# Arkansas Scholarship Lottery

## Report from the Director

August 26, 2013

# Comparative Income Statements
# July 2013 and 2012

| GAAP Basis Income Statement | July 2013 | July 2012 | Favorable/ (Unfavorable) | Percentage Variance |
|---|---|---|---|---|
| **Revenues** | | | | |
| Instant Tickets | $ 26,353,990 | $ 28,578,166 | $ (2,224,176) | -7.8% |
| Online Tickets | 6,681,282 | 5,171,832 | 1,509,450 | 29.2% |
| Retailer App/Fidelity | 43,503 | 49,771 | (6,268) | -12.6% |
| TOTAL Revenues | 33,078,775 | 33,799,769 | (720,994) | -2.1% |
| **Operating Expense** | | | | |
| Instant Prizes Net | 18,351,548 | 19,714,772 | 1,363,224 | 6.9% |
| Online Prizes Net | 3,419,060 | 2,579,427 | (839,633) | -32.6% |
| Retailer Commissions | 1,853,596 | 1,903,152 | 49,556 | 2.6% |
| Gaming Contract Costs | 1,658,497 | 1,693,872 | 35,375 | 2.1% |
| Advertising | 226,604 | 215,096 | (11,508) | -5.4% |
| General and Admin. | 641,964 | 604,185 | (37,779) | -6.3% |
| Other Agency Services | 68,333 | 110,000 | 41,667 | 37.9% |
| TOTAL Operating Expenses | 26,219,602 | 26,820,504 | 600,902 | 2.2% |
| Operating Income | 6,859,173 | 6,979,265 | (120,092) | -1.7% |
| Interest Income | 31,184 | 39,484 | (8,300) | -21.0% |
| Other Non Operating Inc | (45,575) | 0 | (45,575) | -100.0% |
| Income Before Transfers | $ 6,844,782 | $ 7,018,749 | $ (173,967) | -2.5% |
| Net Proceeds | $ 4,891,372 | $ 4,752,502 | $ 138,870 | 2.9% |

Note A – Net Proceeds does not include unclaimed prizes.

# Comparative Income Statements
# Actual Versus Budget July 2013

| GAAP Basis Income Statement | July 2013 Actual | July 2013 Budget | Favorable/ (Unfavorable) | Percentage Variance |
|---|---|---|---|---|
| **Revenues** | | | | |
| Instant tickets | $ 26,353,990 | $ 28,220,833 | $ (1,866,843) | -6.6% |
| Online Tickets | 6,681,282 | 7,021,538 | (340,256) | -4.8% |
| Retailer App/Fidelity | 43,503 | 45,000 | (1,497) | -3.3% |
| TOTAL Revenues | 33,078,775 | 35,287,371 | (2,208,596) | -6.3% |
| **Operating Expense** | | | | |
| Instant Game Prizes | 18,351,548 | 19,736,221 | 1,384,673 | 7.0% |
| Online Game Prizes | 3,419,060 | 3,545,272 | 126,212 | 3.6% |
| Retailer Commissions | 1,853,596 | 1,995,373 | 141,777 | 7.1% |
| Gaming Contract Cost | 1,658,497 | 1,815,970 | 157,473 | 8.7% |
| Advertising | 226,604 | 375,000 | 148,396 | 39.6% |
| General and Admin. | 641,964 | 689,329 | 47,365 | 6.9% |
| Other Agency Service | 68,333 | 129,167 | 60,834 | 47.1% |
| TOTAL Operating Expenses | 26,219,602 | 28,286,332 | 2,066,730 | 7.3% |
| Operating Income | 6,859,173 | 7,001,039 | (141,866) | -2.0% |
| Interest Income | 31,184 | 20,000 | 11,184 | 55.9% |
| | (45,575) | 0 | (45,575) | 100.0% |
| Income before transfers | $ 6,844,782 | $ 7,021,039 | $ (176,257) | -2.5% |
| Net Proceeds | $ 4,891,372 | $ 5,067,484 | $ (176,112) | -3.5% |

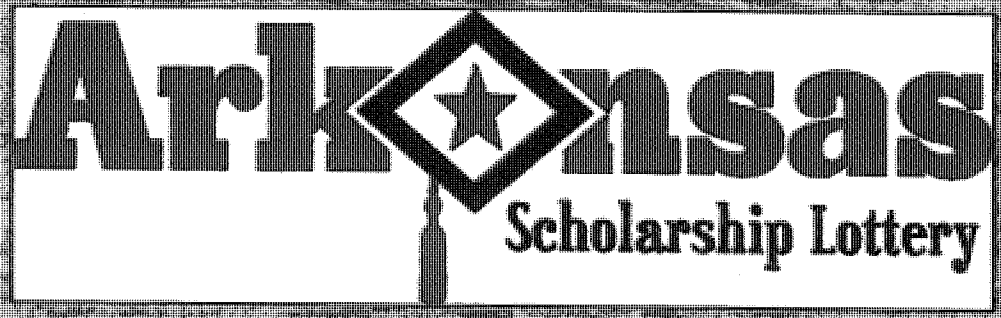
**Note A – Net Proceeds does not include unclaimed prizes.**

# ADHE Transfer Analysis

| Month | 2013 Transfers | 2013 Unclaimed Prizes | 2013 Budget | Over/Under Budget | Cumulative Balance |
|---|---|---|---|---|---|
| July, 2013 | $4,891,372 | $747,115 | $ 5,621,039 | $17,448 | $17,448 |
| August | | | | | |
| September | | | | | |
| October | | | | | |
| November | | | | | |
| December | | | | | |
| January, 2014 | | | | | |
| February | | | | | |
| March | | | | | |
| April | | | | | |
| May | | | | | |
| June | | | | | |
| Totals | $4,891,372 | $747,115 | $5,621,039 | | |

# Natural State Jackpot

- Arkansas Exclusive Lotto-Style Game
- Game began Monday August 27, 2012
- Projected $6 Million in Sales
- Sales as of July 31, 2013: $7,784,629
- Prizes Awarded as of July 31, 2013: $3,900,801




# Product, Marketing & Sales Plan

## FY 2013 - 14

Gaming – Product Development

# Instant Tickets

**To date, 200 instant games have been introduced.**

| | |
|---|---|
| 53 | $1 Games |
| 58 | $2 Games |
| 22 | $3 Games |
| 39 | $5 Games |
| 24 | $10 Games |
| 4 | $20 Games |

**136 games have ended and 15 in the process of ending.**

# Instant Tickets

- Last year approximately 81% of total sales came from instant games.
- Continue monthly game launches.
- 49 instant games are available for sale with orderable inventory.
- Projecting approximately 46 new instant games this fiscal year.

# Instant Game Cycle

## 1. Game Planning

- What games have **worked well** in the past?
- What **price points, themes,** and **play styles** do we need?

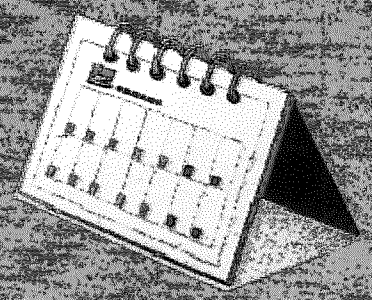
**Review Current Game Mix**

**Explore Games**

- What games have worked well in **other states**?
- Would they work well in **Arkansas**?
- What games focus tested well.

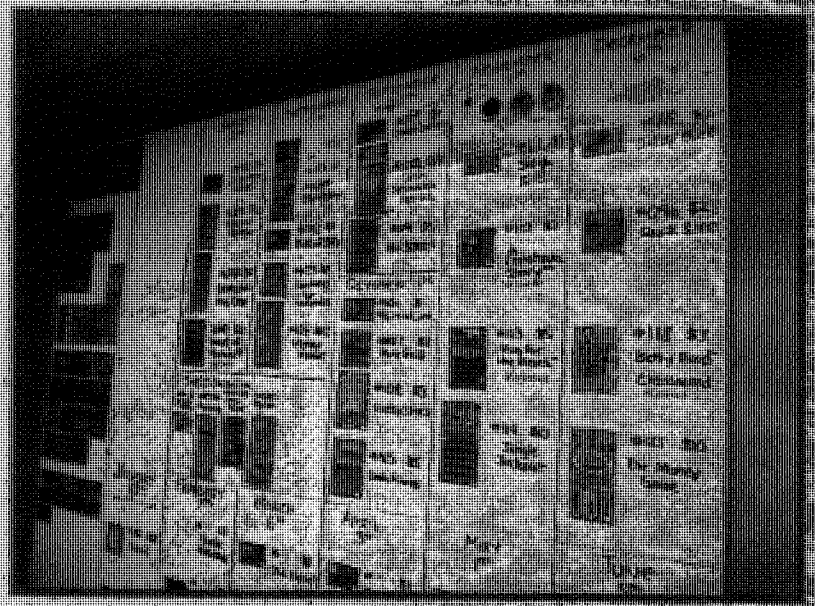
- **When** should we introduce new games?
- **How many** games should we introduce each month?

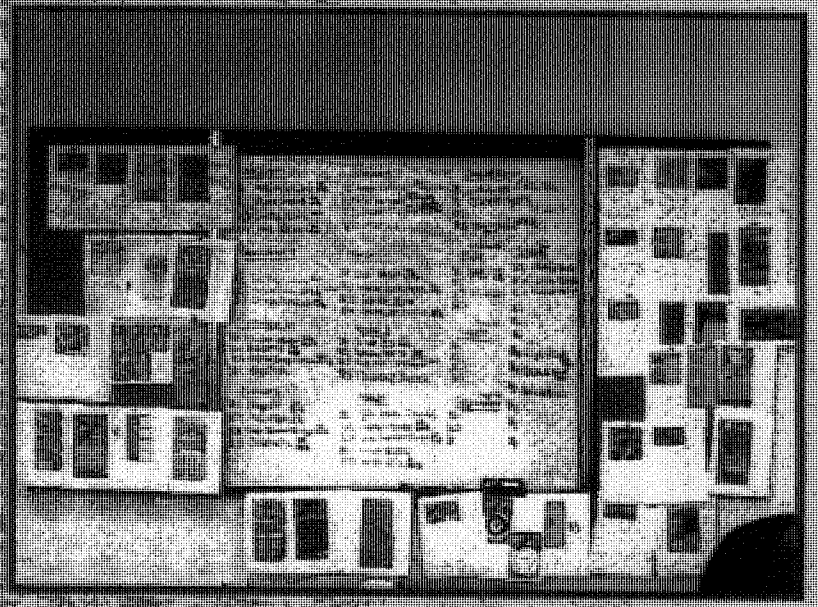
**Assemble Tentative Schedule**



# Instant Game Planning

- Brainstorm, review, and schedule launches.
- Regular game planning and ongoing review.





# Instant Game Cycle

## 2. Game-by-Game

### Prize Structures

- How many **tickets**?
- What and how many **prizes** will there be?
- What will the **odds** be?

### Working Papers

- What are the **specifications** for the game?

### Artwork

- What is the **price point, theme**, and **play style**?
- What goes on the **front**?
- What goes on the **back**?

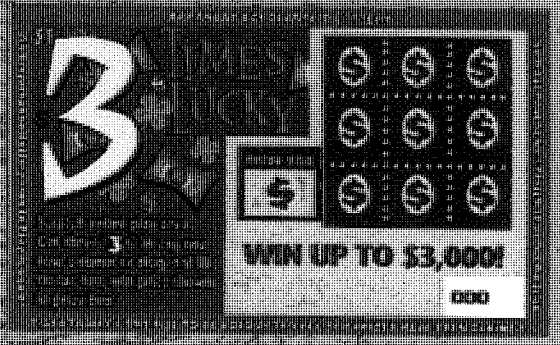
# Instant Ticket Variety

| Sample Themes | Sample Play Styles |
|---|---|
| Money | Key Match |
| Numbers | Tic Tac Toe |
| Whimsical | Find Symbol |
| Licensed Properties | Extended– Bingo/Crossword |
| Seasonal | 3 Like Amounts |
| Cards/Gaming | Yours Beats Theirs |

Cards / Yours Beats Theirs

Money / Key Match

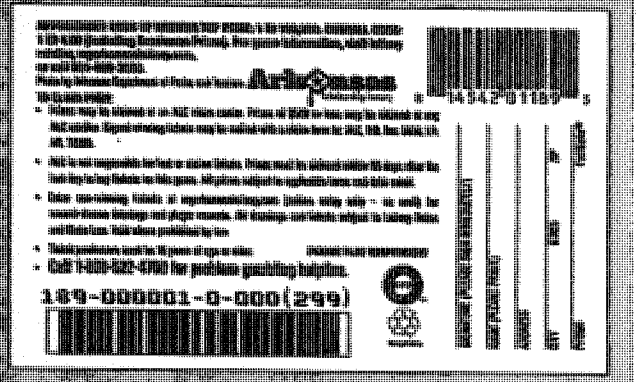
Whimsical / Find Symbol




Numbers / Tic Tac Toe

# Ticket Specifications

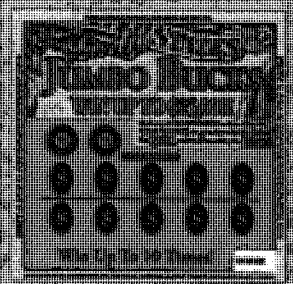
- Artwork
- Ways to Win
- Ticket Back Information
- Play Symbols, Prize Symbols, Instructions, etc.



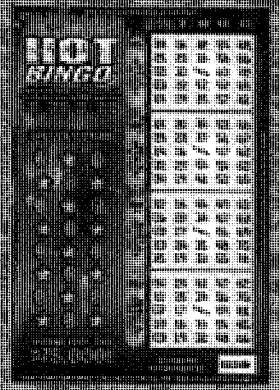
# Instant Game Launches

**JULY**

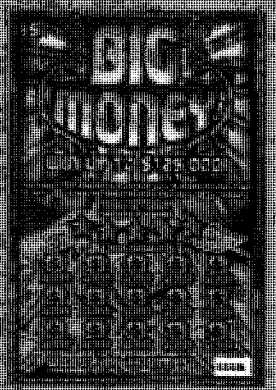
($2) Lady Jumbo Bucks



($3) Hot Bingo

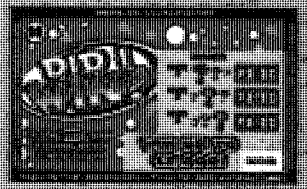



($5) Big Money



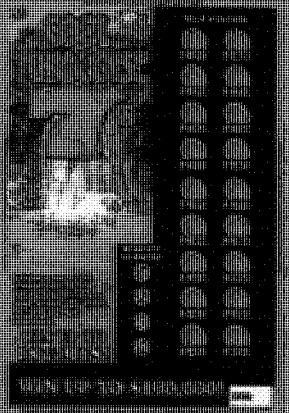

**AUGUST**

($1) Did I Win?




($2) Football (4 Scenes)

($5) Cool Jackpot

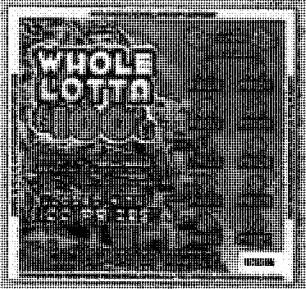


($10) $500,000 Mega Fortune

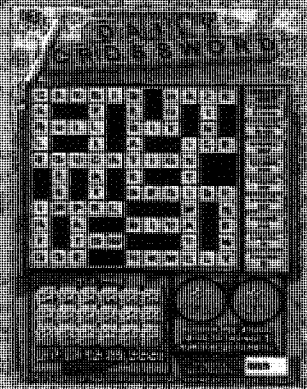
# Instant Game Launches

**SEPTEMBER**

($2) Whole Lotta 100's



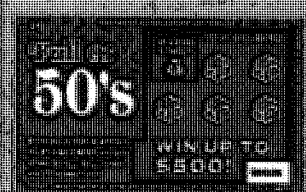

($3) Daily Crossword



($5) Bass Pro Shops (2 Scenes)

**OCTOBER**

($1) Full of 50's




($2) Money Roll

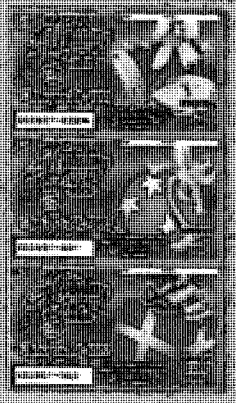
($5) Quick Grand

($20) Millionaire Madness

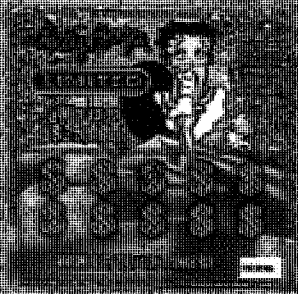
# Instant Game Launches

**NOVEMBER**

($1) Holiday Gold (3 Scenes)



($2) Thirty Boogie



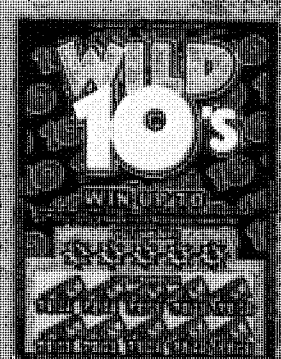
($5) Holiday Magic (3 Scenes)

(Do not have all scenes or final ASL versions yet)

($10) Diamond 7's

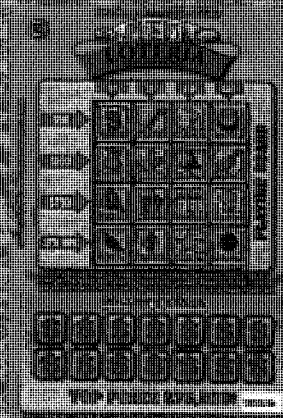
**DECEMBER**

($2) Wild 10's

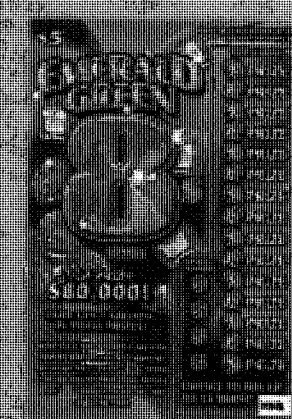



(Do not have ASL version yet)

($3) Lotería



($5) Emerald Green 8's

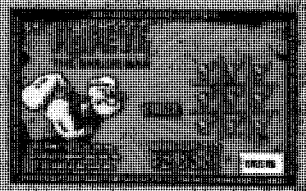



(Do not have ASL version yet)

# Instant Game Launches

**JANUARY**

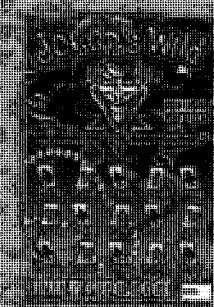
[S1] Popeye!



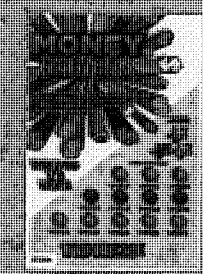
[S2] All That Glitters

(Do not have ASL version yet)

[S5] Joker's Wild



[S10] Money Multiplier



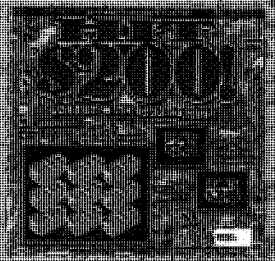
(Do not have ASL version yet)

**FEBRUARY**

[S1] Hit $100!

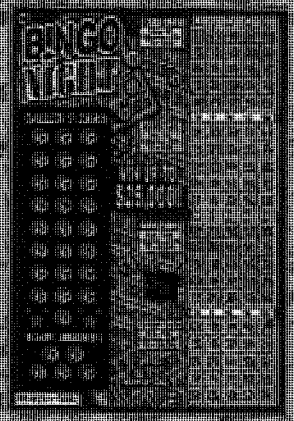
(Will be a $100 version of this ticket)

[S2] Hit $200!



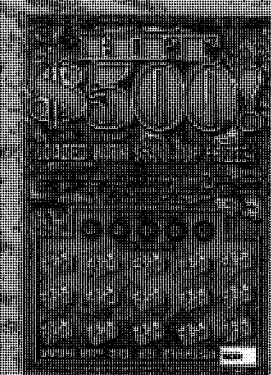
(possibly alternate colors)

[S3] Bingo Night



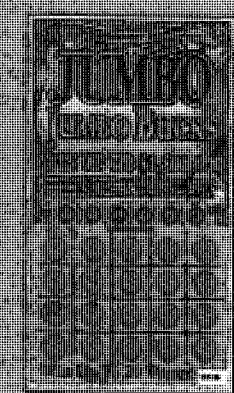
(Do not have ASL version yet)

[S5] Hit $500!



(possibly alternate colors)

[S20] Millionaire Jumbo Bucks

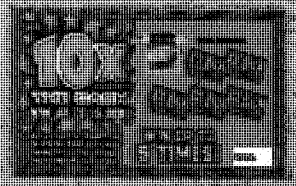


(Do not have ASL version yet. May be done in gold.)

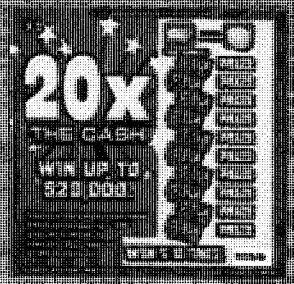
# Instant Game Launches

**MARCH**

($1) 10X The Cash



($2) 20X The Cash




($5) 100X The Cash

($10) 100X The Cash

**APRIL**

($1) Hot Dice

(Do not have ASL version yet)

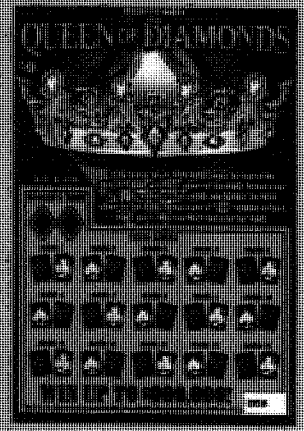
($2) St. Louis Cardinals – Subject to Change

(Do not have ASL version yet)

($3) Money Matters

(Do not have ASL version yet)

($5) Queen of Diamonds

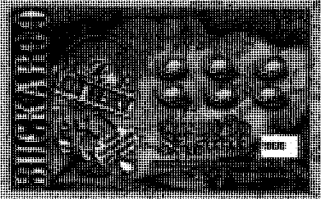



(Do not have ASL version yet)

# Instant Game Launches

**MAY**

(5.1) Buckaroo

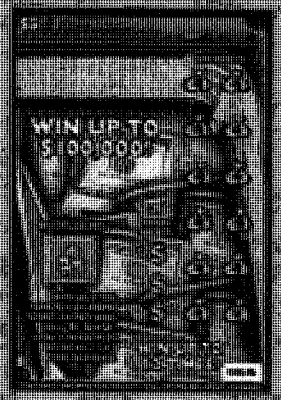



(Do not have ASL version yet)

(5.2) Spicy Hot 7's

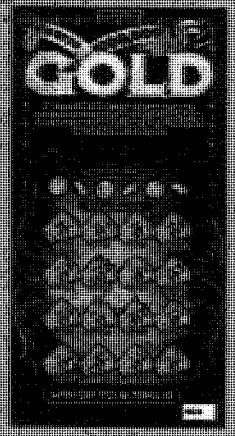
(Do not have ASL version yet)

(5.3) 5 Dragons




(Do not have ASL version yet)

(5.10) Gold




(Do not have ASL version yet)

**JUNE**

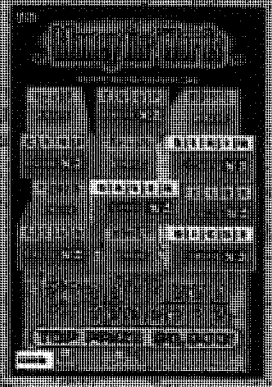
(5.1) Fireball 7's

(Do not have ASL version yet)

(5.2) Fire & Ice

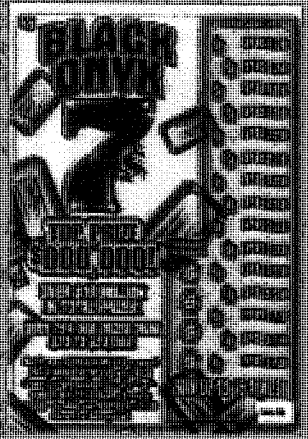
(Do not have ASL version yet)

(5.3) Money in Motion (name may change)



(Do not have ASL version yet)

(5.5) Black Diva 7's




(Do not have ASL version yet)

# Arkansas Million Dollar Raffle - 2010

**Sales began in July, 2010.**

**No drawing date was given to players.**

**Sell until 500,000 tickets were sold.**

**$10 per ticket, 1 raffle number per ticket.**

**No incentive to buy early.**

**Every 25th ticket sold produced a $20 Instant-win coupon.**

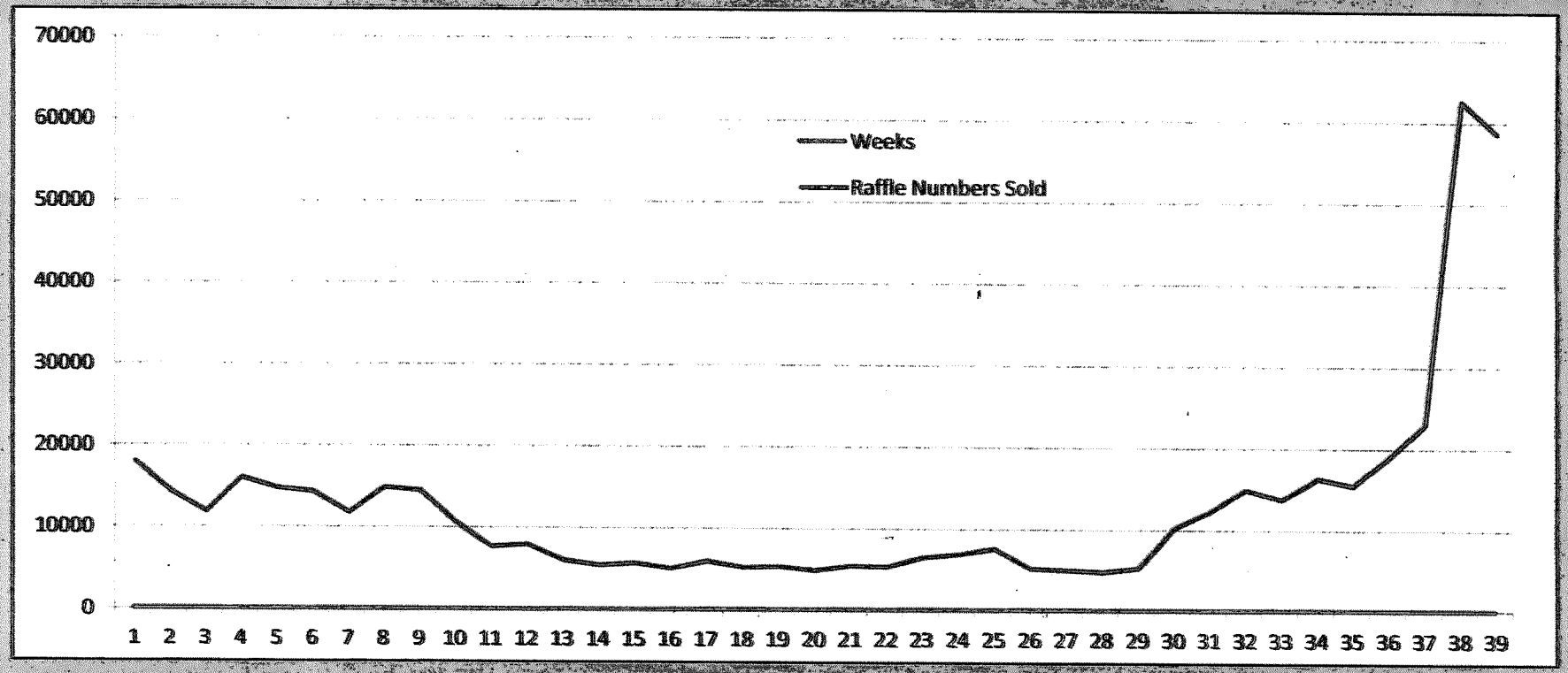
ARKANSAS MILLION DOLLAR RAFFLE

# Arkansas Million Dollar Raffle - 2010

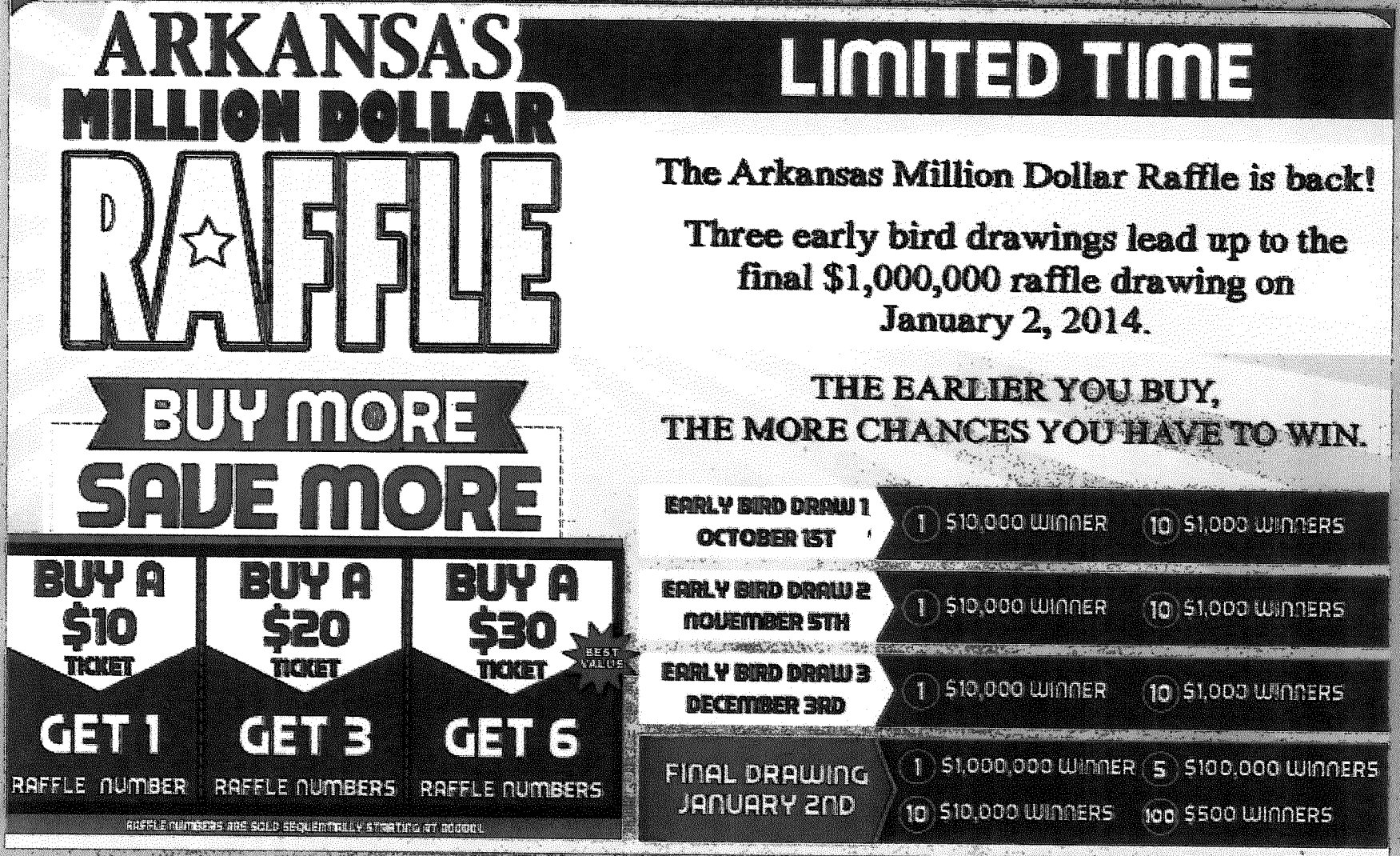
**Game sold out quickly once drawing date was announced.**

7/14/10 – 1/31/11 – 252,507 tickets sold

Draw date announced: 2/1/11 – 4/6/11 – 247,493 tickets sold.



# Arkansas Million Dollar Raffle



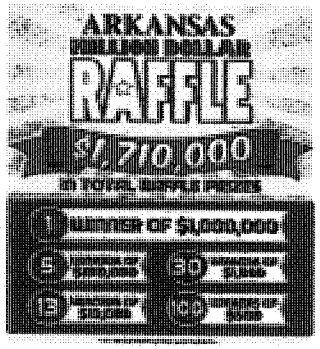
# Arkansas Million Dollar Raffle

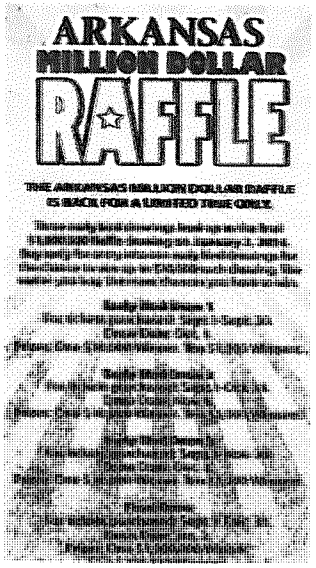
| Prizes | Number of Winners | Total |
|---|---|---|
| $1,000,000 | 1 | $1,000,000 |
| $100,000 | 5 | $500,000 |
| $10,000 | 13 | $130,000 |
| $1,000 | 30 | $30,000 |
| $500 | 100 | $50,000 |
| Total | 149 | $1,710,000 |

- Odds of winning depend on the number of raffle numbers sold

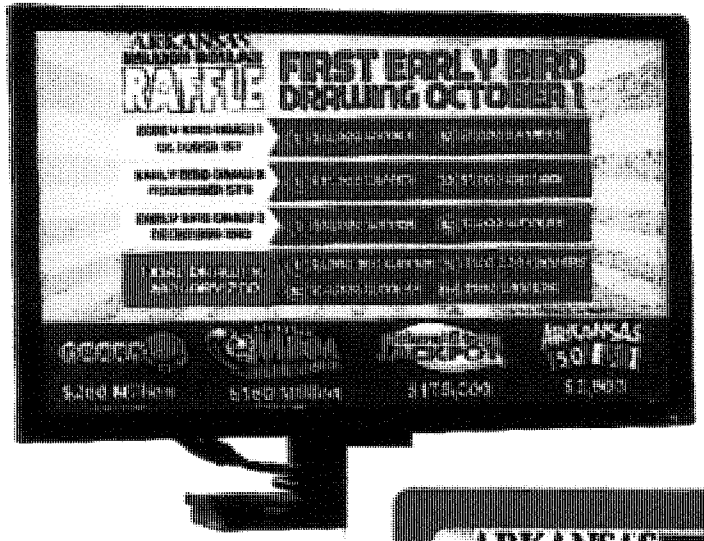
ARKANSAS MILLION DOLLAR RAFFLE

# Arkansas Million Dollar Raffle POS

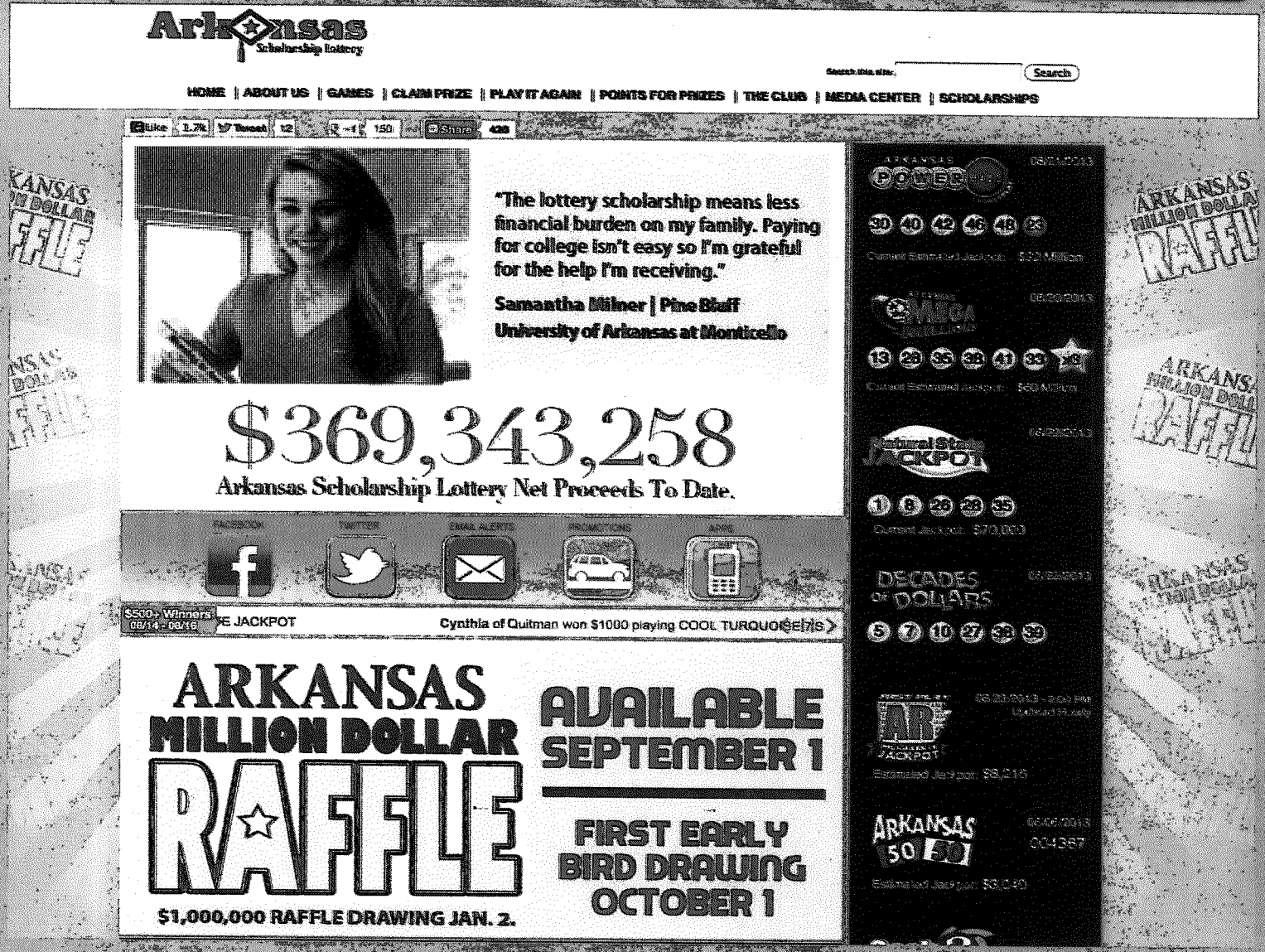


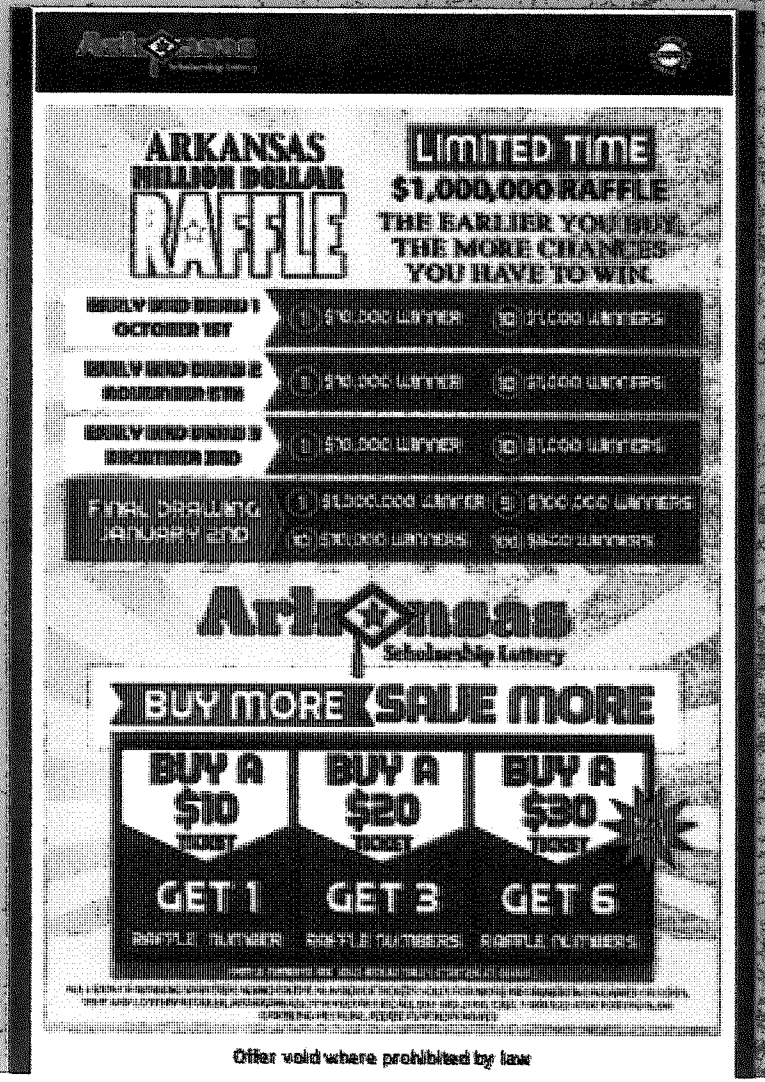
# Arkansas Million Dollar Raffle POS

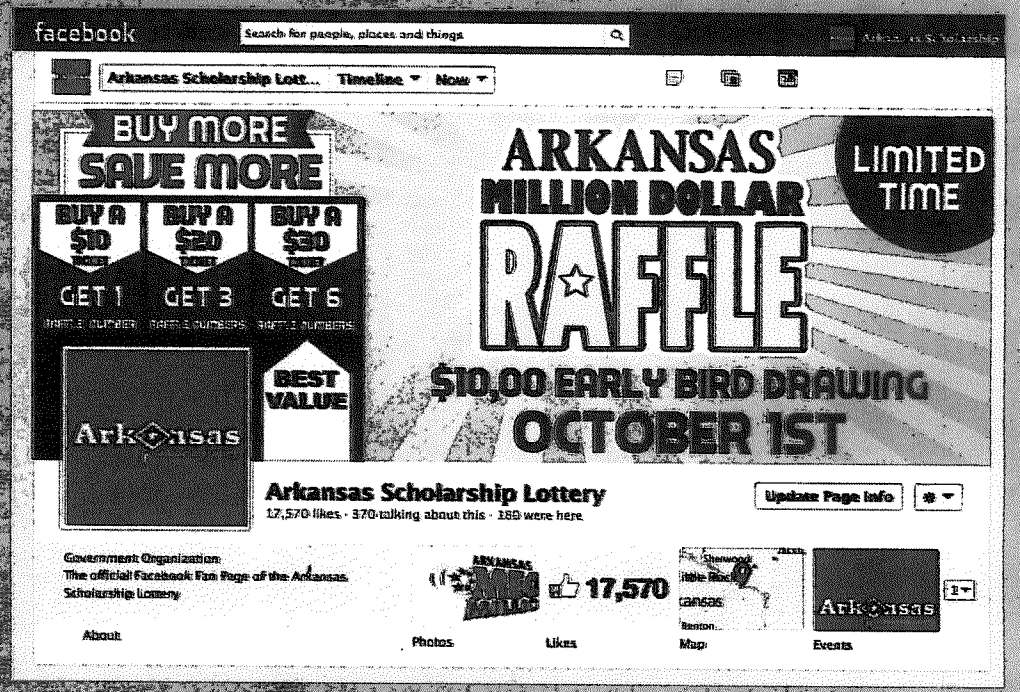


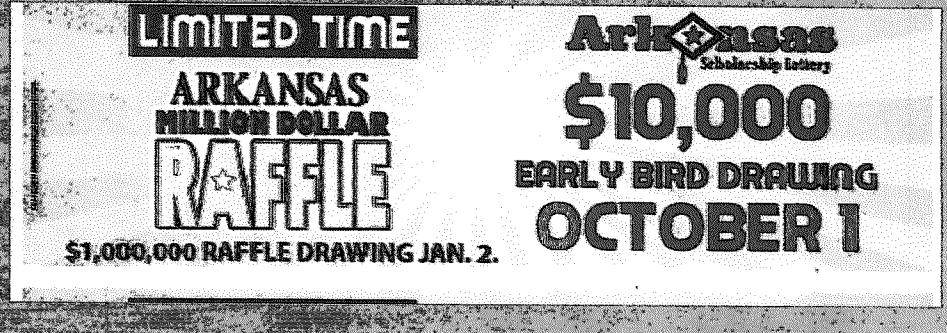
# Myarkansaslottery.com Website



# Arkansas Million Dollar Raffle Eblast, Facebook & Digital Banner Ads

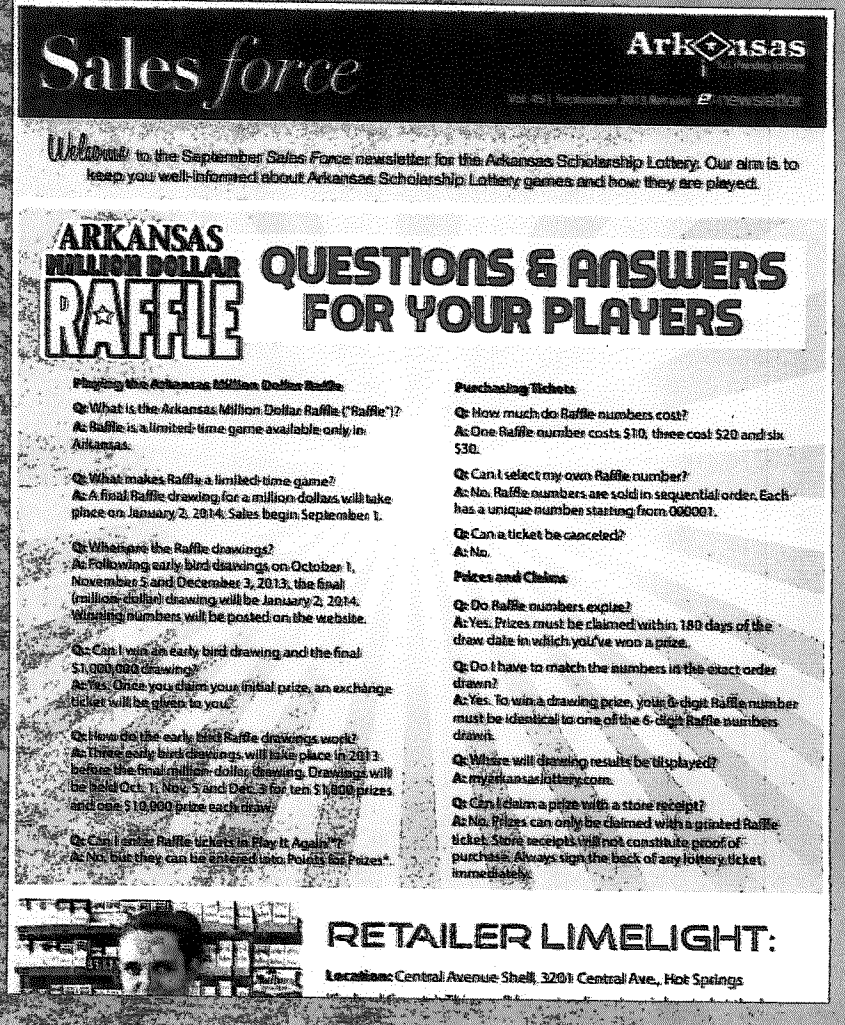


Arkansas Million Dollar Raffle TV

# Arkansas Million Dollar Raffle Retailer Marketing Tools



Sales force

Arkansas

Welcome to the September *Sales Force* newsletter for the Arkansas Scholarship Lottery. Our aim is to keep you well-informed about Arkansas Scholarship Lottery games and how they are played.

ARKANSAS MILLION DOLLAR RAFFLE

## QUESTIONS & ANSWERS FOR YOUR PLAYERS

**Playing the Arkansas Million Dollar Raffle**

**Q:** What is the Arkansas Million Dollar Raffle ("Raffle")?
**A:** Raffle is a limited-time game available only in Arkansas.

**Q:** What makes Raffle a limited-time game?
**A:** A final Raffle drawing for a million dollars will take place on January 2, 2014. Sales begin September 1.

**Q:** What are the Raffle drawings?
**A:** Following early bird drawings on October 1, November 5 and December 3, 2013, the final (million-dollar) drawing will be January 2, 2014. Winning numbers will be posted on the website.

**Q:** Can I win an early bird drawing and the final $1,000,000 drawing?
**A:** Yes. Once you claim your initial prize, an exchange ticket will be given to you.

**Q:** How do the early bird Raffle drawings work?
**A:** Three early bird drawings will take place in 2013 before the final million-dollar drawing. Drawings will be held Oct. 1, Nov. 5 and Dec. 3 for ten $1,000 prizes and one $10,000 prize each draw.

**Q:** Can I enter Raffle tickets in Play It Again®?
**A:** No, but they can be entered into Points for Prizes®.

**Purchasing Tickets**

**Q:** How much do Raffle numbers cost?
**A:** One Raffle number costs $10, three cost $20 and six $30.

**Q:** Can I select my own Raffle number?
**A:** No. Raffle numbers are sold in sequential order. Each has a unique number starting from 000001.

**Q:** Can a ticket be canceled?
**A:** No.

**Prizes and Claims**

**Q:** Do Raffle numbers expire?
**A:** Yes. Prizes must be claimed within 180 days of the draw date in which you've won a prize.

**Q:** Do I have to match the numbers in the exact order drawn?
**A:** Yes. To win a drawing prize, your 6-digit Raffle number must be identical to one of the 6-digit Raffle numbers drawn.

**Q:** Where will drawing results be displayed?
**A:** myarkansaslottery.com.

**Q:** Can I claim a prize with a store receipt?
**A:** No. Prizes can only be claimed with a printed Raffle ticket. Store receipts will not constitute proof of purchase. Always sign the back of any lottery ticket immediately.



RETAILER LIMELIGHT:

**Location:** Central Avenue Shell, 3201 Central Ave., Hot Springs

# Mega Millions Changes

Beginning in October 2013, the Mega Millions game will change and offer **better overall odds** and opportunities for **higher jackpots**.

Sales begin on October 19, 2013 with the first drawing on October 22, 2013.

The cost per Mega Millions play will remain $1 and the cost to add the Megaplier option will remain $1.

The starting jackpot will increase from $12 million to $15 million and will roll by a minimum of $5 million.

Mega Millions drawings will still consist of five white balls and one gold Mega Ball. Under the new matrix, the number of white balls will increase from 56 to 75 and the number of gold balls (the Mega Ball) will decrease from 46 to 15.

# Mega Millions Changes

| Matching Numbers | New Mega Millions® Prize | New Odds of Winning | Current Mega Millions® Prize | Current Odds of Winning |
|---|---|---|---|---|
| Match 5 + 1 | JACKPOT | 1 in 258,890,850 | JACKPOT | 1 in 175,711,536 |
| Match 5 + 0 | $1,000,000 | 1 in 18,492,204 | $250,000 | 1 in 3,904,701 |
| Match 4 + 1 | $5,000 | 1 in 739,688 | $10,000 | 1 in 689,065 |
| Match 4 + 0 | $500 | 1 in 52,835 | $150 | 1 in 15,313 |
| Match 3 + 1 | $50 | 1 in 10,720 | $150 | 1 in 13,781 |
| Match 3 + 0 | $5 | 1 in 766 | $7 | 1 in 306 |
| Match 2 + 1 | $5 | 1 in 473 | $10 | 1 in 844 |
| Match 1 + 1 | $2 | 1 in 56 | $3 | 1 in 141 |
| Match 0 + 1 | $1 | 1 in 21 | $2 | 1 in 75 |
| | Overall Odds | 1 in 14.71 | | 1 in 39.9 |

ARKANSAS MEGA MILLIONS WITH MEGAPLIER

| Megaplier® | New Odds | Current Odds |
|---|---|---|
| 2X | 1 in 7.5 | 1 in 10.5 |
| 3X | 1 in 3.75 | 1 in 3 |
| 4X | 1 in 5 | 1 in 1.75 |
| 5X | 1 in 2.5 | N/A |

With Megaplier, all non-jackpot prizes will be multiplied by 2, 3, 4 or 5.

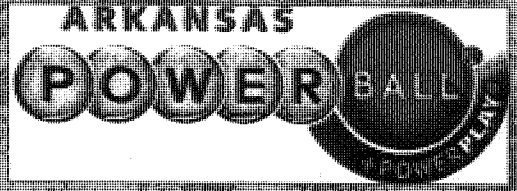
# Mega Millions Changes

| Matching Numbers | Mega Millions® Prize | Megaplier® 5X | Megaplier® 4X | Megaplier® 3X | Megaplier® 2X |
|---|---|---|---|---|---|
| **Match 5+0** | **$1,000,000** | **$5,000,000** | **$4,000,000** | **$3,000,000** | **$2,000,000** |
| **Match 4+1** | **$5,000** | **$25,000** | **$20,000** | **$15,000** | **$10,000** |
| **Match 4+0** | **$500** | **$2,500** | **$2,000** | **$1,500** | **$1,000** |
| **Match 3+1** | **$50** | **$250** | **$200** | **$150** | **$100** |
| **Match 3+0** | **$5** | **$25** | **$20** | **$15** | **$10** |
| **Match 2+1** | **$5** | **$25** | **$20** | **$15** | **$10** |
| **Match 1+1** | **$2** | **$10** | **$8** | **$6** | **$4** |
| **Match 0+1** | **$1** | **$5** | **$4** | **$3** | **$2** |

With Megaplier, all non-jackpot prizes are multiplied by 2, 3, 4 or 5.

ARKANSAS MEGA MILLIONS WITH MEGAPLIER

# Powerball Changes




The Powerball game's current fixed prize Power Play option will return to a random multiplier option using 2X, 3X, 4X or 5X.

The add-on cost of Power Play will remain $1 per play.

Increases non-jackpot prize winnings.

First drawing for the new Power Play option is January 22, 2014.

Currently no changes are scheduled to the base Powerball game.

# Power Play Changes

| Matching Numbers | Powerball® Prize | Power Play® 5X | Power Play® 4X | Power Play® 3X | Power Play® 2X |
|---|---|---|---|---|---|
| **Match 5+0** | **$1,000,000** | **$2,000,000** | **$2,000,000** | **$2,000,000** | **$2,000,000** |
| **Match 4+1** | **$10,000** | **$50,000** | **$40,000** | **$30,000** | **$20,000** |
| **Match 4+0** | **$100** | **$500** | **$400** | **$300** | **$200** |
| **Match 3+1** | **$100** | **$500** | **$400** | **$300** | **$200** |
| **Match 3+0** | **$7** | **$35** | **$28** | **$21** | **$14** |
| **Match 2+1** | **$7** | **$35** | **$28** | **$21** | **$14** |
| **Match 1+1** | **$4** | **$20** | **$16** | **$12** | **$8** |
| **Match 0+1** | **$4** | **$20** | **$16** | **$12** | **$8** |

**Power Play does not apply to the Jackpot Prize. A Power Play Match 5 + 0 prize is set at $2 million regardless of the Power Play multiplier selected.**

ARKANSAS POWERBALL POWER PLAY

# Power Play Changes

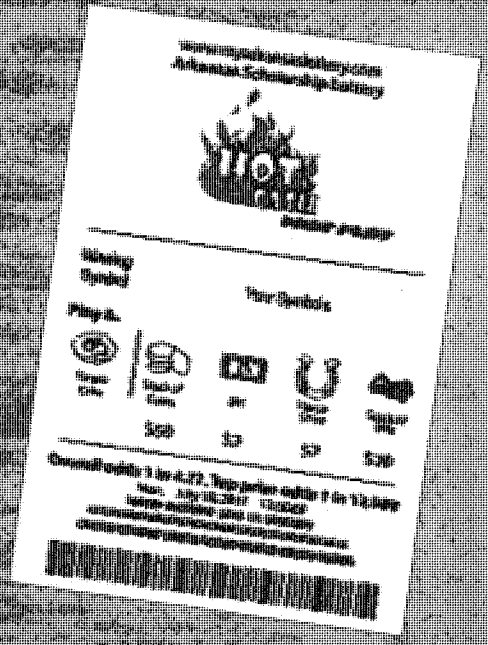
| Power Play® | Description | Odds |
|---|---|---|
| 5X | Prize won times 5 | 1 in 10 |
| 4X | Prize won times 4 | 1 in 10 |
| 3X | Prize won times 3 | 1 in 3.33 |
| 2X | Prize won times 2 | 1 in 2 |

Power Play does not apply to the Jackpot Prize. A Power Play Match 5 + 0 prize is set at $2 million regardless of the Power Play multiplier selected.

ARKANSAS POWERBALL® + POWERPLAY

# Fast Play Games

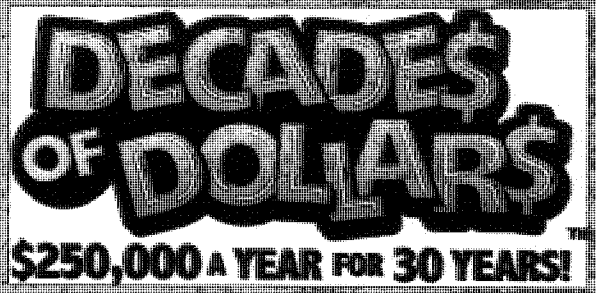
- Instant-play Fast Play games launch monthly.
- Fast Play games have similar play styles as instant games such as tic-tac-toe, matching, and find a symbol.
- Progressive Fast Play is a relatively new style game that offers a growing jackpot prize in addition to several fixed payout prizes.
- Fast Play games are quick and easy and help familiarize players with terminal-generated tickets.

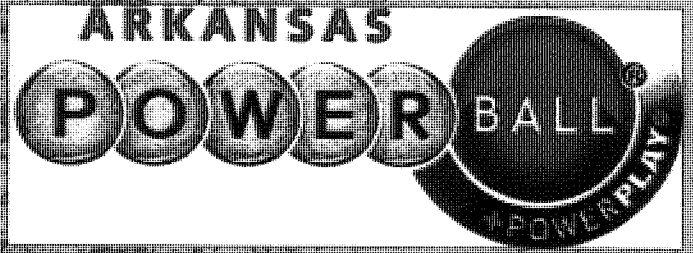


# Other Activity with Online Games

Discussing game replacement options with the Decades of Dollars consortium. Replacement is not likely to happen this fiscal year.

The Powerball Group is discussing a game matrix change for July. To be determined.



# Product Promotions

The ALC will continue to enhance game participation.

The goal of promotions is to raise game participation by:

- Introducing players to games they may not have played.
- Attracting and rewarding players for up spending.
- Providing for a focus for a featured game(s).
- Offering an added value already perceived in games.

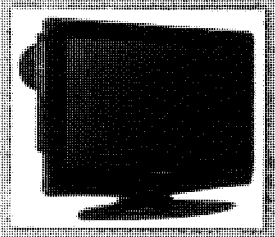
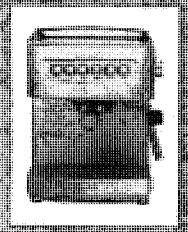
# Product Promotions FY 2013-14

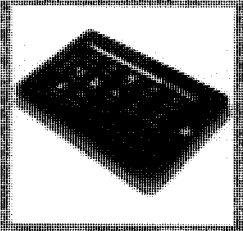
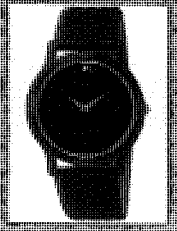
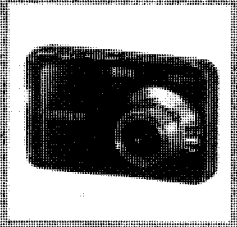
| Date | Type | Description |
|---|---|---|
| July, 2013 | Buy X, Get Y | Buy a $5 Arkansas 50/50 ticket, get a free $1 Hot Cash Fast Play ticket. |
| November-December, 2013 | Buy X, Get Y | TBD – If needed for Million Dollar Raffle. Buy $20 or more of Raffle, get $10 free. |
| January, 2014 | Buy X bundle, Get Y | Jackpot Bundle – Buy a $2 Powerball, $1 Mega Millions and a $2 Decades of Dollars, get a free $1 Natural State Jackpot ticket. |
| March, 2014 | Buy X, Get Y | Buy a $10 or greater Natural State Jackpot ticket, get a free $3 Natural State Jackpot ticket. |
| April, 2014 | Coupon | Instant $1 off coupon. |
| May, 2014 | Bonus Payout | Natural State Jackpot $10,000 jackpot rolls. |
| June, 2014 | Buy X, Get Y | Buy a $5 Arkansas 50/50 ticket, get a free $1 Fast Play ticket. |

Promotion schedule is subject to change.

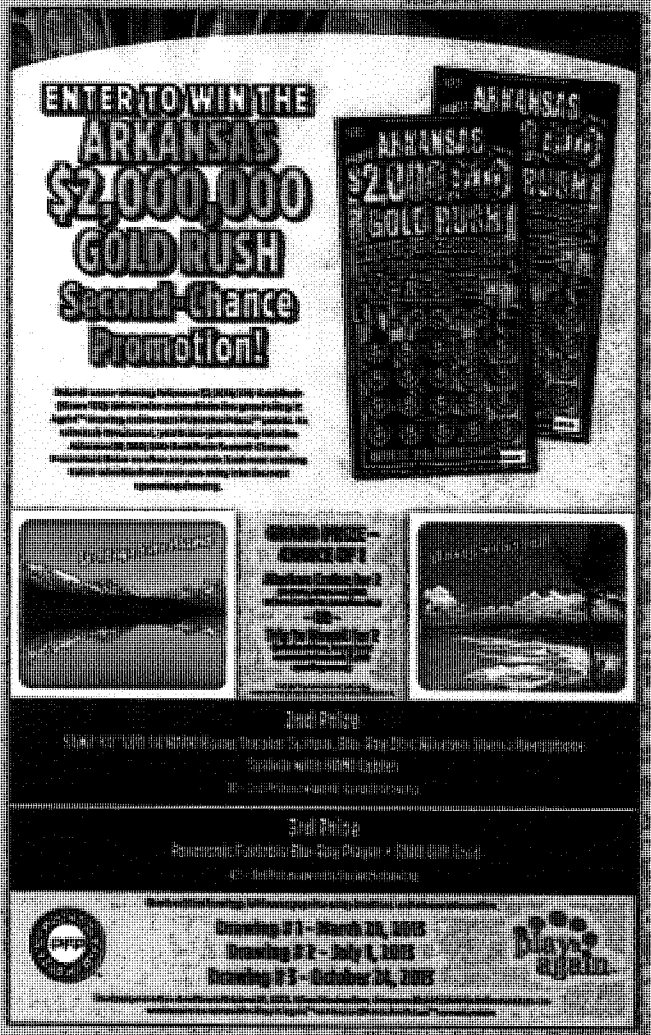
# Player Rewards

- The players club has more than 291,000 registered members. Players can enter non-winning instant tickets and online (terminal-generated) tickets.
- Each ticket entered on the website earn rewards points that are redeemable for merchandise.
- Each month game(s) are featured with a point multiplier of 2X or more the normal points.
- Non-winning instant tickets entered are also put into Play it Again® drawings and other second-chance drawings for certain games.

# Second Chance Promotions



PRIZES FOR POINTS PFP

# Second Chance Promotions

## Marketing Support

- Billboard near Store Location (Dec)
- Second-Chance Promotion Signage In-Bass Pro Stores
- ASL Clings Distributed to Retailers
- Eblasts to Bass Pro & ASL Database
- Bass Pro Hats to Distribute to ASL Retailers

POINTS FOR PRIZES
PFP

# Advertising & Marketing

# Planning, Implementation & Evaluation

## Planning:

- Goal #1: Successfully launch Raffle game.
- Goal #2: Improve instant games sales.
- Goal #3: Optimize Jackpot Sales for the Powerball, Mega Millions & Natural State Jackpot games.
- Goal #4: Reach out to new and lapsed players through promotions.
- Goal #5: Improve winner & beneficiary awareness.
- Goal #6: Maximize our advertising resources.

## Implementation:

- Heavily advertise Raffle in the months of September and December while pulsing in October & November.
- Continue to advertise new instant games during monthly launches & evaluate direct mail and newspaper inserts options.
- Maximize jackpot sales by advertising draw games during key trigger points and have added additional billboards.
- Advertise product promotions in an effort to increase playership.
- Improve winner perceptions by promoting big winners at the retail and city level.
- Use advertising in-house staff and cost sharing to improve advertising efficiencies.

## Evaluation:

- Track advertising sales lift using controls when possible.
- Monitor click-through rates, eblast open rates, website traffic, application downloads and social media results to measure successes.
- Track redemption rates on direct mail, newspaper and eblast coupons.
- Continue research including advertising tracking studies & focus group testing to measure advertising awareness, player engagement and retailer feedback.

# Budget Summary

## Summary by Month

| | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Creative/Production | 900 | 53,100 | 800 | 900 | 30,800 | 14,800 | 20,900 | 800 | 800 | 900 | 800 | 800 | $ 126,300 |
| Signage | 213 | 213 | 18,882 | 13,178 | 213 | 7,313 | 6,413 | 11,213 | 32,213 | 60,213 | 5,213 | 24,713 | $ 179,995 |
| Website/Mobile Applications/Social Media | 5,791 | 5,791 | 10,791 | 7,066 | 5,791 | 5,791 | 5,791 | 8,066 | 13,791 | 5,791 | 8,066 | 5,791 | $ 88,317 |
| Direct Mail | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,000 | 0 | $ 40,000 |
| Promotions | 2,000 | 0 | 43,252 | 0 | 0 | 0 | 18,000 | 0 | 0 | 0 | 0 | 0 | $ 63,252 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | $ - |
| Media | 224,992 | 228,834 | 460,086 | 286,090 | 328,233 | 336,359 | 248,598 | 286,040 | 356,646 | 456,840 | 361,840 | 242,824 | $ 3,818,982 |
| Commission | 11,250 | 11,147 | 23,044 | 14,305 | 16,412 | 16,818 | 12,430 | 14,342 | 17,832 | 17,092 | 16,342 | 12,141 | $ 183,154 |
| **TOTAL** | **$245,146** | **$299,085** | **$557,456** | **$321,539** | **$381,449** | **$381,081** | **$312,132** | **$321,262** | **$421,283** | **$540,837** | **$432,262** | **$286,269** | **$ 4,500,000** |

## Media Category

| Media Category | Total | % to Total |
|---|---|---|
| Creative/Production | $ 126,300 | 3% |
| Signage | $ 179,995 | 4% |
| Website/Mobile Applications/Social Media | $ 88,317 | 2% |
| Direct Mail | $ 40,000 | 1% |
| Promotions | $ 63,252 | 1% |
| Other | $ - | 0% |
| Media + Commission | $ 4,002,136 | 89% |
| **TOTAL** | $ 4,500,000 | 100% |

| Media | Total | % to Total |
|---|---|---|
| TV/Cable | $ 2,057,769 | 51% |
| Radio | $ 1,167,985 | 29% |
| Outdoor | $ 489,862 | 12% |
| Internet | $ 130,620 | 3% |
| Print | $ 155,900 | 4% |
| **TOTAL** | $ 4,002,136 | 100% |

# Industry Comparison

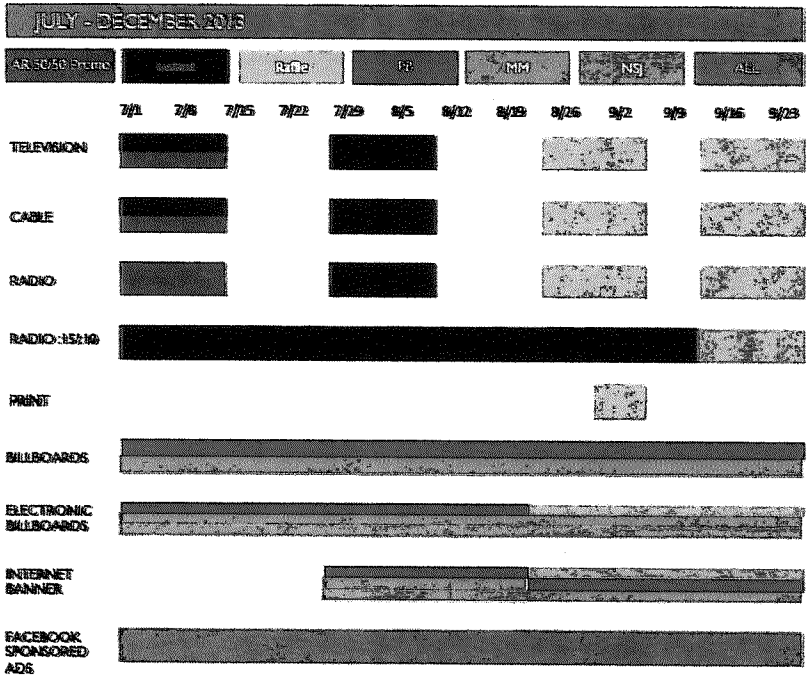
## Industry Comparison

| Media Category | ALC Projected Spend | ALC % of Budget | Avg. % of Budget | Difference |
|---|---|---|---|---|
| TV Media | $ 1,959,780 | 44% | 32% | 12% |
| Radio Media | $ 1,112,367 | 25% | 15% | 10% |
| Transit (Bus, Billboards, & Other Outdoor) | $ 466,535 | 10% | 14% | -4% |
| Production (TV & Radio, Website, Outdoor) | $ 214,617 | 5% | 11% | -7% |
| Ad Agency Fee | $ 183,154 | 4% | 5% | -1% |
| Point of Sale | $ 179,995 | 4% | 3% | 1% |
| Print Media | $ 155,900 | 3% | 2% | 1% |
| Internet Media | $ 124,400 | 3% | 4% | -2% |
| Direct Mail | $ 40,000 | 1% | 1% | 0% |
| Consumer Promos | $ 63,252 | 1% | 4% | -2% |
| Drawing events | $ - | 0% | 1% | -1% |
| Public relations | $ - | 0% | 1% | -1% |
| Research | $ - | 0% | 1% | -1% |
| Other | $ - | 0% | 5% | -5% |
| TOTAL | $ 4,500,000 | 100% | 100% | 0% |

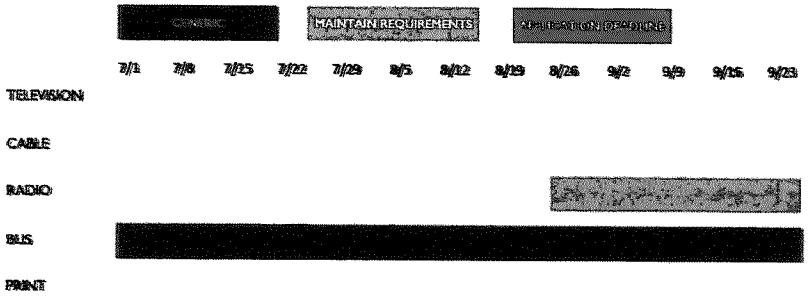
| Lottery | Ad Budget | % of Sales |
|---|---|---|
| Kansas | $2.5 | 1.0% |
| Arkansas | $4.5 | 1.0% |
| Iowa | $6.6 | 2.1% |
| Oklahoma | $1.7 | 0.8% |
| Louisiana | $7.5 | 1.7% |
| Missouri | $7.3 | 0.7% |
| Tennessee | $8.3 | 0.6% |
| North Carolina | $13.3 | 0.8% |

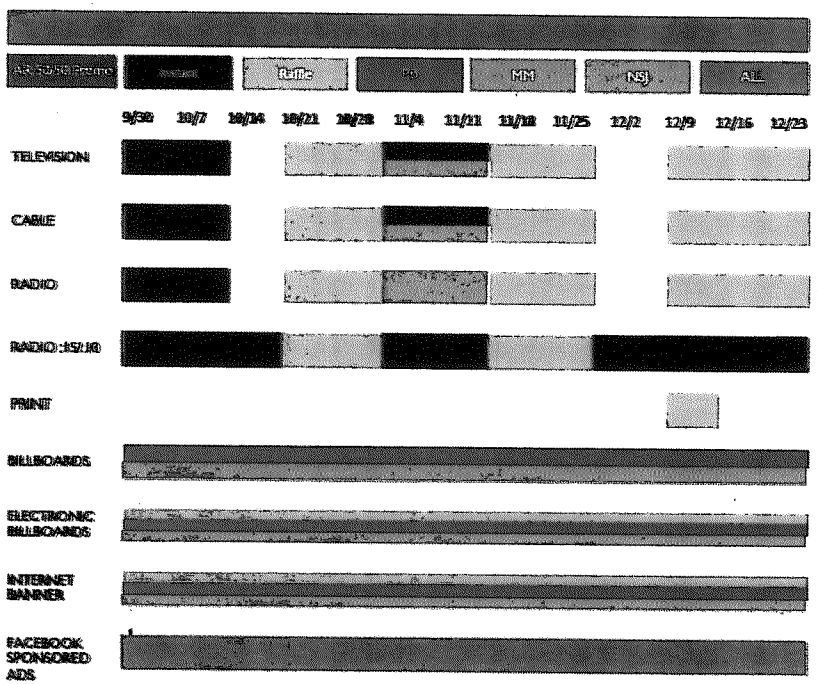
# Media Flowchart

## ALC MEDIA FLOW CHART

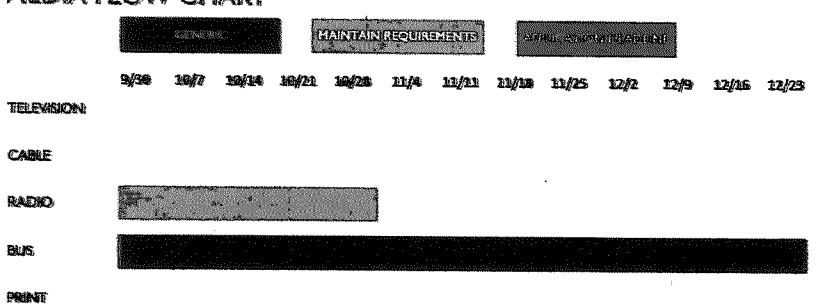



## ADHE | ARKANSAS ACADEMIC CHALLENGE ADVERTISING MEDIA FLOW CHART

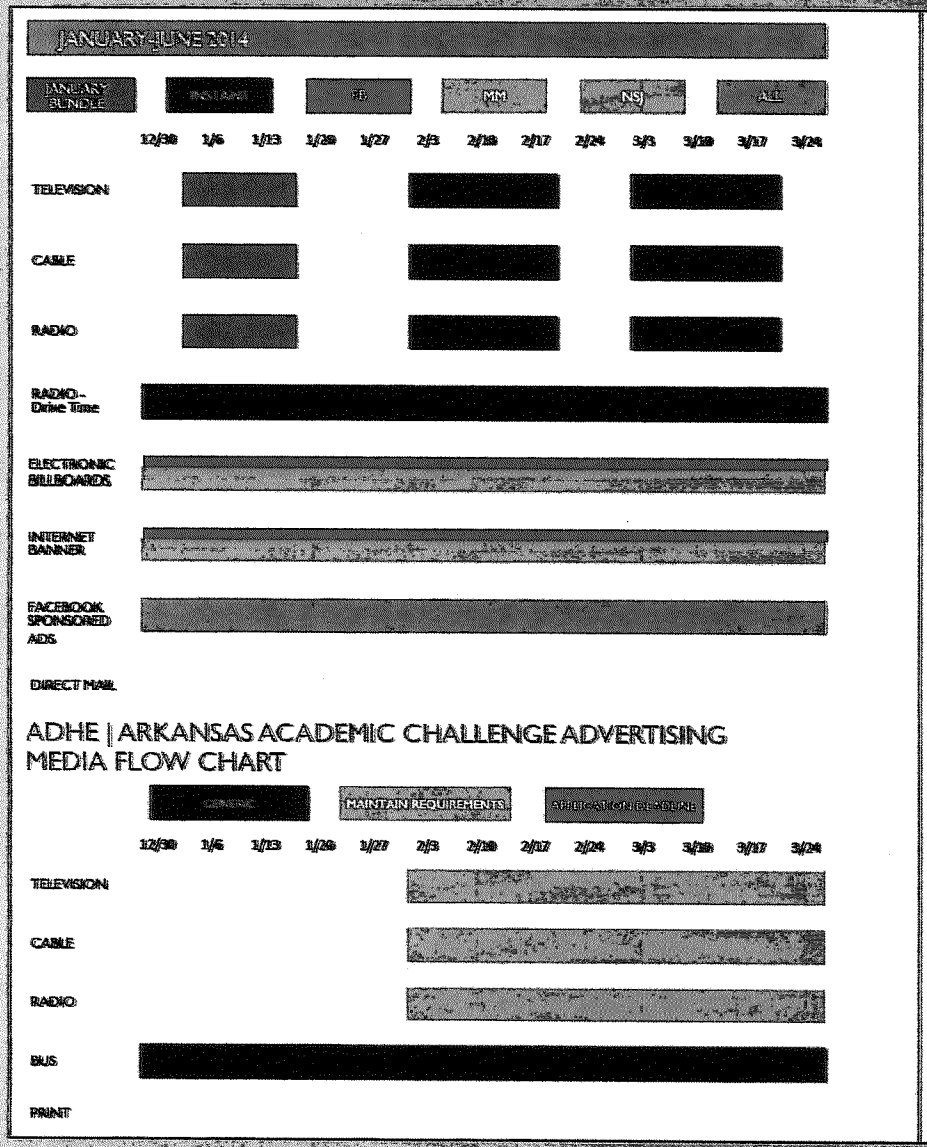


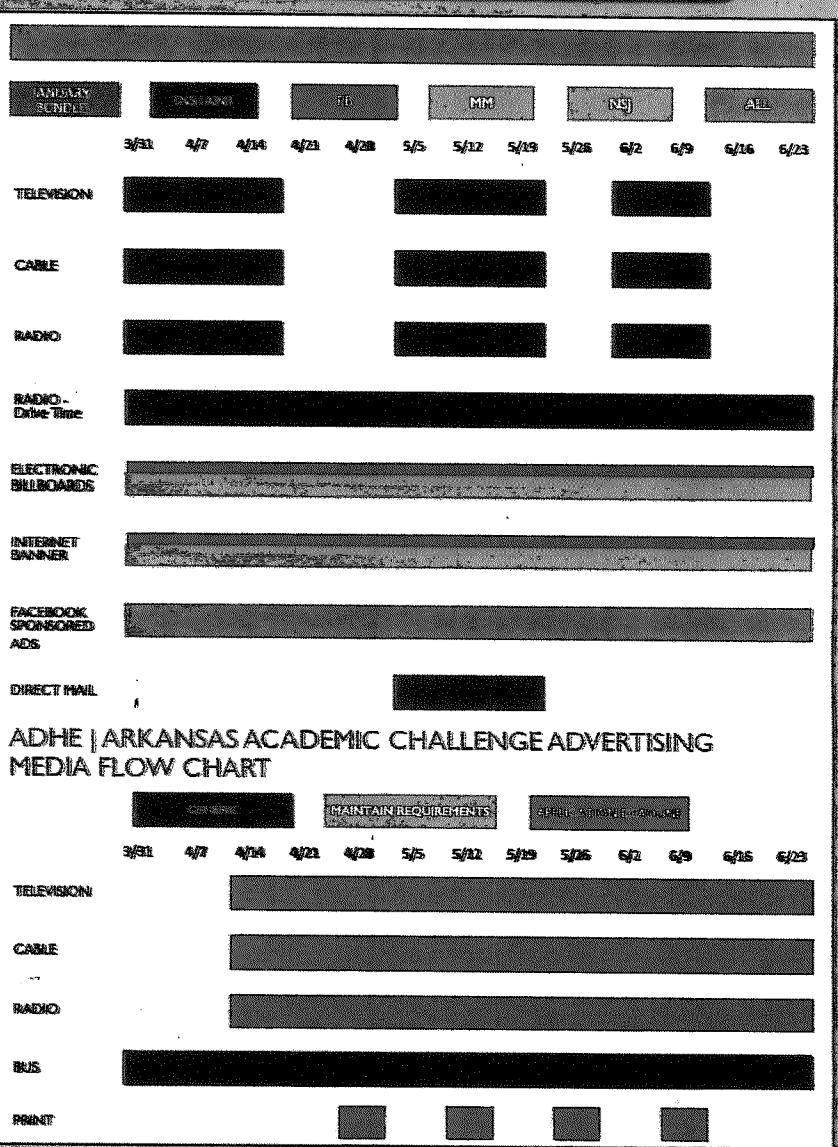




## ADHE | ARKANSAS ACADEMIC CHALLENGE ADVERTISING MEDIA FLOW CHART



# Media Flowchart



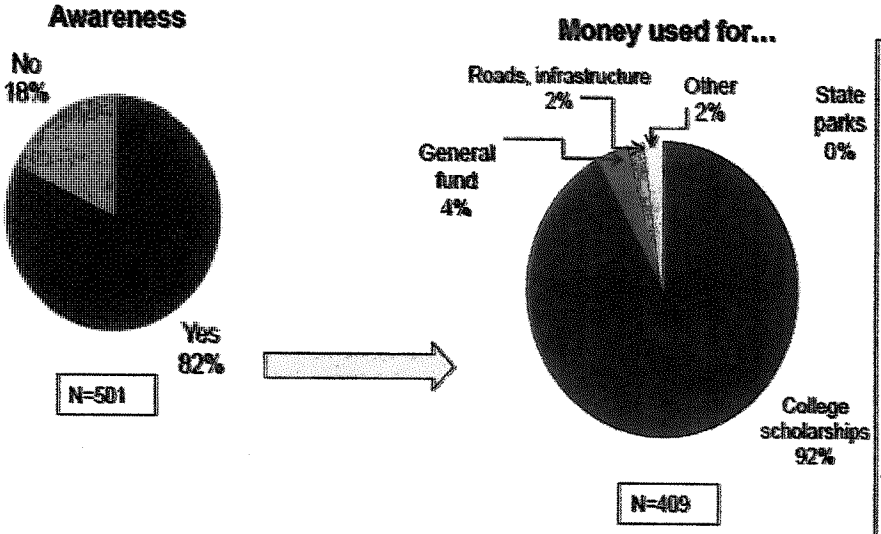



# 2013 Tracking Study

## Lottery Monies
### Awareness

Q3. Are you aware of what the money made by the Arkansas Lottery is used for? Q4. What is the money used for?

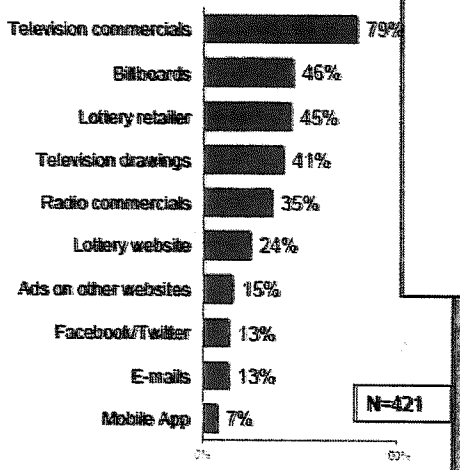
- The vast majority (82%) say they are aware of what the money made by the lottery is used for. Ninety-two percent correctly say the money is used for *college scholarships*.




## Advertising Awareness
### Ad Recall Among Those Wh

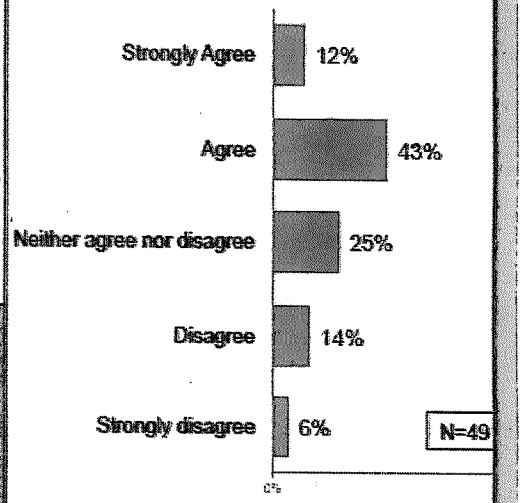
Q10. Where do you recall receiving jackpot informati

Where do you recall.....




## Advertising Awareness
### Lottery Winners

Q13. I hear about people who win the lottery.



# Spring 2013 Retailer & Player Focus Groups

Retailers rating of current POS in terms of how helpful they are in helping to sell products: "1" being the Least Helpful and "10" being the Most Helpful

| | |
|---|---|
| Player Advertising Display | 8.75 |
| LED Jackpot Sign | 8.55 |
| Play Station | 8.16 |
| Door/Window Clings | 8.07 |
| Winner Banners | 8.06 |
| 'PLAY HERE' Street Sign | 7.79 |
| Ticket Dispenser Topper | 7.77 |
| Counter Mat | 7.59 |

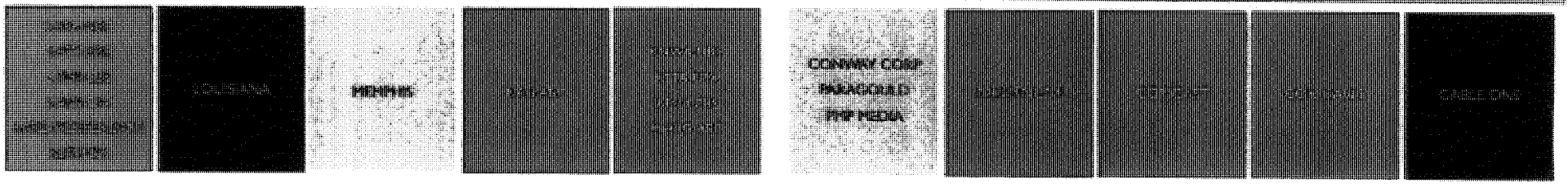
Player survey results regarding how they learn about games and promotions

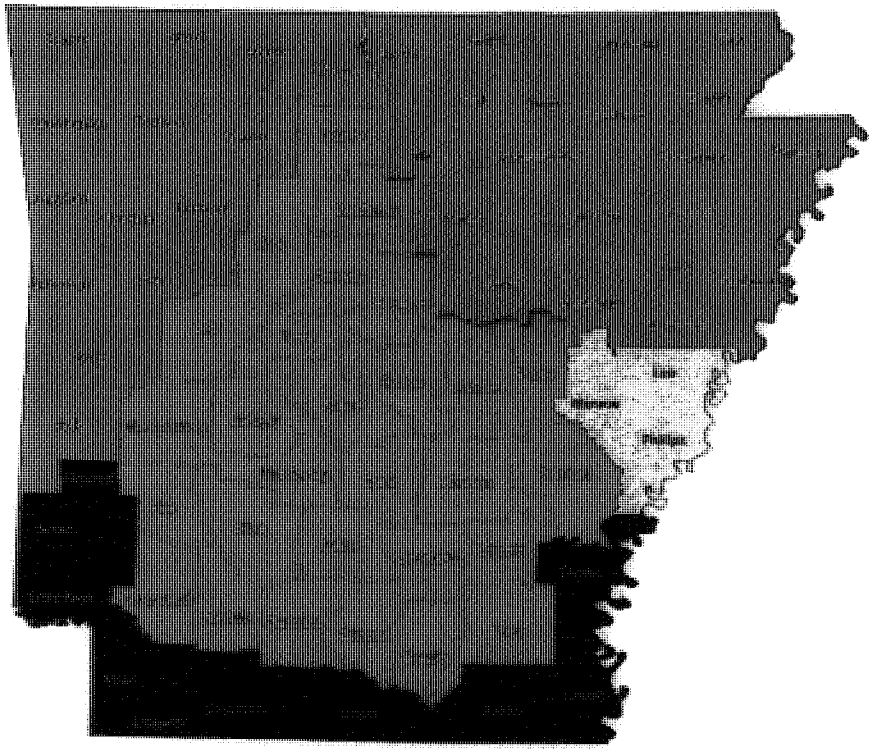
| | Core Players | Light Players |
|---|---|---|
| TV | 79% | 82% |
| Radio | 46% | 39% |
| Outdoor | 21% | 28% |
| P.O.S. | 79% | 71% |
| Website | 43% | 21% |
| Lottery e-mails | 7% | 7% |
| Facebook | 7% | 4% |

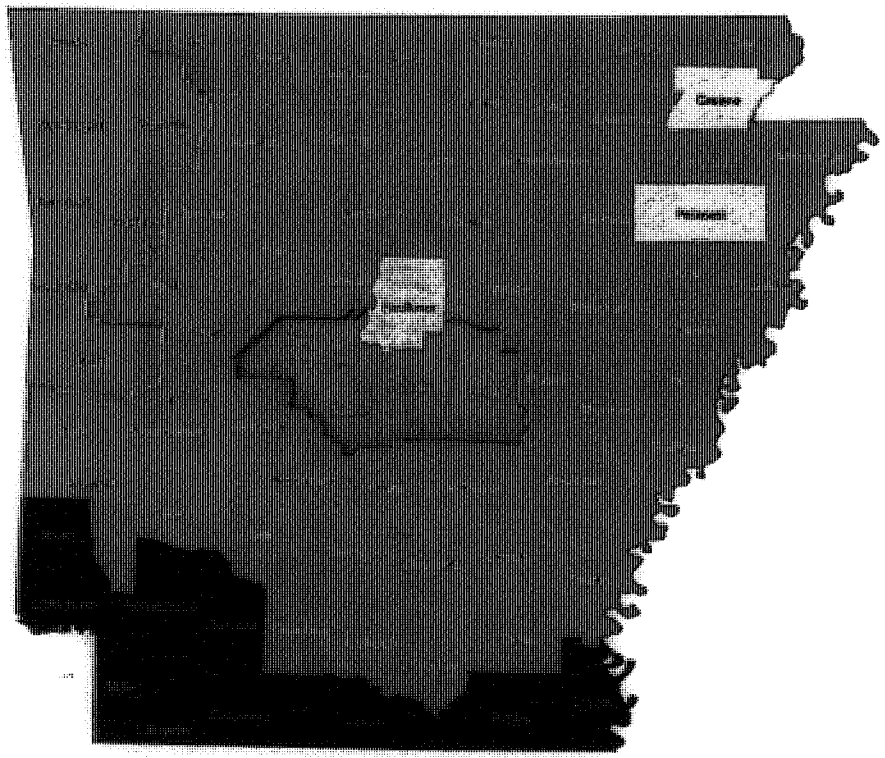
# Goals & Media Placement

| Launch Raffle Game | Improve Instant Game Sales | Optimize Jackpot Sales | Promote Winner & Beneficiaries | Implement Player Promotions |
|---|---|---|---|---|
| • TV<br>• :30 Radio<br>• :15 Radio<br>• Player Advertising Displays (PADs)<br>• Play Station Signage<br>• Eblasts<br>• Social Media<br>• Digital Media<br>• In-Store Marketing Items | • TV<br>• :30 Radio<br>• :15 Radio<br>• Player Advertising Displays (PADs)<br>• Play Station Signage<br>• Eblasts<br>• Social Media | • TV<br>• :15 Drive-Time Radio<br>• Billboards<br>• Online Banner Ads<br>• PADs<br>• Dynamic Jackpot Signs at retail locations<br>• Eblasts<br>• Social Media<br>• Mobile Apps | • TV<br>• :15 Radio<br>• Billboards<br>• Newspaper<br>• PADs<br>• Play Station Signage<br>• Store Winner Banners<br>• Eblasts<br>• Social Media | • TV<br>• Radio<br>• Play Station<br>• PADs<br>• Eblasts<br>• Direct Mail<br>• Newspaper Insert |

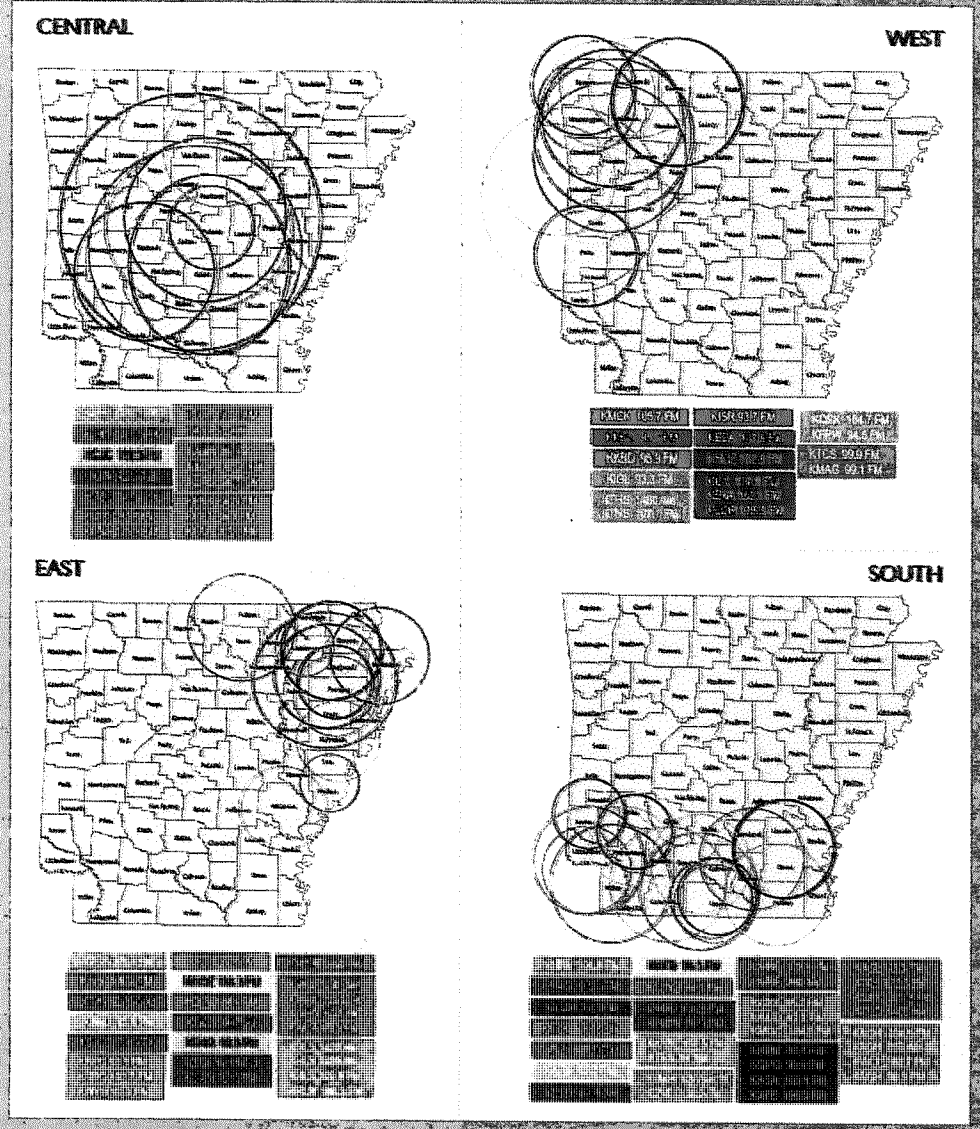
# TV/Cable Media





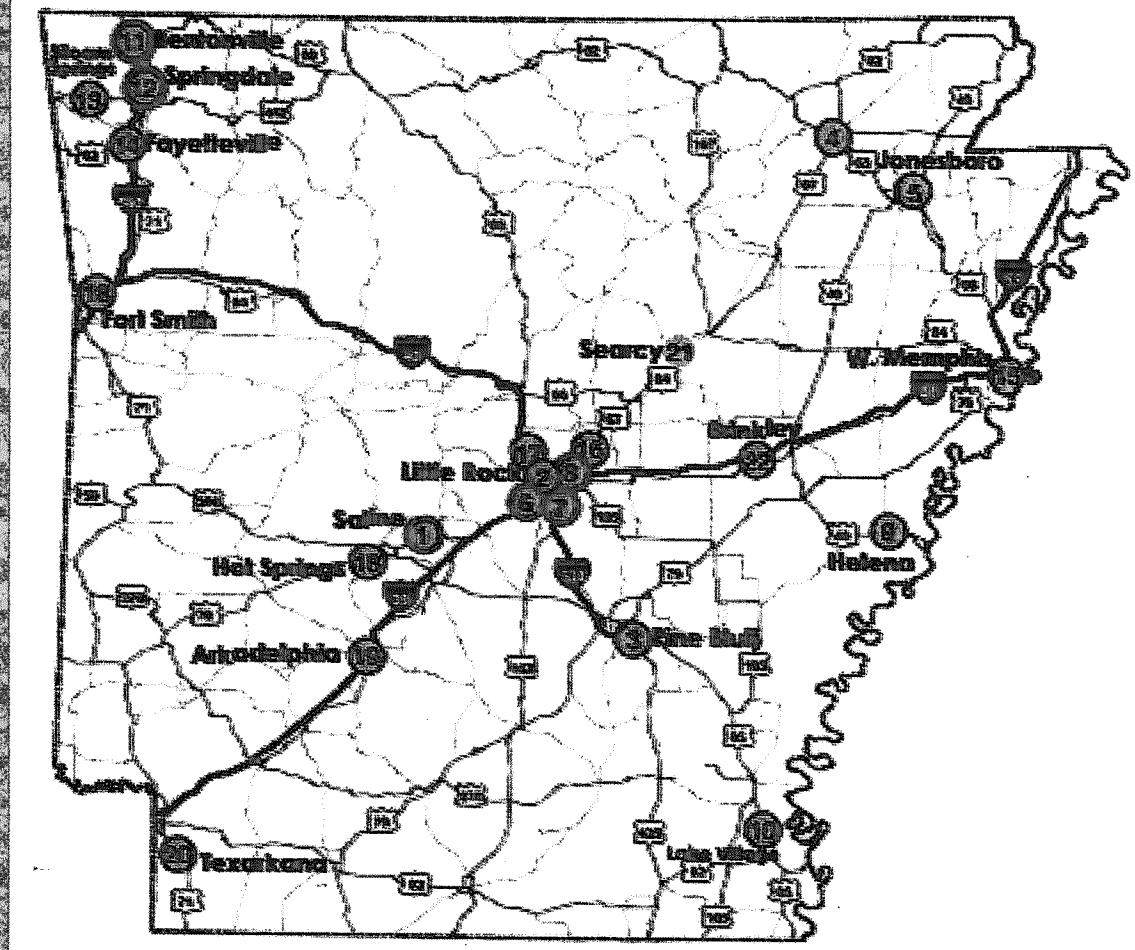
# Radio Advertising




| | |
|---|---|
| Instant Games | • :30/:15 spots |
| Raffle | • :30/:15 spots |
| Powerball/Mega Millions | • :15 spots: jackpot reaches $100+ |
| Winner Awareness | • :15 spots |
| Product Promotions | • :30 spots |

# Outdoor Billboards

| | Vendor | Town/City | Type |
|---|---|---|---|
| 1 | Lamar | Little Rock/Bryant | Electronic |
| 2 | Lamar | N. Little Rock | Static |
| 3 | Lamar | Pine Bluff | Static |
| 4 | Lamar | Jonesboro | Static |
| 5 | Lamar | Jonesboro | Static |
| 6 | Lamar | Little Rock | Electronic |
| 7 | Lamar | Little Rock | Electronic |
| 8 | Lamar | N. Little Rock | Electronic |
| 9 | Lamar | Helena | Static |
| 10 | Lamar | Lake Village | Static |
| 11 | Ashby Street | Bentonville | Electronic |
| 12 | Ashby Street | Springdale | Electronic |
| 13 | Ashby Street | Siloam Springs | Static |
| 14 | Ashby Street | Fayetteville | Static |
| 15 | Ashby Street | West Memphis | Static |
| 16 | Cuerden | N. Little Rock | Static |
| 17 | Cuerden | Conway | Static |
| 18 | Clear Channel | Ft. Smith | Static |
| 19 | Impact Outdoor | Arkadelphia | Static |
| 20 | Fairway | Texarkana | Static |
| 21 | Quality Outdoor | Searcy | Static |
| 22 | Prime Advertising | Brinkley | Static |



# Outdoor: Billboards

Natural State JACKPOT

$110,000

Current Jackpot

6 Electronic Billboards

16 Static Billboards

WINNERS EVERY DAY

HOMETOWN: WEST FORK

HOMETOWN: FAYETTEVILLE

ARKANSAS MEGA MILLIONS

$90 MILLION

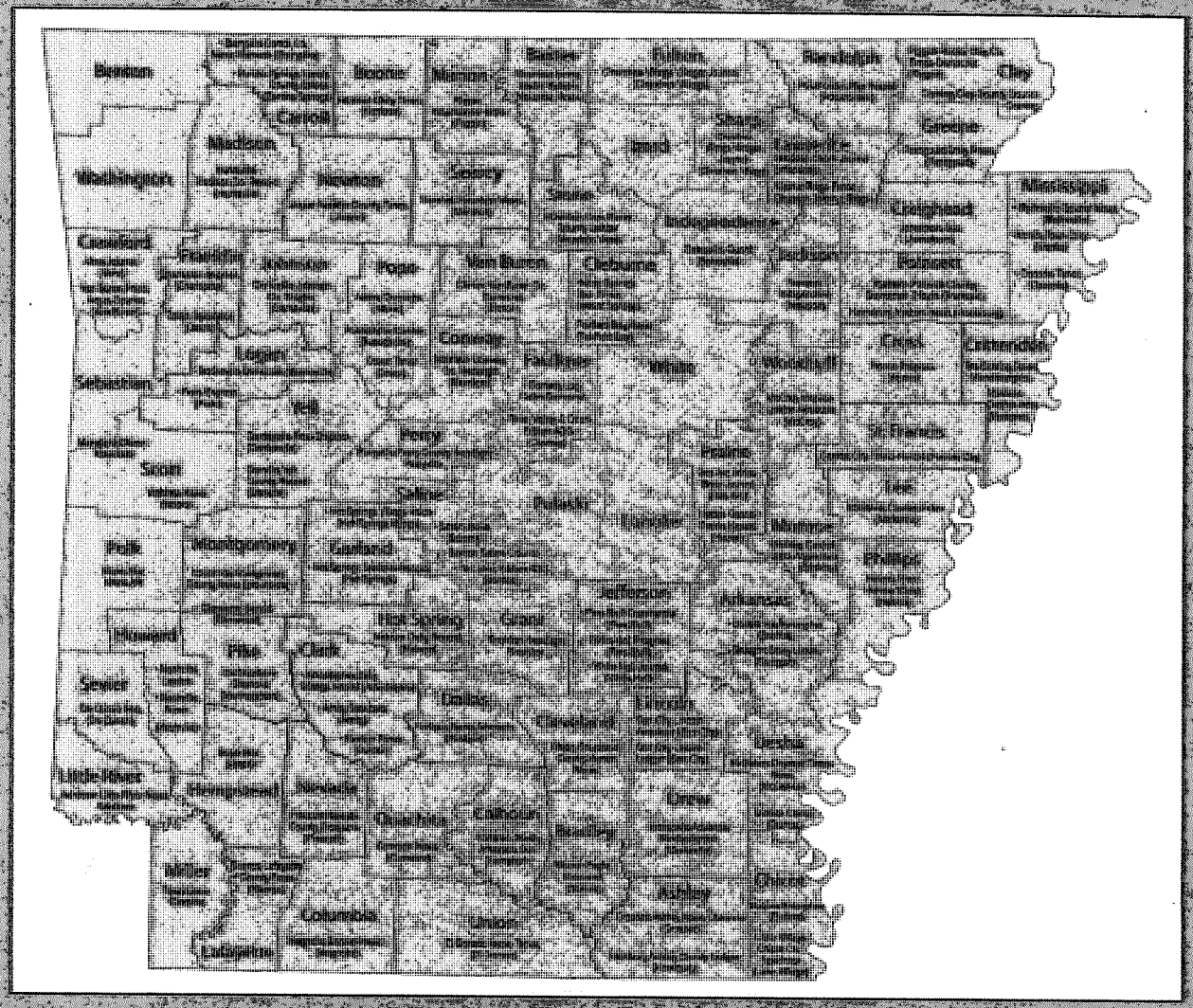
ESTIMATED ANNUITIZED JACKPOT

ARKANSAS POWERBALL

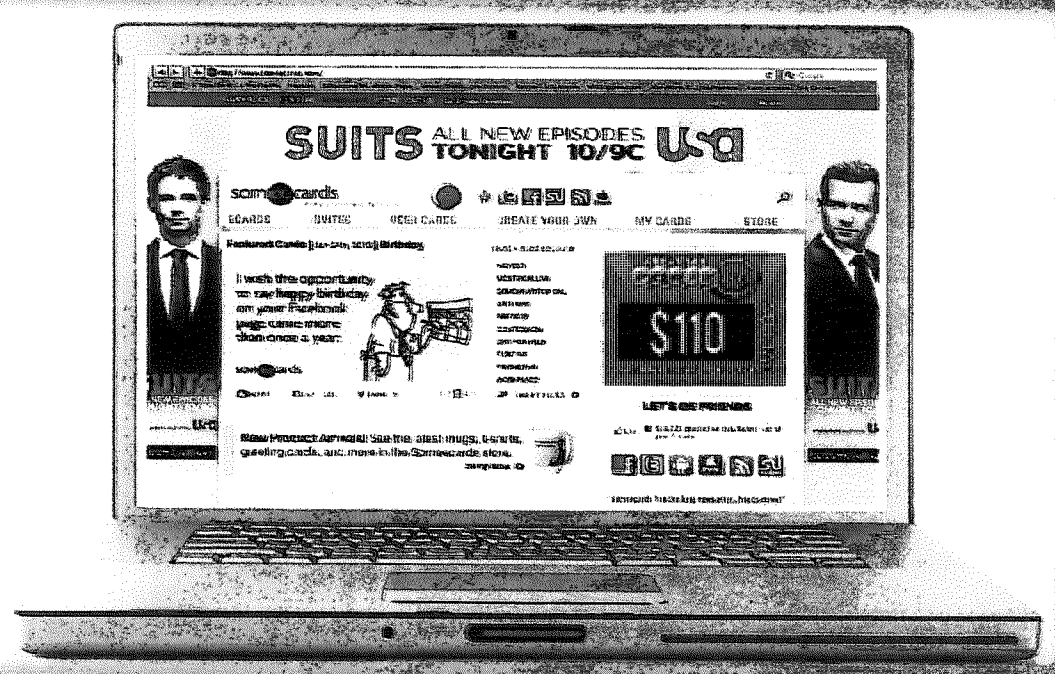
$90 MILLION

ESTIMATED ANNUITIZED JACKPOT

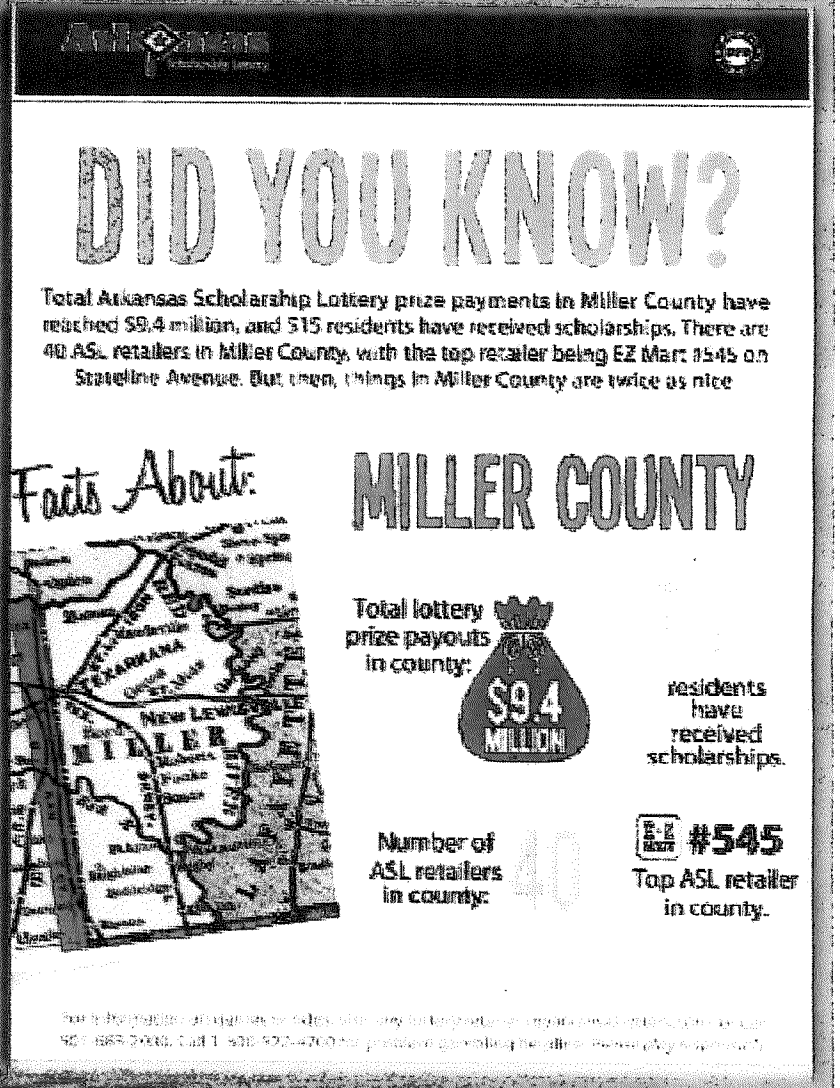
# Print Media


Benton
Boone
Carroll
Madison
Washington
Newton
Crawford
Franklin
Johnson
Pope
Van Buren
Cleburne
Logan
Yell
Perry
Sebastian
Scott
Polk
Montgomery
Garland
Howard
Pike
Clark
Hot Spring
Grant
Jefferson
Sevier
Little River
Hempstead
Nevada
Ouachita
Calhoun
Dallas
Cleveland
Miller
Columbia
Union
Lafayette
Randolph
Clay
Greene
Craighead
Poinsett
Cross
Lee
St. Francis
Phillips
Monroe
Arkansas
Lincoln
Desha
Drew
Ashley
Chicot

# Digital Advertising

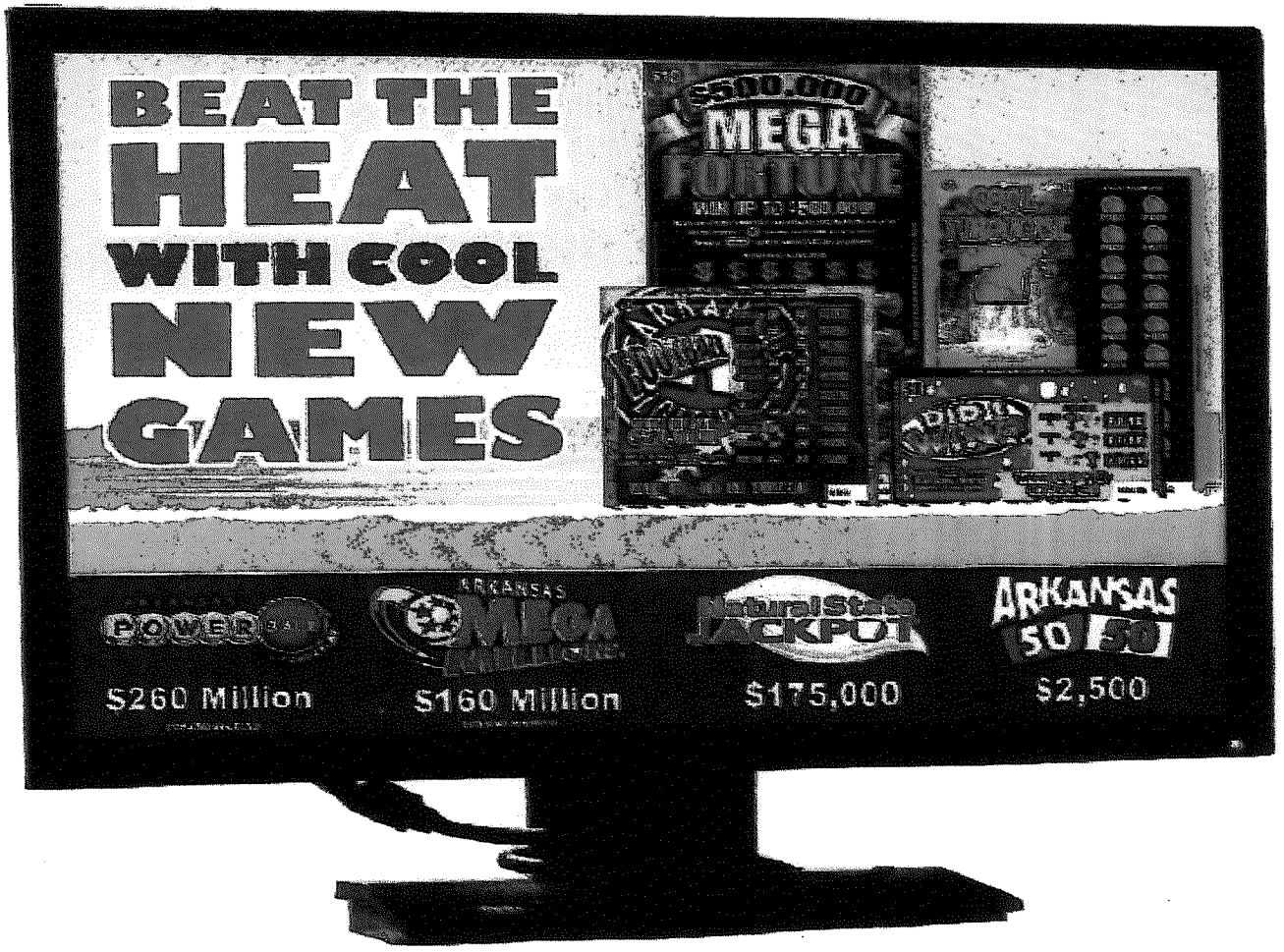


# E-Mail Marketing



# Direct Mail, Newspaper & Eblast Coupon

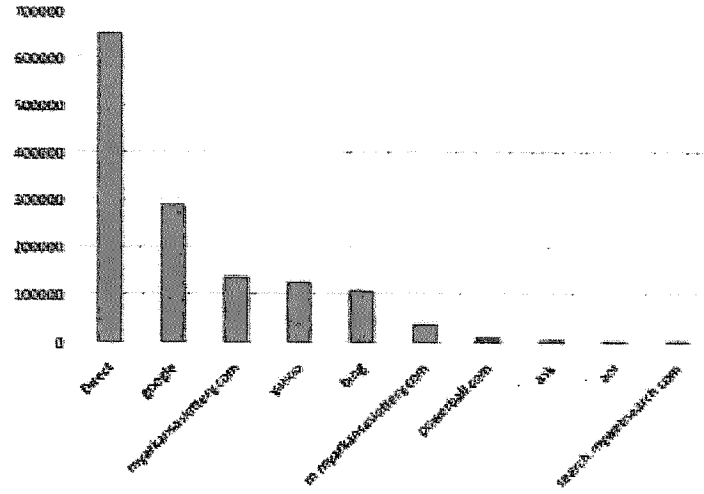
# Player Advertising Displays



# Mobile Apps & Mobile Website

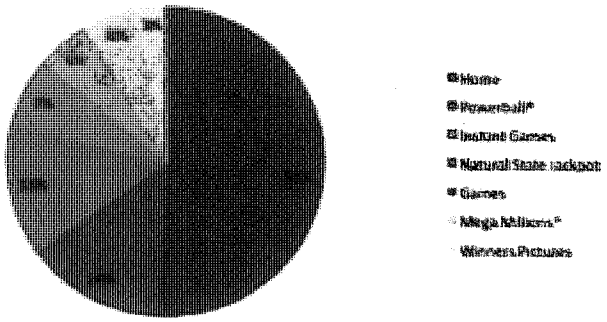
## MYARKANSASLOTTERY.COM ANALYTICS

### Top Sources of Website Visits



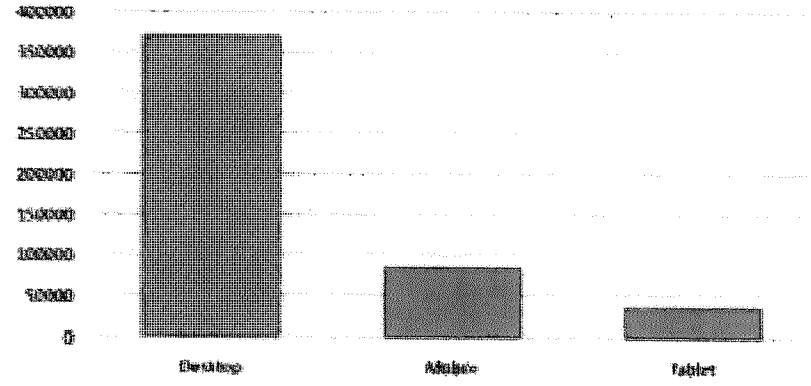
5/15 - 8/16

### Top Pageview Categories



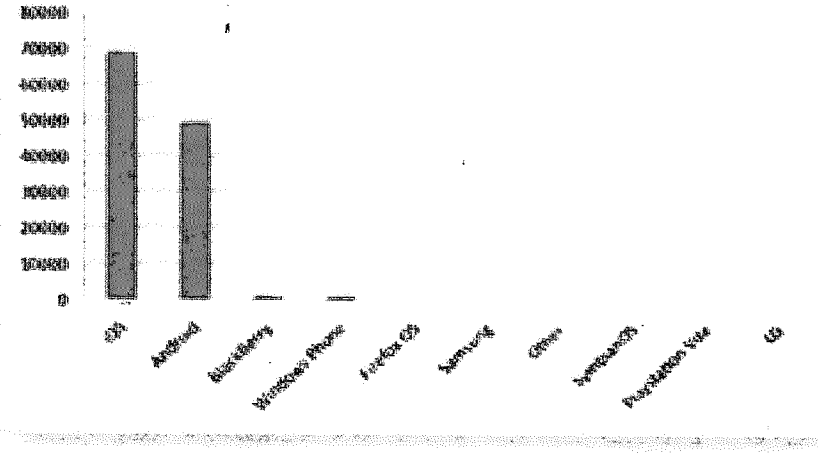

7/15 - 8/16

### Visits by Devise



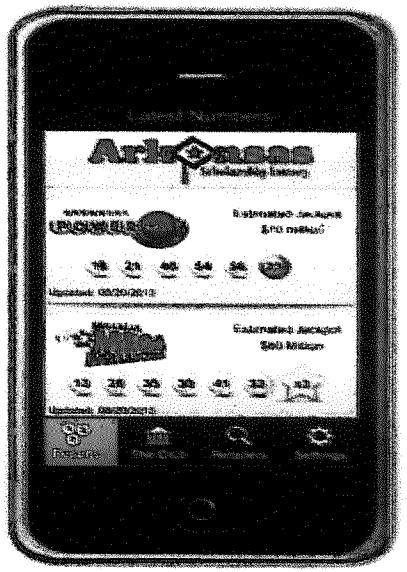

7/15 - 8/16

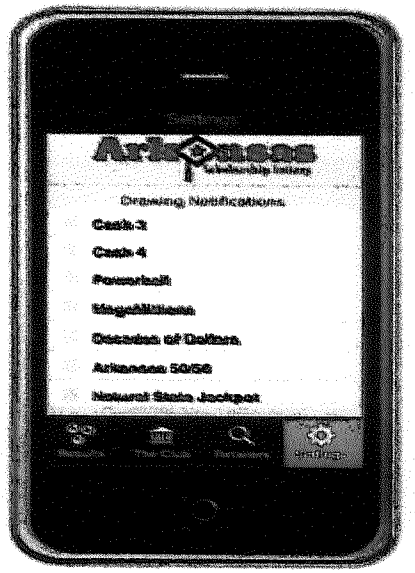
### Visits by Operating System

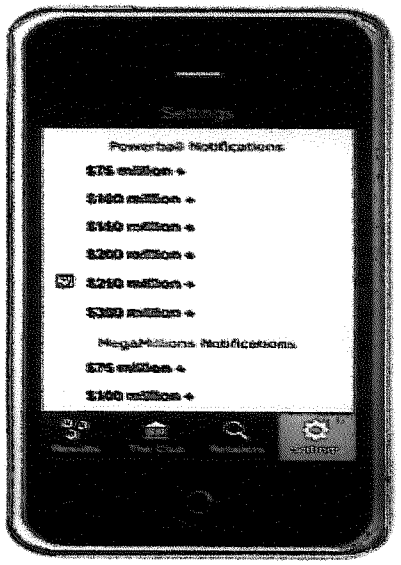


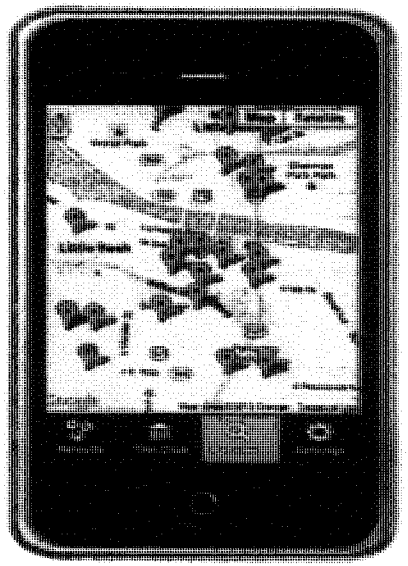

7/15 - 8/16

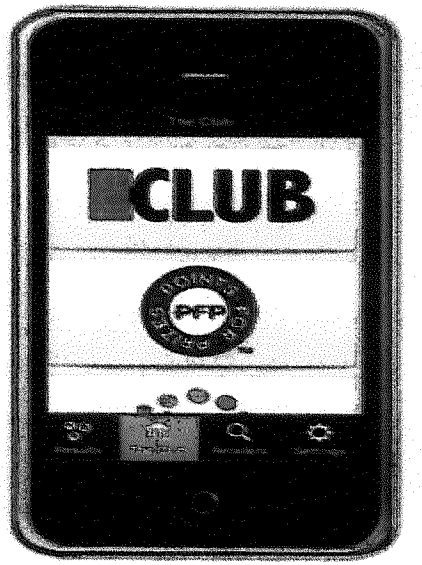
# Mobile Apps & Mobile Website



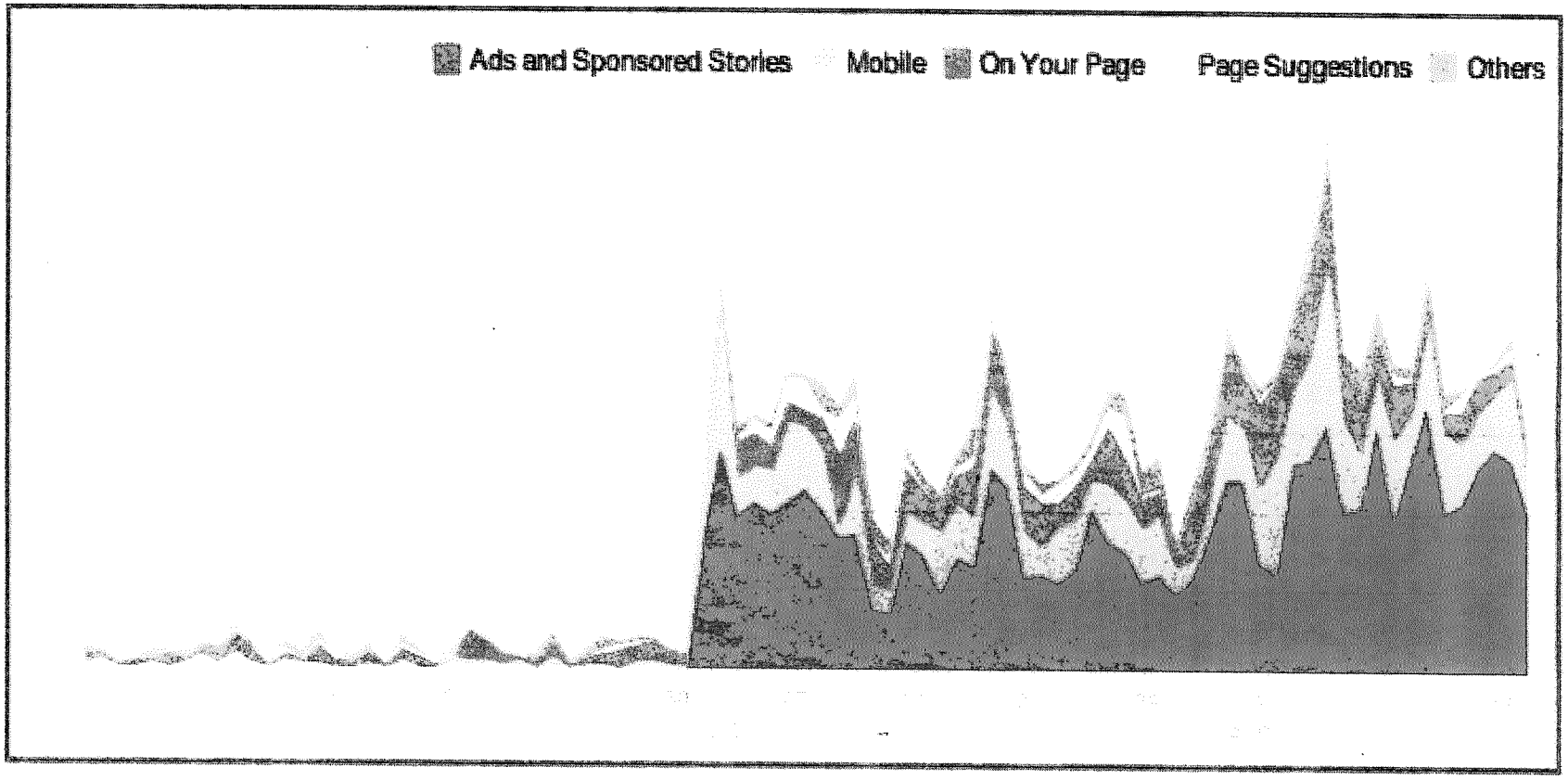






- Winning Numbers and past results for draw games
- Winning numbers push notifications for select game
- Powerball & Mega Millions push notifications at levels $75M - $300 M
- Retail Locations based on current location.
- Access to Players Club services

# Facebook

## FACEBOOK PAGE "LIKES" PRE AND POST ADVERTISING



# Twitter

Arkansas Scholarship Lottery

**FOR IMMEDIATE RELEASE**
**Tuesday, August 13, 2013**
**Media Contact: Jeanna Buxton (501) 683-1866 or (501) 940-8150**

**A Lucky Arkansas Scholarship Lottery player wins TWICE in two weeks, including a $1,000,000 Prize from an instant scratch ticket and $250,000 prize from the Natural State Jackpot game!**

A Pine Bluff man, Billy Bealer, claimed a million dollar winning ticket today from a $20 instant game, $1,000,000 Riches. He also claimed a $250,000 Natural State Jackpot prize on July 29th.

Billy Bealer bought the winning Natural State Jackpot ticket at the 28th Street Citgo and the $20 winning ticket was purchased from the Shell Food Mart. Both retailers are located in Pine Bluff.

Mr. Bealer stated that he paid his bills with the $250K Natural State Jackpot prize he won two weeks ago, so he's going to invest and save the $1,000,000 Riches prize.

There are still two $1,000,000 top prizes remaining in the $1,000,000 Riches Game. The Natural State Jackpot game is an Arkansas-only draw game. Each play is $1 and drawings are held Monday through Saturday at 8:00 p.m. CT.

All net proceeds of the Arkansas Lottery go to fund college scholarships for Arkansas students at in-state two- or four-year institutions of higher learning.

## Arkansas Lottery | US Press

**Pine Bluff man wins 2 big jackpots in 2 weeks**
**KAIT ABC-8** | 08/14/13 03:50
*A Pine Bluff man has taken home $1.25 million from a pair of Arkansas lottery jackpots that he won over the span of 2 weeks. PINE BLUFF, AR (AP )*

**Arkansas Man Wins Lottery Twice**
**WREG.com** | 08/13/13 19:46
*Arkansas Man Wins Lottery Twice (Little Rock, AR) An Arkansas man hit the jackpot twice in two weeks playing the state lottery. (Little Rock ,*

**Pine Bluff man hits lottery second time — for $1 million**
**Pine Bluff Commercial Online** | 08/13/13 15:08
*...are held Monday through Saturday at 8 p.m. State lottery proceeds , after prizes and expenses, fund college scholarships for Arkansas students .*

**Pine Bluff man twice lucky, nets $1.25 million**
**ArkansasOnline.com** | 08/13/13 14:48
*...$1,000,000 Riches ticket, according to a news release from the Arkansas Lottery Commission. Bealer bought the winning Natural State Jackpot ticket from...*

**Pine Bluff Man Nets $1.25 Million in Two Lottery Wins**
**The Times Record** | 08/13/13 14:30
*...are held Monday through Saturday at 8 p.m. State lottery proceeds , after prizes and expenses, fund college scholarships for Arkansas students .*

**The million dollar open line**
**Arkansas Times Blog** | 08/13/13 14:28
*...line is open. A final happy note: * DOUBLE JACKPOT: The Arkansas Lottery Commission notes that a single gambler, Billy Bealer of Pine Bluff ,*

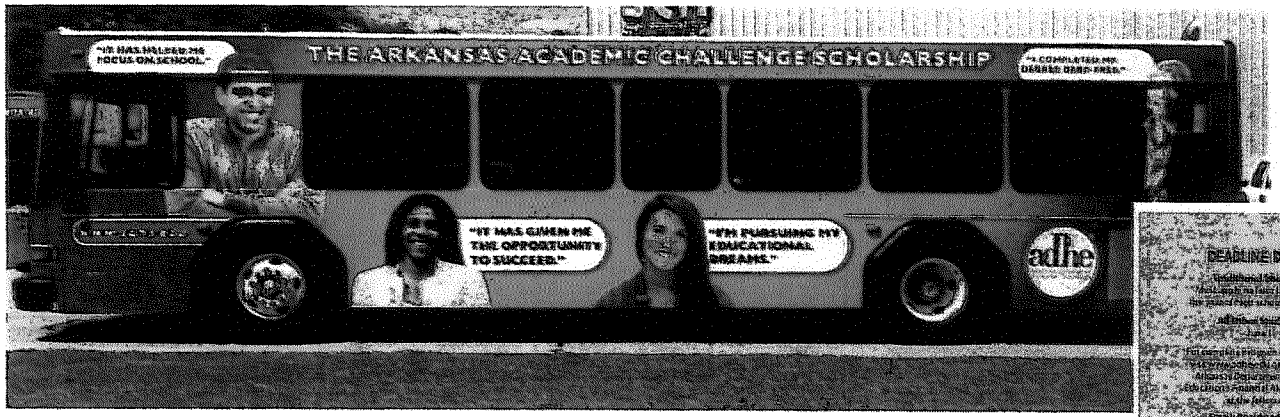
**Two lottery wins net $1.25 million for Pine Bluff man**
**Arkansas News** | 08/13/13 14:25
*Two lottery wins net $1.25 million for Pine Bluff man Arkansas News Bureau LITTLE ROCK A Pine Bluff man bought two winning lottery tickets about...*

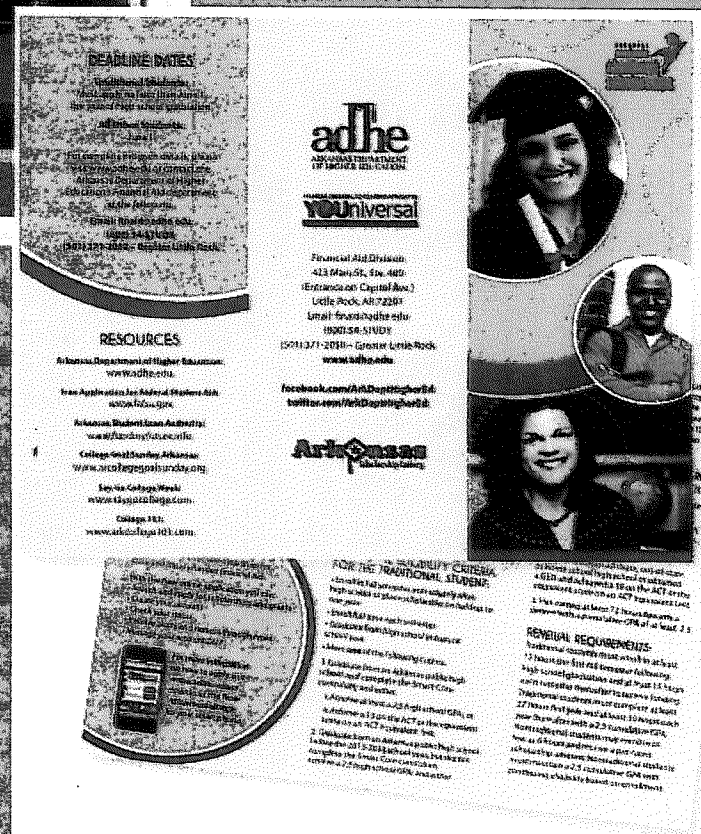
**Over 2-week span, Pine Bluff man wins 2 lottery jackpots worth $1.25 million**
**Pendleton Times-Post** | 08/13/13 14:10
*...also have more stories about: (click the phrases to see a list) Subjects : Lotteries (124) Places: Pine Bluff (16) Arkansas (497) PINE BLUFF ,*

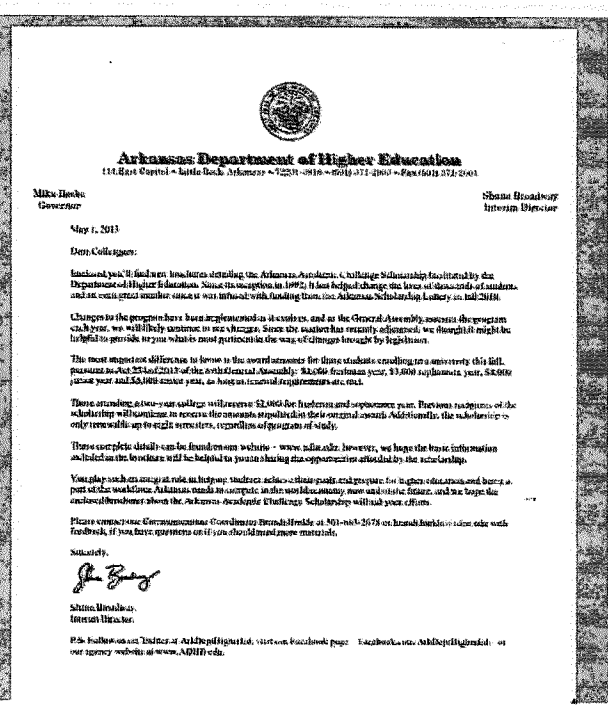
**Man wins 2 big jackpots in 2 weeks — $1.25M**
**HarrisonDaily.com** | 08/14/13 13:35
...(AP) A Pine Bluff man has taken home $1.25 million from a pair of Arkansas lottery jackpots that he won over the span of two weeks. kAmq :==J q62=6C...

**West Memphis Man Wins $85,000 in Natural State Jackpot Lottery Game**
**FOX16.com** | 08/14/13 10:26
**West Memphis Man Wins $85,000 in Natural State Jackpot Lottery Game LITTLE ROCK, AR - A West Memphis man has won $85,000 in the Natural State...**

# ADHE/Beneficiary Advertising



**Arkansas Department of Higher Education**

Mike Beebe
Governor

Shane Broadway
Interim Director

May 1, 2013

Dear Colleagues:

Enclosed you'll find new brochures detailing the Arkansas Academic Challenge Scholarship facilitated by the Department of Higher Education. Since its inception in 1992, it has helped change the lives of thousands of students, and an even great number since it was infused with funding from the Arkansas Scholarship Lottery in fall 2010.

Changes to the program have been implemented as it exists, and as the General Assembly assesses the program each year, we will likely continue to see changes. Since the session has recently adjourned, we thought it might be helpful to provide to you what is most pertinent to the way of changes brought by legislation.

The most important difference is home in the award amounts for those students enrolling in a university this fall, pursuant to Act 253 of 2013 of the 89th General Assembly: $3,000 freshman year, $3,000 sophomore year, $4,000 junior year and $5,000 senior year, as long as general requirements are met.

Those attending a two-year college will receive $2,000 for freshman and sophomore year. Previous recipients of the scholarship will continue to receive the amounts stipulated in their original awards. Additionally, the scholarship is only renewable up to eight semesters, regardless of program of study.

These complete details can be found on our website - www.adhe.edu. However, we hope the basic information included in the brochure will be helpful to you in sharing the opportunities afforded by the scholarship.

You play such an integral role in helping students achieve their goals and prepare for higher education and being a part of the workforce. Arkansas needs to recognize in the world economy, now and in the future, and we hope the enclosed brochures about the Arkansas Academic Challenge Scholarship will aid your efforts.

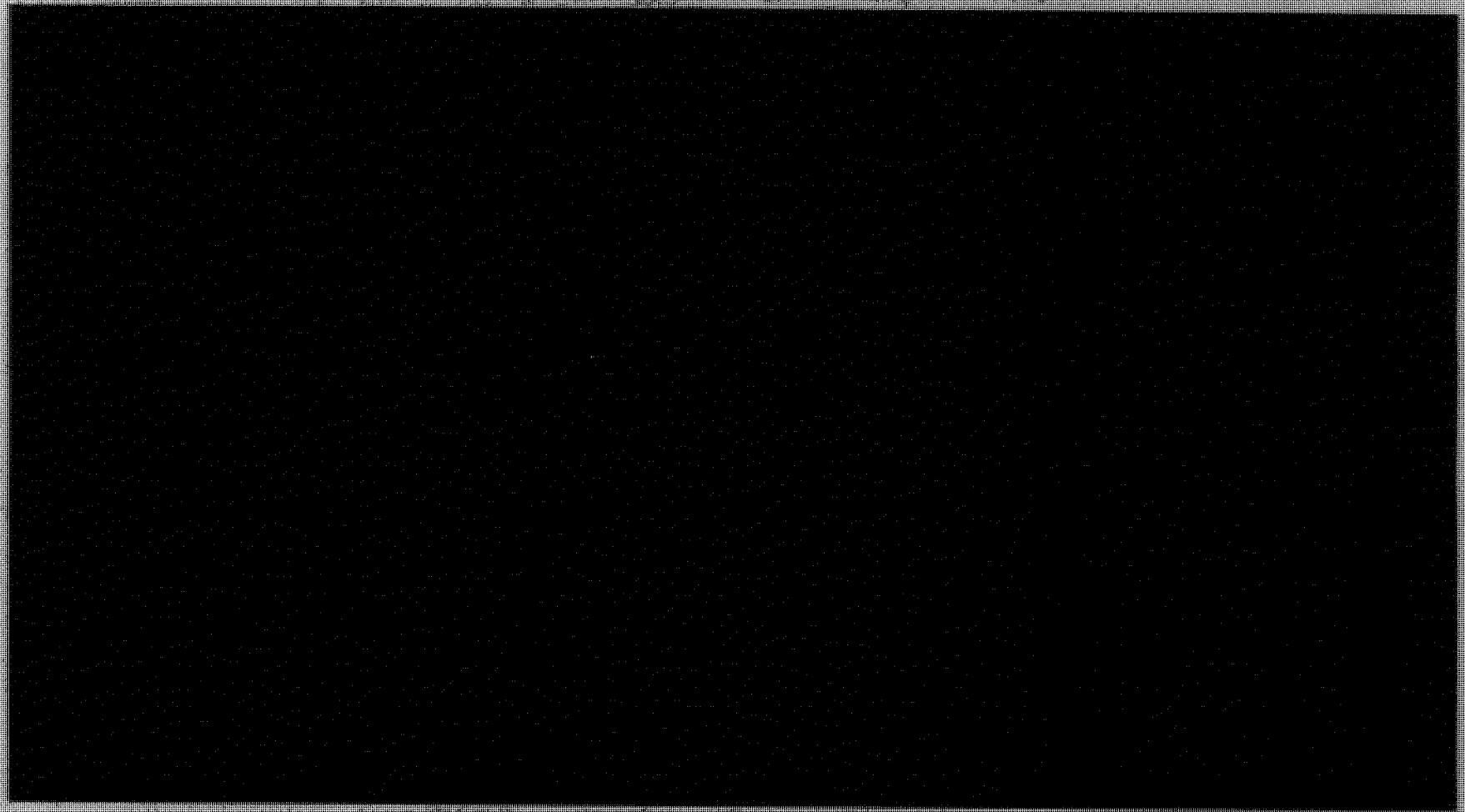
Please contact our Communications Coordinator Brandi Hinkle at 501-683-2678 or brandi.hinkle@adhe.edu with feedback, if you have questions or if you should need more materials.

Sincerely,

Shane Broadway,
Interim Director.

P.S. Follow us on Twitter at ArkDepHigherEd, visit our Facebook page - Facebook.com/ArkDepHigherEd - or our agency website at www.ADHE.edu.

# Beneficiary Television



# Retail Sales Overview
# August 2013

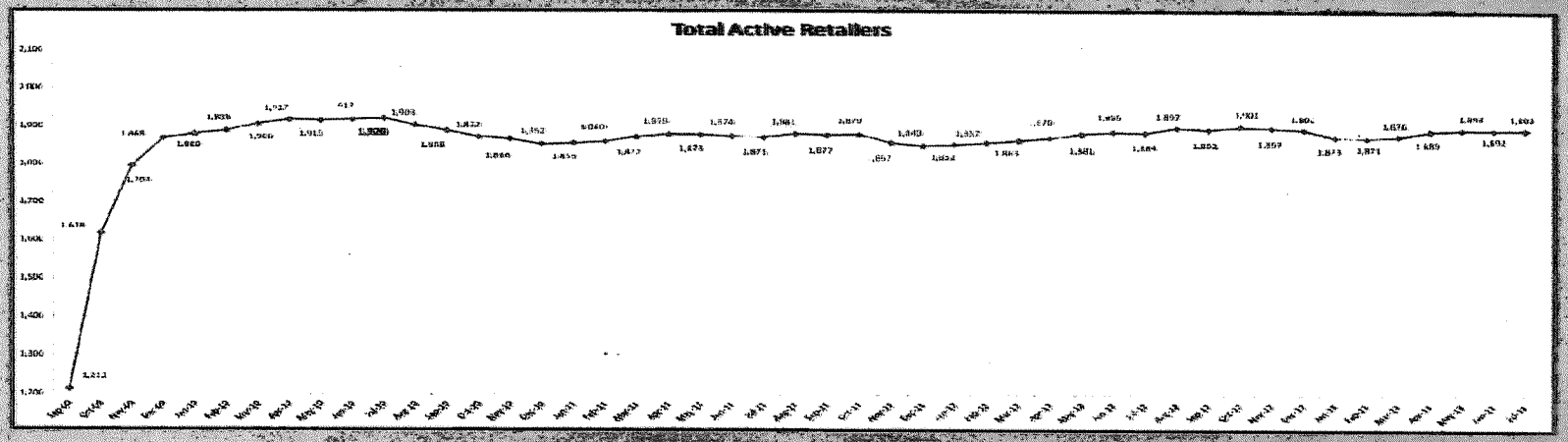
# Overview

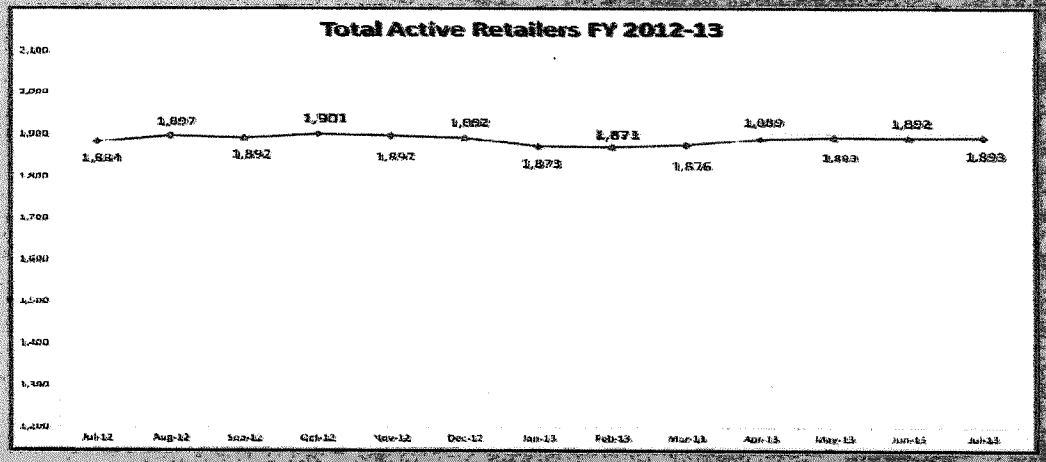
**Situation Analysis & Research**

**Sales & Retailer Results**
**FY 2012-13**

**Goals & Recommendations**
**FY 2013-14**

# Total Active Retailers

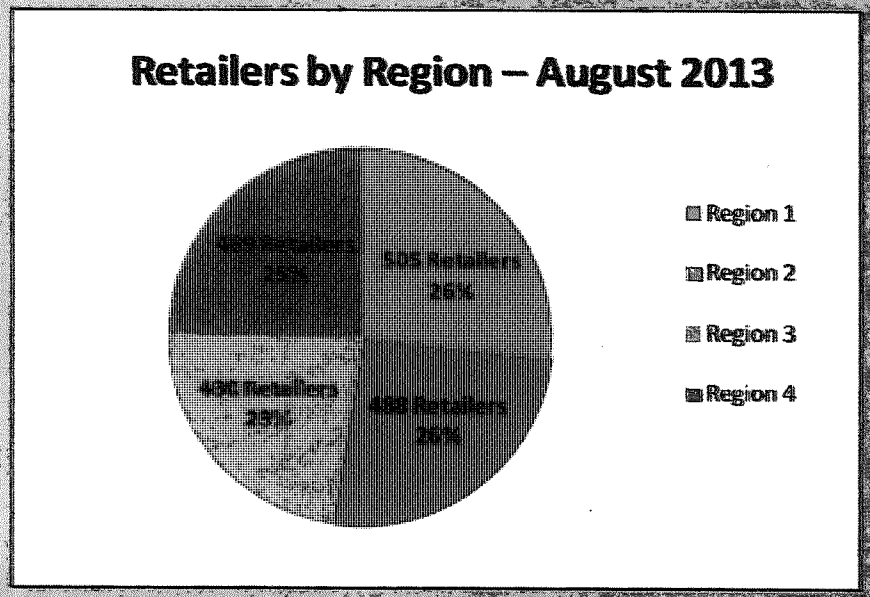


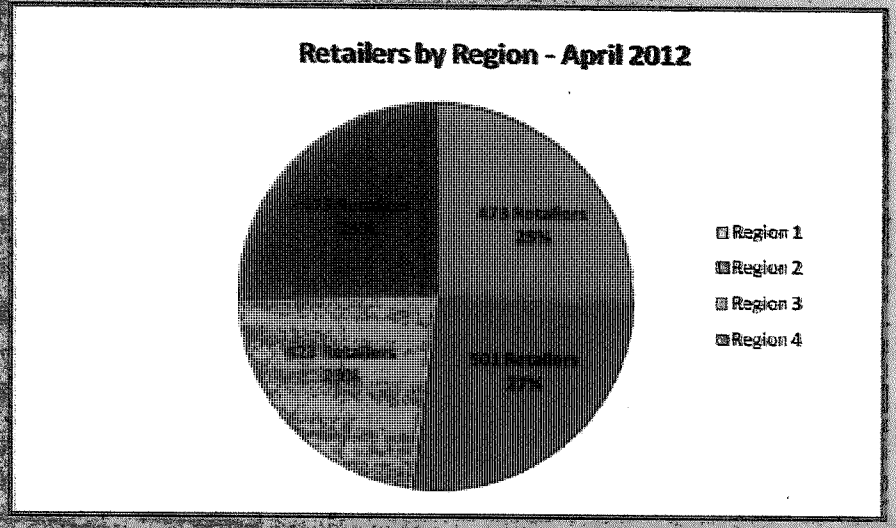



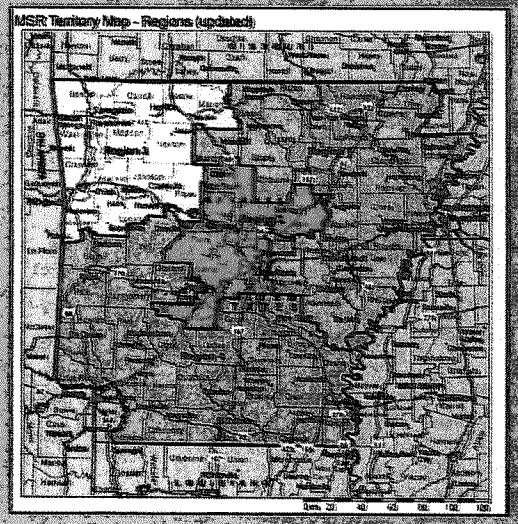

| Retailer Terminations | |
|---|---|
| FY 2009-2010 | 191 |
| FY 2010-2011 | 281 |
| FY 2011-2012 | 274 |
| FY 2012-2013 | 267 |
| | |
| Total | 1013 |

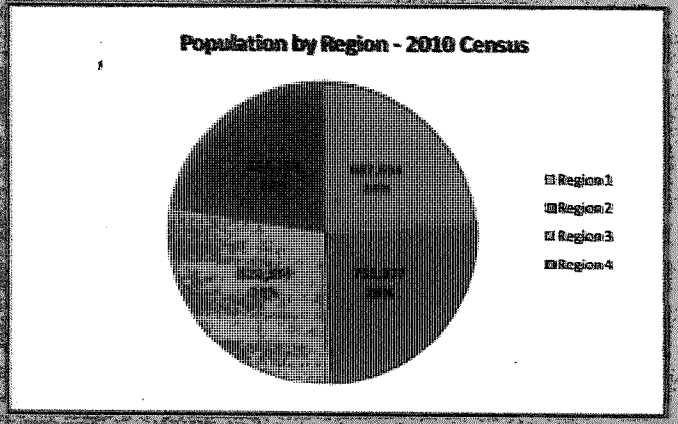
*Average number of retailers since start up is 1,860. Average attrition rate is 14% due to store closings, changes of ownership (40% of terminations) or no longer selling lottery. Our sales force is constantly recruiting new businesses in order to maintain our retailer network.*

# Retailer Totals by Region

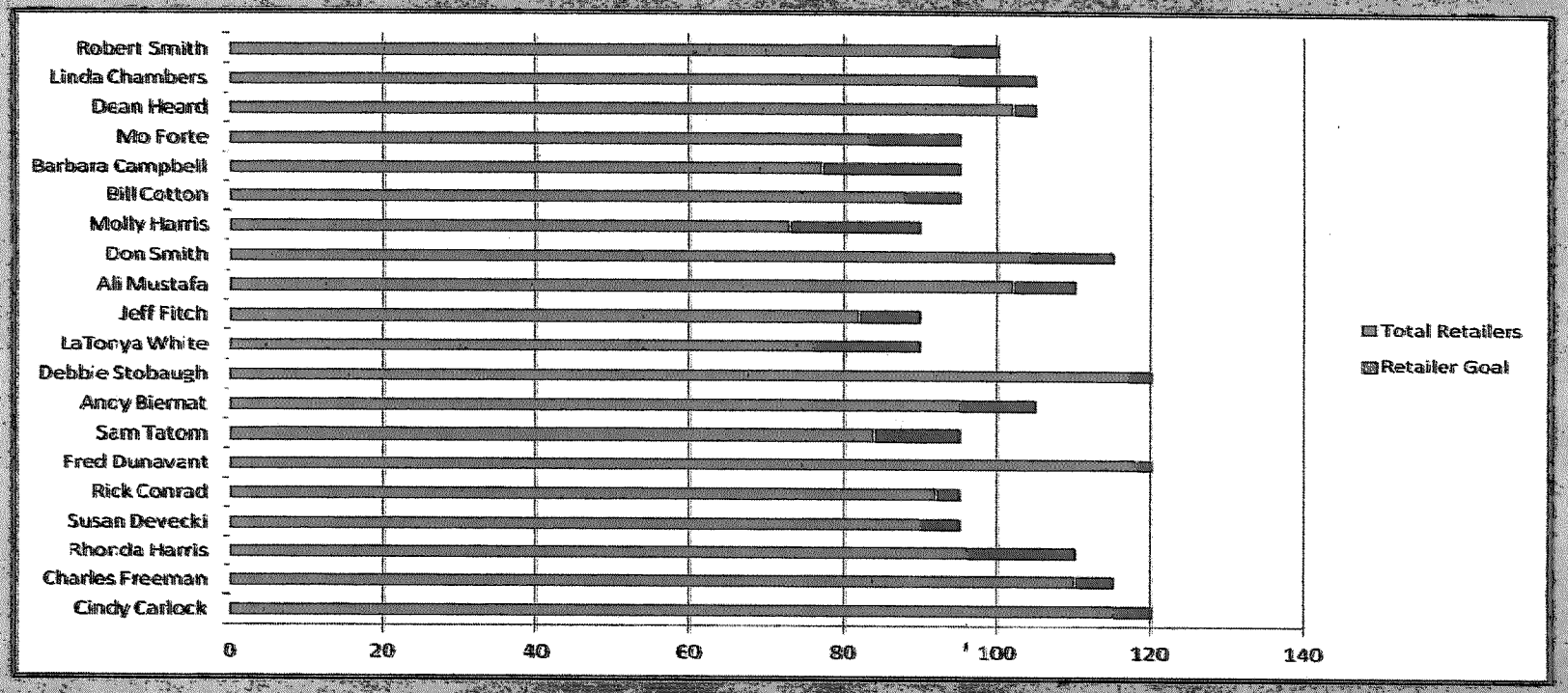


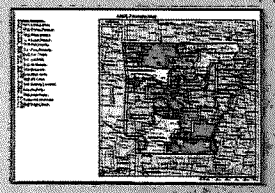



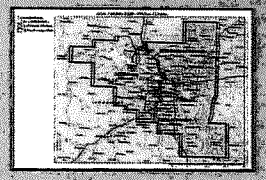



# Retailer Totals by MSR Territory



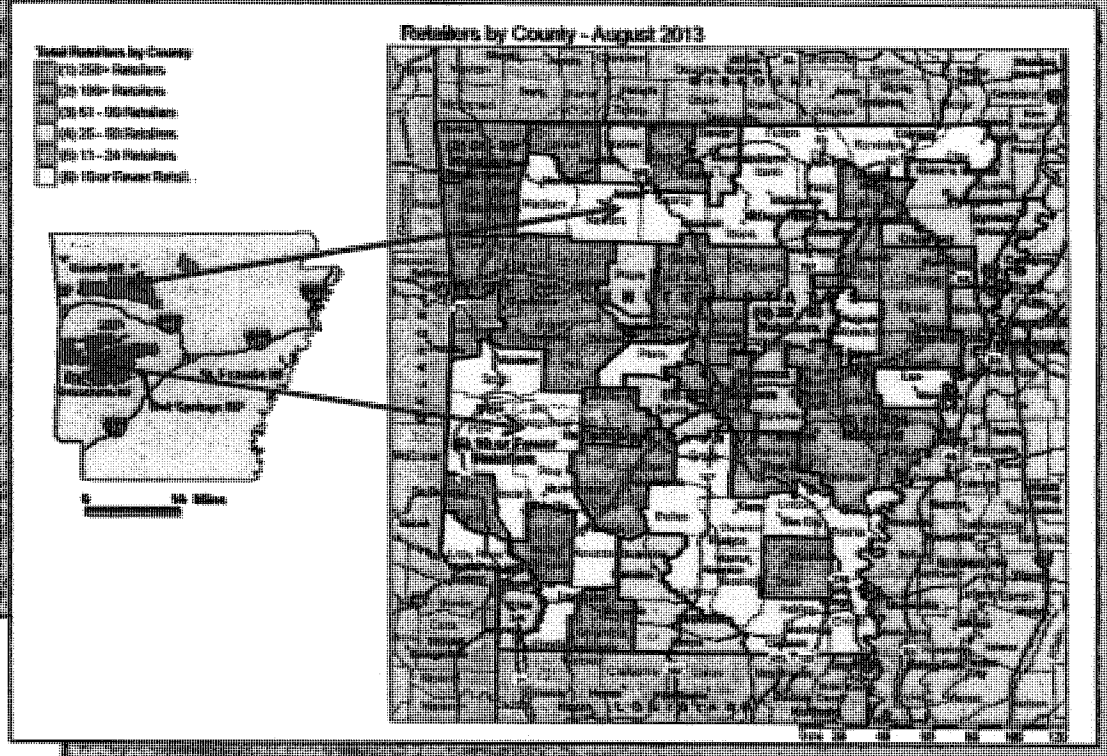



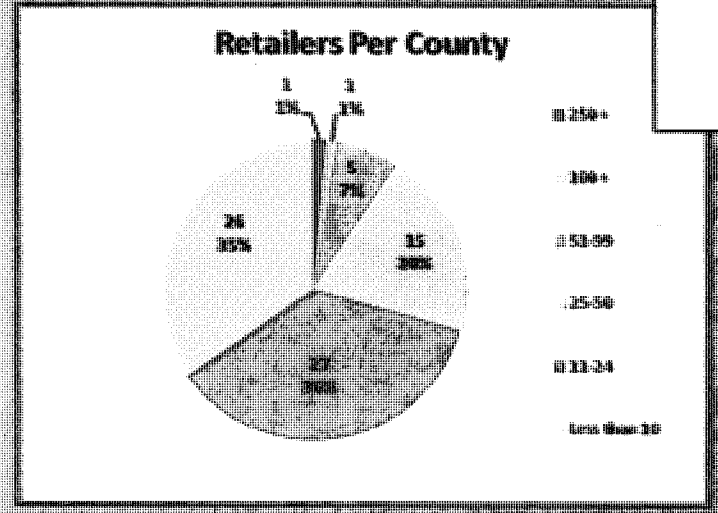


*The average number of retailers for each MSR is currently 95. MSRs have individual retailer goals for their assigned counties/territory. For FY 2013, the ASL Sales Team achieved 92% of our goal of 2,065 retailers.*

# Retailer Totals by County

| | |
|---|---|
| PULASKI | 286 |
| WASHINGTON | 104 |
| SEBASTIAN | 82 |
| BENTON | 80 |
| JEFFERSON | 68 |
| GARLAND | 63 |
| FAULKNER | 58 |
| CRITTENDEN | 52 |
| CRAIGHEAD | 49 |
| WHITE | 48 |
| SALINE | 45 |
| LONOKE | 41 |
| MISSISSIPPI | 41 |
| UNION | 41 |
| MILLER | 39 |



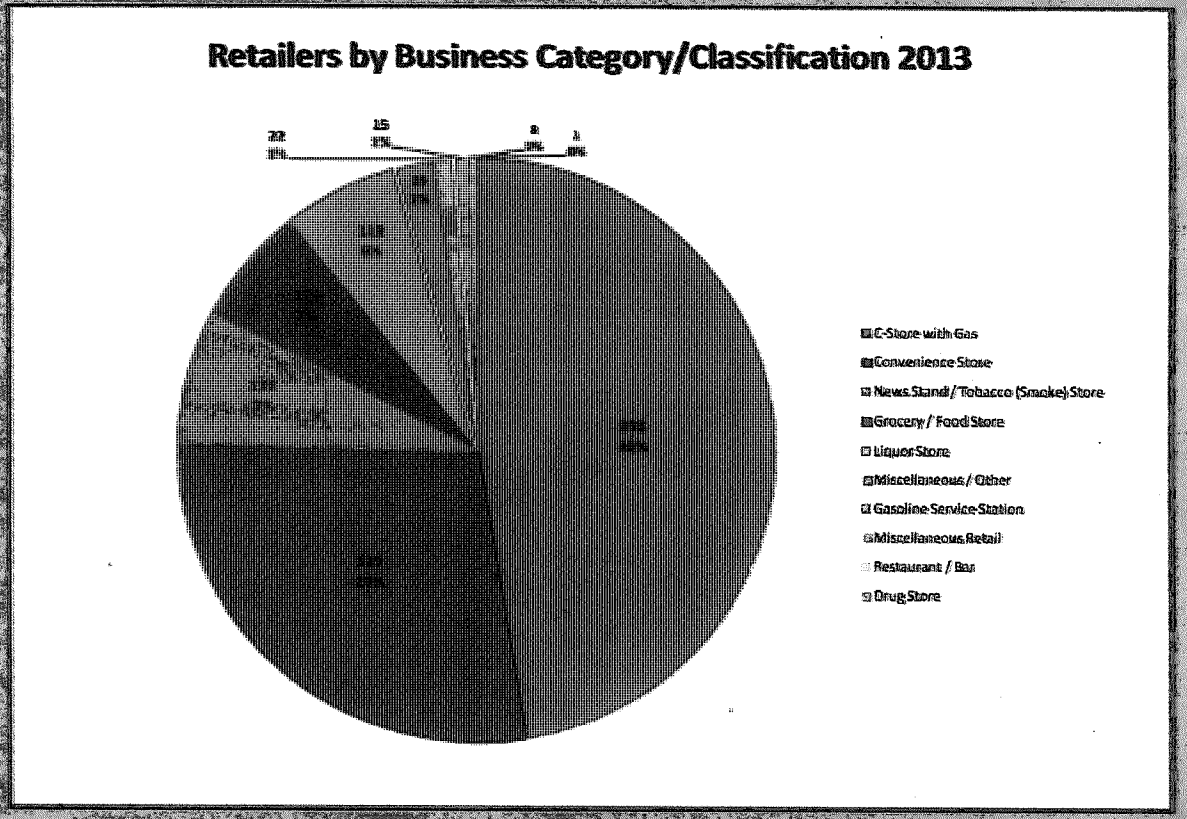




*Continue to prospect across the state and focus on counties with best potential for growth.*

# Retailer Business Categories

| Business Category | # | % |
|---|---|---|
| C-Store with Gas | 898 | 47% |
| Convenience Store | 529 | 28% |
| News Stand / Tobacco (Smoke) Store | 139 | 7% |
| Grocery / Food Store | 123 | 7% |
| Liquor Store | 118 | 6% |
| Miscellaneous / Other | 39 | 2% |
| Gasoline Service Station | 22 | 1% |
| Miscellaneous Retail | 15 | 1% |
| Restaurant / Bar | 8 | 0% |
| Drug Store | 1 | 0% |
| | | |
| Total | 1892 | 100% |

| National Averages for all Business Categories | % |
|---|---|
| C-Store with Gas | 38% |
| Convenience Store | 18% |
| Grocery / Food Store | 16% |
| Liquor Store | 10% |
| Restaurant / Bar | 7% |
| Miscellaneous / Other | 5% |
| News Stand / Tobacco (Smoke) Store | 2% |
| Miscellaneous Retail | 2% |
| Drug Store | 1% |
| Gasoline Service Station | 1% |
| | |
| Total | 100% |



# Key Accounts & Retail Chains

| Top 10 Locations | Total |
|---|---|
| E-Z Mart | 110 |
| Murphy USA | 64 |
| Flash Market | 57 |
| Kroger | 55 |
| Tobacco Superstore | 50 |
| J & P Flash Inc. | 45 |
| Kum & Go | 40 |
| Double Bee's | 32 |
| Valero/Corner Store | 29 |
| White Oak Stations | 27 |
| Jordan's Kwik Stop | 27 |

| Top 10 Total Sales | Total |
|---|---|
| E-Z Mart | $78,485,142 |
| Murphy USA | $62,170,020 |
| Flash Market | $53,877,704 |
| Double Bee's | $51,177,481 |
| Tobacco Superstore | $50,912,932 |
| Kum & Go | $46,987,054 |
| Jordan's Kwik Stop | $30,212,755 |
| Valero/Crackerbox | $29,855,054 |
| Kroger | $23,513,828 |
| Tobacco Town | $20,638,640 |
| J & P Flash | $20,313,635 |

*These 10 Retail Chains account for 28% of all locations and 27% of all sales.*

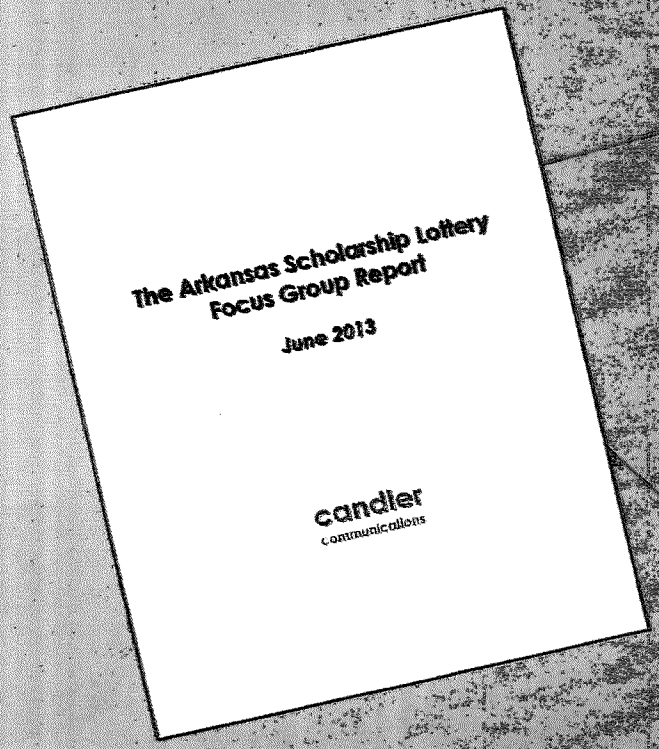
Kum & Go

MURPHY USA

Kroger

EZ MART

# Retailer Focus Groups




The majority of the Retailers (including those who were owners) were in favor of an incentive program which reached the clerk level. One suggestion that well received by the others was to offer small, merchandise rewards on an on-going basis, but have a large aspirational prize (e.g., a trip, an automobile, a large cash prize, etc.) either quarterly or once a year. When the moderator asked the respondents if such



candler
communications

**Additional Retailer Input**

- In addition to ranking the various signage available, the survey also asked the Retailers **how they received information on new games and promotions.** The results are shown below. The respondent s could check more than one answer.

| | |
|---|---|
| Lottery Representative | 100% |
| Lottery website | 47% |
| Retailer newsletter/fliers | 38% |
| Store signage | 56% |
| Other | 0% |

# Sales & Retailer Results FY2012-13

**MSR Sales & Retailer Results vs. Goals**

**Retailer Rallies – August 2012**

**Partnership Initiatives with Corporate Chains**

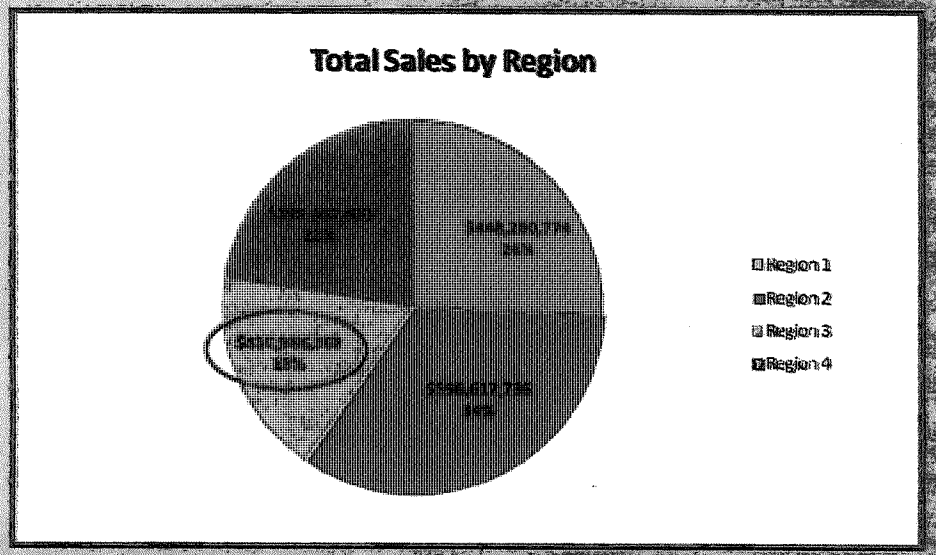
**Retailer Bonus Commission Incentive Program**

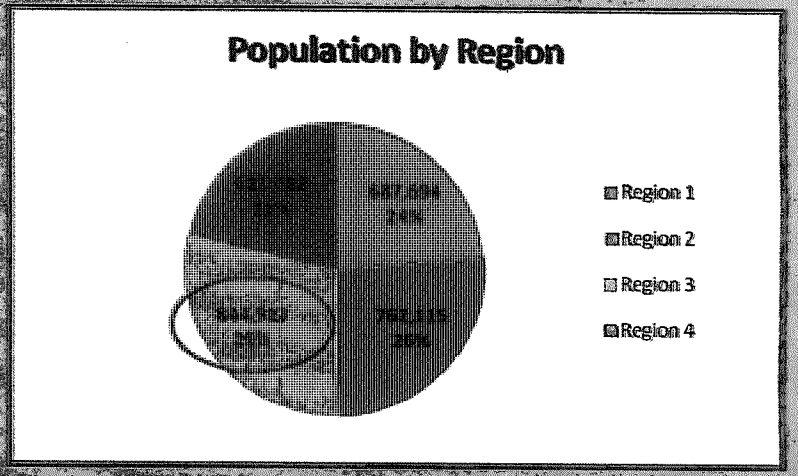
# MSR Sales & Retailer Results

| MSR | Total Sales | % of Total Sales | FY 2013 Sales Goal | FY 2013 Sales | % of Goal | FY 2013 Retailer Goal | Current Retailers | % of Goal |
|---|---|---|---|---|---|---|---|---|
| Cindy Carlock | $89,893,805 | 7.26% | $34,895,183 | $29,155,066 | 83.6% | 120 | 115 | 95.8% |
| Charles Freeman | $57,898,791 | 4.68% | $22,475,285 | $18,973,099 | 84.4% | 115 | 110 | 95.7% |
| Rhonda Harris | $73,021,345 | 5.90% | $28,345,592 | $25,402,708 | 89.6% | 110 | 96 | 87.3% |
| Susan Devecki | $46,663,440 | 3.77% | $18,113,921 | $17,297,617 | 95.5% | 95 | 90 | 94.7% |
| Rick Conrad | $71,702,909 | 5.79% | $27,833,799 | $25,478,836 | 91.5% | 95 | 92 | 96.8% |
| Fred Dunavant | $95,393,146 | 7.71% | $37,029,930 | $34,172,722 | 92.3% | 120 | 118 | 98.3% |
| Sam Tatom | $76,032,635 | 6.14% | $29,514,522 | $25,927,423 | 87.8% | 95 | 84 | 88.4% |
| Andy Biernat | $82,515,779 | 6.67% | $32,031,164 | $28,242,116 | 88.2% | 105 | 95 | 90.5% |
| Debbie Stobaugh | $92,936,109 | 7.51% | $36,076,151 | $34,284,737 | 95.0% | 120 | 117 | 97.5% |
| LaTonya White | $59,588,235 | 4.82% | $23,131,097 | $20,269,677 | 87.6% | 90 | 76 | 84.4% |
| Jeff Fitch | $33,209,195 | 2.68% | $12,891,221 | $12,960,646 | 100.5% | 90 | 82 | 91.1% |
| Ali Mustafa | $52,137,408 | 4.21% | $20,238,818 | $19,257,727 | 95.2% | 110 | 102 | 92.7% |
| Don Smith | $53,259,570 | 4.30% | $20,674,421 | $16,935,086 | 81.9% | 115 | 104 | 90.4% |
| Molly Harris | $34,634,574 | 2.80% | $13,444,528 | $11,914,028 | 88.6% | 90 | 73 | 81.1% |
| Bill Cotton | $60,286,420 | 4.87% | $23,402,120 | $19,690,664 | 84.1% | 95 | 88 | 92.6% |
| Barbara Campbell | $38,429,867 | 3.11% | $14,917,794 | $15,843,330 | 106.2% | 95 | 77 | 81.1% |
| Mo Forte | $57,034,052 | 4.61% | $22,139,609 | $21,050,296 | 95.1% | 95 | 83 | 87.4% |
| Dean Heard | $66,552,189 | 5.38% | $25,834,381 | $23,922,025 | 92.6% | 105 | 102 | 97.1% |
| Linda Chambers | $41,590,434 | 3.36% | $16,144,670 | $16,228,478 | 100.5% | 105 | 95 | 90.5% |
| Robert Smith | $54,589,804 | 4.41% | $21,190,795 | $22,919,215 | 108.2% | 100 | 94 | 94.0% |
| Totals | $1,237,389,702 | 100% | $480,325,000 | $439,988,604 | 91.6% | 2065 | 1893 | 91.7% |

*Each MSR is responsible for achieving both sales and retailer goals. Individual sales goals are calculated by taking our total sales goals for the year and assigning a percentage to each MSR. Retailer goals are determined by the current number of retailers and potential for growth.*

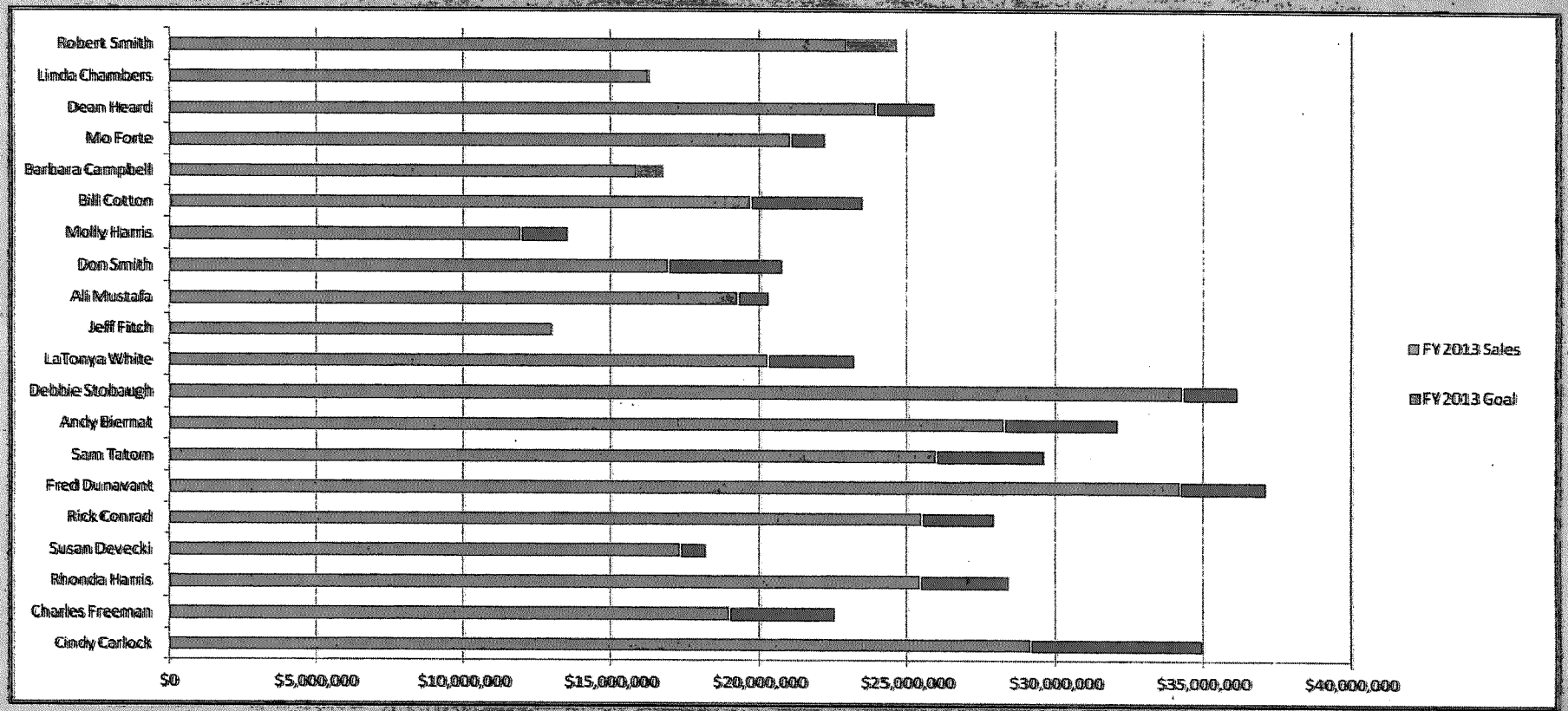
# Sales Totals by Region



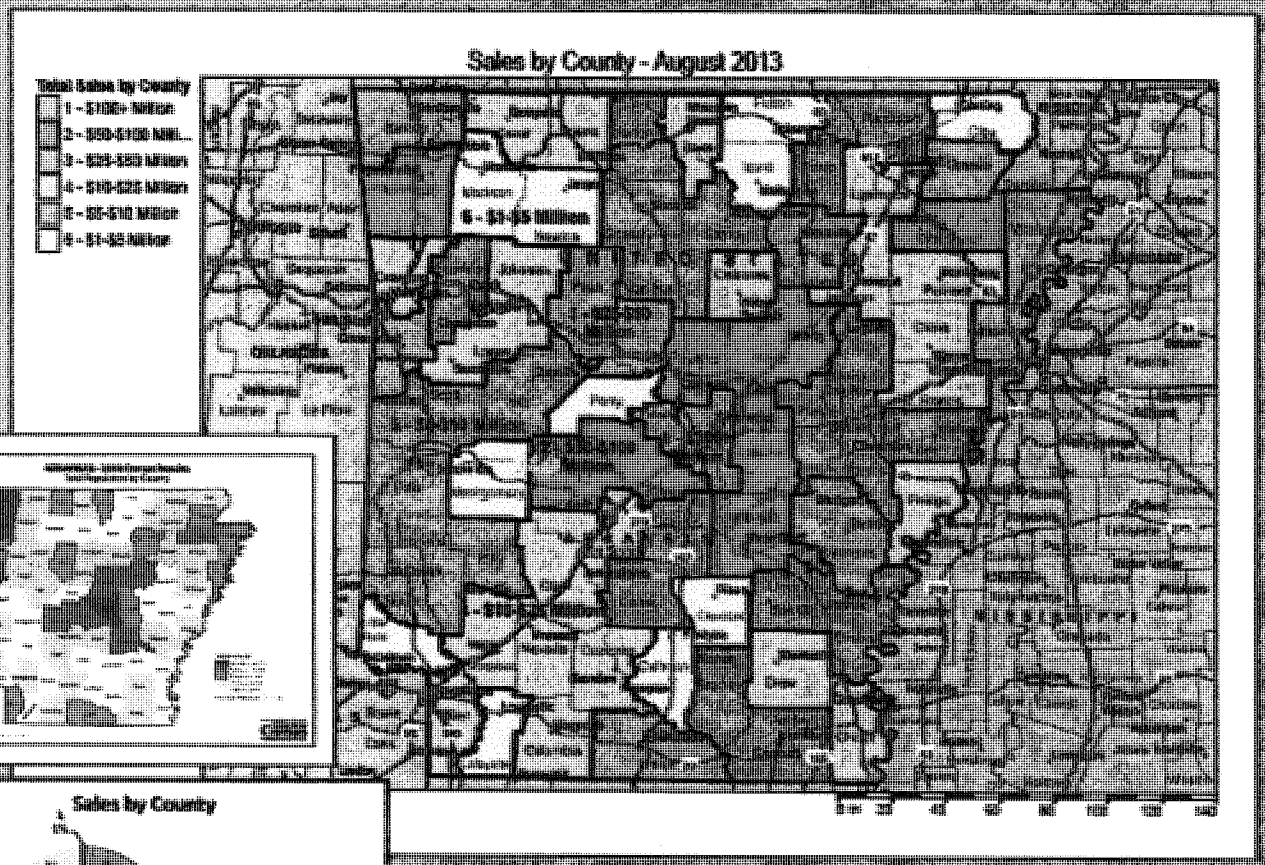

| REGIONS | COUNTIES | POPULATION | PERCENTAGE | TOTAL SALES | PERCENTAGE | AVERAGE WEEKLY SALES | Average Weekly Sales Per Person |
|---|---|---|---|---|---|---|---|
| Region 1 | 26 | 687,694 | 24% | $448,280,774 | 26% | $2,287,147 | $3.33 |
| Region 2 | 8 | 762,115 | 26% | $596,617,736 | 34% | $3,043,968 | $3.99 |
| Region 3 | 12 | 844,917 | 29% | $310,986,768 | 18% | $1,586,667 | $1.88 |
| Region 4 | 29 | 621,082 | 21% | $395,667,800 | 23% | $2,018,713 | $3.25 |
| | | | | | | | |
| OVERALL | 75 | 2,915,808 | 100% | $1,751,553,078 | 100% | $8,936,495 | $3.11 |

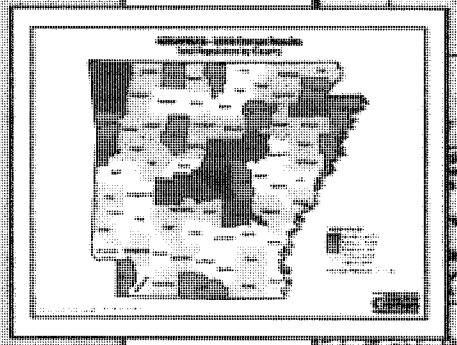
# Sales Results vs. Goals FY 2012-13

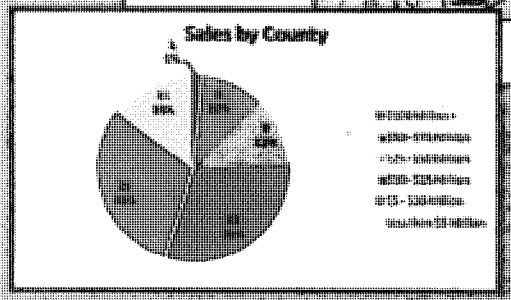



*Four of our MSRs surpassed their sales goals last year. The results from last fiscal year will be analyzed and individual sales plans will be developed for each MSR/territory to improve retailer sales in FY 2013-14.*

# Sales by County






| Top 10 | Total |
|---|---|
| PULASKI | $345,963,725 |
| JEFFERSON | $76,418,330 |
| WASHINGTON | $74,438,426 |
| SALINE | $67,455,413 |
| FAULKNER | $64,732,326 |
| CRAIGHEAD | $59,451,317 |
| WHITE | $58,305,389 |
| LONOKE | $56,827,436 |
| GARLAND | $52,228,753 |
| SEBASTIAN | $46,963,283 |

| Bottom 10 | Total |
|---|---|
| MADISON | $4,301,817 |
| IZARD | $4,301,084 |
| CLAY | $4,283,885 |
| CLEVELAND | $4,185,813 |
| LITTLE RIVER | $4,182,610 |
| LAFAYETTE | $3,724,515 |
| FULTON | $2,926,196 |
| NEWTON | $2,864,466 |
| CALHOUN | $2,733,514 |
| MONTGOMERY | $1,559,219 |

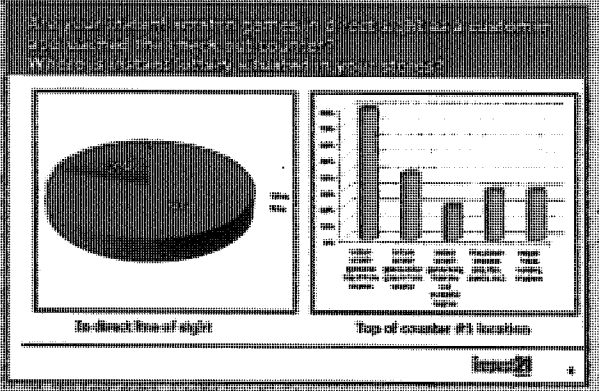
# Retailer Sales Rallies

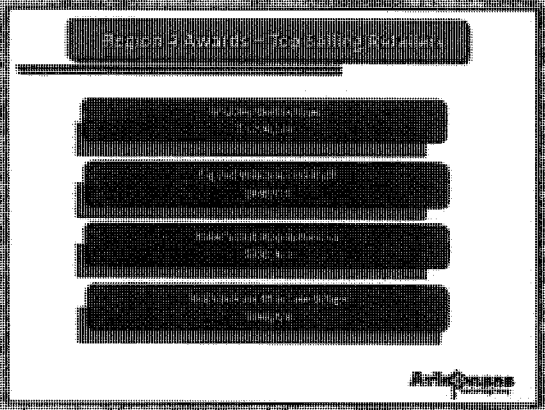
RETAILER SALES RALLIES

**Save the Date!**
**July 30-August 3**

- Locations across the state
- Prizes and Games
- Retailer Awards
- Training Opportunities

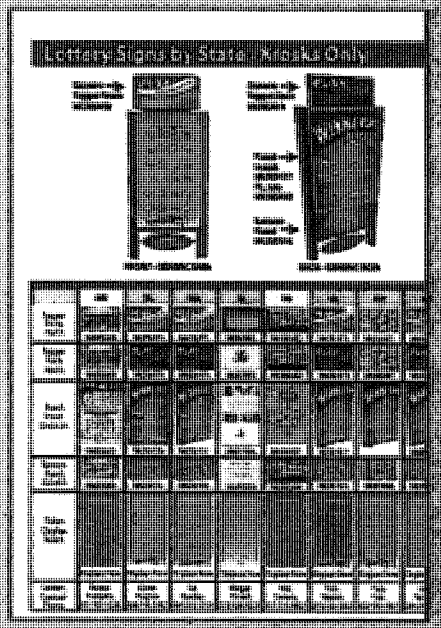
Ask your Marketing Sales Rep for more details

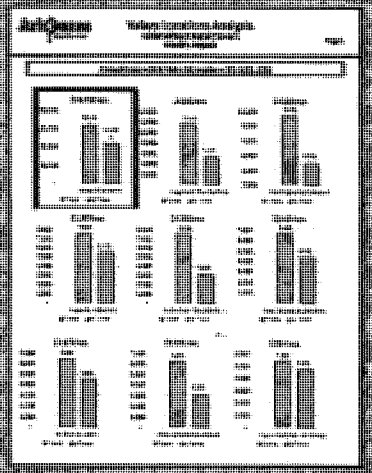


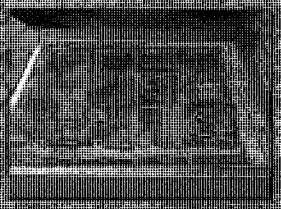


*More than 200 retailers attended our first-ever Retailer Sales Rallies in Summer 2012.*

# Partnership Initiatives with Corporate Chains







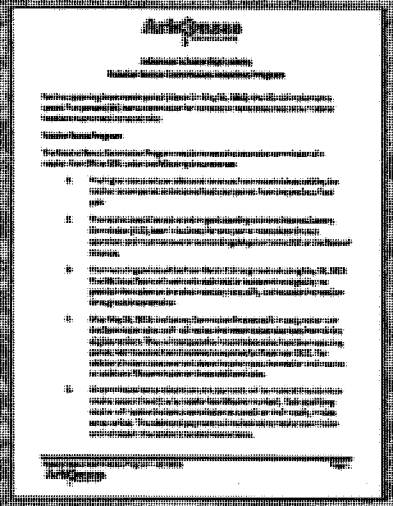
- Customized Signage with Murphy USA
- Special Shelving for Kum & Go Stores
- Additional Dispensers for Valero Stores
- Partnerships at Promotional Events

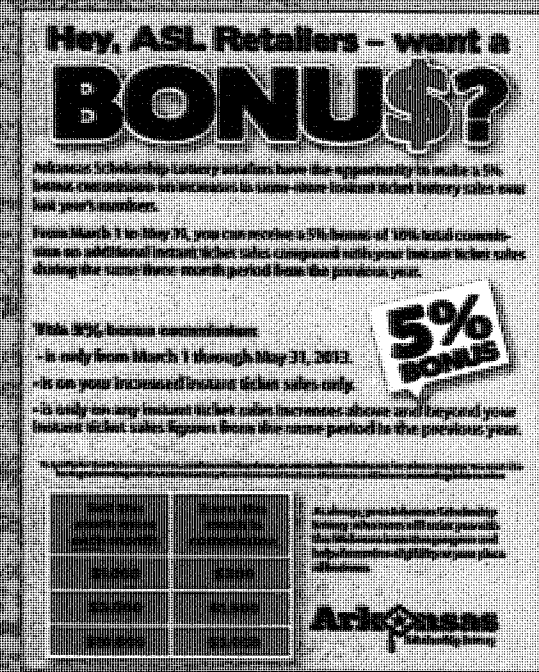
# Retailer Incentive Program

**Researched successful retailer incentive programs from other states.**

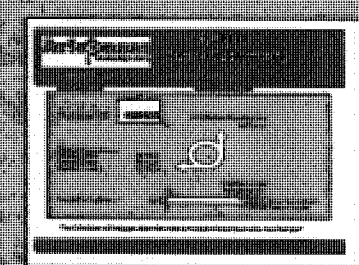
**Developed program specifically to incentivize instant ticket sales.**

**More than 740 retailers qualified for more than $400,000 in bonus commissions.**






| Instant Sales | FY 2012 | FY 2013 | difference | % |
|---|---|---|---|---|
| July | $32,347,130 | $28,053,298 | -$4,293,832 | -13% |
| August | $31,884,797 | $27,200,956 | -$4,683,841 | -15% |
| September | $32,610,403 | $24,666,919 | $7,943,484 | 24% |
| October | $31,840,035 | $28,530,290 | -$3,309,743 | -10% |
| November | $30,329,595 | $28,009,663 | -$2,319,932 | -8% |
| December | $32,611,824 | $28,362,413 | -$4,248,611 | -13% |
| January | $29,853,354 | $27,179,715 | $2,674,639 | 9% |
| February | $39,737,873 | $35,109,374 | -$4,627,699 | -12% |
| March | $38,236,565 | $39,362,121 | $1,125,556 | 3% |
| April | $33,001,523 | $32,806,102 | -$195,421 | -1% |
| May | $31,320,715 | $29,977,394 | $1,343,321 | 4% |
| June | $28,572,790 | $26,211,845 | -$2,359,945 | -8% |
| Total | $392,345,002 | $355,469,090 | -$36,875,012.00 | -9% |



# Goals & Recommendations

**Focus on Goals & Same Store Sales**

**Develop New Retailer Call Schedule Based on Sales & Potential Growth**

**Refine New Retailer Acquisition – Including Retailer Database Initiative**

**Consider New Sales Tools to Deploy In Territories**

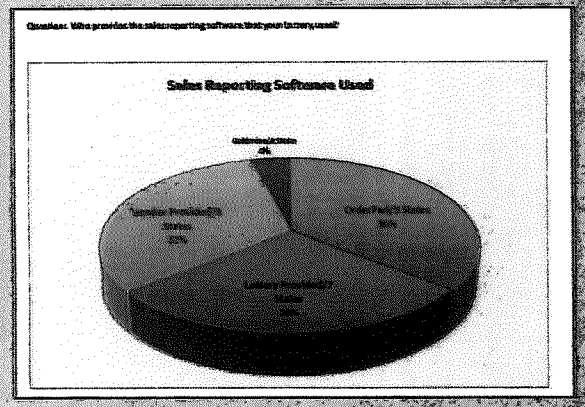
# Goals for FY 2013-14

| MSR | Total Sales | % of Total Sales | FY 2014 Sales Goal | FY 2014 Sales | % of Goal | FY 2014 Retailer Goal | Current Retailers | % of Goal |
|---|---|---|---|---|---|---|---|---|
| Cindy Carlock | $114,128,259 | 6.52% | $29,940,249 | $2,054,339 | 6.9% | 120 | 115 | 95.8% |
| Charles Freeman | $72,593,510 | 4.14% | $19,044,081 | $1,439,850 | 7.6% | 115 | 110 | 95.7% |
| Rhonda Harris | $102,758,084 | 5.87% | $26,957,413 | $1,855,968 | 6.9% | 110 | 96 | 87.3% |
| Susan Devecki | $62,367,882 | 3.56% | $16,361,503 | $1,373,007 | 8.4% | 95 | 90 | 94.7% |
| Rick Conrad | $96,433,040 | 5.51% | $25,298,110 | $1,895,561 | 7.5% | 95 | 92 | 96.8% |
| Fred Dunavant | $136,048,402 | 7.77% | $35,690,749 | $2,556,310 | 7.2% | 120 | 118 | 98.3% |
| Sam Tatom | $108,242,795 | 6.18% | $28,396,264 | $1,916,395 | 6.7% | 95 | 84 | 88.4% |
| Andy Biernat | $119,059,581 | 6.80% | $31,233,925 | $2,044,642 | 6.5% | 105 | 95 | 90.5% |
| Debbie Stobaugh | $144,130,480 | 8.23% | $37,810,990 | $2,368,164 | 6.3% | 120 | 117 | 97.5% |
| LaTonya White | $89,136,480 | 5.09% | $23,383,940 | $1,489,835 | 6.4% | 90 | 76 | 84.4% |
| Jeff Fitch | $47,548,085 | 2.71% | $12,473,699 | $956,688 | 7.7% | 90 | 82 | 91.1% |
| Ali Mustafa | $72,076,867 | 4.12% | $18,908,545 | $1,442,848 | 7.6% | 110 | 102 | 92.7% |
| Don Smith | $66,840,754 | 3.82% | $17,534,911 | $1,238,627 | 7.1% | 115 | 104 | 90.4% |
| Molly Harris | $43,754,417 | 2.50% | $11,478,473 | $919,361 | 8.0% | 90 | 73 | 81.1% |
| Bill Cotton | $80,766,647 | 4.61% | $21,188,210 | $1,397,600 | 6.6% | 95 | 88 | 92.6% |
| Barbara Campbell | $62,906,713 | 3.59% | $16,502,860 | $1,220,649 | 7.4% | 95 | 77 | 81.1% |
| Mo Forte | $90,458,879 | 5.16% | $23,730,857 | $1,397,283 | 5.9% | 95 | 83 | 87.4% |
| Dean Heard | $96,304,688 | 5.50% | $25,264,438 | $1,713,316 | 6.8% | 105 | 102 | 97.1% |
| Linda Chambers | $60,176,192 | 3.44% | $15,786,539 | $1,185,813 | 7.5% | 105 | 95 | 90.5% |
| Robert Smith | $85,821,330 | 4.90% | $22,514,248 | $1,625,881 | 7.2% | 100 | 94 | 94.0% |
| Totals | $1,751,553,075 | 100% | $459,509,800 | $32,892,138 | 7.6% | 2035 | 1893 | 91.7% |

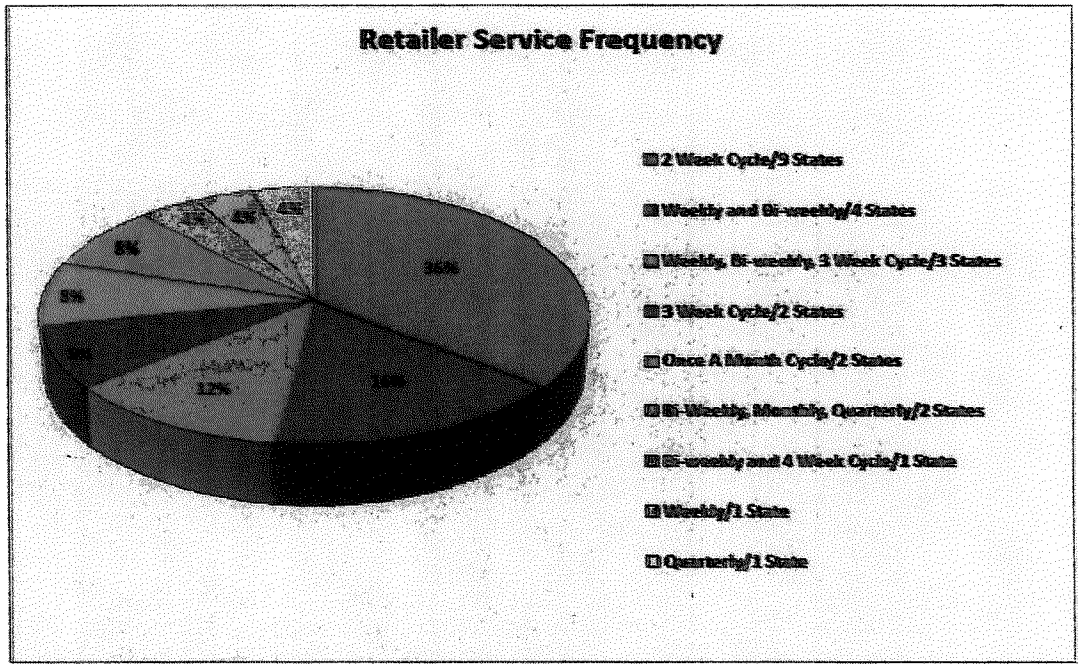
*Each MSR has retailer and sales goals assigned. If our retailer network continues to grow at a nominal rate, then we must focus our existing retailers on maintaining and increasing their same-store sales.*

# Develop New Call Schedule

## Sales Best Practices Survey




**Question: How frequently do your sales reps service your retailers and what is the service frequency based on?**




*Participation in surveys conducted by other state lotteries provides the ASL with current retailer and sales trends. Many of the best performing state lotteries are changing their sales calls cycles to work more closely with the top-producing retailer locations.*

# Refine New Retailer Acquisition

Retail Prospect link from IR 8/19/2013

| Site ID | Brand | Business Name | Address | City | State | Zip Code | County |
|---|---|---|---|---|---|---|---|
| AR223436 | Independent | Chapel R & N Foods | 5804 Sulphur Springs | Pine Bluff | AR | 71603 | Jefferson |
| AR045294 | Independent | Main Street Grocery | 1400 Main St | Little Rock | AR | 72114 | Pulaski |
| AR266849 | Coastal | Coastal | 4822 Asher Ave | Little Rock | AR | 72204 | Pulaski |
| AR266854 | Coastal | Coastal | 9899 Asher Ave | Little Rock | AR | 72204 | Pulaski |
| AR188557 | Independent | Baker's Rest Stop | 404 W 1st St S | Prescott | AR | 71857 | Nevada |
| AR145297 | Independent | Big N Little Short Stop | 1635 SR-321 | Griffithville | AR | 72060 | White |
| AR144880 | Independent | Billy's At The Bluff | 5265 Main St | De Valls Bluff | AR | 72041 | Prairie |
| AR144788 | Independent | Sonnendale Store | 1508 US-70 | Sonnendale | AR | 71953 | Hot Spring |
| AR147527 | Independent | C B's Quick Stop | 25556 W SR-10 | Havana | AR | 72842 | Yell |
| AR156576 | Independent | Caleb's | 805 S Lincoln Ave | Star City | AR | 71667 | Lincoln |
| AR266864 | Independent | Ed's Grocery & Feed | 6885 US-79 S | Pine Bluff | AR | 71603 | Jefferson |
| AR081594 | Independent | Dude's Place | 3813 Sh 38 | Austin | AR | 72007 | Lonoke |
| AR144288 | Independent | Two Brothers One Stop | 2215 S Blake St | Pine Bluff | AR | 71603 | Jefferson |
| AR266883 | Independent | Us Fuel | 6304 Cypress St | N Little Rock | AR | 72114 | Pulaski |
| AR143812 | Independent | Big Red | 3900 E Kiehl Ave | Sherwood | AR | 72120 | Pulaski |
| AR143823 | Independent | Big Red Convenience Stor | 13500 Chenal Pkwy | Little Rock | AR | 72211 | Pulaski |
| AR144824 | Independent | Big Red Stop N Go Inc | 208 Highway 79 | Rison | AR | 71665 | Cleveland |
| AR143825 | Independent | Big Red Store | 3319 S Olive St | Pine Bluff | AR | 71603 | Jefferson |
| AR147886 | Independent | C & H Gas & Grocery | 6862 Albert Pike Rd | Royal | AR | 71968 | Garland |
| AR153896 | Independent | Central Ark Petroleum Inc | 2666 Oliver Loneester | Malvern | AR | 72104 | Hot Spring |
| AR152986 | Independent | Charlotte's Corner | 908 W Broadway St | Hamilton | AR | 71838 | Conway |
| AR167571 | Independent | Country Corner | 4585 Highway 9 | Leola | AR | 72084 | Grant |
| AR188217 | Independent | Mingle Mart | 404 E Page Ave | Malvern | AR | 72104 | Hot Spring |
| AR214598 | Independent | Red-E-Mart | 2365 S Antioch St | Sulphr | AR | 71846 | Pike |
| AR266894 | Independent | Total | 6804 Geyer Springs R | Little Rock | AR | 72209 | Pulaski |
| AR190888 | Independent | Winner Circle 5 | 2897 Highway 9 | Centerp | AR | 72626 | Baxter |
| AR164888 | Independent | 3458 Grocery | 14084 Highway 31 N | Mena | AR | 71976 | Sevier |
| AR164876 | Independent | 4 K's Service Station | 5340 Hobar Springs R | Quitman | AR | 72131 | Cleburne |
| AR266943 | Independent | 66 - Bakers Pines | 809 E 6th St | Little Rock | AR | 72202 | Pulaski |

## Tobacco Retailer Permits

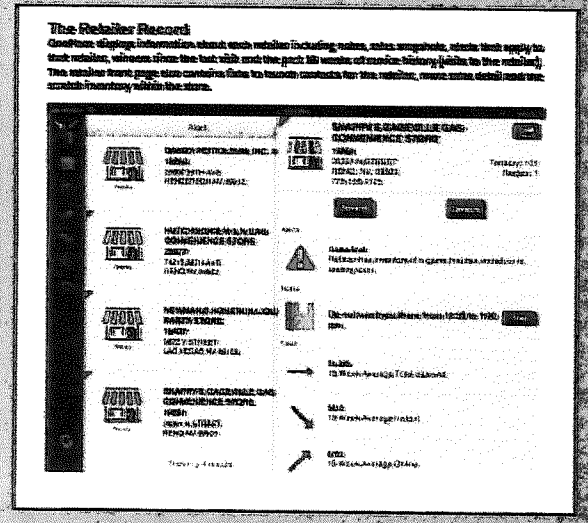
Monday, August 19, 2013 10:08:43 AM

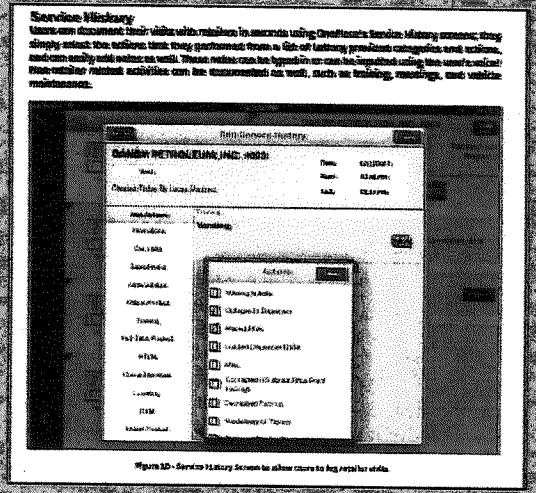
| Business Name | Physical Address | Physical City | Physical | Physical Zip Code |
|---|---|---|---|---|
| 7TH STREET FOOD MART | 850 N. 7TH STREET | WEST MEMPHIS | AR | 72301 |
| A-1 LIQUOR STORE | 2718 E. BROADWAY | WEST MEMPHIS | AR | 72301 |
| ACE LIQUOR STORE | 905 EAST BROADWAY | WEST MEMPHIS | AR | 72301 |
| AMERICAN LEGION POST #53 | 150 LEGION RD. | WEST MEMPHIS | AR | 72301 |
| AVALON MART | 1323 S. AVALON STREET | WEST MEMPHIS | AR | 72301 |
| BP BROADWAY | 400 W. BROADWAY STREET | WEST MEMPHIS | AR | 72301 |
| BROADWAY GROCERY & FOOD MARKET | 2880 E. BROADWAY | WEST MEMPHIS | AR | 72301 |
| CITY FOOD MARKET | 903 E BROADWAY | WEST MEMPHIS | AR | 72301 |
| COLONIAL LIQUOR STORE | 301 W. BROADWAY | WEST MEMPHIS | AR | 72301 |
| CORNER STONE GROCERY | 308 S. AVALON STREET | WEST MEMPHIS | AR | 72301 |
| DEMK, INC DBA COLLEGE BLVD SHELL | 900 NORTH COLLEGE BLVD. | WEST MEMPHIS | AR | 72301 |
| E-Z WAY FOOD MARKET | 587 SO 18TH STREET | WEST MEMPHIS | AR | 72301 |
| FAMILY DOLLAR STORES OF AR INC #3180 | 208 SHOPPINGWAY BLVD STE B | WEST MEMPHIS | AR | 72301 |
| FAMILY DOLLAR STORES OF AR INC #3285 | 2113 E BROADWAY ST | WEST MEMPHIS | AR | 72301 |
| FLASH MARKET | 3225 E. BROADWAY | WEST MEMPHIS | AR | 72301 |
| FRED'S STORE #3290 | 606 EAST BROADWAY | WEST MEMPHIS | AR | 72301 |
| H B & G GROCERY & DELI | 106 SO 16TH ST | WEST MEMPHIS | AR | 72301 |
| JIM'S MARKET | 804 SO 8TH ST | WEST MEMPHIS | AR | 72301 |
| LaPATTES GRO & MKT | 534 SO 10TH STREET | WEST MEMPHIS | AR | 72301 |
| MID TOWN LIQUOR | 134 SOUTH 11 STREET | WEST MEMPHIS | AR | 72301 |
| SAVE-A-BUCK GROCERY | 1101 EAST BROADWAY | WEST MEMPHIS | AR | 72301 |
| SHELL FOOD MART | 1805 S SERVICE RD. | WEST MEMPHIS | AR | 72301 |

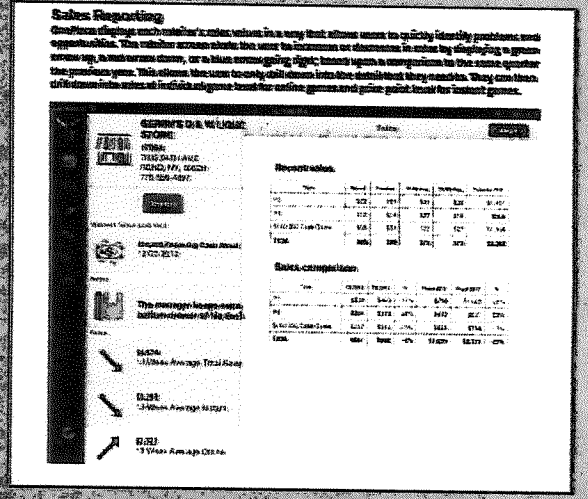
Page 1 of 4

*The ASL is developing a master database of potential retailers to identify new stores or businesses for lottery sales. The data comes from a variety of state agencies, vendors and our retailers.*

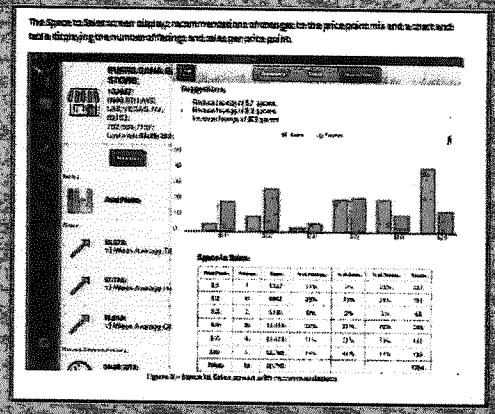
# Consider New Sales Tools

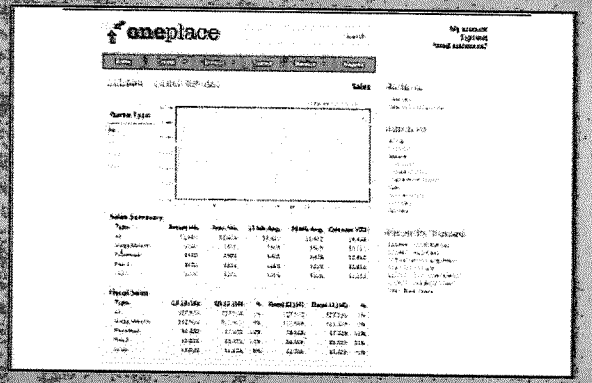




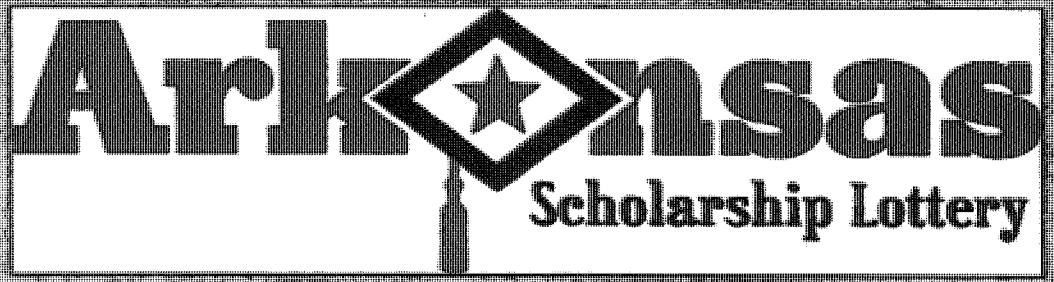


- Georgia Lottery Corporation
- Hoosier Lottery
- Idaho Lottery
- Iowa Lottery
- Kentucky Lottery Corporation
- Maryland State Lottery Agency
- Massachusetts State Lottery
- Michigan Lottery
- Missouri Lottery
- New York Lottery
- Northstar Lottery Group (Illinois Lottery)
- Ohio Lottery
- Oklahoma Lottery Commission
- Oregon State Lottery
- Virginia Lottery






*In order to effectively manage sales goals with our retailers, we recommend consideration of new sales tools such as OnePlace. There are currently 15 of the top-performing state lotteries utilizing this tool in the field with their sales teams.*




# Thank You

*Questions?*