosts **Paul Tapie** and **Sharon Bicknell**. They will host the Ohio Lottery's TV special, *The \$5 Million Top Prize Drawing Show* on Feb. 14, and will begin hosting *Cash Explosion Double Play* on Feb. 21. Barrett has appeared throughout Ohio on stage and in television on a variety of projects. His improvisational skills landed him a regular role at Second City-Cleveland, and his voiceover talents can be heard in commercials on radio and television. Duda is a self-employed copywriter/producer working with various clients in video, print, interactive and music applications. She also works as a correspondent for Columbus Monthly magazine.



The Tennessee Lottery board voted to hire acting Tennessee Bureau of Investigation director **David Jennings** as vice president of security.

Cathy A. Beres, director of marketing for the Illinois Lottery, is leaving the state agency to become executive director of marketing for LifeSource Blood Centers.

Arizona Lottery Executive Director **Katie Pushor** recently named **Dan Pitts** as Director of Sales and promoted **Patricia "Trish" Stinson** to Director of Security. Pitts brings to the Lottery more than 20 years of experience in sales and marketing, including serving as vice president of sales for IT M&A Exchange, LLC; and vice president of International and Market Development for Microage, Inc. **Stinson**, an Arizona Lottery employee since 1996, has served as an Investigator III, Special Investigations Supervisor and acting Security Director. Prior to joining the Lottery, Stinson was a police officer for almost 10 years. ■

The longtime director of the Minnesota State Lottery, **George Andersen**, died Tuesday, January 27 after being found outside his home by his family, according to a statement from the lottery. Paramedics were called and took Andersen, 53, to Regions Hospital in St. Paul where he was pronounced dead. A cause of death has not been released. Andersen, who has been the director of the lottery since it began in April 1990, was married with two grown children.

Arizona

In addition to a larger commitment to television advertising for instant products, the Arizona Lottery continues to partner with the Phoenix Coyotes, Phoenix Suns and the Arizona Diamondbacks. The Lottery's promotional agreement with the Suns and Diamondbacks is traditional, including signage and media. However, its relationship with the Coyotes includes the traditional elements as well as a title sponsorship agreement for the Pick 3 daily numbers game. This value-for-value agreement gives the Lottery significant exposure in the new Glendale Hockey arena, media exposure during game broadcasts and other benefits for the Pick 3 game that could not otherwise obtain.

Statewide road trips utilizing the Lottery's mobile sales promotional vehicle called the "Ticket Truck" and major sponsorships like the Arizona State Fair are included in the year-long promotions plan. These promotions are designed to spread the Lottery messages statewide.

D.C.

Starting February 2, the D.C. LOTTERY LUCKY NUMBERS™ game will have an added enhancement, LUCKY RED BALL. If a player's three-digit number and the LUCKY RED BALL are selected for the same draw, the winnings increase an additional 20%!

A big bonus feature is that the odds of selecting the LUCKY RED BALL get better with each drawing. The LUCKY RED BALL drawing will have 14 balls: 13 white and 1 red. Following each mid-day and evening drawing, one bonus ball will be selected. If a white ball is selected, the payout remains the same, but the selected white ball is removed from the ball machine for the next drawing. This process is repeated until the LUCKY RED BALL is chosen.

Florida

The Florida Lottery reportedly purchased 350 tickets for the Jacksonville Jaguars' final home game against the New Orleans Saints on December 21 and gave them away to fans. The first 175 fans who lined up at the ticket window near Gate 2 at 10 a.m. the day of the game received two free tickets each if they presented a non-winning lottery ticket purchased in the last six months. The promotion is part of a sponsorship deal with the Jaguars.

Georgia

The Georgia Lottery Corporation (GLC) closed the books on the first half of fiscal year 2004 by announcing the largest second quarter transfer to education in GLC history. Record breaking first and second quarter transfers to the Lottery for Education Account in fiscal year 2004 will total more than \$376 million - \$24 million more than last year's benchmark - making the first six months of fiscal year 2004 the most successful start in its 11-year history.

Lottery sales for fiscal year 2004 have surpassed \$1.4 billion - \$72 million ahead of where they were at this same time last year.

Iowa

The Iowa Lottery is using state-of-the-art solar technology to advertise jackpots on a number of billboards throughout the state. The solar-powered billboards allow the lottery to electronically update the jackpot numbers by satellite from a central location.

Kansas

The Kansas Lottery is kicking off the New Year with lots of exciting games and promotions.

For country music fans, the Lottery has launched the \$2 Country Stampede ticket. Country Stampede has a top prize of \$10,000. The Country Stampede is one of the largest country music festivals in the country. The front of the tickets feature country music stars Rascal Flatts, Rushlow, Mark Wills, and Nitty Gritty Dirt Band. Players can win up to three times on one ticket.

Players can enter non-winning tickets into a second-chance drawing for a chance to win the grand prize trip for two to Nashville. Winners who win a trip to Nashville, Tenn., get to visit the Grand Ole Opry Museum, the Country Music Hall of Fame, Ryman Auditorium and other famous attractions.

The grand prize winners also receive a weekend trip to the Country Stampede at Tuttle Creek, in Manhattan, Kan., June 24-27, 2004. Ten additional prizes awarded will also include weekend trips to the Country Stampede.

The grand prize package includes airfare for two from Kansas City to Nashville, Tenn., hotel room, admission to various attractions, \$1,500 spending cash, and VIP admission for two to the 2004 Stampede and kick-off party. They will also receive VIP parking, hotel room, an autographed guitar, \$100 gift certificate, \$300 cash, and mandatory withholding taxes.

The Kansas Lottery has joined forces with the Dodge City Steak Company in Dodge City, Kan., to bring lottery players this offer. The \$2 Beef 'N' Bucks game offers players a chance to win a top prize of \$10,000, and up to ten ways to win on a single ticket.

Five second-chance drawings will be conducted Feb. 13, March 12, April 9, May 7, and June 4, 2004. Players can enter by completing the back of a non-winning Beef 'N' Bucks ticket for a chance to win. In each drawing, five lucky Kansas Lottery players will win a freezer stocked with \$1,000 worth of legendary Dodge City Steak Company steaks and a top of the line Kenmore outdoor gas grill. To enter the drawing place non-winning tickets into an envelope with proper postage and mail it.

Michigan

Beginning March 1, 2004 and running through March 21, 2004, the Michigan Lottery will be offering the Daily 4 "Back Pair Payout" promotion. Daily 4 game players will receive a \$10 prize when their \$1 straight bet matches the last two numbers drawn.

Lottery players will be jumping for joy over the Michigan Lottery's newest \$3 instant game, "Detroit Pistons," which hits ticket counters statewide on December 29! The game offers Michigan players the opportunity to win \$50,000 instantly, lots of great NBA and Detroit Pistons brand merchandise and NBA Winner's Choice Dream Trip travel prizes. For merchandise prizes and trips, players need to send in two non-winning "Detroit Pistons" instant tickets for a second-chance drawing. The Michigan Lottery will conduct four separate second-chance drawings to award four first-prize NBA Winner's Choice Dream Trips and 800 NBA/Detroit Pistons brand merchandise prize packs (200 prize packs per drawing). Winners of the Dream Trip prizes will have the option to choose either a Home Game Getaway or a Road Trip Getaway prize. The Home Game Getaway trip includes one room for one night in a first-class hotel; dinner for two at a first-class restaurant; two courtside seats (including event parking); \$300 in gift certificates to be redeemed at the arena gift shop and \$1,500 spending money. The Road Trip Getaway trip includes round-trip airfare for two; one room for two nights at a first-class hotel; transportation to and from airport to hotel and hotel to

game; dinner for two at a first-class restaurant; two tickets to the game and \$1,000 spending money. Playoff games are not eligible. The winners of the merchandise prize packs will receive one each of the following NBA/Detroit Pistons branded merchandise: jersey, jacket, schedule watch, basketball, duffel bag, wall clock, blanket/throw, baseball cap, bench towel and T-shirt.

New York

The Saratoga Equine Center unveiled its new NY Lottery VLTs to the media last Wednesday. The machines are expected to be opened to the public on January 28th.

North Dakota

The North Dakota Lottery logo contest, open to students in state, private and tribal colleges, has produced a composite winner. Elements from many of the suggested designs were put together to produce a logo containing the state outline dominated by a large red ball and yellow sunburst. "North Dakota" runs across the top of the logo, utilizing the same font that is used to promote tourism in the state. LOTTERY runs across the bottom of the logo in all-white caps, with a red dot between each letter.



Ohio

The Ohio Lottery continues to focus on a marketing strategy that promotes unique experiences for players, as well as monetary prizes. Through partnerships with media outlets and professional athletic organizations, the Lottery has provided special opportunities for players. Current activities for February include "Fan Fantasy Nights" at Cleveland professional basketball and indoor soccer games, and second-chance drawings for trips to the NHL's All-Star Weekend, Feb. 8 and 9 in St. Paul, Minnesota.

On Feb.14, the Lottery will host the \$5 Million Top Prize Drawing Show. During the TV show special, the Lottery will award more than \$5 million in top prizes from a selection of Lottery instant games. Two top prize drawings will be conducted on the show. In addition, the show will feature visits to other top prize drawing winners by the Lottery's own "prize guys," and reinforce the top prize drawing (TPD) feature available in many of the Lottery's instant games.

On Feb. 2, the Lottery will introduce a "Winner's Certificate" for play-at-home players participating in the Lottery's Cash Explosion® TV game show. The certificates, designed to pay \$200 or \$500 prizes, are sent to winners by certified mail. These certificates are redeemable at any retailer location, replacing a lengthy and more costly claims process. The certificate is conservatively estimated to save the Lottery \$35,000 annually.

Ontario

Toronto media personalities are taking their favorite charities for a ride, but it's the charities that will win up to \$15,000 with the ONTARIO INSTANT MILLIONS MEDIA CHARITY CHALLENGE! The charity challenge will feature Toronto Media personality contestants playing a version of a scratch and win game, with each guaranteed to win at least \$2,000 and as much as \$5,000 for a favored charity. Ontario Instant Millions tickets, and information on how to win the trip on the Orient Express, are now available province-wide at more than 10,000 lottery retailers, and on the OLG website (www.OLG.ca).

The Ontario Lottery and Gaming Corporation has launched a multimedia campaign for Canada's largest lottery, Lotto Super 7. This campaign features seven super heroes with super human powers that parody what life could be like for Lotto Super 7 winners. Each hero has extraordinary abilities that enable Lotto Super 7 winners to enjoy their prizes and get what they want. The Super Seven include: **Relaxo** – Who has the super human ability to help winners do nothing at all; **Two-Weeks Notice Man** – A savior whose mission is to free downtrodden workers; **Cosmetica** – Who exposes Super 7 winners to beauty enhancing and age defying procedures; **Destinator** – Who helps Super 7 winners cope with their excessive vacationing; **Jesse Streets** – Who introduces winners to the often confusing world of exotic cars; **Professor Posh** – A master of etiquette who unravels the mysteries of high society; **The Splurger** – Who frees Super 7 winners' inhibitions to buy things they don't need. The Super Seven heroes are making special live appearances at points of interest in Toronto, including our prize office, over a six week period.

Oregon

The Oregon Lottery's current contract with 1,900 bars and taverns that offer VLTs is set to expire in June, and the Oregon Lottery Commission has asked Secretary of State Bill Bradbury to conduct a study of the fairness of the current pay rates. In FY03 The Lottery paid \$153 million in commissions (approx. \$75,000 each) to the 1,900 bars and taverns with VLTs. During the 2003 Legislature, lawmakers considered a bill that would have cut poker commissions by more than 50 percent. The bill didn't pass, but the movement to cut the commissions continues.

Pennsylvania

Pennsylvania's Super 6 Lotto game will be going out in style on January 27. All remaining Super 6 prize money will be distributed on that draw, regardless of whether someone hits the jackpot. If no one matches all six numbers, the jackpot money will be shared proportionately by second, third and fourth-tier winners.

Tickets for the Pennsylvania Lottery's new Match 6 Lotto game will go on sale for the first time Wednesday, January 28, 2004. Live, televised Match 6 Lotto drawings will be conducted every Tuesday and Friday evening. Match 6 features a \$500,000 starting jackpot, 1-in-5.9 odds and 11 ways to win. The new game also will introduce Pennsylvanians to a new style of play. Players will be able to match numbers in the traditional way – on one horizontal line of play – as well as on a combination of lines. Players will receive three Match 6 plays for \$2.

Quebec

Loto-Québec is pleased to be associated with La fête des Neiges de Montréal, a fun-packed winter festival to be held January 24 to February 8, 2004, in Jean-Drapeau Park. Loto-Québec is a contributing sponsor of this event, which enables everyone to experience winter to the fullest by taking part in any number of exciting outdoor activities. The festival fits in perfectly with the Lottery's mandate, which involves promoting and supporting events that benefit all of Québec. In an enchanting setting of ice and snow located at the heart of Île Sainte-Hélène, visitors will again this year get to try their hand at skating, skiing, sledding and countless other fun and entertaining activities.

Rhode Island

Rhode Island Lottery employees once again "adopted a family" during the recent holiday season. A local fire left many families homeless just before Christmas, and Lottery employees made sure one of those families had a happy holiday with gifts, food, and a Christmas tree.

For the sixth consecutive year, the Rhode Island Lottery was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

2004 marks the 30th Anniversary of the Rhode Island Lottery with many festive activities and promotions being planned.

South Carolina

The South Carolina Education Lottery passed the two-year mark in January. The Lottery, which sold its first tickets Jan. 7, 2002, has grown from four scratch-off lottery games to several dozen and four numbers games – Pick 3, Pick 4, Carolina 5 and Powerball. Since the games began, more than \$1.5 billion in tickets have been sold, providing more than \$429 million to pay for scholarships and education programs.

Tennessee

The Tennessee Education Lottery unveiled its first four Instant tickets. Tennessee Millionaire costs \$1 and features instant prizes of up to \$1,000 and an opportunity to enter one of three grand prize drawings that will give three players the chance to win \$1 million each. Offering a top prize of \$25,000 is Tennessee Treasures – a \$2 ticket depicting regional scenes such as Downtown Chattanooga, Knoxville's Sunsphere, Memphis' Beale Street, Nashville's downtown Arena and Unicoi County's Red Fork Falls. Lucky 7's offers a chance at up to \$7,000 for the cost of \$1. It's not hard to guess the top prize of the ticket called \$100,000 Jackpot – the ticket sells for \$5.

West Virginia

The West Virginia Lottery celebrated its 18th anniversary on

Jan. 9 with sales approaching \$6 billion!

The Lottery has generated \$5.7 billion in sales and nearly \$2 billion in profits since the first ticket was sold in 1986, substantially more than the \$8 million a year in profits that was predicted in 1985. Of those impressive figures, approximately \$628 million represents sales for the current fiscal year through December, reflecting state profits of \$184 million. The announcement came on the heels of one made at the beginning of the fiscal year July 1 noting that the West Virginia Lottery had broken the \$1 billion sales mark.

Approximately 2,650 members of West Virginia's Army and Air National Guard serving in Iraq or awaiting deployment will be receiving holiday packages thanks to the West Virginia Lottery. The packages include a lottery T-shirt and copies of the two music CDs

Wisconsin

Wisconsin Lottery sales were up 15% through the first half of the current fiscal year. The \$257.8 million generated from July–December 2003 improves on last year's total of \$223.3 million at the halfway point. Online sales were up 18%, thanks to high Powerball jackpots and the success of the Lottery's new daily game, Badger 5. Scratch sales increased 13% due to strong overall activity at all price points and a new \$10 ticket.

In February, the Wisconsin Lottery will celebrate the first anniversary of its successful online game Badger 5. Sales for the daily game averaged over \$400,000 a week in its first year. Badger 5 challenges players to match 5 of 31 numbers to win a rolling jackpot that starts at \$10,000. In all, there have been 127 jackpot winners including one lucky player who won the game's record jackpot of \$309,000 in January.

Snow isn't the only thing flying in Wisconsin—the instant tickets are flying, too! The Wisconsin Lottery has launched nine new instant games since the holidays, including two triple launches in January. Some of the new games...\$2 Valentine-themed Sweet Cash...\$3 Diamond Mine was named in an employee contest...\$1 Tic Tac Wow! features match 3 and tic-tac-toe playstyles on one ticket. ■

Massachusetts Harley-Davidson *continued from page 17*

ages ever assembled. Our agents were quite pleased with the material they received in support on this game, and we believe it helped drive sales."

The Lottery kicked off the game with a major press conference at the Buell Harley-Davidson dealership in Everett, located just outside of Boston. Former NFL stars and Massachusetts residents Fred Smerlas and Steve DeOssie, and other local celebrities were on hand, joining State Treasurer Tim Cahill and Joe Sullivan.

Over an eight-week period in July and August, four Massachusetts radio stations participated in lottery promotions at lottery retail locations and Harley-Davidson dealerships statewide. In all, the Lottery received 400 on-air promotional spots and conducted 32 in-store promotions. At each location, every consumer received Mass Lottery biker sunglasses and qualified to win other merchandise. In all, the promotional campaign, including media exposure, was valued at approximately \$800,000.

The Lottery featured the Harley-Davidson game prominently on its web site, with special pages devoted to winner awareness. From the Massachusetts Lottery site, players could click over to the MDI-provided website, with additional details about the motorcycle and merchandise prizes as well as fulfillment procedures.

Player research is now underway on a number of levels, to learn more about the characteristics and purchase behavior of lottery players who participated in the Harley-Davidson game. Early signs indicate that the Harley-Davidson game attracted light, lapsed and new lottery players who were fans of the Harley brand.

The Lottery intends to continue to strategically place licensed games into the marketplace. "We expect licensed games to appeal not only to players who already enjoy our games, but also non-players who like that particular brand,"



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