

THE **DIARTER**



WHAT HAPPENS WHEN YOU
SELL A BIG JACKPOT TICKET

PLUS:
PRESIDENT AND
CEO RETIRING



THE PRESIDENT'S CORNER

In June of 2017, I was appointed President & CEO of the Kentucky Lottery. One of my first priorities was to strengthen retailer partnerships by enhancing the Lottery brand, improving product development, increasing traffic to your store and upgrading our product delivery systems.

We strengthened our brand by creating a new lottery logo, one that speaks to both the identity and rich heritage of Kentucky. We improved product offerings by increasing payouts on our Scratch games, including our new \$30 Scratch game with a first ever \$3M Top Prize (and a \$1.50 commission per ticket). We also developed exciting new draw games such as Fast Play, EZ Match, Keno Bullseye, and our newest game Cash Pop. To help drive store traffic, we increased our ad budget, allowing us to support every new game launch with television, radio and point of sale. We upgraded our product delivery systems by providing new dispensers and increasing the number of vending machines (full-service lottery and Keno) including those with state-of-the-art touch screen technology.

By achieving these goals and with your help, we set, broke, and re-set sales records each year. In the process we increased overall Lottery sales and commissions and of course, transfers to education here in the Commonwealth. Most importantly, I believe the best is yet to come.

For all those reasons, it is with mixed emotions that I let you know this will be the last letter you will receive from me. After 30 years in Consumer Products and 20 years in Lottery, I will be retiring.

I will miss the Lottery industry, the friends I've made, visits to your stores, and of course, the dedicated staff here at the Kentucky Lottery. At the same time, I have grandchildren I'd like to spend more time with and my bride of almost 50 years who has been waiting patiently.

I thank you for your on-going partnership and overall dedication as retailers. Take pride knowing your efforts helped generate over \$3.6B in Lottery proceeds for education in Kentucky and provided over 860,000 students with scholarships and grants.

I wish you success in all you do and may our paths cross again.



Tom Delacenserie
Kentucky Lottery
President and CEO



POWERBALL NYE

Five lucky Kentucky Lottery players had the night of a lifetime, being a part of ABC's live broadcast of "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2020" – and having a shot at winning \$1 million!

The five Kentucky winners were among the 12,500 entrants from the state who submitted non-winning Powerball tickets into the First "Powerball Millionaire of the Year" second-chance drawing. Players from 25 states won a VIP trip to New York City to celebrate New Year's Eve 2020 and a chance to win \$1 million. The three hundred VIP trip winners were narrowed down to five finalists, and finally to the winner of the \$1 million prize.

The trip proved to be the ultimate VIP experience. After a series of activities across Manhattan spread over several days, the winners and their guests gathered for an exclusive New Year's Eve gala covered live on national television, along with a view of the ball drop in Times Square at midnight. The party culminated with the First Powerball Millionaire of the Year drawing, won by a player from Maine.

WHEEL OF FORTUNE WINNERS

Eight lucky Kentucky Lottery players won the chance to go to Sony TV Studios in Hollywood to spin the actual wheel from Wheel of Fortune and win cash prizes! Each had entered a second-chance drawing from the Wheel of Fortune Scratch-off ticket. One Kentucky player, William Harbin, made it to the puzzle board round and won over \$50,000!



LOOK FOR YOUR RETAILER NUMBER,

WIN FREE STUFF

Scattered throughout this edition of The Quarter are random retailer numbers – you'll find them sprinkled around different pages! If you find your retailer number, call us at **(502) 560-1676** – we have a bag chock full of great Kentucky Lottery swag to send your way!

Example:



SAFETY WHEN SELLING A BIG WINNING TICKET

13774

By Chip Polston, Sr. VP Communications, PR and Social Responsibility



So you sell a large jackpot winning ticket – what happens next? There are ways you can help increase traffic to your store after a win – and help protect the winner.

Retailers can suddenly be thrust into the spotlight after selling a winning ticket in excess of \$1 million. The larger the jackpot amount, the larger the spotlight – especially if it's a Powerball or Mega Millions winner.

The Lottery's Senior Vice President of Communications Chip Polston says the process for these multi-state game winners starts around 11:30 PM EST on the night of a drawing. "When I'm dead asleep, the phone rings at that hour and I see Kentucky Lottery on the caller ID, I know that's our staff calling to tell me we've got a winner."

He begins media outreach around midnight in order to hit early morning newscasts. However, the amount of information released is limited. "All we release is the city in which the ticket was sold. We don't release the name of the retailer just yet," he said.

That's because a series of security checks must be completed before the name of the retailer is released. "A member of our security team attempts to reach the owner or manager of the store as soon as possible the morning after the announcement," said the Lottery's Senior Vice President of Security Bill Hickerson. "We then make arrangements for a member of our team to quickly get to the store."

Security personnel are looking for two items when they perform this check:

- A review of store surveillance video to see the transaction where the ticket was purchased. This video is helpful in identifying the potential winner.
- A copy of the paper stock from each lottery terminal, including each vending machine.

"These steps help with the overall verification process to assist the winner with collecting their winnings, and ultimately the retailer with receiving their commission," said Hickerson.

Winning commissions for selling a jackpot-winning Powerball or Mega Millions ticket are based on sales. "The retailer gets a selling bonus that's equal to 1% of sales in Kentucky since the last time the jackpot was won, up to \$100,000," said Kentucky Lottery Vice President and Corporate Controller Maggie Garrison. As for Lucky for Life, Garrison said retailers will receive a top prize selling bonus of \$73,000 or a second-place prize selling bonus of \$5,000. They also receive 1% of any Scratch-off ticket prize over \$600 sold at their store.

Once the security check is completed, the Lottery's communications department swings into action and releases the name of the store. "We will contact the store to let them know we're about to release the information, and in some circumstances send a staff member to help them handle media who will arrive," said Polston.

One piece of information that isn't released until after the ticket is claimed is the time and date when it was sold. "We know down to the second what the timestamp is on the winning ticket, so that's a first line of defense when someone claims a prize. That timestamp has to match, so we don't release that information," said Hickerson.

Store staff members should expect media to visit their location, and Polston says by working with reporters, a store can effectively generate publicity for their business. "When we call to tell you we're releasing the information, we'll give you background about what questions reporters will probably ask and encourage you to invite them into your store. Retailers who allow crews into their establishment see some great stories about their business. Those who don't – and we've had some retailers who have sold large winning tickets and made reporters stand on the sidewalk outside their building and not approach their property – see very little benefit," said Polston.

That benefit can be a definite uptick in sales. "Lottery players like stores who sell large winners," he said. "Retailers who work with us to publicize big winners have most definitely seen a spike in sales after the announcement."

While he encourages retailers to work with reporters, Polston also cautions they can go too far. "If the winner has not yet brought that ticket to us for validation, they can be at significant physical risk if they are identified. Look at it this way – someone is holding a small piece of paper worth millions of dollars. Whomever brings us that ticket gets the prize. If the word is out about the winner while they still have the ticket, their safety could very much be compromised."

This has included winners talking to media at the store while still holding the ticket. "We've seen TV stories with winners flashing their ticket around at the retailer where it was purchased prior to bringing it to us for validation. While this makes for a great story, it causes us tremendous concern because we know the danger they could potentially be putting themselves in," said Hickerson.

Polston recalls a case where a retailer inadvertently put a winner in danger. A multi-million dollar winning ticket had been sold at the location for a drawing that previous day, and a clerk at the store knew who the winner was as they had scanned the ticket earlier. "The clerk got into a car with a news crew, drove them to the home of the winner, and knocked on their front door. The winner welcomed them in, and did an interview with a piece of paper worth millions of dollars sitting on their coffee table," said Polston.

"I'm no great whiz on the internet, but with the info I saw on TV, within minutes I had the winners home address, phone number and pictures of their house," he said. "I called and told them they needed to get to Louisville as soon as they could – and they said they had another TV station coming to the house for an interview and would need to wait. When I told them the potential danger they faced, they cancelled the interview and got to our headquarters in Louisville ASAP."

Overall, the experience can be both exciting and profitable for retailers who sell large winning tickets. "There's nothing like selling a ticket that wins more than \$1 million to generate buzz for your store," Polston said. "I guarantee your regular customers will be talking about it for years, and you'll see new faces in your store trying to get a little bit of that luck they think you have."



WHAT TO DO IF YOU SELL A LARGE JACKPOT TICKET

- Look for our security staff to be at your store ASAP after a winner is announced.
- Work with reporters covering the story to generate positive coverage for your store.
- Do NOT reveal the identity of the winner under any circumstances.
- Do NOT reveal any information about when the ticket was sold.
- Look forward to receiving your selling bonus!
- Anticipate more customers visiting your location!

MINING FOR GOLDEN OPPORTUNITIES

LOOK FOR THE NEW GOLD RUSH TV COMMERCIAL!

By Edie Frakes, VP of Marketing



Gold Rush will be “HIGH NOON” for our fiscal year 2020! This year’s \$30 ticket is loaded with over a million prizes between \$40 and \$10,000, extra play action in the bonus boxes and 3 top prizes of \$3 Million! The marketing campaign behind this ticket will feature a western flare complete with a prospector mining for that big win! Efforts for this spotlight game will be huge with major POS support for your stores as well as TV, digital and radio campaigns that should bring awareness and drive folks to your stores! The FY20 third quarter and fourth quarter marketing plans are chock-full of golden opportunities to maximize your sales and help bring home a record sales year and ensure retailers get maximum incentives!

And coming soon, Cash Pop – the Kentucky Lottery’s newest terminal-generated game that is so simple, one number wins it! This fun and easy addition to the monitor category will draw every 4 minutes, just like Keno. It will also be advertised with point-of-sale, TV, Radio and Digital campaigns. It will launch 3/15/20 and will only be available at retail, so be sure to take advantage of that and ask for the sale.



Both of these games will have TV support, and we’ve shot commercials for both launches. The photos here are a behind the scenes look at what was shot. We think you’ll like the results!

Also, two new Fast Play options will enter this family in late March, giving fans additional option to play. These games will also contribute to the popular rolling jackpot feature inherent in the Fast Play category, printed at the terminal. This too will have specialty point-of-sale placed by your sales reps and will be supported with radio and digital messaging to drive players into your store.

April, May and June Scratch-off launches will be great. All have media support planned as well as game-specific POS.



TERMINAL GAMES UPDATE

By Erica Williams, Director, Terminal Generated Games

CASH POP is on the way! NEW

Keno has grown tremendously over the past few years in Kentucky - and for the second year in a row, has outsold Powerball to become the third best-selling game behind Scratch-offs and Pick 3. For quite some time now, we've been looking for a second monitor game that could be played while waiting for the next Keno drawing. That game has finally arrived!

Launching March 15th, CASH POP is a fun new monitor game drawn every 4 minutes. Winning is simple - all you have to do is match the ONE number drawn to win!

Playing is simple too. Like Keno, choose how many CASH POP number(s) from 1 - 15 you want to play or choose "Cover All" to play all fifteen numbers for a guaranteed win. If you play more than one CASH POP number, your chance of winning improves. For example, if you only play one CASH POP number, your odds are 1 in 15. But if you play 5 CASH POP numbers, your odds are 1 in 3. You can wager \$1, \$2, \$5, or \$10 per CASH POP number played, and choose how many consecutive drawings you wish to play. Finally, you can choose your own numbers or let the computer select number(s) for you (Quick Pick).

Your ticket will print with your number(s) and a corresponding randomly assigned prize. Match your number to the number drawn and win the prize shown for that number on your ticket. You can win from \$5 up to \$2,500 depending on your wager amount. The minimum prize for CASH POP is 5X the wager amount.

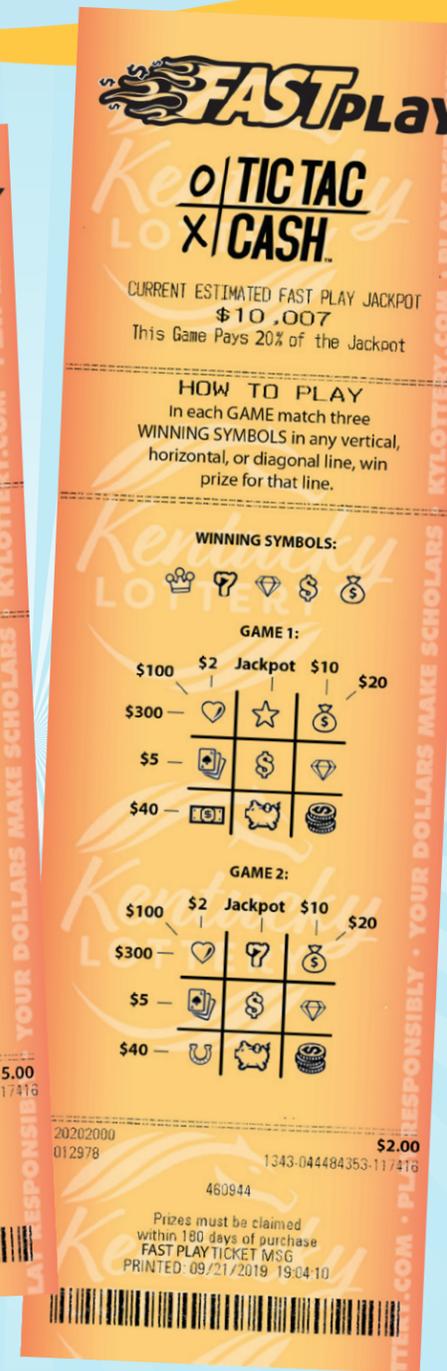
What does this all mean for you? With drawings every 4 minutes, there are lots of chances to play and win, which translates to more sales opportunities and the ability to grow commissions and attract new players. Most of the CASH POP prizes are cashable at retail, meaning increased churn for your business.

CASH POP is only available at retail and is not sold online at this time.

Game End Notice - Kentucky's Quick Bucks

Due to unfavorable player feedback and declining sales, we are retiring Kentucky's Quick Bucks. Launched in February 2019, this daily draw game offers players a chance to win up to \$50,000 and features the Wheel Bet, which guarantees the \$2 minimum prize.

The last day of sales and the last drawing will be March 14th. In order to prepare for the game end, multi-draw options for this game are no longer available for purchase. Players will have 180 days to claim prizes won in the final drawing.



New Fast Play Games NEW

Two new games are being added to the Fast Play category on Monday, March 30th. Tic Tac Cash and Break the Bank will join the "Times the Cash" family and will be eligible to win a percentage of the rolling jackpot. Tic Tac Cash costs \$2 per ticket and will be eligible to win 20% of the rolling jackpot. Break the Bank costs \$5 per ticket and will be eligible to win 50% of the rolling jackpot.

With their familiar game names and play styles, these two games ranked #1 and #3 as most appealing Fast Play games in an online panel study conducted last fall.

Be sure to tell your players about these two new games, and don't forget to promote the rolling jackpot feature!

Statewide Launch of Win Place Show NEW

Launching Sunday, April 26th, a new lottery game based on the results of live horse racing will be offered at all retailers across the Bluegrass state. You may recall this game was offered as a test pilot last spring at approximately 45 stores in the Louisville, Lexington and Northern Kentucky regions.

Win Place Show is a lottery game based on the results of an actual live horse race. Each \$2 Quick Pick ticket will feature three horses along with their numbers based on their post position at the track, along with basic racetrack information and post time. Players can watch the featured races live or on replay and see if they've won with the Win Place Show mobile app.



NEW SCRATCH-OFFS ON THE WAY!

By Rhonda Zimmerman, Director, Scratch Games

Stake your claim to retailer commissions and bonuses with all the cashing activity in your store from our newest \$30 game **GOLD RUSH!** For our second \$30 ticket, we added additional features and play action to give players even more bang for their buck with this exciting new Scratch-off. Offering **up to 33 chances to win and over \$163.8 million in cash prizes**, players will be "rushing" to your stores to get in on the action and with over **1.3 million prizes between \$40 and \$10,000**, most of which are cashable at retail so this is your golden opportunity to cash in on profits. Be sure to keep plenty of stock on hand as we drive customers to your locations looking to strike it rich!

As we head down the stretch to the finish of FY20, we have a blockbuster schedule of games that are sure to be a huge win for you and your players! Silver, gold and cold, hard cash comes your way on April 3 with a four-game launch loaded with cash prizes!

\$10 - \$200,000 CASH features a twist on the simple key number match play style and includes \$50 and \$100 bonus games as well as a chance to win up to 17 times on a ticket!

\$5 - BONUS CASH DOUBLER is the newest double-sided ticket to hit the streets and is loaded with over \$14.3 million in cash prizes including a top prize of \$60,000.

\$1 - SILVER DOLLARS has a chance to win up to \$1,000, along with the \$2 game - **24K**, with a top prize of \$24,000. These are sure to be the perfect little treat for your low-price point players.



NEW \$20 GAME SET TO LAUNCH ON MAY 8th!

MAX-A-MILLION, our newest \$20 game, hits the shelves in early May and with its bright, fluorescent colors is guaranteed to be a summer crowd pleaser with over **\$100 MILLION** in cash prizes, including **six top prizes of \$1 Million!** Not only is it loaded with prizes but it's the first double-sided \$20 game we've ever offered so it's loaded with play value with three games on the ticket back in addition to the bonus features on the front. With over **525,000 prizes from \$50 to \$5,000**, this is going to be one hot ticket so be sure to keep safety stock on-hand to meet the player demand!





RETAILER SPOTLIGHT GASOLINE ALLEY, WINCHESTER

By Sara Westerman, Communications Specialist

Gasoline Alley has made a name for itself on social media, specifically Facebook and Instagram. According to Montu Patel, the manager of the store in Winchester, says proudly more than 4,000 followers on Facebook keep up with what's going on at the store. "We use it mainly for winner awareness," Montu said. "We think it's important to let customers know what big winners you've sold."

"We know it helps bring customers into the store too because they'll mention they just saw a winner on Facebook," said Montu. To ensure they are posting tickets that were sold at their store, Montu says they stamp the back of tickets \$10 and more. "If it's a big winner and that stamp is on the back of the ticket, we ask the person if we can take their picture," Montu said. "Most want to be featured on our social media pages when they see other winners."

Customers don't have to rely on social media alone to know Gasoline Alley is big on winner awareness. Walk into the store and you'll see banners of top selling tickets and tickets that were big winners line the window. "We post any ticket with a prize of \$200 and above in the store and on social media," said Montu. "When a customer walks in to pay for gas and sees all the big winners, it encourages them to play."

"Using social media, posting winners in the store and especially, cashing winning tickets has been great for our business," said Montu. "We always try to cash winning tickets when we can because they'll turn around and get a few more tickets. It's just good business!"



AMAZING HOLIDAY DECORATIONS

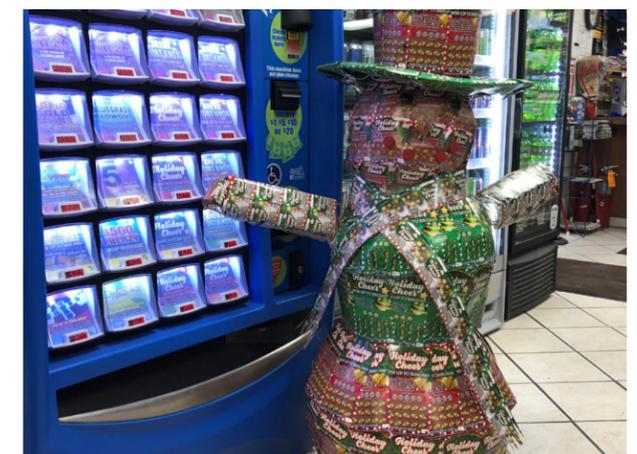
WOW - we asked, and you delivered! In December, the Kentucky Lottery conducted a retailer holiday display contest. Retailers could use voided Holiday Cheer Scratch-off tickets and other décor to create a fun display during the holidays. More than 150 retailers submitted entries!

These finalists were posted on the KY Lottery Facebook page where players voted for their favorite.

Circle K - #3253 - 14469



Drew's Mini Mart - 18716



Keystop Truck Center - 35170



Tobacco Hut Drive Thru - 11998



Congrats to the team at Tobacco Hut for winning the \$250 store credit!

CONNECT WITH US VIA SOCIAL

By Jessie Teague, Manager, Digital Marketing

Be social.

Be honest—how often are you on your phone scrolling through Facebook? Your customers are too – and so are we! The Kentucky Lottery is active on Facebook, Instagram and Twitter.

Note that “Kentucky Lottery” isn’t spelled out in any of the handles, and that instead we’re always at “kylottery”.

Be in the know.

Do you know where the latest Fast Play jackpot ticket was sold? Do you know what players can win with the Gold Rush promotion? Stay in the loop with the latest Kentucky Lottery news and be the expert when your customers ask. Follow us to be the first to know where big winners were sold, current promotions and new game features. (P.S. we also do monthly social giveaways!)

Be engaged.

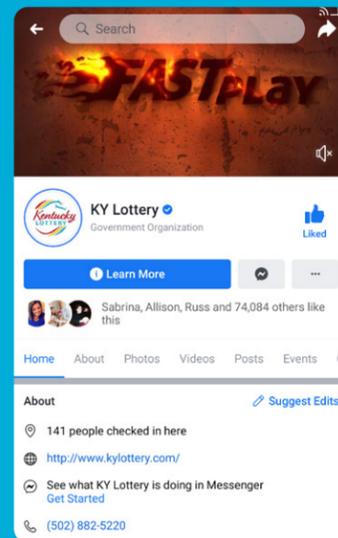
We want to hear from you. Publishing often and engaging in conversations will help you maximize your reach, which in turn can drive traffic into your stores.

Don’t have time to create your own posts? Simply share the Kentucky Lottery’s posts to create awareness and drive more sales. When posting about the Kentucky Lottery, be sure to tag us so that we can share or comment as well. Here’s a shout out to Gasoline Alley and Clarks Pump N Shop for doing a great job at lottery and winner awareness with their social media.

“It helps bring customers into the store because they’ll mention they just saw a winner on Facebook,” said Montu, manager of Gasoline Alley.

For more information, email us at social@kylottery.com.

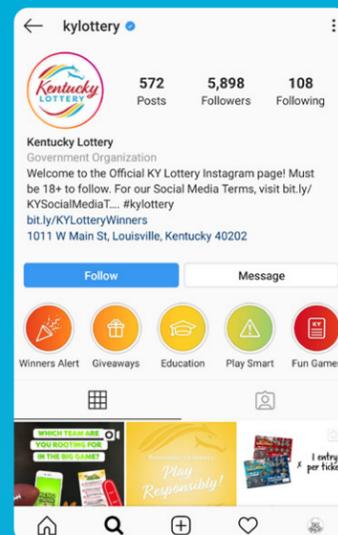
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RESEARCH UPDATE TV ENHANCES THE IN-STORE EXPERIENCE

By Greg Wood, Manager, Research

Convenience store operators are rethinking the design of their stores amid evolving consumer expectations around foodservice. As operators upgrade their offerings to include more made-to-order prepared foods, they are also taking steps to revamp the entire in-store experience.

As a result, convenience retailers are following the lead of fast-casual restaurant chains and installing concepts such as taquerias and made-to-order burger stations in the hot area, while upgrading offerings in delis to include made-to-order sandwiches and salads. To go along with these improved offerings, operators are also enhancing store ambiance with higher-quality lighting and design elements and adding more comfortable seating for dine-in foodservice customers.

They are also adding charging stations, wi-fi access and TVs, which can be used both for customer entertainment and marketing. With these added amenities, customers are given the option to linger on the premises in a relaxed environment if they so choose.

The installation of TVs in these environments can provide multiple advantages for both consumers and retailers alike. According to a survey conducted by Technomic, 58% of customers say having TVs installed in the customer area of the store creates a more welcoming environment, and 52% said it encourages customers to stay longer and spend more.

Having TVs in the customer area also gives customers something to pass the time while they wait for their food to be prepared.

Additionally, TVs can provide in-store messaging around products and promotions in customer areas, which Technomic’s survey found can increase guest purchases. More than a third—36%—of operators who have TVs installed said they enable promotions and communications.

Customers who are heavy users of convenience stores are especially interested in making use of in-store TVs, according to Technomic’s survey. The survey found that 63% of heavy C-store users and 71% of super-heavy users said they would be likely to make use of in-store TVs.

TVs can also be used for KENO and the Kentucky Lottery’s newest game Cash Pop, which has the potential to attract even more customers to linger and enjoy a quality dining/gaming experience.

However they are used, TVs and high-quality foodservice offerings complement each other well and together enhance the experience in the modern convenience store environment.

Source: CSPDailynews.com



WINNERS WINNERS EVERYWHERE!

By Jennifer Cunningham, Communications Specialist



DAVID SHEARER – DANVILLE, KY \$250,000 KENTUCKY CASH BLOWOUT

David Shearer of Danville had walked into his local store when the clerk asked him if he wanted to buy a Kentucky Cash Blowout ticket. He said, "Naw, I'm good."

David had been in the store earlier that day and bought two of the tickets. "The clerk asked me again, and I was like, 'Okay, give me one,'" David said.

David scratched off the ticket when the last spot, number forty-one matched. "I started to scratch off the amount when I first saw \$50,000 until I scratched more seeing \$250,000."

"I couldn't walk or talk," David said, after revealing he'd won the game's top prize.

His wife Brenda said she got a phone call from him telling her he'd just won \$250,000. "At first when I answered the phone, he sounded like someone had died. I was worried at first," she told lottery officials.

"I told him, 'You're lying, don't even,' and told him to just come home."



TWO \$1,000,000 BREAK FORT KNOX TICKETS CLAIMED WITHIN DAYS OF EACH OTHER

Two Kentucky Lottery players, both from Eastern Kentucky, came forward within days of each other to claim a \$1 million top prize on the \$20 Break Fort Knox Scratch-off game.

A couple from Lawrence County, who wished to remain anonymous, claimed the first \$1 million prize from the game. They had scratched the ticket off while at D & J Tobacco in Louisa.

"I scratched the furthest column to the right first, and there it was," said one member of the couple. "Am I seeing things?" he said, as he handed the store clerk his ticket. The clerk handed it back to him and said, "I can't help you - you're going to have to go to Louisville".

"It still hasn't sunk in," he said. "It's been a long day."

The second winner, who also wanted to remain anonymous, came forward the next week after purchasing her winning ticket at Zip Zone #17 in Eastern, KY.

She told lottery officials she didn't know what to think after scratching off the game's top prize.

"It's life changing," she said, and told officials she plans to pay off her debt and get a new car.



ROBERT CALFEE – PARK CITY, KY WON \$1,000,000 ON MEGA MILLIONS

Robert Calfee of Park City stopped by his favorite retailer, Zack Express, on a Sunday to check a stack of lottery tickets. He said most of the tickets scanned, "Sorry, not a winner" until the clerk came across the one he had purchased for the October 11th Mega Millions drawing.

"They told me I'd won more than they can pay," he said. "I thought maybe it was \$800 or \$6,000. It never dawned on me it was the big one." The clerk sent him to another store with a larger cashing limit but was told they couldn't cash it either. "The clerk went to the back room to pull up the winning numbers, when he came running out, all excited and said, 'You've won a million dollars!' I thought, 'Whew it's about time.' My heart started beating fast," Calfee said.

Calfee's ticket matched the first five white ball numbers to win the Mega Millions second prize. He had picked the numbers himself, from a fortune cookie he'd gotten. "I can't believe I'm holding onto a small piece of paper worth one million dollars," Calfee told lottery officials.



SHEILA GRUBB - BUTLER COUNTY \$1,000,000 MILLIONAIRE JUMBO BUCKS

Sheila Grubb of Butler County is a regular when it comes to playing the Kentucky Lottery. She stops every morning on her way to work just to play her favorite scratch-offs.

On this morning, Sheila had stopped off at the Marathon Food Mart on Sportsman Club Road in Russellville, where she bought several \$25 Millionaire Jumbo Bucks scratch-off tickets. She liked this particular scratch-off game - especially since she won \$5,000 on it back in August.

Sheila first scratched off the winning numbers and then began to scratch off the first row of her numbers on the ticket. It was on the third spot on her ticket where she matched the number 49. The prize amount was revealed directly below - \$1,000,000.

"I don't see too good and it was still dark out. I had to look at it a few times to make sure what I was seeing," Sheila told lottery officials.

Her husband got a text from her at 5:31 a.m. that morning - How's it feel to be married to a millionaire? "I wasn't sure it was real at first, but then she sent me a picture of the ticket," he said. "Can I buy a pair of shoes?" he asked her jokingly. The couple does plan to build on their home and purchase a new car with her winnings.

Here are just a few of our other recent winners!

Chinyere Anako



Curtis Wilcox



Daniel Scott



Gary Hook



Godwin Akukwe



18595

Jeff French



Justin Hobbs



Kimberly Doll



Ramona Glass



REGIONAL SPOTLIGHT

LOUISVILLE SPOTLIGHT

The Louisville Region has worked to increase retailer facings on the counter. Increased facings displays more packs and maximizes player awareness of plan-o-gram games. The team has also emphasized more POS materials both inside and out. We aim to speak to our players starting from the parking lot.

Out of stock reductions have also been a focal point. Many retailers may not be aware of how many dollars they lose to out of stocks, and that this often leads players to competitors for the tickets they want. Sales reps are utilizing the Sales Wizard reports to highlight the lost sales for retailers.

Lastly, our team is focused on making sure retailers are aware of our Retailer Incentive Program. Our goal is to enlighten every retailer on where they are for potential bonus earnings, including the quarterly incentive. We will also be discussing next best steps to achieve bonus dollars.

Top 3 retailers in the Louisville region, Scratch sales percentage increase Q2 FY19 vs. Q2 FY20:

#1 COX'S SMOKERS OUTLET #33
213.25%

#2 SPEEDWAY #9714
118.74%

#3 BO'S SMOKE SHOP #8
109.10%



SAV-A-FOOD MART's Menish Patel accepted an incentive check from his LSR Jason Woodruff. The LaGrange retailer participates in all the best practices to get the best incentive check.



Margaret Johnson of B-Quick Food Mart in Louisville accepts the store's incentive check.



LSR Travis Day presents Behar Cafe owner Ekrema Ranic a 1% bonus check for selling a \$148,538 Fast Play jackpot ticket! The banner is displayed in the background.



JYOT owner Raj Bhatt and LSR Jason Woodruff with the store's incentive check. Raj's success is because he keeps his dispensers and vending full and takes advantage of the auto ordering and follows the POG. This best practice has attributed to a 18% Scratch-off growth at this Louisville store.



Vishnubhai Patel has taken over Jimmy's Smoke Shop in Louisville and increased dispensers from 12 up to 40 with two retailer's choice to grow his sales.



Gary Patel, owner of J & C Gas Station in Louisville, keeps his OOS percentage at a 26-weekly average of 1.25% and is 100% plan-o-gram compliant. Gary is a great retail partner and promotes lottery purchases with every transaction.



Norfolk Food Mart Manager Muhammad is happy to receive his incentive check for his hard work! His OOS down to 4%; overall sales are up 26%; Scratch-off sales are up 54%.



Owner Laura Sears of SAV A STEP #50 in Louisville is all in on Lottery sales in her store and always has the dispensers full. They have a total of 64 dispensers and Scratch-offs sales are up because she really loves when the customers win big in her store!



Owner Chris and his two sons, Rhythm and Prim, are happy about Rhythm Food Mart's latest incentive check.



Super USA #5 owner Yoginaben accepts an incentive check from LSR Travis Day.

19289



Chirag Patel at Grab-N-Go in Louisville accepts the store's quarterly incentive check.



Raj Chaudhari at Dixie Food Mart in Louisville receives an incentive check.

BLUEGRASS SPOTLIGHT

Kicking off 2020 gives us the opportunity to look back on 2019 and celebrate our accomplishments. The new year is also a great time to evaluate what we could've done differently, and is why new year's resolutions are so popular.

So, as lottery retailers, what are some positive changes that can be made this year that will help your lottery business? Here are some suggestions for "Lottery Retailer New Year's Resolutions:"

1. Commit to making sure scratch-off dispensers and lottery vending machines always stay full. Limiting the amount of time a game is out of stock means increased sales and commissions.
2. Commit to displaying more winner awareness. Stores sell more when players see that other players have won. Talk to your sales rep about how you can improve your winner awareness during their next visit.
3. Ask for the sale of every customer. This is such a simple thing but simply asking a customer to purchase lottery can mean increased sales and commissions.

We are thankful for each of our retailers and the role they play in generating revenue for education here in Kentucky. Our sales team stands ready to work along beside you to make your lottery business as successful as possible. Happy New Year from the sales team in the Bluegrass region and continued success in 2020!



LYNAGH's Shamrock bar manager, Jennifer Burtchett, proudly shows off a selling bonus and winning ticket banner. The Lexington retailer received both for selling a Fast Play jackpot ticket.

Top 3 retailers in the Bluegrass region, Scratch sales percentage increase Q2 FY19 vs. Q2 FY20

- #1 MIDWAY FUELMART 286.39%
- #2 WINE LIQUOR BEER 196.82%
- #3 ELLIS EXPRESS 148.45%



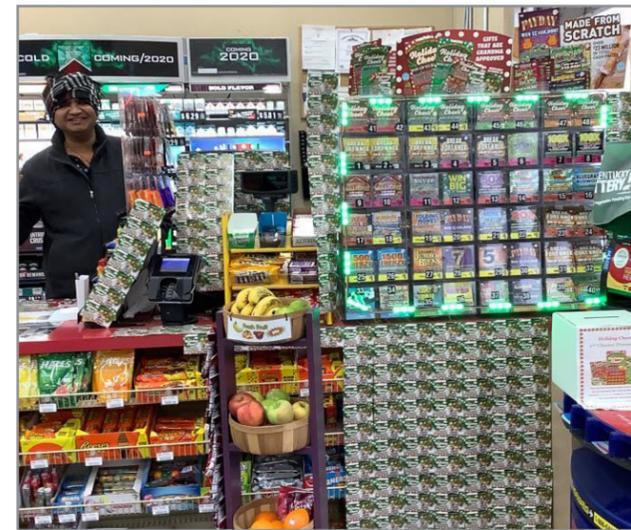
2 Way Stop n Go, in Lawrenceburg, took advantage of extra holiday POS and added eight facings of Holiday tickets on the counter along with a second chance promotion for their customers to get those last-minute stocking stuffers.



Sam, the manager of the Marathon in Lexington, is happy about his quarterly incentive check. He also decorated a nice play area with sample tickets during the holidays.



Wilson and Robert, from Paris BP Mart, earned this a great quarterly bonus by keeping their out-of-stocks below 4%, keeping face cards in all of 64 of their dispensers, staying on planogram and allowing their LSR to place lots of lottery signage inside and outside the store. Congratulations owner Puru for having one of the top-selling stores in the Bluegrass Region!



Sam Patel of Express Mart 1, in Lawrenceburg, added eight facings for holiday games and decorated the store with holiday POS along with offering a second chance promotion for his players.



Beth and Gomer pose with their counter display at Henderson Fuels in Nancy. With the ease of auto order and following the plan-o-gram, the store has seen a significant increase in Scratch-off sales as well as draw games. Making sure new games are out for the weekend also has been key.



Anniston Drive Mini Mart in Lexington showed some holiday spirit and some great use of the holiday tickets for decoration.



Jeet, from Butler Shell Food Mart in Falmouth, proudly displays her bonus check from last quarter. How do she and Raj (owner) do it? They make sure they always have every dispenser filled and are willing to follow all of the KLC Best Practices, i.e. keeping face cards in the dispensers and activating the new games on the Friday launch day.



Redi Mart #17 in Richmond had their playcenter area decorated for the holidays and just calling for attention!



Jay, owner of 1247 Pantry in Somerset, has seen great sales results by adding several retailer's choice to his display. He also follows the plan-o-gram, keeping ample inventory and getting new games activated quickly.

EASTERN SPOTLIGHT 14567

The Eastern Region is ready for Spring and excited to launch our newest online game CASH POP! Your KLC sales rep will be leaving "How to Play" information and placing POS prior to our March 15th launch. CASH POP is an exciting, easy play style game that plays every 4 minutes, 2 minutes after each Keno drawing. So now, players will remain engaged and spend more time in your business buying food and drinks while playing lottery games! You can watch the drawings on your Keno monitor or on the KLC website. Look for CASH POP beginning March 15!



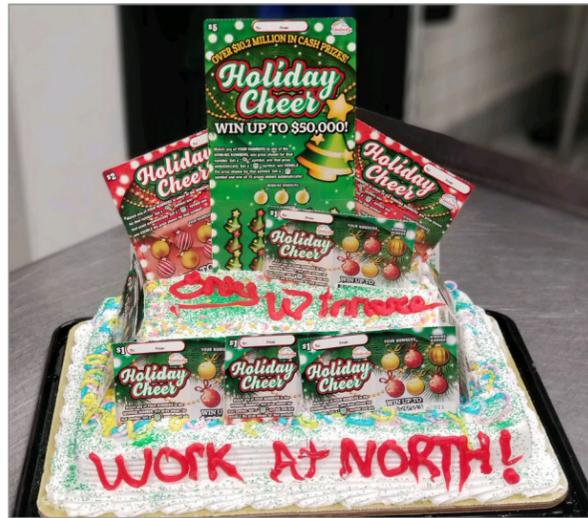
Kroger L-734 in Morehead has a new menu board installed and 24 games are now being offered at the money services counter. Pictured are Cassy & Amber from Kroger money services with LSR Dwayne Morris.

TOP 3 RETAILERS IN THE EASTERN REGION, SCRATCH SALES PERCENTAGE INCREASE Q2 FY19 VS. Q2 FY20

- #1 KROGER L-916 FUEL
346.28%
- #2 EVEREST GROCERY
207.24%
- #3 MT. STERLING BP
188.97%



LaVada, the manager of Circle K #3200 in Middlesboro, has done a fantastic job on her out of stocks. She is now down below 5% on all of her machines. This retailer was one of the reps highest on record at one time.



North Mayo #2 Double Kwik in Pikeville created a cute cake using holiday tickets for their Employee Appreciation Day!



JR at GoGa Marathon Food Mart in Carlisle has increased sales by 27% by adding dispensers and accepting suggested orders and eliminating out of stocks. He now has 48 dispensers and sales are continually growing.



Clerk Kathy Bryant at Stateline Cigarettes in Strunk decorated the store's tree with winning lottery tickets!



Marla Potter and Kim Fite of Clark's Pump N Shop #47 in Vanceburg are just some of the winners of the Eastern Region's Early Bird Activation drawing. Retailers who activate one of each new game on Friday of launch day receive one entry into a drawing for a KLC goody bag. Each LSR has six winning retailers!



FManish Patel at Mt. Sterling Shell has produced consistent sales growth by maintaining plan-o-gram compliance and eliminating out of stocks. Recently, his sales were up 27% and his Gemini out of stocks were at 0.67%



Naveed, owner of Key Mart in Owingsville, has a lot to smile about. His instant sales are up 31% above last year. Naveed credits this to increasing facings from 24 to 32, but mostly due to making sure all empty dispensers are kept full. He says that "I can't sell them if I don't have them!"



Left to right: Charlene Caldwell, Hannah McDowell, Leeann Adams, of Pilot #660 in Ashland, were rewarded with lottery swag. They lowered their weekly out of stock average in the Gemini from 20% to a new four-week average of 3.46%. The effort didn't go unnoticed and it took team work to achieve the goal.



Glenna accepts the quarterly incentive check for Mo's Speedco in Pine Knott.



B & T Deli, owned by Taj & Goldie, opened in Ashland in December. The deli is offering all products to its customers including 56 Scratch-off games.

WESTERN SPOTLIGHT

The Western Region is extremely excited to be offering so much to our valuable retailers. We look forward to having the excitement of the new game Cash Pop, which is not only simple to play but also maintains play while in between Keno draws. We are also looking forward to more games of Fast Play. Fast Play has taken off and is selling like crazy, and look forward to this game continuing to climb the ladder of success.

The Western Region continues to focus on lowering our out of stocks and getting more games in all retailers. We want to make sure that your inventory meets demand. Our sales continue to remain strong in this region, we have tons of winners, and we continue to place family of game towers so new games can stand out and get the attention they deserve. We continue to strive to get our retailers everything they need to be successful, and look forward to finishing the year strong.



Nick Parekh at Saba Foodmart, in Elizabethtown, went from 24 dispensers to 42 dispensers and his sales have increased by 32%



Peter Patel at Danny's Tobacco, in Elizabethtown, added 10 facing to his dispensers and a 4-game holiday tower and as a result his sales are up 40%



Nayan Patel and Dhara Patel from Daily Stop in Horse Cave are excited for their recent sale of a \$5,000 Lucky for Life winning ticket. With their commitment to excellent customer service and diligence to keeping every dispenser filled, they continually have increasing sales growth.



Candy Kidwell and Kaelynn Woodcock of Salings Grocery and Bait Shop, in Mammoth Cave, are the proud winners of the Western Region's Launch Week Challenge to activate the games early. They received a goody bag filled with lottery swag.

TOP 3 RETAILERS IN THE WESTERN REGION, SCRATCH SALES PERCENTAGE INCREASE Q2 FY19 VS. Q2 FY20

- #1 STAR LIQUORS #5**
204.07%
- #2 TOBACCO SHOP #239**
176.57%
- #3 AN LIQUORS**
150.59%



Sunny and Nick Patel from Chevron Gas in Bowling Green receive their 1st quarter incentive check. Sunny keeps all his counter dispensers and vending machines full and it paid off!



Staff member Christy and Manager Debra of Henderson Food Mart #32 were excited to receive their swag bag for winning the new game activation promotion in the Western region. Debra said she likes getting the games activated early because she knows her players will be looking for them.



Morganfield Foodmart #29 manager Tori receives the quarterly incentive check for her store. By following best practices, this location has seen a 20% increase in Scratch-off sales.



Cheryl, Monica, Nilima and Charlie at 101 Lotto in Oak Grove proudly display the ceremonial check they received after selling a big winning ticket. That's the amount the store received after selling a winning \$1,000,000 Powerball ticket.

NEW FACES

We have lots of new sales reps in the field – here are some of the new faces you may be seeing as we welcome them to the Kentucky Lottery team!



ASHLEY MILLER
promoted to
Regional Training Coordinator



JEREMY DURHAM
LSR, Jefferson Region



PATRICK HUGHES
LSR, Jefferson Region



ROBERT LAURSEN
Regional Training Coordinator



RICHARD LAVENDER
LSR, Bluegrass Region



RUSTY REID NAMED BLUEGRASS REGIONAL SALES MANAGER
Rusty joins the Kentucky Lottery with over 20 years of managerial experience and an extensive background in the retail industry. Rusty most recently worked for the Florida State Lottery beginning as a field sales manager and working his way up to the district manager of the Jacksonville Region. He attended Jacksonville State University where he obtained his Bachelor's degree in Political Science, and is originally from Alabama where he grew up about 5 miles from Talladega Super Speedway.

AMY'S CLOSING THOUGHTS

I've been thinking about this upcoming year, or "The Roaring Twenties" if you will. As we move into this new decade there are so many wonderful achievements that YOU, the Kentucky Lottery's retail partners, have made possible. We've lined up many exciting new products that will continue to support your efforts.

Since the introduction of our Retailer Incentive Plan, we went from 77% of new games in the market on launch day to 90% on launch day. Thank you for offering our players (and your customers) the earliest possible playing experience at each launch.

We continue to expand our Keno Game Touch Draw self-service experience across the state in our social establishments and add new kinds of retailers. These additions continue to ensure we support our Kentucky scholars.

On February 21st we launched our newest \$30 game Gold Rush and WOW!!! Break Fort Knox really stole the show in 2019, but Gold Rush came roaring into the 20's. With three \$3 million top prizes there were plenty of players who could "Stake Their Winning Claim." We also launched a new \$2 and two \$5 price point games to round it out. February also saw the addition of new pack size changes for the \$30 and \$10 price points. The increase in pack sizes ensures that you can keep these games in stock to maximize your sales.

On March 30th we will be adding two Fast Play games to our menu, \$2 Tic Tac Cash and \$5 Break the Bank. On April 26th we will launch our new draw game, Win Place Show, statewide. And if that wasn't enough, we will jump into spring with another Scratch-off launch with a \$1, \$2, \$5, and \$10 price points.

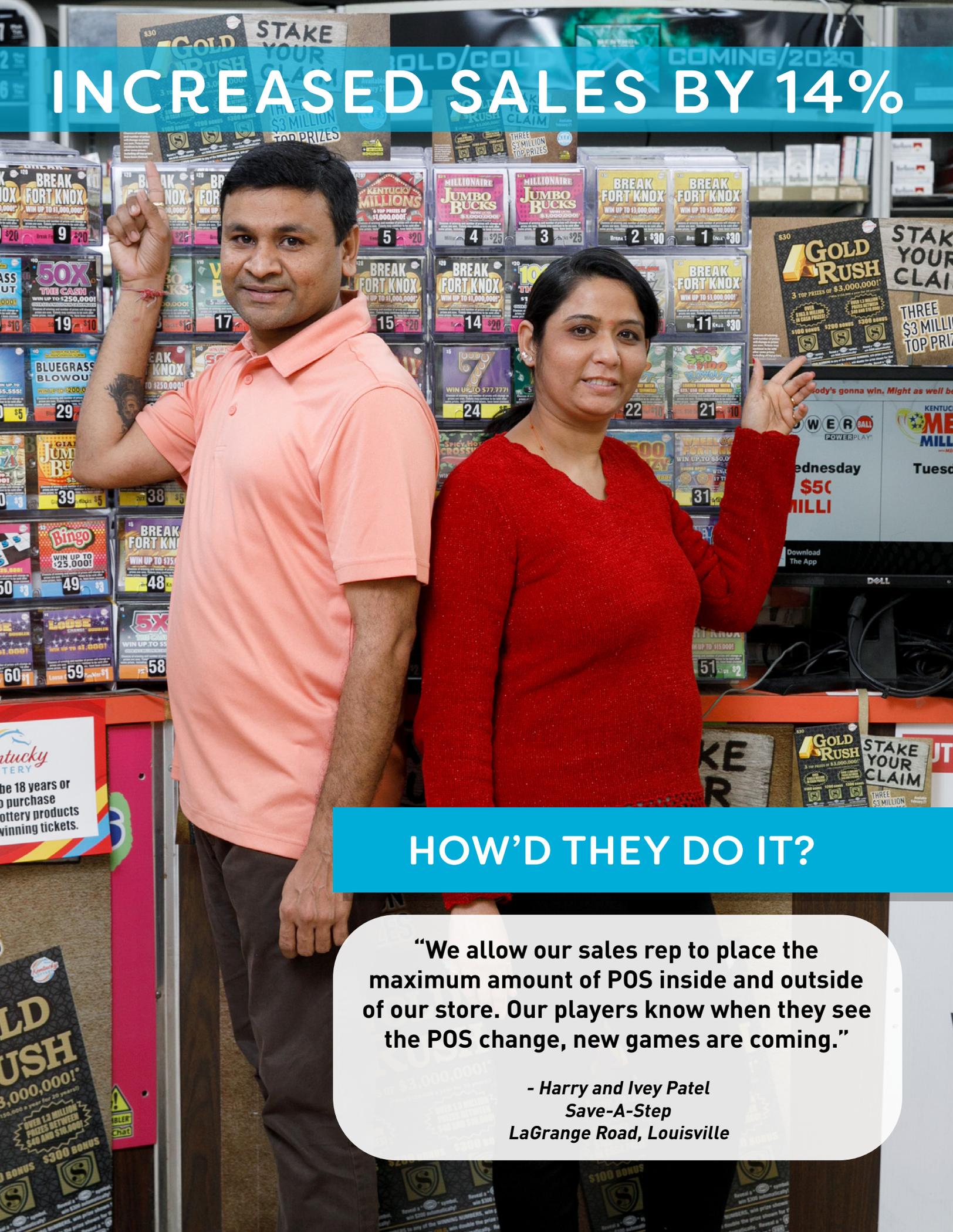
With this kind of exciting line up, 2020 promises to be another record year with our KLC retail partners roaring right into the first half the new year.

Thank you again for all you have done and continue to do in "Fueling Imagination. Funding Education."

Amy Drooker
KY Lottery Sr. Director of Sales



INCREASED SALES BY 14%



HOW'D THEY DO IT?

“We allow our sales rep to place the maximum amount of POS inside and outside of our store. Our players know when they see the POS change, new games are coming.”

*- Harry and Ivey Patel
Save-A-Step
LaGrange Road, Louisville*