

Oklahoma Lottery Commission Retailer Advisory Board (RAB) Minutes

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

Wednesday, February 24, 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	Mike Beighey, Murphy USA
Sherry Hansen, Kum N' Go	Kwai Wah Pang, Flash Mart
Larry Pooler, Phryogy's Town and Country	Kenny Smith, Quick Stop
Renee Smith, Wolf PDQ	Tammy Williams, Station II

Others in attendance:

Jim Scroggins, OLC	Ricky McCullough, OLC	Mary Martha Hall, OLC
Dirk Topinka, OLC	Chad Guest, OLC	Cynthia Reece, OLC
Sonia Horner, OLC	Jay Finks, 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.

Jim Scroggins explained after speaking to the governor about eliminating the 35 percent profit requirement, the governor would sign a bill if it was to reach his desk. Mr. Scroggins also mentioned proposed House Bills 2956 and 3161.

HB 2956 is written to prohibit children from appearing in lottery ads; which passed the House and currently awaiting Senate approval.

HB 3161 is written to prohibit the lottery advertising our beneficiary - education.

Mr. Scroggins also addressed the board about the recent Mega Millions launch stating “Powerball sales are down because of the economy and perhaps Mega Millions will help make up loss sales of Powerball.”

5. Sales Update.

Ricky McCullough provided the OLC sales update. Ricky explained there are 1,991 active retailers, 23 second terminals and 123 active Player Activated Terminals (PATs). Our goal is to increase to the industry average of 60 percent instant product. The current online games are selling at 57 percent while instant games are at 43 percent, up from 37 percent from last July. Current FY '10 YTD sales are \$119,299,086 and the FY '10 full-year goal remains at \$190,500,000.

6. Presentation of new OLC Scratchers

Brandie Reisman presented new scratchers to the Board. February scratchers are \$1 Lucky Diamond, top prize \$1,000; \$1 King of Cash, top prize \$2,000; \$2 Bass Pro, top prize \$10,000; and \$5 Harley Davidson, a top prize of \$25,000 and a chance to win one of four Harley Davidson's.

March 30 Game Launch: \$1 Twisted 20s, top prize \$2,000; \$1 “X” Mark the Spot, top prize \$4,000; \$2 20x the Money, top prize \$20,000; \$2 Precious Pearl 7s, top prize \$17,000; and \$5 Treasures of Pyramids, top prize \$40,000.

April 27 Game Launch: “Movie Night” Family of Games with the following price points: \$1 Fabulous \$50s, \$1 Iron 8s and \$5, Box Office Bucks – players can instantly win “movie night” prize pack downloads that include 2 theater admission tickets and 2 \$10 concession vouchers. Hispanic origin, Loteria will also launch in April. This game also resonates with other demographics. The price point will be \$3 (extended play style) and the top prize will be \$20,000.

7. Presentation of new OLC promotions

Katy Smith presented the OLC current promotions.

Harley Davidson Promotion: Enter any non-winning Harley-Davidson ticket for a chance to win 1 of 4 Harley Davidson Motorcycles! The winner may choose from a 2010 Fat Boy® Lo, Road King® Classic or a Heritage Softail® Classic.

The Harley-Davidson non-winning ticket draw dates are:

March 22, 2010, April 26, 2010, June 1, 2010 and the final drawing is to be determined.

Other Harley-Davidson merchandise consists of trademark neon clocks, blankets, backpacks and T-Shirts.

Kiss Your Catch: Player's who are members of the Oklahoma Lottery Player's Club may submit photographs of themselves “kissing their catch” for a chance to win Bass Pro Shops® (BPS) gift cards. There will be five grand prize winners and they will receive a \$200 BPS gift card and BPS Scratchers. All players who submit a photo will receive a BPS T-shirt and a Player's Club mouse pad.

The Bass Pro Shops® Second Chance Drawing: Members of the OLC Player's Club may also enter their non-winning ticket online for a chance to win a \$200 Bass Pro Shops® gift card.

The BPS Second Chance draw dates are: April 1 and May 3, 2010.

Powerball 10X Promotion: The Powerball Power Play 10x promotion will allow players to multiply their non-jackpot prizes up to ten times.

Match 5 prize will remain at a 5x unless the 10X is selected, allowing a player to win \$2 million! The Powerball 10X promotion will run from April 29-May 29, 2010.

8. Presentation of FY 10 Marketing Plan Overview.

Jay Finks' presentation focused on "Why Brand is so Important." A brand is not what you say it is, it's what the consumer says and feels about a particular brand. Consumers must be advocates of your brand as they are the ones who identify with a brand and choose one product over another. Jay also stated that when branding, one must establish a level of trust with the consumer, connect at an emotional level beyond winning and identify the current position of the brand. Some challenges the OLC has endured are no credit or debit cards used or accepted for lottery purchases (state law); lottery revenue to education is not transparent, and the 35 percent profit requirement (state law). Jay also discussed OLC's instant ticket categories – we've developed a more attractive look with instants, included more prizes and better payouts have been implemented. In addition, there is a strong mix of games that resonate with Oklahoma players. Last but not least, Jay emphasized that education is the foundation of our brand. Our purpose and motivation is powered by benefiting Oklahoma's educational system; which is a constant and ongoing effort. We're here to help educate the children and youth of Oklahoma "by maximizing revenues for public education through the creation and marketing of fun and entertaining products consistent with the highest levels of service, integrity and public accountability." – OLC Mission statement. Every transaction of the Oklahoma Lottery contributes to the future of our children and the future of Oklahoma.

9. Discussion regarding SGI equipment.

Board member Kenny Smith discussed how slow his equipment is processing lottery transactions; Mary Martha suggested to Mr. Smith to document what problems he may be experiencing by contacting SGI and inform them of his issues.

10. Discussion and Possible Action regarding remaining calendar year 2010 meeting dates for the Lottery Commission Retailer Advisory Board.

The next RAB meeting has been scheduled for Wednesday, September 15, 2010, at 11 a.m., at the Oklahoma Lottery Commission. Ricky will e-mail RAB members a reminder of the next scheduled meeting.

11. New Business.

There was no new business.

12. Adjournment.

Meeting was adjourned at 1p.m.