



4th Quarter 2008

Lottery Links

News and Ideas for Lottery Retailers

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Lottery Links is provided free to licensed retailers, Lottery Advisory Commission members, vendors and other interested parties. Lottery Links is available on the web site at www.lottery.nd.gov.

Powerball® Changes Coming Jan. 4th!



Beginning January 4th, Powerball players will have a chance to play for larger jackpots more often and players who add Power Play to their ticket can win a \$1 million prize with the Match Five Prize (white balls). That's right – if players Match Five with Power Play, the player automatically wins 5 times the prize amount, no matter what Power Play number is drawn.

The overall odds of winning any prize will be improved from one in 36.6 to one in 35.1. To accommodate for the improvements, the number of white balls will change from 55 to 59, while the number of red balls – the Powerball – will be reduced from 42 to 39. With the change in the overall odds, the game is expected to produce an additional 3 million more prizes won per year, although the jackpot odds will change from 1 in 146.1 million to 1 in 195.2 million.

Key changes designed to make the game more attractive are:

- ◆ The starting jackpot will increase from \$15 million to \$20 million.
- ◆ The average jackpot won will increase from a current average of \$95.5 million to an expected \$141 million.
- ◆ Overall odds of the game will improve to one in 35.1, resulting in more than 3 million extra prizes won per year.
- ◆ The Match Five prize (white balls only) with Power Play automatically wins 5 times the regular prize amount, no matter what Power Play number is drawn, turning the \$200,000* prize into a \$1 million prize!
- ◆ The odds of winning the jackpot will change to 1 in 195.2 million.

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Director's Message

Randy Miller

Happy Holidays! Hopefully 2008 has been a happy, healthy and prosperous year for you. The Lottery wishes you heart-felt joy for this holiday season and is thankful for your dedicated service. Through our partnership, the Lottery had another successful year as we continue to provide a service to North Dakota citizens.

This is the time to reflect back on the past year. Although the Lottery experienced a 2.3% decrease in sales, it is not a surprise to the lottery industry. Many other member Lotteries of the Multi-State Lottery Association have also experienced revenue decreases.

For North Dakota, the decrease may be due to a combination of factors. The North Dakota Lottery offers only multi-state online lottery games and has not added a new game since February 2006. New games add excitement and refresh players' attitudes towards playing the games. The Lottery continues to research new game opportunities that will be attractive to players while adding value to the product mix.

Another factor is the number of large Powerball jackpots during this fiscal year. Large jackpots reflect sales increases as more players begin to play when jackpots reach the \$100 million level. To help drive sales for 2009, the Powerball game changes will give players a chance to play for larger jackpots more often. And lastly, economic conditions may have impacted sales as discretionary dollars for entertainment, such as the Lottery, shift to pay for day-to-day necessities.

However, fiscal year 2009 - July through November - is tracking a 3.95% sales increase. This is attributed to larger jackpot runs and successful promotions. Jackpot runs included the following: Powerball jackpot - hit \$206 million in September; Hot Lotto jackpot - hit \$12 million in November; Wild Card 2 jackpot - hit \$700,000 in November.

As the Lottery develops each marketing strategy, success depends upon retailers making customers aware of each promotion by displaying the promotional materials and asking customers for the sale. For the first five months of fiscal year 2009, promotions included Wild Card 2, "One Wild Deal!" in August and the 2by2 "Feast on This!" in November. This successful partnership and cooperation with our retailers has contributed to increased sales through November.

I believe we will continue to achieve increased sales throughout the new year by working cooperatively to address industry challenges and achieve common goals. The Lottery will continue to look closely at ways to increase efficiencies and develop creative promotions to increase your sales and maximize revenues to benefit North Dakota citizens. We will strengthen our relationship with veteran retailers, while assisting newly licensed retailers to become comfortable and successful retailers of Lottery products.

For the Lottery to remain strong, I ask you to utilize the resources of your customer service specialists, making sure you have the products and point-of-sale material you need to optimize sales. No one knows Lottery players better than Lottery retailers and we rely on your feedback. I ask you to encourage cashiers to actively promote the sale of lottery tickets, not only during special promotions or high jackpots, but throughout the year. I realize that selling lottery tickets is not a primary focus, but taking a few seconds to ask customers to purchase lottery tickets is an inexpensive and efficient way to increase your sales and to promote the Lottery. Let's continue to work together to have a great finish for the remainder of fiscal year 2009. *Thank you for all your hard work.*

The Lottery staff and I wish you and your employees a Merry Christmas and a Happy New Year!!!

As always, if you have any comments or suggestions to make the Lottery even better, contact your Customer Service Specialist, the Lottery office at 701.328.1574 (local) or toll free at 1.877.635.6886. I invite you to stop by the Lottery office, write me a letter or e-mail me at rmiller@nd.gov.



Powerball changes, cont.

The retailer bonus for selling a Match Five prize with Power Play is \$5,000. “This is an opportunity to increase your Powerball with Power Play sales and have a chance to earn the \$5,000 bonus,” said Director Randy Miller. “When selling Powerball, remind players that the Power Play Match Five prize will always be multiplied by five for a \$1 million prize.”

\$200,000 Prize Multiplies by 5X for a \$1 Million Prize!

To prepare for the game changes, Customer Service Specialists Scott Tarno and Sherry Maragos are visiting each retailer setting up Point of Sale materials. In addition to the display support, the change will be supported with radio advertising.

On a final note, BEGINNING JANUARY 4TH, ***you will need to REPLACE the play slips***, with the packages marked “Do not use before January 4.” Please assure that your acrylic display is uncluttered and visible to the customers.

** The set prize amounts are based on the expected number of winners sharing in the prize pool. In some cases, prizes may be reduced if claims exceed the available prize fund. For more information, review the administrative rules at www.lottery.nd.gov.*



Coming in February!

**Get 3 Plays of Hot Lotto
with Triple Sizzler for only \$5**

Beginning February 1st through February 28th, players save \$1 with the purchase of **THREE PLAYS** of **HOT LOTTO with TRIPLE SIZZLER** – that’s a \$6 ticket for only \$5. This gives players the opportunity to save \$1 and TRIPLE all their non-jackpot prizes during the month of February.

The promotion will be supported with radio and television advertising. *To learn more about the promotion, look for the Lottery’s customer service specialists to visit you soon!*

Triple All Your Non-Jackpot Prizes and Save \$1!



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2by2 Promotion Increases Multi-draw Sales

The Lottery's 2BY2 "Feast on This" promotion was met with success as players moved from the lower ticket sales to the \$7 price point. The promotion generated a 63% increase in \$7 ticket sales. In addition to increasing awareness of DOUBLE TUESDAY PRIZES with a 7-Day Multi-draw ticket, overall sales increased by 9% with a total increase of \$25,209.

The Lottery is pleased to add value to the games for players and provide promotional opportunities for retailers. *Thanks to all retailers for your support in making the 2by2 promotion a success!*

TOP 10 RETAILERS	
2BY2 "FEAST ON THIS" PROMOTION	
Rosie's Food and Gas	Dickinson
Dan's Super Market, S. Washington	Bismarck
Dan's Super Market, N 11th St.	Bismarck
Sooper Stop	West Fargo
Market Place Food & Drug, S. Broadway	Minot
Dan's Super Market, Burlington St.	Mandan
Leroy's Tesoro MVP Stores	Mandan
Dan's Super Market, W 18th St.	Dickinson
County Market Fresh Foods	Jamestown
M&H Gas	Williston



Holiday Greetings!