

# **Oklahoma Lottery Commission Retailer Advisory Board (RAB) Minutes**

**Conference Room  
Oklahoma Lottery Commission  
3817 North Santa Fe  
Oklahoma City, OK 73118**

Wednesday, September 15, 2010  
11 a.m.

## **1. Call to Order. Roll Call and Announcement of Quorum.**

Meeting was called to order by Ricky McCullough at 11:02 a.m. with roll call and attendance.

Board Members in attendance:

Michael Alberty, Snackers	Kelly Clem, Murphy USA
Sherry Hansen, Kum N' Go	Tom Hudson, Stripes
Bob Markham, Buy for Less	Kwai Wah Pang, Flash Mart
Larry Pooler, Phryogy's Town and Country	Kenny Smith, Quick Stop
Tammy Williams, Station II	

Others in attendance:

Jim Scroggins, OLC	Ricky McCullough, OLC	Mary Martha Hall, OLC
Dirk Topinka, OLC	Cynthia Reece, OLC	Sonia Horner, OLC
Katy Smith, OLC	LaToshya Riley, OLC	Brandie Reisman, OLC

## **2. Announcement of Filing of Regular Meeting Notice and Posting of the Agenda in Accordance With the Open Meeting Act.**

The meeting notice was properly posted.

## **3. Discussion of new meeting format in compliance with the Open Meeting Laws.**

There was a quorum and the meeting began.

#### **4. Update from Lottery's Executive Director.**

Mr. Scroggins stated that the RAB may be interested to know what effects legislation may have on the lottery, but there are so many unknowns between now and November 2 he is not sure. What we do know is that both governor candidates are education supporters. State Question 744 (SQ 744) is scheduled to be on the voting ballot in November. SQ 744 requires Oklahoma to spend a minimum percentage per-pupil to compete with the southern region. If approved, public education would be required to at least meet the per-pupil average spending of neighboring states. Currently, the Oklahoma Lottery Commission (OLC) has generated just over \$358 million dollars for public education, one-third of a billion dollars. Last year, scratcher sales were up over 60 percent and we're up currently this year. Jim asked the board if they had ideas as to why – Mr. Smith stated consumers are excited about shorter rotation of games, while Ms. Hansen commented on instant wins. Jim also mentioned one of the things that will be discussed at a national lottery conference he's attending next week is what we can do to increase online sales. Then Mr. Scroggins asked the RAB thoughts on changing Powerball to a \$2 game. For instance, if a player would buy a \$2 Powerball ticket with powerplay, it would then be a \$3 ticket. Mr. Pang stated that he prefers to see Powerball remain a dollar as it a "magic number" and most patrons do not mind spending a dollar.

#### **5. Sales Update.**

Ricky McCullough provided the OLC sales update. Ricky explained there are 1,996 active retailers, 25 second terminals and 111 active Player Activated Terminals (PATs). Sales are down 2.5 percent than they were this time last year; an estimate of 4.8 million in sales; partially because we are not seeing higher jackpot amounts like we've seen before. We exceeded last year's financial goal. The instant products are selling extremely well as players are becoming more familiar with our \$5 games. Our final FY '10 YTD sales are \$198,664,531 and the FY '11 YTD (week 10) is at currently \$36,616,934.

#### **6. Presentation of new OLC Scratchers**

Brandie Reisman presented new scratchers to the Board. The new scratchers for September are \$1 That's So Money, top prize \$4,000; \$2 Golden Goose, top prize \$15,000; \$2 Oklahoma Lottery Black, top prize \$18,000; and \$5 Caribbean Cash, a top prize of \$30,000 and/or a chance to win one of ten luxury Caribbean cruises for two aboard the Royal Caribbean's Oasis of the Seas or Allure of the Seas.

October 26 Game Launch: \$1 Card Shark, top prize \$5,000; \$1 Holiday Gift Tag, top prize \$2,000; \$2 Treasure Chest, top prize \$16,000; and \$3 Diamond Mine (will replace Lotteria), top prize \$20,000.

November 23 Game Launch: \$1 Magic Money, top prize \$3,000; \$2 Sizzlin 7s, top prize \$14,000; \$2 Xtreme Cash, top prize \$16,000 and \$5 Casino Royale, top prize \$40,000. The concept of Xtreme Cash is to resonate with “X-Games” which is an annual winter sporting event. The artwork change in upcoming instant tickets will produce a “new and edgier” look.

## **7. Presentation of new OLC promotions**

Katy Smith discussed current and upcoming promotions. The current OLC promotions are the Millions and More, Mobile Club, Explore Oklahoma, Caribbean Cash.

Millions and More Promotion: Started August 1 and ends October 23. Players’ can purchase \$5 in Powerball, Mega Millions and Hot Lotto and receive an entry to win a \$50 gift card from Best Buy®, Target®, iTunes®, Bass Pro Shops® or Lowe’s®. One-hundred and fifty gift cards from each retailer will be given away for each drawing. Player’s can enter to win online or mail their entry to the OLC. The OLC will provide a total of 900 gift cards which will be given away for this promotion.

The remainder Millions and More draw dates are:

September 27, October 11 and the final drawing is October 25.

Explore Oklahoma: Player’s may enter any non-winning Explore Oklahoma Scratcher for their chance to win 1 of 200 \$200 travel vouchers to any Oklahoma State Park.

The Explore Oklahoma Promotion draw dates are:

October 1, November 1, November 29 and the final drawing is to be determined.

Mobile Club Promotion: The Oklahoma Lottery is now offering player’s the chance to win more money and prizes with the “mobile club.” Now and until October 6, player’s have the opportunity to win \$100 a day by texting “OKLOTTO” to 77000 for their chance to win.

Caribbean Cash Promotion: Starts September 23. Player’s may enter any non-winning Caribbean Cash Scratcher for a chance to win 1 of 10 luxury cruise packages for two, on Oasis of the Seas® or Allure of the Seas® including airfare.

The Caribbean Cash Promotion draw dates are:

October 31, November 30, December 31, January 31 and the final drawing is to be determined.

The OLC is currently working on a new Lottery iPhone® application. It will be available on iTunes® were player’s will receive winning numbers, current jackpots, and links to web sites. The Lottery iPhone® application will also feature a fun

“shake” element that will randomly select numbers that a consumer could use to pick their own numbers if they wished.

## **8. Discussion on best practices on signage placement.**

Katy Smith explained what the best practices for lottery placement of signage are. “Think outside the box” and get creative placing signage, says Katy. Mr. Alberty gave details to the board that he has remodeled his convenience store, Snackers, and used lottery signage in a unique manner to help attract more lottery players. Since remodeling a specific area for lottery in his store, Alberty noticed the changes allowing his customers to become accustomed to fast, convenient sales with no pressure while making their selection of lottery products. He’s even hired a knowledgeable, dedicated lottery clerk to operate and sell lottery. And to draw a special visual effect of instants, Alberty created a “waterfall” effect in his store and placed a series of pump signs on the front counter of his lottery counter to create a more attractive display.

Mr. Alberty advertised that he would also pay an additional five percent up to \$500 on winning lottery tickets if customers decide to cash their winnings at his store on Wednesdays and Saturdays.

Mr. Markham mentioned Buy for Less advertises second chance lottery drawings with signage – which has provided an incentive for other marketable companies to have their names broadcast over the PA system to Buy for less customers as they have donated second chance prizes for non-winning lottery tickets.

## **9. Discussion regarding Co-Op Program.**

Ricky provided background information to the Board as this program will work to strengthen our partnership with retailers and purchase large lottery equipment and signage at lower costs. I.e., if a lottery sign sold for \$500, the lottery will pay \$300 and the retailer would be responsible for \$200. There will be a 60/40 split and the OLC continue to service the equipment and/or signage. Mr. Pang stated that he did not have a problem with the co-op program, but his concern was why are retailers being charged when they were once receiving the merchandise for free? Katy stated the lottery jackpot signs are very expensive, as Ricky mentioned currently, not all retailers have jackpot signs in their stores due to low volume of sales. The Co-Op Program would make it possible for more digital signs to be purchased. Mr. Smith explained that he agreed with the co-op program as long as the OLC would not start charging for small ticket items such as cups, pens, play slips, mugs, etc. This change would affect all retailers and not just corporate retailers. Mr. Alberty concluded he understood the decision of the co-op program as long as it would not include t-shirts, but Katy reassured him that the OLC possibly could include t-shirts for their retailer clerks to wear on draw nights. The co-op would be an optional program.

**10. Discussion and Possible Action regarding calendar year 2011 meeting dates for the Lottery Commission Retailer Advisory Board.**

Ricky McCullough asked the board to discuss scheduling the 2011 Retailer Advisory Board meetings. The 2011 RAB Meetings have been scheduled for February 16 and September 21, 2011. Ricky will email all board members to remind them prior the first scheduled board meeting.

**11. New Business.**

There were 2 discussions on new business:

(1) Mary Martha Hall discussed the possibility of creating a “super-pick” or “bundle buy” for online games. This would include a combination of Powerball, Mega Millions and Hotto. The “bundle plays” would be cash transactions of a \$10 or \$20 play; which consist of a \$4 Powerball, \$4 Mega Millions and \$2 Hot Lotto ticket. Player’s would not be able to pick their personal winning numbers. Each bundle play would be an “easy pick” transaction. Benefits of the new feature would create a fast and easy transaction by pushing one button with the multiplier and another button without the multiplier and closing with a confirmation screen. Mr. Smith asked if we could include multiple draws with the easy pick selection. Mr. Pang thought this would be a great idea, especially for the holidays. Mary Martha concluded that this is something that is definitely plausible moving forward.

(2) Mr. Pang mentioned that he would like to see the terminals maintain a daily history report with a 7-day retention to track his online sales. This modification would help him track online game sales more efficient and accurately to prevent theft. Under the terminals current status, if a terminal reboots, experience a power outage or if a daily history report has been printed, the balance of sales prompts back to zero; Mary Martha concluded that she would relay this request to Scientific Games for further investigation.

**12. Adjournment.**

Ricky made a motion to adjourn, Mr. Pang seconded, following Mr. Smith and the meeting was adjourned at 1:05 p.m.