

Retail Sales Overview

- Who we are
- What we do



- When and Where we do our jobs



- Retail Sales Analysis & Opportunities



Robert Stebbins, Director of Sales
ALC Commission Meeting - October 17, 2011

Lottery Sales Team

The Arkansas Scholarship Lottery sales division is a dedicated team of 23 sales and marketing professionals that serve as our organization's primary contacts, liaisons and advocates for the 1,900 retailers we serve across the state.



Organizational Chart

Director of Sales
Robert Stebbins



Regional Sales
Manager
Mark Hearn



Regional Sales
Manager
Lisa Tater



MSR 1011
Cindy Carlock



MSR 1012
Charles Freeman



MSR 1013
Rhonda Harris



MSR 1014
Susan Deveck



MSR 1015
Rick Conrad



MSR 3031
Jeff Fitch



MSR 3032
Ali Mustafa



MSR 3033
Don Smith



MSR 3034
Molly Harris



MSR 3035
Bill Cotton



MSR 2021
Fred Dunavant



MSR 2022
Sam Tatom



MSR 2023
Andy Biernat



MSR 2024
Debbie Stobaugh



MSR 2025
LaTonya White



MSR 4041
Don Cassil



MSR 4042
Mo Forte



MSR 4043
Dean Heard



MSR 4044
Linda Chambers



MSR 4045
Robert Smith



Sales Team Experience

More than 250 years of sales, marketing, government and retail experience

Dedicated Team of Arkansans

All are Cross-Trained to Cover Other Territories or Perform Duties if Called



Job Duties

Marketing Sales Representatives, or “MSRs” are the primary contact to our retailers – the **eyes**, the **ears**, and the **voice** of the ASL.



Marketing Sales Representatives (MSRs) Retailer Task List

- ☒ Make sure you have necessary documents and materials for your sales calls
- ☒ Introduce yourself and ask to speak to the store manager
- ☒ Ask permission to go behind the counter and log into the Microlot terminal
- ☒ ALWAYS Log in terminal using your MSR Identification & Pass Code
- ☒ Ask Retailer if terminal and equipment have been functioning properly
- ☒ Pull and print Reports:
 - ☒ Previous week's Sales/Financial Reports (Sales Summary, Weekly Invoice)
 - ☒ Instant Game Reports (Inventory Summary, Weekly Pack Settlements)
- ☒ Review/Discuss Sales & Inventory Reports with Manager (if available) or Staff
- ☒ Ask the Manager or Staff if they understand and/or have any questions about:
 - ☒ Activation & Settlement Processes
 - ☒ Weekly Billing or the EFT Process
- ☒ Ask if there are any new employees that need training and if they have questions or need assistance with any particular product or game
- ☒ Ask if they have any security-related concerns or questions
- ☒ Return any "End of Game" tickets or excess Instant Ticket inventory
- ☒ Review Instant Ticket Dispensers to verify all games available and tickets positioned properly
- ☒ Provide voided instant tickets if needed/requested
- ☒ Update Retailer on any upcoming new game introductions and special promotions
- ☒ Show Manager or Staff new Point of Sale (POS) Materials and discuss placement
- ☒ Place/Position new POS materials as agreed to with Retailer
- ☒ Restock Play Center
- ☒ Let the Retailer know when you will be back at this store and provide your contact information

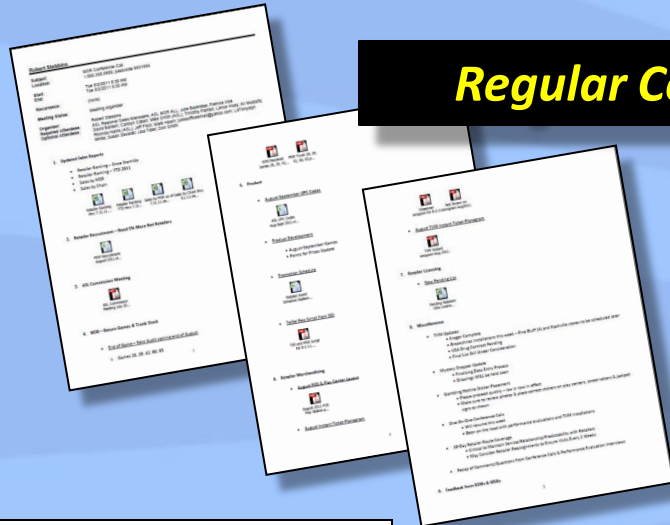
Facilitates Work & Cooperates with Internal & External Groups

- The Sales Team supports our retailers and facilitates communication with every other Arkansas Scholarship Lottery department & our vendor partners.

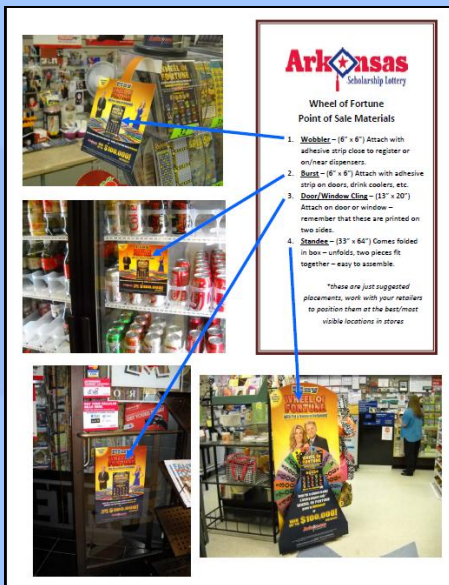


Learning, Training, Selling

Regular Conference Calls



Training, Re-Training Retailers



Dynamic Merchandising

Coaching retailers to "Ask for the Sale" & Attending Special Promotions

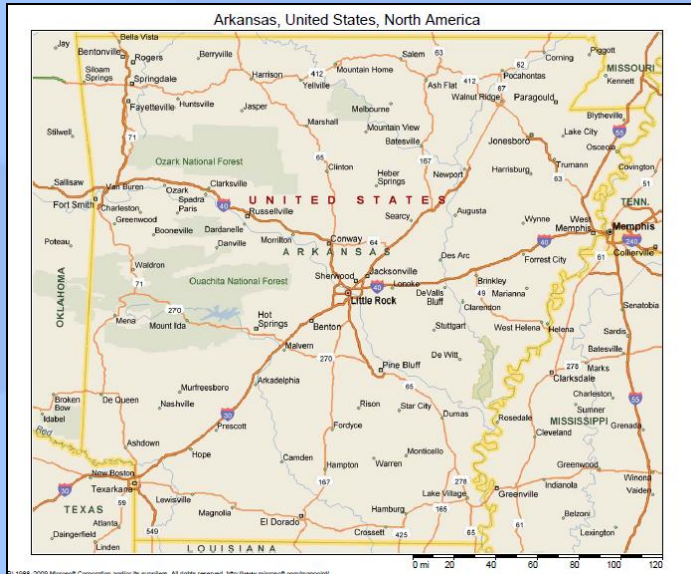
The Bottom Line



Marketing Sales Representatives,
build and maintain a
positive and
productive
RELATIONSHIP with
our retailers.



When & Where We Work



The State of Arkansas

53,187 Square Miles
16,428 Highway Miles
92,812 Road Miles
75 Counties
1,214 Cities & Towns

How to develop sales territories?

How to estimate retailers in each territory?

How to give each MSR a manageable number of retailers to service?

How to manage miles traveled by each MSR?

Primary Objectives



Call on Retailers at
least once every
two weeks.

Arkansas Scholarship Lottery

MSR / CST Sign On

intralot

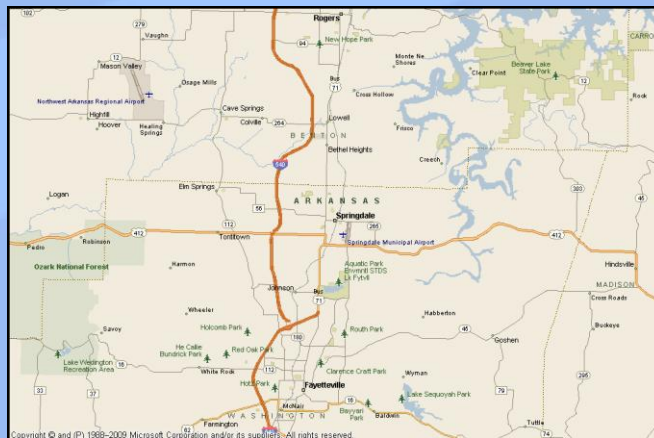
Start Date: 12/01/2010

End Date: 12/31/2010

Retailer: ALL

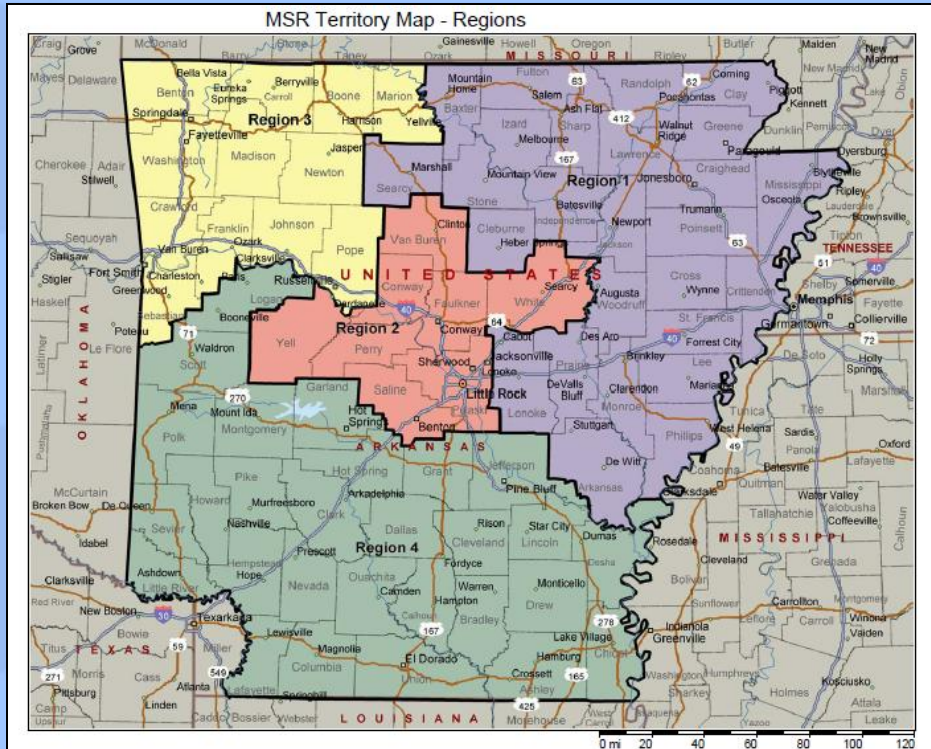
Region: ALL

MSR/CST	Region	Date/Time	Retailer ID	Name	City	Message
2424	4	12/09/2010 12:34:28 pm	400272	Joplin Store	MOUNT IDA	Logged in
2424	4	12/09/2010 12:38:58 pm	400055	Ez Mart 58	WILTON	Logged in
2424	1	12/14/2010 12:47:15 pm	400561	Creed's Cash And Carry	EL DORADO	Logged in
2424	1	12/14/2010 12:47:47 pm	400561	Creed's Cash And Carry	EL DORADO	Logged in
2424	2	12/14/2010 05:10:27 pm	400461	B'S Quick Stop	MINERAL SPRINGS	Logged in
2424	1	12/16/2010 01:01:08 pm	200495	Usa Drug #18	BENTON	Logged in
2424	1	12/29/2010 11:34:34 am	400561	Creed's Cash And Carry	EL DORADO	Logged in



Develop a territory of
contiguous counties
that are close to MSR
residences.

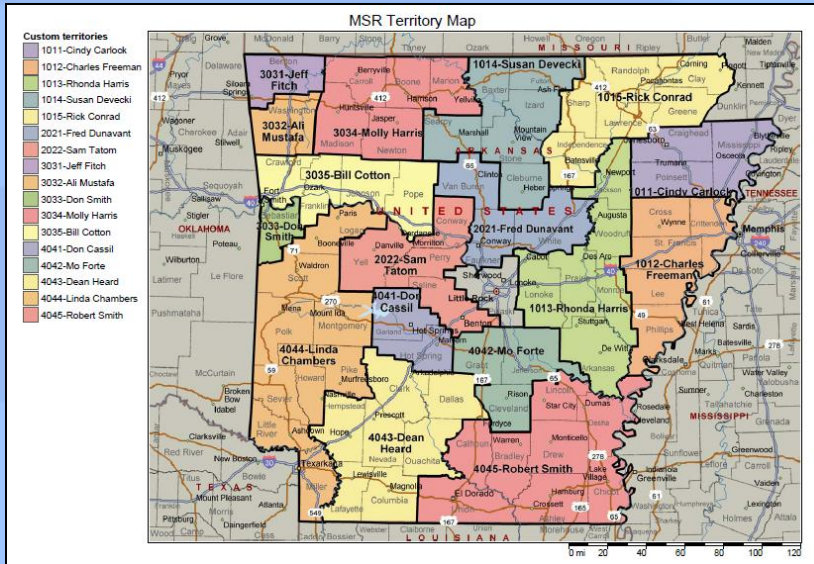
Regions Developed



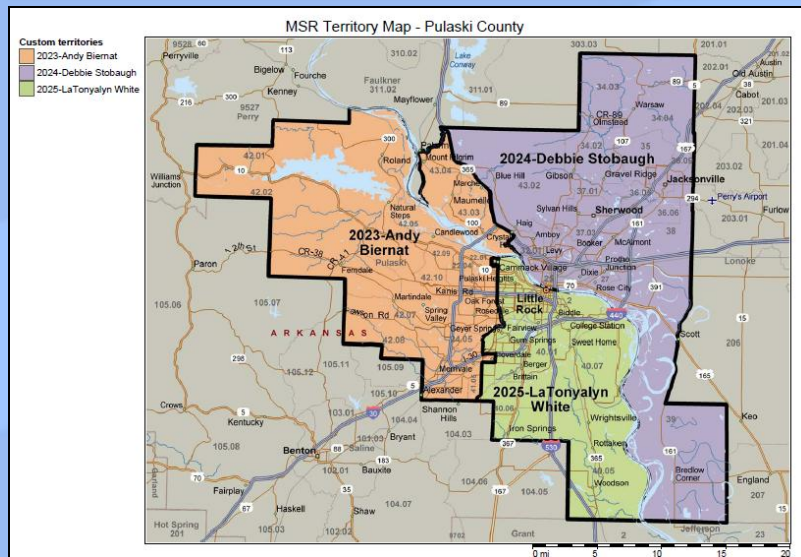
Researched number of potential retailers across state thru SIC database.

Number of businesses were directly tied to population distribution – so used Congressional Districts.

Territories Outlined

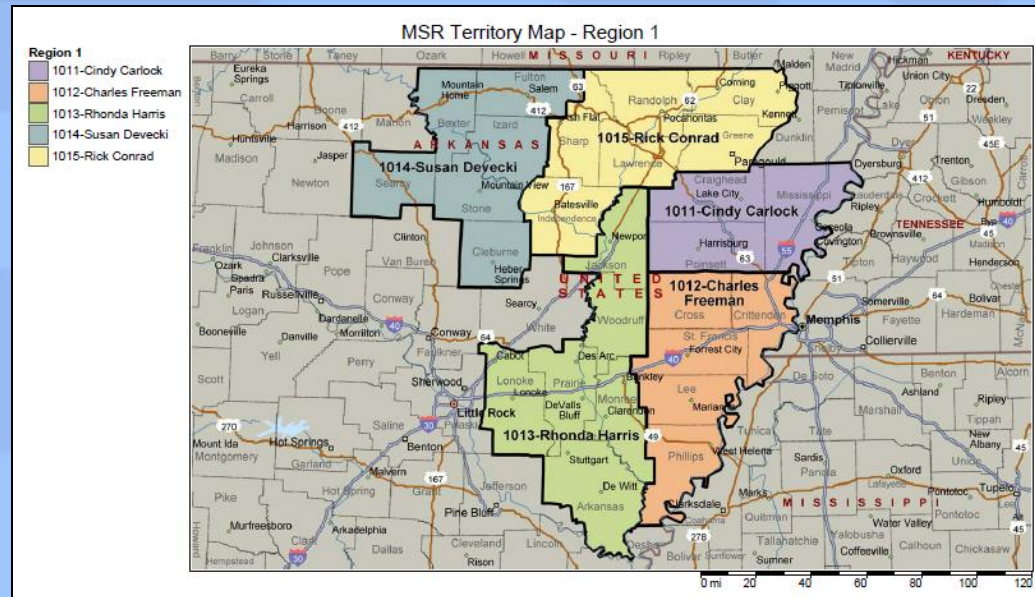


Assigned five
Marketing Sales
Representatives to
each Region.



Based on potential
number of retailers (120
maximum) – assigned
county or contiguous
counties to each of the
MSRs.

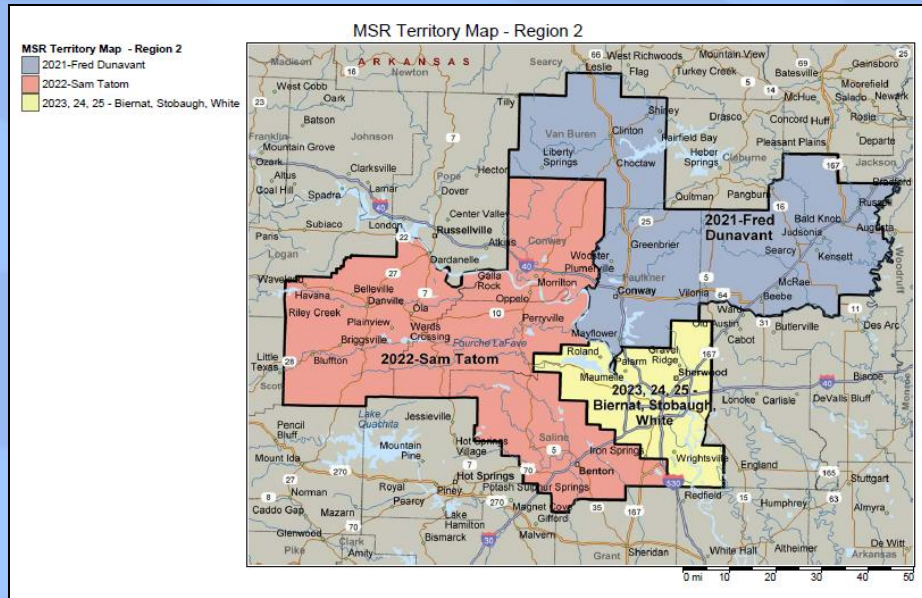
Territory Service Overview – Region 1



REGION 1

- 26 Counties
- 138 Communities
- 483 Active Retailers
- 10,288 Retailer Visits/Logins
- 99,661 Miles Traveled

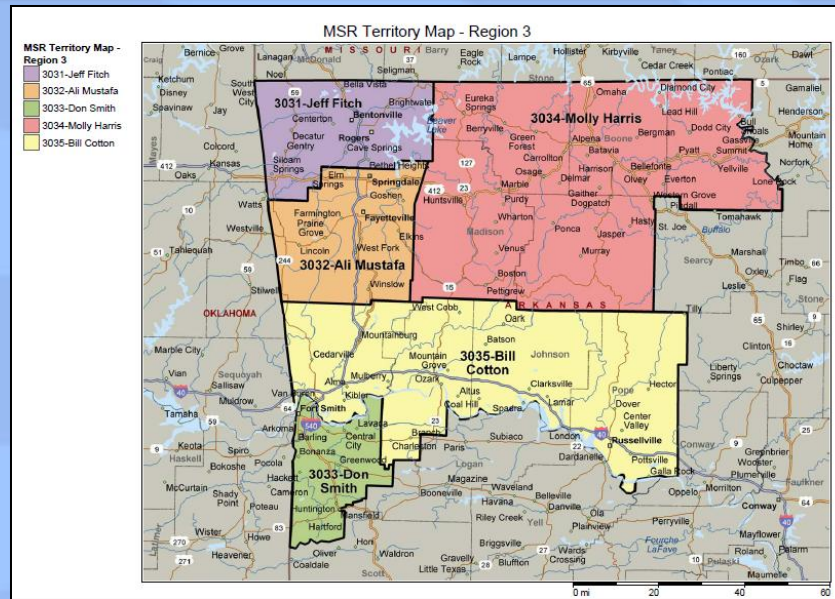
Territory Service Overview – Region 2



REGION 2

- 8 Counties
- 76 Communities
- 497 Active Retailers
- 10,621 Retailer Visits/Logins
- 63,151 Miles Traveled

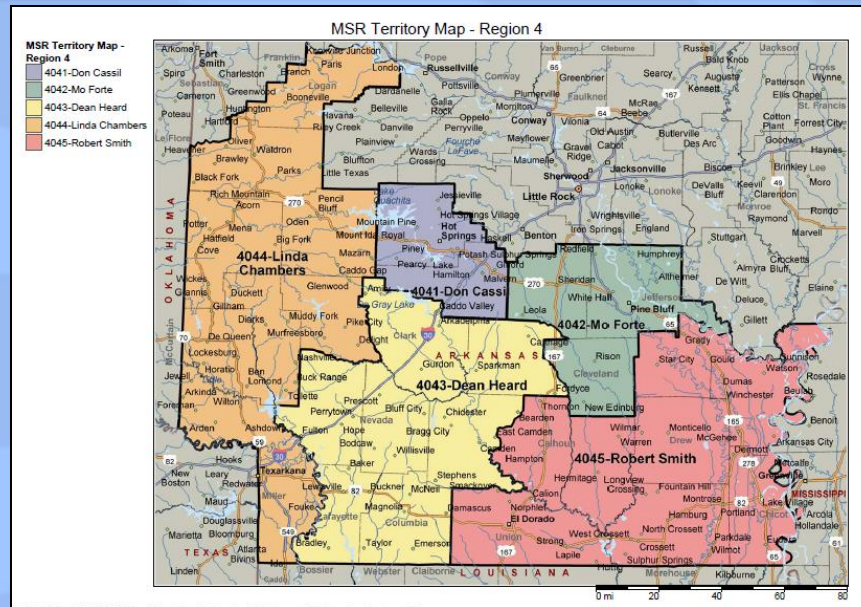
Territory Service Overview – Region 3



REGION 3

- 12 Counties
- 71 Communities
- 427 Active Retailers
- 11,560 Retailer Visits/Logins
- 66,443 Miles Traveled

Territory Service Overview – Region 4



REGION 4

- 29 Counties
- 96 Communities
- 464 Active Retailers
- 11,508 Retailer Visits/Logins
- 107,293 Miles Traveled

Mileage Overview & Considerations

2010 Total Miles = 521,774

YTD 2011 Total Miles = 376,298

We are 42 weeks into year – based on annualized total miles, we are down 9%

Mileage Overview & Considerations

2010 Average MSR Miles Per Week = 559.62

2011 YTD Average MSR Miles Per Week = 448.89

Based on YTD Averages, we are down 19%

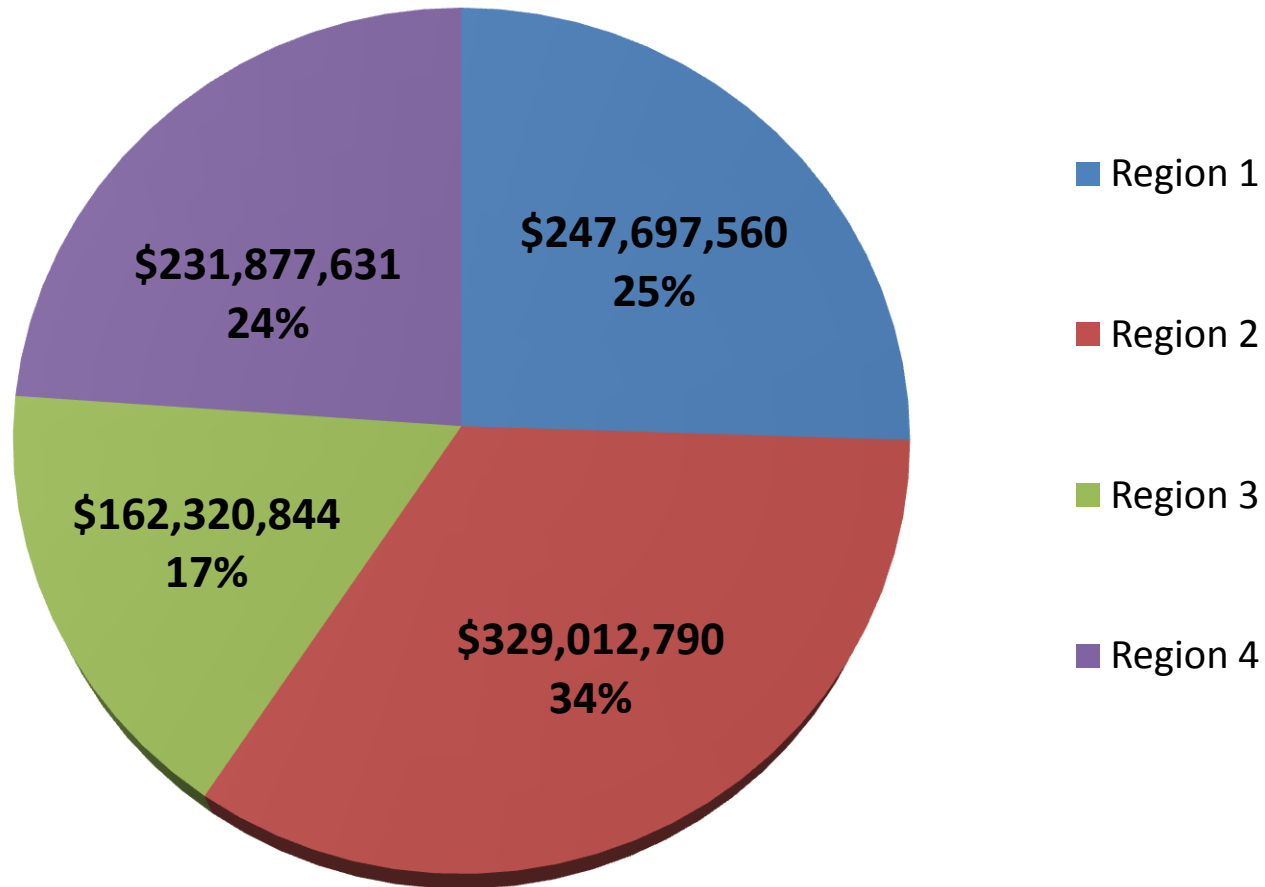
Retail Sales Analysis

Sales Analysis & Performance

Retailer Retention & Network Expansion

New Opportunities for Growth

Regional Sales Totals

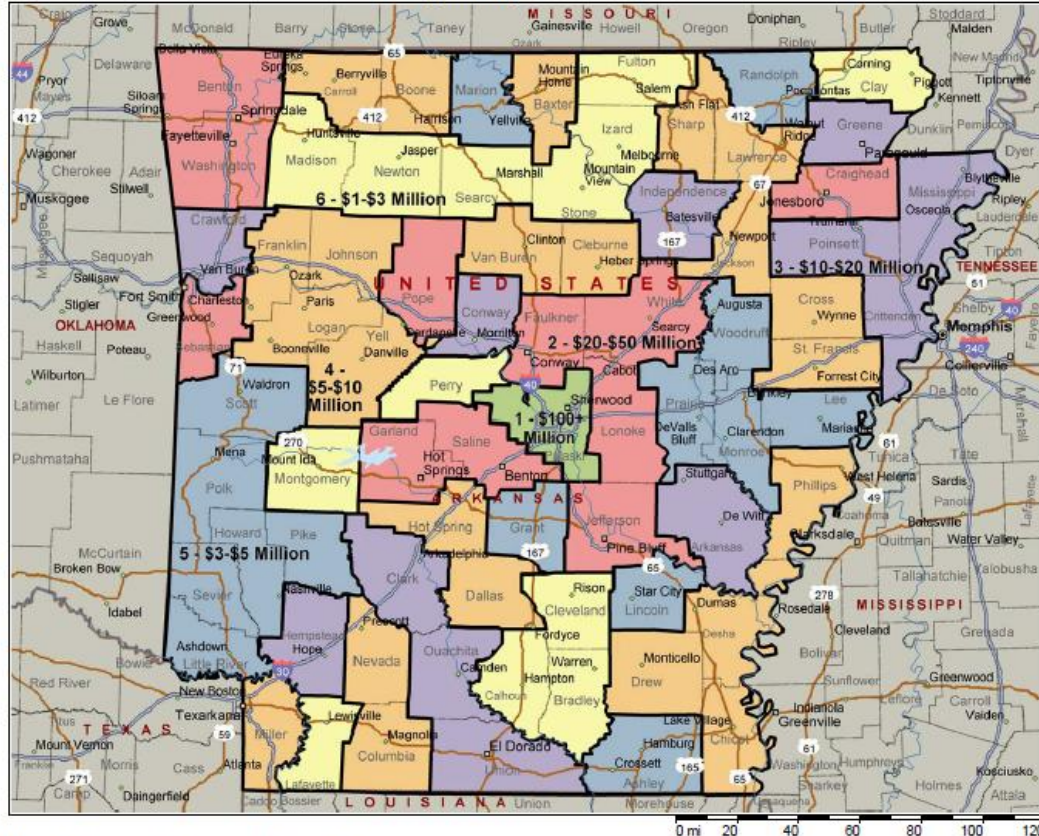


Sales by County

Sales by County

Total Sales by County

- 1 - \$100+ Million
- 2 - \$20-\$50 Million
- 3 - \$10-\$20 Million
- 4 - \$5-\$10 Million
- 5 - \$3-\$5 Million
- 6 - \$1-\$3 Million



Top 10

Total

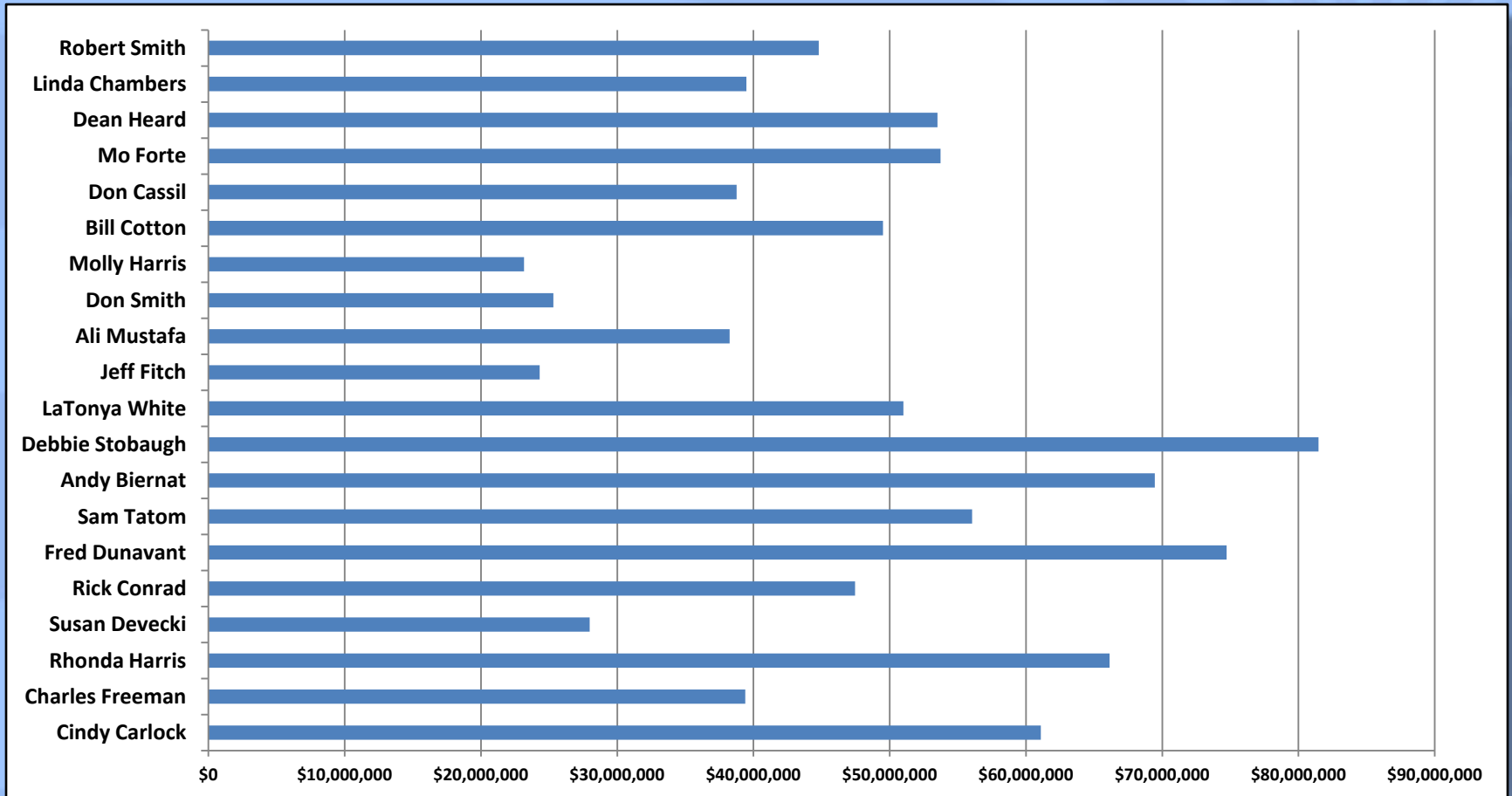
PULASKI	199,198,070.50
JEFFERSON	45,402,189.00
WASHINGTON	39,506,729.50
SALINE	37,946,938.00
FAULKNER	35,807,525.00
LONOKE	32,004,276.50
WHITE	31,793,954.50
CRAIGHEAD	30,673,414.50
GARLAND	28,966,600.00
SEBASTIAN	25,728,437.50

Bottom 10

Total

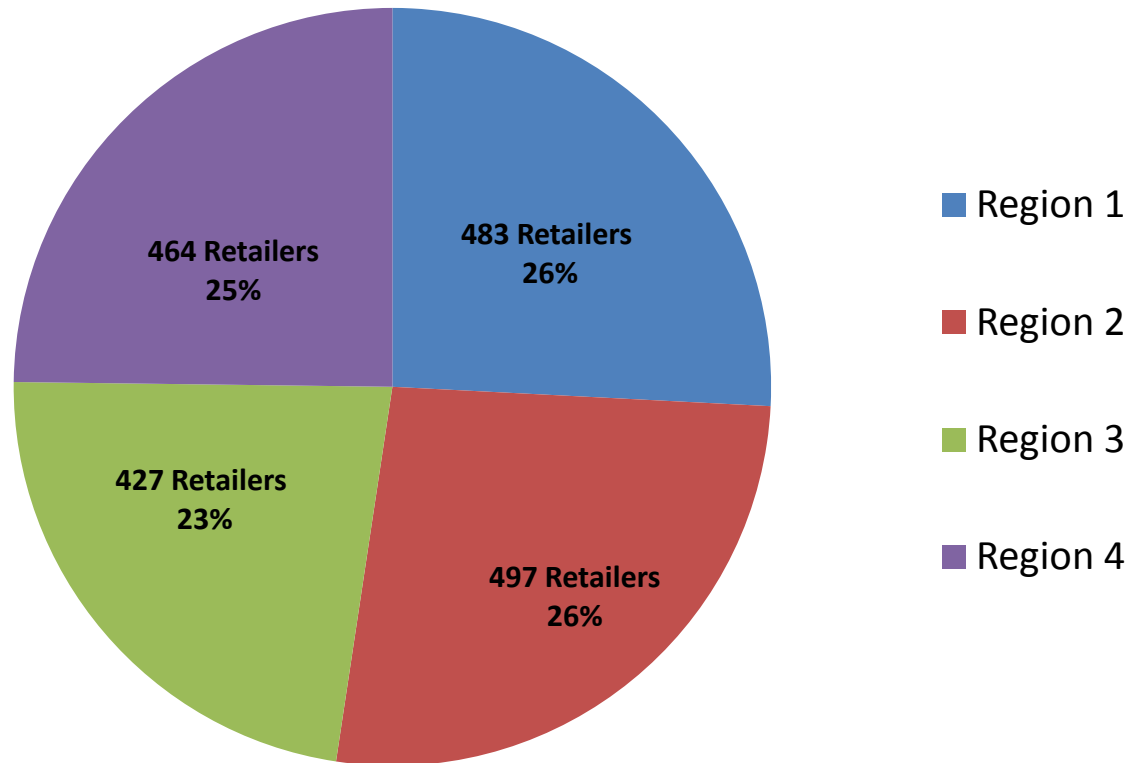
BRADLEY	2,780,916.50
SEARCY	2,767,418.00
IZARD	2,354,757.50
CLAY	2,237,326.50
LITTLE RIVER	2,045,620.00
LAFAYETTE	1,990,942.50
FULTON	1,603,439.50
CALHOUN	1,576,702.00
NEWTON	1,507,802.50
MONTGOMERY	820,283.50

Sales by MSR/Territory

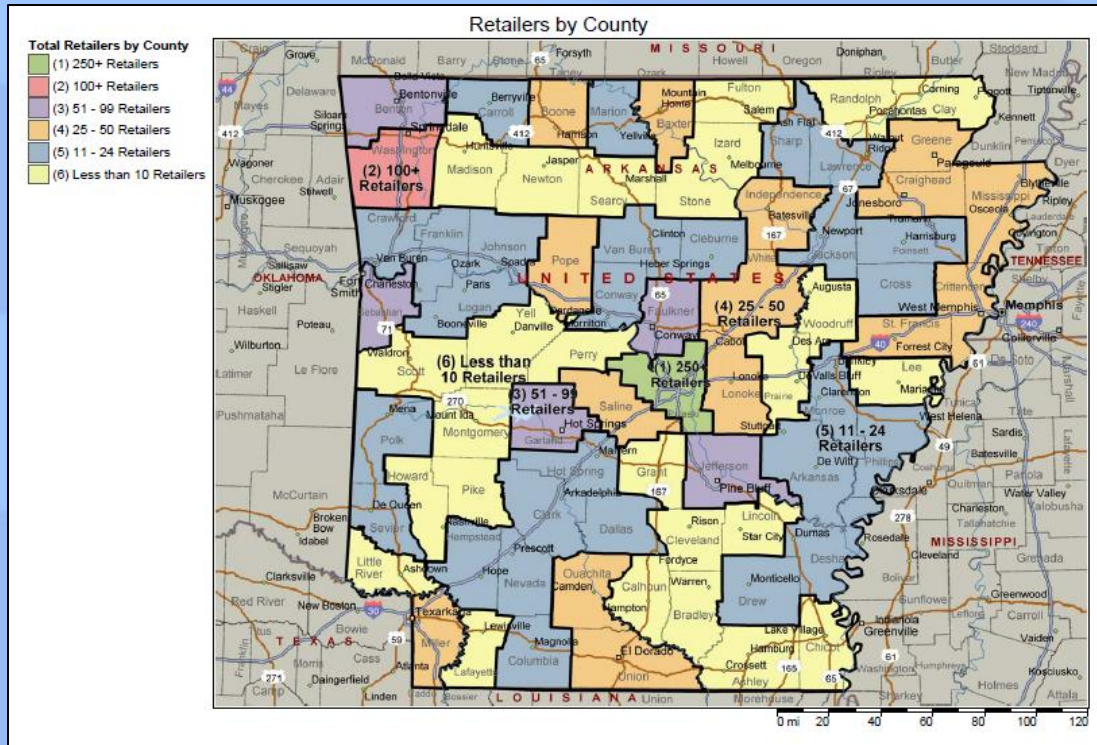


Regional Retailer Totals

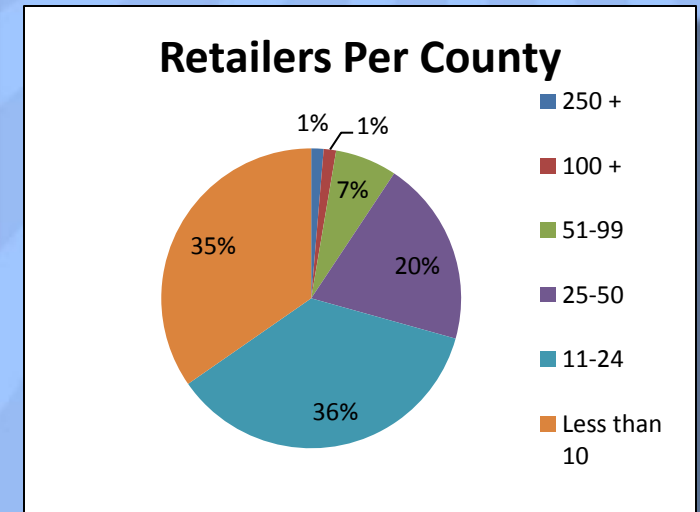
Retailers by Region



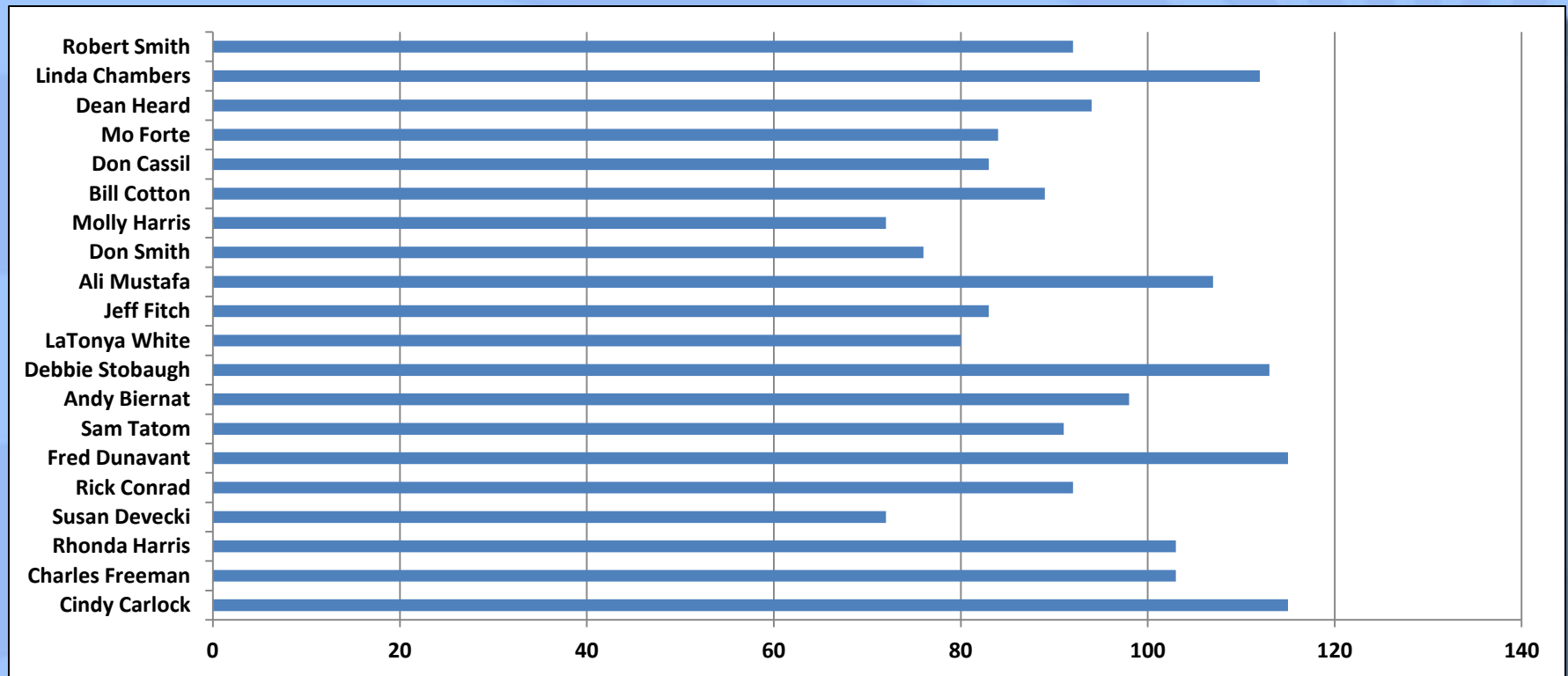
Retailers by County



	RETAILERS
PULASKI	296
WASHINGTON	110
BENTON	83
SEBASTIAN	75
GARLAND	71
JEFFERSON	68
FAULKNER	51
CRITTENDEN	49
CRAIGHEAD	48
SAINT FRANCIS	48
SALINE	48

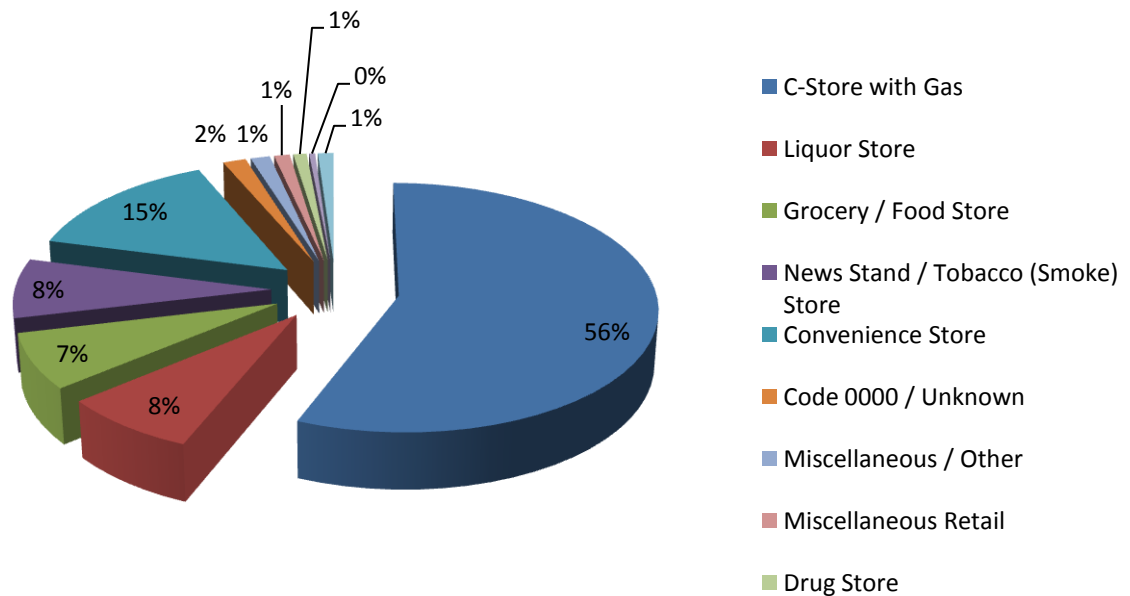


Retailers by MSR/Territory



Retailer Network Classifications

Business Category	#	%
C-Store with Gas	1,081	56%
Liquor Store	150	8%
Grocery / Food Store	140	7%
News Stand / Tobacco (Smoke) Store	149	8%
Convenience Store	278	14%
Code 0000 / Unknown	31	2%
Miscellaneous / Other	26	1%
Miscellaneous Retail	21	1%
Drug Store	18	1%
Restaurant / Bar	8	0%
Gasoline Service Station	21	1%



Retail Chains

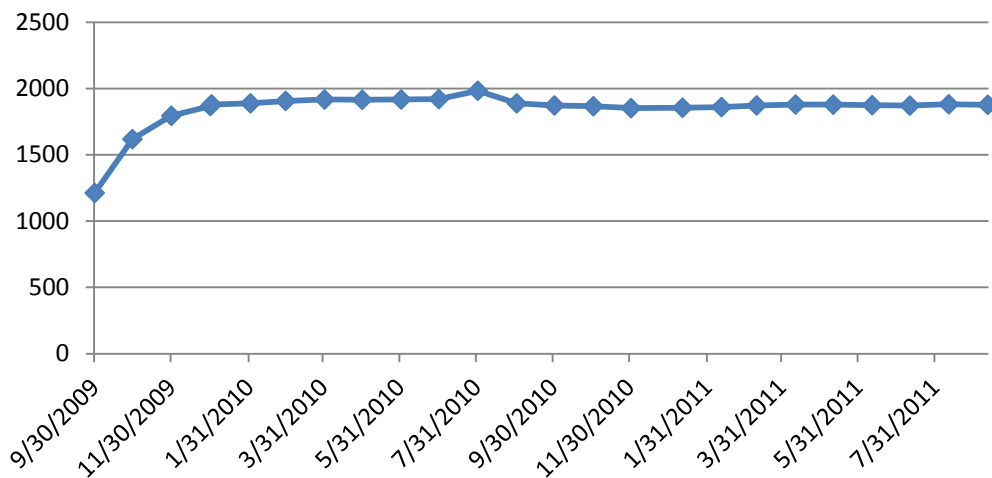
Top 10 Locations	Total
E-Z Mart	110
Murphy USA	63
Flash Market	57
Kroger	52
Tobacco Superstore	48
J & P Flash Inc.	36
Double Bee's	31
Crackerbox	31
USA Drug	28
Kum & Go	27
Jordan's Quik Stop	27

Top 10 Total Sales	Total
E-Z Mart	\$44,286,670
Murphy USA	\$34,883,290
Flash Market	\$28,656,044
Double Bee's	\$27,158,811
Tobacco Superstore	\$26,328,934
Kum & Go	\$21,443,410
Jordan's Quik Stop	\$15,569,436
Kroger	\$13,302,622
J & P Flash	\$10,719,044
Tobacco Town	\$9,944,715
Crackerbox	\$9,322,244



Growing Our Retailer Network

of Retailers



- Number of retailers has remained consistent, even with more than 500 terminations – which in most cases are “Change of Ownership”
- MSRs are given recruitment goals that are monitored and part of performance evaluations
- Some counties/territories are just more challenging to develop new retailers
- Based on 2010 La Fleur’s data, Arkansas has about the national average number of retailers per capita

Region	MSR #	MSR	Total Active Retailers Current	Active Last Report	Net Gain/Loss	New Retailers Goal	Retailers to Add	# of Contracts Submitted
1	1011	Cindy Carlock	115	114	1	124	9	0
1	1012	Charles Freeman	103	101	2	110	7	0
1	1013	Rhonda Harris	103	104	-1	110	7	0
1	1014	Susan Devecki	72	73	-1	86	14	0
1	1015	Rick Conrad	92	92	0	103	11	0
2	2021	Fred Dunavant	115	112	3	119	4	0
2	2022	Sam Tatom	91	90	1	105	14	0
2	2023	Andy Biernat	98	98	0	111	13	0
2	2024	Debbie Stobaugh	113	113	0	121	8	0
2	2025	LaTonya White	80	80	0	99	19	0
3	3031	Jeff Fitch	83	83	0	96	13	0
3	3032	Ali Mustafa	107	105	2	118	11	0
3	3033	Don Smith	76	76	0	90	14	0
3	3034	Molly Harris	72	76	-4	91	19	0
3	3035	Bill Cotton	89	89	0	104	15	0
4	4041	Don Cassil	83	84	-1	95	12	0
4	4042	Mo Forte	84	84	0	101	17	0
4	4043	Dean Heard	94	94	0	115	21	0
4	4044	Linda Chambers	112	113	-1	118	6	0
4	4045	Robert Smith	92	90	2	103	11	0
Totals			1874	1871	3	2119	245	

	Total Active Retailers	New Retailers Goal	New Retailers Needed	Current # of Retailers by MSR	New Retailers Needed by MSR
Region 1	485	533	48	80 or below	17 new retailers
Region 2	497	555	58	80 - 90	15 new retailers
Region 3	427	499	72	90 - 100	12 new retailers
Region 4	465	532	67	100 - 110	10 new retailers

Challenges to Retailer Recruitment

Several major chains are not participating, including Wal-Mart, Walgreens, Harp's Grocery Stores, Dollar Stores, Fred's, Big Red Convenience Stores

Dry Counties – 40 of the 75 Counties in Arkansas are dry. Currently Liquor Stores are 8% of our retailer base – which could mean another 150 additional retailers.

Economic Conditions

Top Objections: “Values” or “Too Much Trouble”

Programs to Retailer Recruitment

“Win Them Back” Program for Previous Retailers, including mailings from Commissioners or ASL Director.

Considering “Refer A Friend” Program for Existing Retailers to recruit potential retailers.

Developing new retailer recruitment collateral.

Sales Contests/Incentives

Recent Programs & Enhancements

Ticket Vending Machine Deployment

Retailer Website Portal

Improved Licensing & Renewal Processes

Ticket Vending Machines

Currently deployed
54 TVMs.

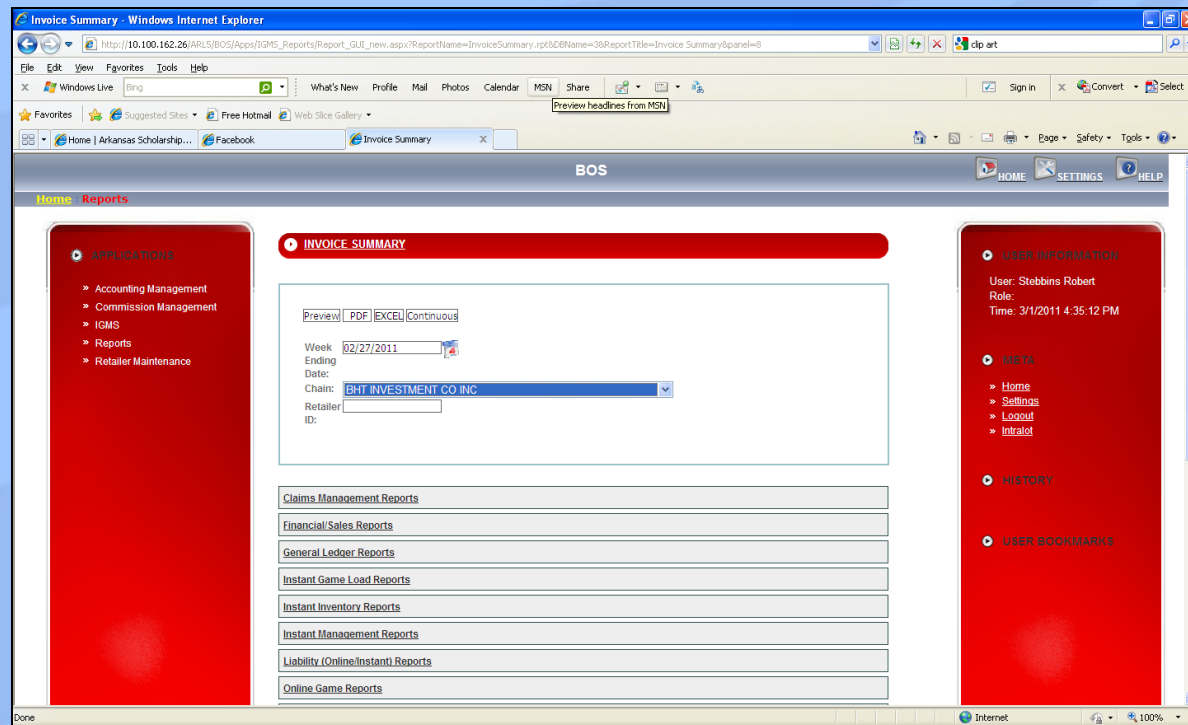
Finalizing location
of remaining TVMs
in coming weeks.

Sales in excess of
\$1 Million



Retailer Website Portal & Reports

- Available to all retailers (chains & individual retailers)
- Secure, password-protected access
- Includes retailer financial & inventory reports
- Launched Summer 2011



Improved Licensing & Renewal Processes



Retailer License Number: **100046**

MARTY MART 10

209 MAIN

HUGHES, AR 72348

This license certifies that the above named location is licensed by the Arkansas Lottery Commission to sell Arkansas Scholarship Lottery games pursuant to Act 606 of 2009. This license must be signed to be valid and must be posted in a conspicuous place on the premises of the above location. This license may be cancelled, suspended, revoked or terminated for reasons specified pursuant to Arkansas Code Ann. §23-115-604 (see reverse side).

Arkansas Scholarship Lottery
124 West Capitol Avenue
Little Rock, AR 72201
(501) 683 2000

A handwritten signature in black ink, likely of the Executive Director.

Executive Director,
Arkansas Scholarship Lottery



10/1/2011
Expiration Date

- Streamlined processing & approvals
- Extended renewal periods
- Recently reduced Communications fee to only \$5 *(50% reduction)*



Retail Sales Overview

**Thank you for your
support of the ASL Retail
Sales Division.**

Questions?