

THE QUARTER



**TIME FOR
HO-HO-HOLIDAY
TICKET SALES!**

**MEET TV'S
"GRANDMA"**

**INCREASE FACINGS -
AND PROFITS**

**GIFT
RESPONSIBLY**



THE PRESIDENT'S CORNER

I hope this message finds you heading into a prosperous holiday season!

One item that Kentuckians love to give as holiday gifts are our Scratch-off tickets. That's one of the main things you'll be reading about in this issue of The Quarter – we have a solid family of holiday tickets (they should just now be arriving in your store) which will hopefully bring in customers who may not otherwise be shopping in your establishment.

We'll be supporting this holiday launch with a TV campaign, once again featuring our terrific Grandma character. We hope you like the POS and even life-sized standees of her for your store. We've never re-visited a holiday character like this before, and there's a good reason – last year's Grandma TV commercial scored the highest likability score we can ever remember!

In addition to holiday tickets, there's a longer-term initiative you'll also be reading about in this issue. Here's a fact that's simple and direct – more tickets on display (what we call facings) mean more sales and commissions for you. This is a big initiative for our sales organization, and if they haven't already, look for your rep to have a conversation with you about this soon.

As always, let me know if you have any questions or concerns. You can reach me at Tom@KYLottery.com.

Thank you for your hard work and your ongoing partnership. Here's to a fantastic holiday season, and we're all looking forward to a successful and prosperous 2020.

Tom Delacenserie
Kentucky Lottery
President and CEO



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:



RESEARCH ARE LOTTERY SCRATCH-OFFS HOLIDAY GIFTS OR STOCKING STUFFERS?

Type the words "Last minute holiday gift ideas" into your favorite search engine, and you're bound to come across a list including Lottery Scratch-off tickets. But are Scratch-off tickets truly "last minute" stocking stuffers, or can they be thought-out planned gift ideas as well? It turns out the answer is BOTH!

In March 2019, the Kentucky Lottery conducted a panel study with 400 respondents and asked:

"When considering the purchase of a Holiday Scratch-off ticket for yourself or another person, do you think of the purchase more as a "gift" or as a "stocking stuffer"?"

- 52% of total Panel respondents viewed holiday Scratch-offs as a "stocking stuffer", with 16% viewing them as a "gift" and 32% indicating that the terms were interchangeable.
- Ticket pricing didn't seem to affect the findings, as players of high dollar Scratch-off games (\$10-\$30) reported a similar response as players of low dollar Scratch-off games (\$1-\$3).
- When asked if they had a set budget and were purchasing holiday Scratch-offs as a gift or stocking stuffer, 62% of total panel respondents reported that they would prefer to buy more tickets in smaller denominations vs. fewer tickets in larger denominations. 24% preferred fewer tickets in larger denominations and 14% had no preference.
- 59% of panel respondents preferred to purchase holiday Scratch-off tickets close to Christmas/Hanukkah (post-Thanksgiving thru December) while 18% reported that they would purchase holiday tickets at the last minute. Only 23% cited a preference to purchase holiday tickets when they first come out in stores.
- The group also reported 57% preferring to purchase holiday tickets at the counter, vs. 18% preferring a lottery vending machine, and 25% having no preference.
- When asked the single best thing about getting or giving as a gift, the idea of the excitement of potentially winning a lot made it worthwhile, plus it's just a fun experience to share.

So, whether you consider lottery to be a "gift" or a "stocking stuffer," make sure you are stocked up for the coming season—both at game launch, as well as for the last second shoppers!



HOLIDAYS EXPECTED TO INCREASE LOTTERY SALES FOR MOST RETAILERS



Searching for the right holiday present sends millions of people to shopping centers across the world; for the Kentucky Lottery, the second quarter is the biggest of the year, thanks in part to the many retailers who sell tickets as holiday gifts.

“The competition for the discretionary dollar, for the impulse purchase, is never greater than this time of year,” says Mike Purcell, senior VP of sales and marketing for the Kentucky Lottery. “The Kentucky Lottery has put a

lot of planning and effort into our ticket design, our advertising campaign, and in-store POS to ensure that our games are seen by the players. The holiday season is a lot about impulse purchases, and we are making sure players see our great offering of games.”

Eddie Frakes, VP of marketing, says the Lottery will introduce \$10, \$5, \$2 and \$1 versions of the game Holiday Cheer, which was positively focus-group tested. The tickets were released in late October.

Purcell says holiday games follow clear patterns each year. **“The \$5 and \$10 will start off hot, but right before Christmas the \$1 and \$2 games are really going to take off because of last minute stocking stuffer purchases. It is very important to make sure that you have significant back stock of these games in December.** Many retailers ran out just before Christmas (in 2018) and couldn’t get another order in time. They lost the sale, and the customer, to their competition.”

So how did 2018 compare to the year before? **“The first six weeks of the 2018 holiday games sales were 23 percent higher than non-holiday games compared to 2017,”** Purcell says. **“Getting these games in dispensers and keeping them full in 2019 is extremely important for the retailer’s business.”**

While retailers often have a wide variety of items on which to focus -- fresh foods, coffee, stocked beverages in the cooler, candy, snacks and soda machines -- it’s easy for Lottery tickets to get lost in the daily shuffle.

“You should be upselling lottery tickets year-round just like every other product,” Purcell says. “We will help make that job easier for you by providing a holiday envelope again this year. It is designed to hold one of each of our family of games. If a player purchases a \$10 Holiday Cheer ticket, you should show them the (accompanying)

envelope and point out that it is made for one ticket at each price point of the Holiday Cheer family.” Printable Scratch Wrap gift envelopes are also available for download from the Lottery’s website.

Marketing will ramp up during the holiday season as well.

“TV, digital, social media, and radio campaigns launch just after Thanksgiving,” Frakes says. “In-store POS materials began posting at the end of September, so that we’re in holiday take-over mode once tickets go on sale October 25th.”

Last year’s holiday promotion featuring the Grandma who got run over by a reindeer on her way to buy Lottery tickets for her family was such a success that it will run again this year but will feature the 2019 tickets. (See our story on the actor in the commercial on page 6.)

Once the marketing campaign begins, Purcell says it will drive players to the stores with the holiday tickets top-of-mind. “Stay in stock, follow Plan-O-Gram and tape packs together in the vending machine,” he cautions.

“The Plan-O-Gram is more important than ever for a couple of reasons: one, the holiday season is full of chaos and rushing around. Holiday displays are being added to every open space in the stores. Our Plan-O-Grams are consistent across the state and make purchasing Lottery tickets easier for the players. Secondly, we try to display new games, like the Holiday Cheer family, in blocks. It makes identifying the new games simple by highlighting them in a group.”

Get ready for the rush by ordering packs early enough so that you don’t run out. Plan placement of your facings so every customer who hits the registers sees tickets. (See our story on facings on page 10.) And winners are certainly out there—one player from Georgetown last Christmas won \$1 million on a Scratch-off ticket she got as part of a game at her family holiday celebration.

“Out of sight is out of mind,” Purcell says. “If the customers can’t see them, they won’t buy them. Additionally, if the POS and the games are visible from a distance, the customer can decide on their purchase while waiting in line. By the time they reach the cash register they can make a quick purchase and move out of the line. We will be fully supporting the holiday games with a full complement of POS.”



DECORATE AND WIN!

Time to get festive – your store could win \$250 for creating a holiday display!

Use voided Lottery tickets, playslips or any other Lottery-related materials to create a display in your store (your sales rep will provide voided tickets for your creation). Reps will take pictures of displays between now and December 6th, and the top 3 will be posted to the Lottery’s Facebook page where our followers will pick the best display. The winner will get a \$250 gift card or Lottery credit! Check with your rep for more details – and happy decorating!



WHO GOT HIT BY A REINDEER?

ACTRESS WHO PORTRAYS “GRANDMA” BECOMES ONE OF THE BEST-LOVED KENTUCKY LOTTERY AD CHARACTERS!

86-year-old Muriel Minoff might be a familiar face to the Kentucky Lottery and regional television viewers. After all, her Lottery holiday commercial turned out to be one of the best received in the company’s history. Minoff’s character, the “Grandma” who might have been run over by a reindeer but still managed to get her family’s lottery tickets as gifts, will run again this holiday season.

“The commercial itself was so well-liked during last holiday season—71 percent of the respondents surveyed liked the commercial—that we decided to run it again with just a few edits to feature our new holiday tickets for 2019,” says Edie Frakes, vice president of marketing for the Kentucky Lottery. “This saves production money so that we could do some extra features, like Grandma as a life-sized cut out for stores that can place her, etc.”

Bronx, New York-based Minoff says she always had an interest in acting as a teen after graduating from a public performing arts high school, but life got in the way for a bit. “I always loved acting, and I wanted that to be my career; however, I met my husband and things happened, and we just became a family and everything got put on hold,” Minoff says.

She and her husband, Philip, raised two children, and when the pair became empty nesters, “my husband said, ‘why don’t you do what you always wanted to do?’” Minoff says.

And so, she did. Minoff had headshots taken, put a resume together and found a talent agency in New York. “Slowly but surely, I got into this commercial field,” she says.



Her husband, Philip, was her biggest champion until he passed away, and Minoff still carries his support as she attends auditions. “I’ve been doing this, really, for about 20 years now,” she says. “It’s been fun. It’s the kind of thing that I don’t think about my aches and pains like a lot of my friends do. I focus on ‘maybe I’ll get an audition tomorrow. Maybe I’ll book a job tomorrow.’ It gives me something to look forward to.”

Two days later, she got the call that she had booked the Kentucky Lottery job despite her shorter hair.

Minoff had never been to Kentucky, “and the only thing I knew about Louisville was the Kentucky Derby. So, I went down there not knowing what to expect. ...They put me up in a lovely hotel and I walked around to see everything. Everybody was so kind and friendly, and I just had the best time” during her three-day stay.

The Lottery commercial was shot at night, “and we didn’t get done until about one a.m., so that was tough,” Minoff says. Still, she soldiered through many takes, and says everyone was helpful getting her off the ground during breaks in the filming.

The end product turned out successful for the Lottery and will run again this holiday season.

Aside from The Kentucky Lottery, Minoff can be seen in several other regional and national commercials, including a Colonial Penn ad with “Jeopardy” host Alex Trebek. “That was very nice,” she says. “That was a job that I cherish because I love Alex Trebek, although I didn’t get the chance to work with him because he did his part on the West Coast and I did my part in Boston. Being that it’s still running and all my neighbors, people I had never talked to, stopped me on the street and said, ‘Did I see you on TV?’ That’s fun -- when people recognize you.”

And at 86, Minoff doesn’t seem to be stopping. “To see yourself on TV that is the most fun,” she says. “As long as my health holds, I’ll do more. I try not to plan too far ahead!”





VANNA WHITE CELEBRATES NEW TICKET IN KENTUCKY

Vanna White spent a day in Louisville in late September interacting with fans and doing media interviews on behalf of the Kentucky Lottery. She was there to kick off sales of the new \$5 Wheel of Fortune Scratch-off ticket.

White attended what the Kentucky Lottery billed as "Kentucky's Largest Wheel Watch Party". She was set to watch that night's episode of Wheel on a Jumbotron in the YUM! Center Arena, along with a small group of VIP second-chance winners in a private suite.

Fans lined up for an hour and a half to meet the legendary TV personality and get photos and autographs, and she answered questions during a Q&A session hosted by Kentucky Lottery President and CEO Tom Delacenserie.

White was one of 200 women selected to audition for "Wheel of Fortune" in 1982, selected by show creator Merv Griffin because he liked her chemistry with host Pat Sajak. In 1992, she was recognized in the Guinness Book of World Records as "Television's Most Frequent Clapper." Averaging 720 claps per episode, she puts her hands together more than 28,800 times per season.



GIFT RESPONSIBLY

As the holiday season is quickly approaching, one of the most widely used annual responsible gaming programs is ready to launch again in Kentucky.

2019 will mark the 9th year that the Kentucky Lottery has partnered with the National Council on Problem Gambling and the International Centre for Youth Gambling Problems and High-Risk Behaviors at McGill University to share a simple message. "The message is a simple one: that lottery tickets should not be purchased as holiday gifts for children," said Dr. Jeffrey Derevensky, co-director of McGill's International Centre for Youth Gambling and a renowned expert on problem gambling among young people. "Whether or not it's legal for minors to participate in lottery games in a particular area, it's still a bad idea. While we certainly don't believe that every child who receives a lottery ticket is going to develop a gambling problem, the evidence is increasingly clear that those kids who receive a ticket as a gift are at higher risk, and the younger they are, the greater the risk."

The Lottery will share the messaging via social media, and in conjunction with the KY Council on Problem Gambling in news releases.



FACINGS: HOW PROMINENT ARE

LOTTERY TICKETS IN YOUR STORE?



Lottery sales are expected to rise this quarter as shoppers look for unique gifts for family and friends. Are you ready for the season? Now more than ever, facings “are important for variety of products offered and pressure at the counter,” says Amy Drooker, senior director of sales for the Kentucky Lottery. “The higher a retailer’s sales, the more facings need to increase.”

Facings, or the point-of-purchase sales units that typically sit on the counters as customers pay or the large vending machines, are as important as those found elsewhere in stores and can generate thousands of extra dollars.

“When you buy M & M’s, there are usually three or four boxes of peanut M & M’s,” Drooker says. “Most likely that’s because they sell more peanut M & M’s and don’t want to run out, so they keep two or three boxes of the peanut, a couple of the original and one of each specialty M & M’s.”

In an already crowded POP area, how do retailers decide where to put their ticket dispensers?

“Ninety-seven percent of our Scratch-off game sales come from our top 25 games,” says Mike Purcell, senior vice president of sales and marketing. “If you are carrying our top 25 games, that means you are providing 97 percent of your customers the games they want. Not only do you need room for those games, but you also need room for second and third facing displays for the most popular games. The average retailer in Kentucky has 37 ticket facings and the highest volume locations have many more.”

Drooker says lottery tickets are often impulse purchases for entry-level players.

“If the tickets are on the front counter, then you capitalize on those incremental dollars,” she says. “Our loyal, consistent lottery players like them front and center, but find them no matter where the retailer places them. Lottery ‘best practice’ is on the front counter; however, (some) retail partners will place them on the back counter due to space constraints.”

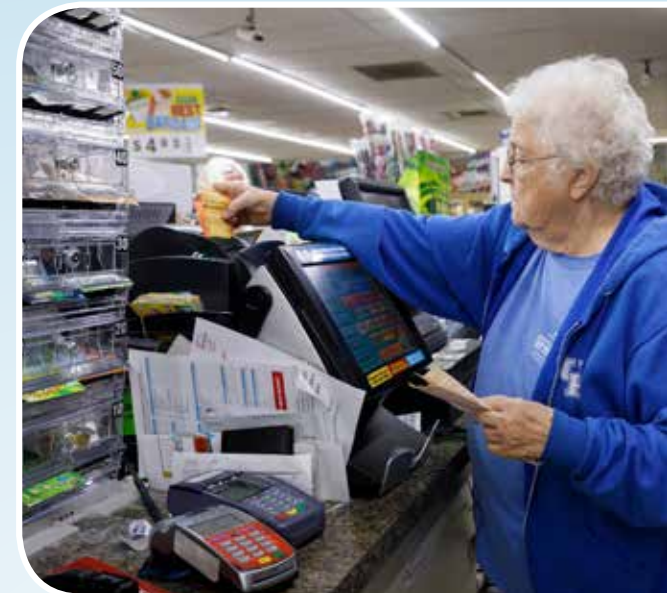
Keeping your facings clean, free of clutter and well stocked are keys to success. Packs of tickets should be taped together to reduce the possibility of empty bins.

At the Prime Star 7 in Nicholasville, Kentucky, “All day long we refill empty Scratch-off bins as needed,” says retail associate Nancy Major. She says the store keeps all their facings where customers can see them rather than have a few on the counter and more behind the sales associates.

“Some locations try to put the minimal number of facings on the counter,” Purcell says. “By doing so, they miss the sales opportunities from carrying a better variety of games. Additional facings give them the benefit of displaying multiple packs of the most popular games. If the best-selling game is only displayed in one bin and it sells out, the retailer has to stop what they are doing and restock that bin or lose the sale completely. Multiple bins of the same game eliminate that lost sale and lost customer.”

Savvy Lottery players expect the latest tickets to be available on the launch date. If they’re not in the facings on the day they’re released, those customers are more likely to hit up another store in search of the holiday tickets. But a crowded checkout counter can easily make Lottery tickets white noise against other sales items.

“Take a look at the front of your counter from the customer’s perspective,” Purcell says. “Can you easily see all the games? Can you see the cost of the ticket and the name? If not, then some changes need to be made. You want the player to be able to make their game decision while they are waiting in line and not when they are at the register. The easier it is for them to see the games, the quicker they will move through the line and reduce your transaction times.”



NEW SCRATCH-OFFS ON THE WAY

As you've read, we're extremely excited to showcase our new HOLIDAY CHEER family of games! All price points have higher top prizes and added play features as the price increases. And since our research shows these games are often given as gifts, we've loaded them up with prizes in the low to mid-tier ranges to capitalize on the number of winning experiences.

\$1 HOLIDAY CHEER has a top prize of \$5,000 with overall odds of winning of 1 in 4.88.

\$2 HOLIDAY CHEER has a top prize of \$10,000 with overall odds of winning of 1 in 3.94.

\$5 HOLIDAY CHEER has a top prize of \$50,000 with overall odds of winning at 1 in 3.52 and over \$10.2 Million in cash prizes.

\$10 HOLIDAY CHEER has a top prize of \$100,000 with overall odds of winning at 1 in 3.06 and over \$11.7 Million in cash prizes.

OTHER DECEMBER GAMES

Looking beyond the festive Holiday Cheer family to December 6th, three new games will launch including two short-run "bridge" games. These limited quantity games will only be available while supplies last and will not be reordered - so once they are gone, they're gone.

Following last year's wildly successful Lucky in Love \$1 Valentine's game, this year we're doubling the fun (in more ways than one). We're rolling out a \$2 game that not only gives a nod to Valentine's Day but also to St. Patty's Day. **LOVE & LUCK** is a two-scenes game, one depicting hearts and the other depicting clovers, with a chance to win up to 10 times and up to \$14,000. And, with over \$3.8 Million in total cash prizes, players are really going to love this game!

MONEY MANIA is a new linked-grid game launching in December. The \$3 game's extended play style is very popular with players as they search for matching symbols to complete horizontal or vertical lines to win the prize shown. With a chance to win up to six times on a ticket and over \$2.8 million in cash prizes (including a \$30 or \$50 winner in every pack and a top prize of \$25,000), this game will be hard to keep in dispensers so be sure to maintain plenty of back stock to keep up with demand - especially since it's only available while supplies last!

Who doesn't love pay day, right? With the new \$5 game, **PAYDAY**, also launching on Dec. 6th, players can make everyday a pay day! It offers lots of play value with an auto-win, doubler and win-all features and a chance to win up to 15 times and up to \$50,000 on a ticket. This strong money-themed game is loaded with mid-tier prizes including over 71,000 available prizes between \$30 and \$1,000, and a \$30, \$50 or \$100 winner in every pack. With all that cashing activity going on in your stores, you too will be seeing a lot of pay days as well!

And don't forget to also be on the lookout in December for our newest \$1 Scratch-off, **LOOSE CHANGE**!



JANUARY GAMES

Once the holidays are over and we head into a brand-new year it's also time for a brand-new family! Get ready to ramp up the excitement with the launch of our **KENTUCKY MILLIONS** portfolio. You've all seen how popular the \$20 KENTUCKY MILLIONS has been ever since launching back in May. In fact, it's consistently held its spot among the Top 5 on our weekly Top 25 Games List and now we have four more games to add to the mix at the \$1, \$2, \$5 and \$10 price points so now everyone can enjoy the fun and excitement at whatever price they choose to "treat" or "indulge" themselves.

Your lottery sales rep will be pre-selling this exciting new line-up in early January, so stay tuned!



FAST PLAY

OFF TO FAST START!

It's been a few weeks since we launched Fast Play, and we hope you and your players are enjoying this new category of games! So far, sales are exceeding our expectations – the game outsold Powerball in its first few weeks – and we saw two jackpot winners in the first week of sales.

Fast Play offers many benefits to both you as a retailer and to your players.

Key benefits to players:

- No drawings to wait for, no playslips to fill out, no numbers to pick
- Many themes updated regularly so there's always something new
- Great odds and lots of cash prizes that never sell out
- Rolling jackpots that grow with every ticket sold

Key benefits to retailers:

- Over 99% of prizes are cashable at retail, meaning increased churn
- Opportunity to grow commissions and attract new players
 - o 5% commission on the sale of all Fast Play tickets
 - o 1% cashing commission on every ticket cashed in your store
 - o 1% selling bonus for all validated tickets over \$600 sold in store
- No ticket inventory and accounting, no ordering tickets, and no dispensing!

Television and radio support for Fast Play will continue through November 27th. This 7 ½ week media campaign has been one of the most robust media campaigns for a non-Scratch-off game in years!

And don't forget, since Fast Play games aren't tied to a drawing, they make a perfect last-minute holiday gift!

FAST PLAY
The Fast Lane to Cash

NEW SERIES OF TERMINAL GAMES WITH:

- **INSTANT CASH PRIZES**
- **ROLLING JACKPOTS**

RESponsible Gaming
Call-Text-Chat

LOTTERY PROGRAM FUND
KEES
AND OTHER COLLEGE SCHOOLS IN KENTUCKY

Kentucky LOTTERY
Quality Entertainment Family Education

20x THE CASH
CURRENT ESTIMATED JACKPOT \$75,637
This game pays 50% of the Jackpot.

50x THE CASH
CURRENT ESTIMATED JACKPOT \$75,637
This game pays 100% of the Jackpot.

5x THE CASH
CURRENT ESTIMATED JACKPOT \$75,637
This game pays 10% of the Jackpot.

HOW TO PLAY
Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win prize below that match. Get "Jackpot" below a match, win 20% of the jackpot amount.

21WY0-ZB3TM-J2200-Z06S6-S518N

WINNING NUMBERS:
09 03 27

YOUR NUMBERS:
09 03 17 12

SNATCH AND RUN THEFTS ON THE INCREASE

Picture your store at the busiest – and least busiest – time of day. Both scenarios are common in “snatch and run” theft of Scratch-off tickets. The Kentucky Lottery Security Division has seen a recent increase in this type of thefts across the Commonwealth.

Criminals use diversions designed to cause the clerk to look away from the counter ticket dispenser long enough for the thief to grab the tickets and run out of the store. These thieves commonly visit the store prior to the theft in order to “case” the store, watching for vulnerabilities in the clerk’s habits, which increase their chances for a successful theft.

The thieves are occasionally regular customers of the store, deciding to take a chance when they’re down on their luck. Common techniques of the criminals include asking the clerk to retrieve items for purchase, which are in a location away from the ticket dispenser. While the clerk looks away to retrieve the requested item, the theft occurs.

The Lottery’s Security Division has tips for what you can do to avoid this type of incident:

1. Maintain constant awareness for the potential of this type of theft.
2. Coordinate with your sales rep and Lottery security investigator assigned to your store for the safest and most productive placement of dispensers.
3. Maintain visual contact with all customers as much as possible.
4. If possible, provide two clerks in the counter/dispenser area so there is always someone available to monitor the register(s) and dispenser(s).
5. If possible, don't allow tickets to “hang” out of the dispenser, making it easier for the criminal to steal them.
6. Never leave activated or unactivated packs of tickets exposed or accessible to the public.
7. Educate ALL employees regarding the information provided in this article, including all new employees when they are hired.

These tips should decrease the likelihood of ticket thefts in your store. As always, in the event of any theft of Kentucky Lottery tickets, immediately contact your local police and the Lottery’s security division.

WINNERS WINNERS EVERYWHERE!



KATHY ADKINS OF PEMBROKE, KY \$60,000 FAT WALLET

Kathy (left in photo) was visiting her sister in the hospital when she stopped at Valero in Owensboro and bought a Fat Wallet scratch-off ticket.

"Once in a blue moon, I play the lottery," she said. Kathy was cashing in a \$10 scratch-off ticket she'd bought previously and decided to buy one \$5 Fat Wallet ticket and a \$5 ticket next to it.

Kathy and her daughter were waiting in line at the drug store when she played the ticket. "I saw the first five thousand dollars and then ten thousand dollars. I just really couldn't believe it, so I handed the ticket to my daughter to look at. "Mom, you did win," her daughter said. I looked around and told her, "We gotta get out of here," Kathy said.

Kathy told lottery officials she was a self-described penny pincher and would have to think about what she was going to do with the winnings.



LOUISVILLE, KY \$1,000,000 POWERBALL WINNER

A Louisville man, who wished to remain anonymous, presented the ticket at lottery headquarters from the June 8th drawing.

"It's overwhelming but such a huge stress relief," he said.

He and his girlfriend had stopped at Circle K #3303 on Valley Station Road in Louisville to purchase their tickets for the drawing.

"We wouldn't be sitting here if she hadn't gone in to buy the tickets," the Louisville man said.

After going to a store to check their tickets, he was told after the clerk scanned the ticket that it was over \$600 and too much for them to pay.

"I was sitting in the garage, when I pulled up the Kentucky Lottery app and began putting in my numbers. Next thing I knew, it read we'd won one-million dollars. I just sat in my car crying," he told lottery officials.

"I went inside and walked up to hug her (girlfriend) and said, 'We won the million dollars.' We cried for hours," they told lottery officials.

"This couldn't have happened at a better time and is a huge blessing. It still hasn't sunk in. I'm thinking, 'Wow, here in the next couple of hours, our lives will change,'" she said.



KENNETH PENCE OF HAZARD, KY \$250,000 BREAK FORT KNOX

Kenneth stopped off at Cornett's Mini Mart in Hazard in July to purchase a \$10 Break Fort Knox ticket. After scratching it off he thought he'd won \$50,000.

Then he realized it was \$250,000.

This isn't his first big win for Kenneth. Nearly two years ago he won \$125,000 on the Double-Sided Dollars scratch-off ticket.

When asked if this was the first time he had played Break Fort Knox, he replied,

"No, I've played 'em all! Those that aren't winners I make sure to enter into the Second Chance Promotion."

When asked what he planned to do with his big winnings, he said, "Lay it back and keep scratch'n."



HENDERSON, KY \$1,000,000 100X THE CASH WINNER

A Henderson man's life changed in May when he stopped at the Country Cupboard #6 in Henderson to buy his favorite scratch-off, 100X The Cash. "It's about the only one I play," he said.

He told lottery officials he bought the last two tickets on the pack and then asked the clerk if they had any more in the back. After a few minutes, the clerk returned with the last pack they had in stock. He bought three more of the \$20 ticket.

The player said he normally will scratch the bottom section first, looking for the three small letters which shows if a ticket is a winner. "I didn't see any of the letters, so I scratched off the barcode and scanned it using the self-ticket checker," he said. Seeing a message, he didn't understand, he scratched off the winning numbers to see where he had matched. The winning number 12 showed a match - and below the number 12 was the prize amount of \$1,000,000.

"I saw the 12 and I couldn't move," he told lottery officials. "I walked up to the clerk and she asked if I was okay. She looked at the ticket and we both were standing there like two zombies," he said.

He tried calling his wife at work but had to leave a message. She called him back during her break. He told her, "We're going to have to go to Louisville but may need to talk to an accountant first." "I was shocked and scared all at the same time," his wife said. They sought out financial advice and two weeks later headed to lottery headquarters.

Here are just a few of our other recent winners!

Daniel Hile



Debbie Walls



Devin Walls



James Young Sr.



Jamie Villa



Joey Buchanan



Kathy Dotson



Keith Price



Winfred Cook



REGIONAL SPOTLIGHT

11275 LOUISVILLE SPOTLIGHT

As we prepare for another holiday season, there are key drivers our retailers must focus on to drive business. This time of year is a peak time for travel, which drives increased foot traffic. You must keep your eyes on inventory levels in order to reduce lost sales. The Louisville region always educates retailers on lost sales dollars from out of stocks. However, we place an increased emphasis on retail locations along the highway. This helps retailers capture all the impulse dollars from holiday travelers. Adding additional facings will also be a huge priority for the region, as the Louisville team will be focused on adding holiday game towers at retail. The additional facings will raise player awareness on the new games and drive incremental sales for the retailers. The tower placement will also simplify Friday morning activations for the new games release - retailers can simply activate the new games first thing Friday morning and place them in the tower. This allows them to display the games more promptly and meet customer demands on Friday morning.

Top 3 retailers in the Louisville region, scratch sales percentage increase Q3 FY19 vs. Q3 FY18:

- #1 BOWMAN FIELD LIQUORS**
504.9%
- #2 RIVER ROAD SHELL**
332.5%
- #3 TINY MART I**
226.3%



Cox's #21 in Shelbyville is one of the first retailers in the area to activate, display and sell the new games at every new game launch. The \$5 Scratch-offs are a best seller at this store, so we recently added a 4-game tower of retailer's choice to offer those favorite games. Pictured from left to right are Michelle, Sommer, and Frances.



Greg, Store Manager, at Murphy's USA #7606 in LaGrange, is continually one of the first retailers to activate and reset his plan-o-gram at every new game launch. This best practice has attributed to a 26% Scratch-off growth at this store.



This is Vicki and Sheryl from Cox's Smokers Outlet #20.



Shailesh Patel and Niru Patel, owners of Super USA #9 in Louisville, gladly accept the store's quarterly incentive check from LSR Travis Day.



Rocky, Jamie and Jackie at Quick Stop Liquors in Louisville have used additional dispensers and great customer relations to increase overall lottery sales by 24% from FY18 to FY19.



Alex and Raj from Mini Mart in Louisville are excited about that bonus check!



Smoker Friendly #29 in Milton shows off their FY19 Quarter 4 Incentive Check. This store does an awesome job of keeping their bins full and set to exact plan-o-gram. Jennifer, Vanessa, and Jennifer realize the importance of early new game activations and getting those new games for sale early Friday morning of launch weeks.



LSR Jason Woodruff presented an incentive check to Andy at Dongar Food Mart & Deli in Louisville for excellence in execution and best of the best.



James Abner, Director of Operations for Cowboy's seven-store chain, holds their FY19 Quarter 4 Retailer Incentive Check. James does an awesome job supporting and promoting each of his stores to follow the exact plan-o-grams, Friday new ticket activations and no OOS in those bins.



Prestonville Convenience Store District Manager Donna Dennis holds the store's incentive check. This store, along with two other stores Donna manages, are always one of the first retailers to activate their new games and load their tickets on Friday morning. Donna says they always have early morning customers ready to purchase those new tickets.



Danny Patel with Breckenridge BP in Louisville shows off the store's incentive check. Danny keeps the dispensers merchandised to plan and ensures that lottery is front and center of the customers.



Friendly Food Mart & Tobacco in Shepherdsville has really worked hard to improve sales and they are up 12% overall. Nick and Manisha are buying in on double loading and taping as OOS have improved under 8% and Scratch-off sales have increased 3%. They really work hard during launch week to activate new games.

BLUEGRASS SPOTLIGHT

How many times a day do you hear, “So you ready for Christmas/the Holidays”? Well no one is more ready than the Kentucky Lottery’s Bluegrass Region!

One of our region’s goals is to add 2242 facings each quarter. Those extra dispensers mean more revenue and commissions for you! Placing the new Holiday Cheer family of games in a 4-game tower draws your customer’s attention to the colorful and festive new games. When they see the holiday envelopes provided by your sales rep, they know they’ve found the perfect stocking stuffers!

Our draw games (Powerball, Mega Millions, Pick 3, etc.) account for about 1/3 of Kentucky’s lottery sales. Unfortunately, retailers often rely on billboard signs, radio and TV commercials, and digital signs to advertise the jackpots. Your sales rep also has Powerball and Mega Millions jackpot stickers – just ask them for a roll. Write the jackpot on the sticker with a Sharpie. To remind the players to buy a ticket, wear one every day, even when the jackpot is \$40 million. Compare your sales before and after. You’ll be pleasantly surprised.

The Bluegrass Region wishes each of you “Holiday Cheer” this season!



Rick Landrum, owner of Ron's Food Mart in Covington, says his prized possession is his solid wood playcenter. Reps have tried to get him to upgrade to a new playcenter but he has politely declined each time. His father, Ron, started the business and they are 30-year lottery partners.

Top 3 retailers in the Bluegrass region, scratch sales percentage increase Q3 FY19 vs. Q3 FY18

- #1 ELLIS EXPRESS**
273.2%
- #2 BIG B LIQUOR**
176.2%
- #3 SPEEDWAY #7408**
131.5%



Vishal Patel of Chills Quick Stop in Danville received the store's quarterly bonus check. Vishal's success comes from keeping his dispensers and vending machine full.



- Paresh and Reshma Patel, owners of Dixie Market in Florence, show off a ceremonial bonus check for selling a \$1 million Powerball ticket earlier this year. They have built a loyal lottery customer base by providing lottery players with a winning experience at their store, following the plan-o-gram and being a top selling retailer.



Paul Gabis, owner of Ameristop Food Mart 29082 in Villa Hills, has been selling lottery products since day one. He says his favorite part about selling the lottery is seeing his customers' faces when they have a winning ticket.



Peter Patel shows off his lottery display at D & D Shell in Science Hill. Following plan-o-gram, rotating inventory, along with the ease of automatic order and recently adding retailer's choice is resulting in increased sales and more incentive money for the quarter.



LSR Jeff Scott delivers a bonus check to Scott, owner of BC Roosters in Georgetown.



Cameron Russell, Manager of Mini Mart #663 on Ironworks Pike in Lexington, increased his ticket facings to 24 and they now qualify for the Best of the Best Incentive!



Merrick Shell in Richmond recently sold a big winning ticket and created a display to make sure all passersby know. Billy Chokski, top manager, proudly shows off the sign.



Patrik and Heena Patel, co-managers, love selling lottery at the Mt Zion Marathon in Florence. They always follow the plan-o-gram and keep their Gemini fully stocked.



Kristen, front end associate in charge of lottery, and Aaron, manager of Kroger #363, in Harrodsburg celebrate 30 years of selling lottery.



Jen Cowan and owner Sonny Patel of Southern Hills Food Mart in Richmond love their Wheel of Fortune stand-up promoting the new Scratch-off game.



Moesha McKitric at the Kroger Fuel Center L347 on Tates Creek shows off the menu board of games. Her Scratch-off sales are up 28% after they added 16 games.

EASTERN SPOTLIGHT

'Tis the season to be jolly, so we want everyone in the Eastern Region to keep plenty of lottery tickets on hand for stocking stuffers and last-minute gifts - you can't sell it if you don't have it! No one wants to be the person that must apologize to customers because they ran out of holiday tickets on Christmas Eve!

We have some fantastic holiday point-of-sale for you this year, so be sure to ask your KLC sales rep to review all our signage choices. If you are going to decorate your store for the holidays, incorporating Kentucky Lottery tickets into the décor is a great way to suggestively sell this holiday favorite! We also have a limited supply of 4 game towers available to display and sell the holiday games from, so be sure to ask your sales rep for these as well!

Thank you once again for making the Eastern Region number one and the Kentucky Lottery the fastest growing lottery in the USA!



Gerri and Jinny at Smoker Friendly in Flemingsburg are fabulous Kentucky Lottery partners. They ask customers if they would like a lottery ticket on each transaction, the results for draw game sales are up 247% and Scratch-off sales are up 30%.



Super Quik #1 in Flatwoods won a contest among the chain for having the lowest percentage of out of stocks in their vending machine! Heather and Rex's store's percentage was 0.01% average for five weeks!



Super Quik #8 in Grayson finished in 2nd place for the out of stock contest, with a five-week average of 0.05%! Pictured from left to right in back: Rachael, Dovie, Megan, Amy, and in front kneeling is Jack.



The Circle K in Corbin recently moved a 24-game plan-o-gram to a 30-game. Clerks Heather Miracle and Katherine Grubb are excited about the potential for growth.



Lisa and Opal of Pineville Shell in Pineville added 24-game counter dispensers to go along with their 24-game vending machine. They are excited about the sales potential and incentive earnings!



LSR Bill Bentley is with manager Alpa at Quick Mart #8 Prestonsburg. This store is currently up 10% in Scratch-offs and decided to increase their facings from 28 to 42 to increase sales and offer a wider variety of games to their customers. They also have a 24 game Gemini vending machine for customers in a hurry.

Top 3 retailers in the Eastern region, scratch sales percentage increase Q3 FY19 vs. Q3 FY18:

**#1 KROGER L-916 FUEL
165.2%**

**#2 DAIRY CHEER/SHELL EXPRESS
163.8%**

**#3 NEON DOUBLE KWIK #1
161.5%**



Rene, manager of South #1 Double Kwik in Pikeville, proudly displays her \$10,000 winner banner.



Sherman Maggard, the manager at VIP Fuels #6 in Jackson, added 12 dispensers to his current inventory giving him 42 total. The additional facings will assist him in reaching his annual budget plus give his customers a larger selection.



Connie from Super EZ in Clay City, is showing off her new plan-o-gram. She is growing from 12 dispensers to 24 to give her customers a bigger selection of Scratch-off games!



Fastop in Jeffersonville added 18 dispensers and saw 135% increase in Scratch-off sales! Owner Arjun is pleased with the increase and likes all the new game POS.



Don't let empty space go to waste! An opportunity for signage placement was found inside of this location facing the parking lot. The view from the lot, and behind the counter, proved to be a perfect fit for our new signs. Now, when customers park in front of store or walk in from the fuel pumps, they can't miss seeing what the Racer's Food Mart in Olive Hill & the KLC are offering inside!



Carla at Circle K in London made sure her Gemini Touch was full after a busy Labor Day weekend.

WESTERN SPOTLIGHT

We know everyone is in the Holiday mood - including us! We're ready to have all our retailers primed for one of the busiest and most exciting times of the year.

We're all excited to have our new Holiday games in your store, so make sure you have plenty in stock. Lottery tickets are no different than any other company which sells impulse items this time of year. People love to give lottery tickets as gifts, so make sure you have adequate inventory in multiple locations on the counter. We can add temporary increase of dispensers or place towers - just ask your sales rep.

The Western Region wants to thank all our retailers as last fiscal year we were the #1 region in the state. We have 43 counties that we cover and we appreciate each and every one of our retailers that helped us to that accomplishment. I am sure with all the tools at our hands we will help our retailers and us have another successful year.



Jr Foods #816 in Scottsville has been selling lottery for 30 years. Store Manager Melissa is ready to knock their sales out of the park this year by continuing to keep her dispensers full and to plan-o-gram.

19545

Top 3 retailers in the Western region, scratch sales percentage increase Q3 FY19 vs. Q3 FY18:

- #1 AM EXPRESS 9**
234.4%
- #2 READY MART**
208.1%
- #3 KROGER D-435**
203.1%



Jumpin Jacks #418 in Owensboro store manager Fevil Patel stands in front of his highly visible, well-maintained counter display. By staying on POG and never letting a bin go empty, he has seen quarter-over-quarter growth in his business.



Bobby Patel and Meet Patel from BG Food Mart in Bowling Green accept their quarterly bonus check. They always stay on plan-o-gram and keep all their dispensers full.



This is Kenny at Pappy's in Madisonville. He continues to grow his business by keeping plenty of inventory and staying on plan-o-gram. He never has out of stocks and his business continues to grow.



Nikita Patel at Mini Mart in Campbellsville proudly shows off the store's incentive check. Their Scratch-off sales have increased by 35%. Nikita is always focused on plan-o-gram and having no out of stocks.



Sam Patel at AJ Food Mart in Elizabethtown received an incentive check for keeping his dispensers full and increasing his Scratch-off sales.



D & M Family Foods, located in Henderson, owner Jon Floyd (right) and staff member Vicky pose for a photo receiving their 30-year recognition bat and poster.



Owensboro Jumpin Jacks #402 store manager Sanjay Patel and assistant manager Pragna Patel stand proudly in front of their Gemini. Quarter after quarter, they enjoy the financial rewards for keeping their Gemini well-stocked and on plan-o-gram.



Food Giant employees receive a recognition bat and poster celebrating 30 years of selling Kentucky Lottery products.



Raj Patel accepts a bonus check for Flex Market in Bowling Green. They always keep the dispensers and vending machine full and on plan-o-gram.



Country Cupboard #6, in Henderson, owner Jay Patel (left) and manager Dharmesh Patel receive a ceremonial check for selling a million-dollar winner on the 100X The Cash Scratch-off ticket.



Henderson retailers are celebrating 30 years of partnership with the Kentucky Lottery! Top left - Nikki, Manager at E-Z Shop #3. Top right - Manager Jennifer at Palmers Market. Bottom left - Manager Frances at E-Z Shop #1. Bottom right - Assistant manager Tonna and Manager Andrea of E-Z Shop #5.

CHANGES IN TOP SALES STAFF



Some exciting changes have taken place at the top of our sales organization!

Pete Ramsey now serves as vice president of corporate accounts and business development. A long-time Kentucky Lottery employee, Pete has risen through the sales ranks both in corporate and field sales.

In this new role, Pete will have complete responsibility for the growth of corporate accounts, and he will coordinate new business development as well.

Amy Drooker is the Kentucky Lottery's new senior director of sales. Amy has extensive experience with the Kentucky, Georgia and Tennessee Lotteries, and has worked in multiple roles of Lottery sales from an internal sales rep to a regional sales manager. She will have full responsibility for all field sales staff, like her previous role as director of sales where she proved to be both an effective communicator and sales leader.



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!



BILL BENTLEY
LSR, Eastern Region



CHRIS FAIRCHILD
LSR, Western Region



JASON WOODRUFF
LSR, Jefferson Region



JEFF SCOTT
LSR, Bluegrass Region



JENNIFER MUCHMORE
LSR, Western Region



LANCE HALL
LSR, Eastern Region



SHELBY BIDDLE
LSR, Jefferson Region

20619

AMY'S CLOSING THOUGHTS

If you ask me, this really is the "Most Wonderful Time of the Year" to be a Kentucky Lottery retailer! And here's why:

- Record September Launch – \$20 Break Fort Knox and \$ 5 Wheel of Fortune combined for the second-largest launch in our history.
- Our first complete year with our fulfillment partners at Scientific Games. All of you have made this a successful partnership by accepting the "recommended" orders and making sure your Scratch-off inventory meets demand for your customers.
- Wheel Watch Party with Vanna White – 4 VIP retailers attended with Vanna. Why did four of our retailers get to meet and hang out with Vanna? They were 10 percent over last September's new game launch sales and went into a drawing! Tons of fun at the YUM Center!
- Fast Play – the game with a jackpot you can only win in Kentucky – and with 99% of the prizes payable at the retail location. Now that's a WIN, WIN - a traffic driver and commissions paid two ways on one game!
- Keno Game Touch Draw – We have 170 NEW Keno locations featuring our Game Touch Draw machine. Welcome to our new partners, just in time for the holiday - and of course football season!
- Oh, and the BIGGEST STARS besides YOU, our retail partners, are The HOLIDAY CHEER \$1, \$2, \$5, and \$10 instant games. These games are sure to knock the stockings right off the chimney this season!
- Our Holiday retail display contest! A chance to win \$250 for retailers that go holiday nuts building a lottery Scratch-off display for the season!! Can't wait to see those pictures.
- And of course, to take us into the New Year, we will have a \$1, \$2, \$3, and a \$5 launch on December 6th that will make great stocking stuffers also!! GOT TICKETS FOR THE HOLIDAY?

This is such a fantastic time of the year and a wonderful time to be a part of the Kentucky Lottery Corporation. A big THANKS to each of you for continuing to support the KEES and our mission to Fuel Imagination and Fund Education!

SO, if you ask me, the Kentucky Lottery has the best retail partners in the country! Congratulations on a job well done and happy holidays!



HOW'D THEY DO IT?



“The holiday games themselves are eye-catching, but we also highlight them by decorating around the dispensers to make them stand out.”

**- Kanu Patel
Andover BP, Lexington**