

# California Lottery

NASPL October 2007

# California Lottery and Sears

Why recruit Sears?

- Loss of KMART locations  
Reduced from 91 to 46 locations
- Loss of penetration at regional malls
- Little to no presence at soft goods locations

# Lottery at Sears

- 81 Sears Full line stores
- 1 Sears Grand
- 9 Sears Essentials
- Install April 2006
- GamePoint with LVT
- *46 KMARTS remain in network*

# Equipment



# Custom Point of Sale



11" x 14"



22" x 14"

- Custom fit to existing sign holders
- Danglers
- Brochure Holders
- Door Decals

# Challenges

- Terminal placement in multi-story environment
- Point of sale restrictions
- Number of staff
- High rate of staff turnover
- Company in transition

# Second Chance Drawing



California Lottery

**SECOND CHANCE DRAWING!**  
For a  
**\$100**  
Gift Card

Enter  
**ANY** Non-Winning  
Lottery Ticket  
For a Chance  
to WIN!

**To Enter**  
Write your name, address and  
telephone number on the back of any  
non-winning lottery ticket and  
deposit into this official entry box.

**\$20,000**  
worth of Gift Cards available

Entry Box

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Poster

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Clerk Button

# Shifting placement



# Varied Placements



# Marketing Program

- Inside Mall or at Sears mall entrance
  - Draw attention to Sears as Lottery retailer
  - Create excitement
  - Teach players how to use GamePoint
  - More than 50 locations in 30 days



The image features the CVS/pharmacy logo centered on a white rectangular background. The logo consists of the word "CVS" in a bold, red, sans-serif font, followed by a red slash and the word "pharmacy" in a red, lowercase, sans-serif font. A small registered trademark symbol (®) is located at the top right of the word "pharmacy". The white background is set against a dark purple gradient background with a glowing, circular light effect behind the logo.

**CVS/pharmacy**<sup>®</sup>



- Test began in March 2007
- 28 stores
  - 16 existing Lottery stores
  - 12 new to Lottery
- Pre-sites completed in partnership
- GamePoint placement near door
- LVT at register

# Benefits

## Lottery

- Increases size of network
- Extends player base
- Meets retailer requirements
- Stops trade style erosion
- Potential profits for education

## CVS

- Reduced labor cost
- Extends product offering to existing customers
- Meets requirements
- Established as good citizen in community
- Potential profits

# Responsibilities

## Lottery

- Stock Scratchers
- Maximize mix
- Empty cash box
- Count cash
- Reconcile cash box
- Train staff
- Merchandise

## CVS

- Cash tickets
- Allow access to safe area to reconcile
- Deposit cash
- Allow sweep
- Call 1-800-lottery to report terminal problems

# Route Sales

- Dedicated Sales Representative
- Supported by District Sales Supervisors
- No less than weekly visit
- First of month requires extra visits
  - Pay period
  - New game autoship



- Lottery pays
  - Weekly fee
  - Escalating sales bonus based on sales level
  - Cashing bonus
    - Same as traditional retailer
      - 2% Scratchers tickets \$25-\$599
      - 3% Draw game tickets \$99-\$599
      - ½ of 1% incentive for jackpot ticket

**CVS/pharmacy<sup>®</sup>**



# CVS/pharmacy®



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# CVS/pharmacy®



# Questions



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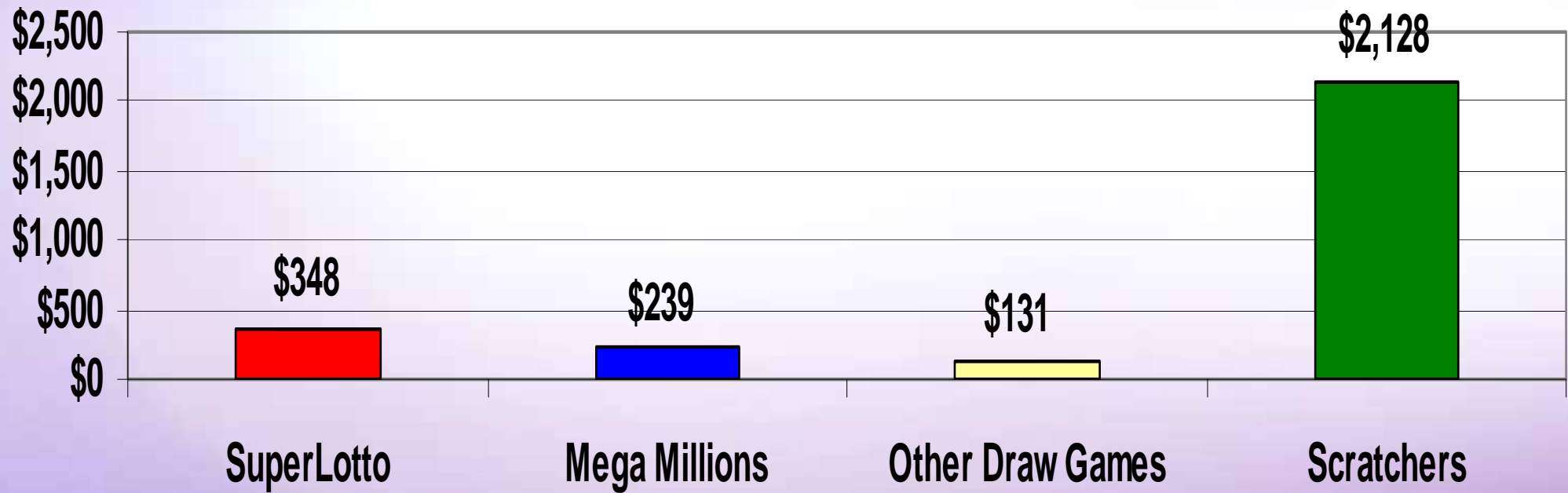
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# Varied Placements

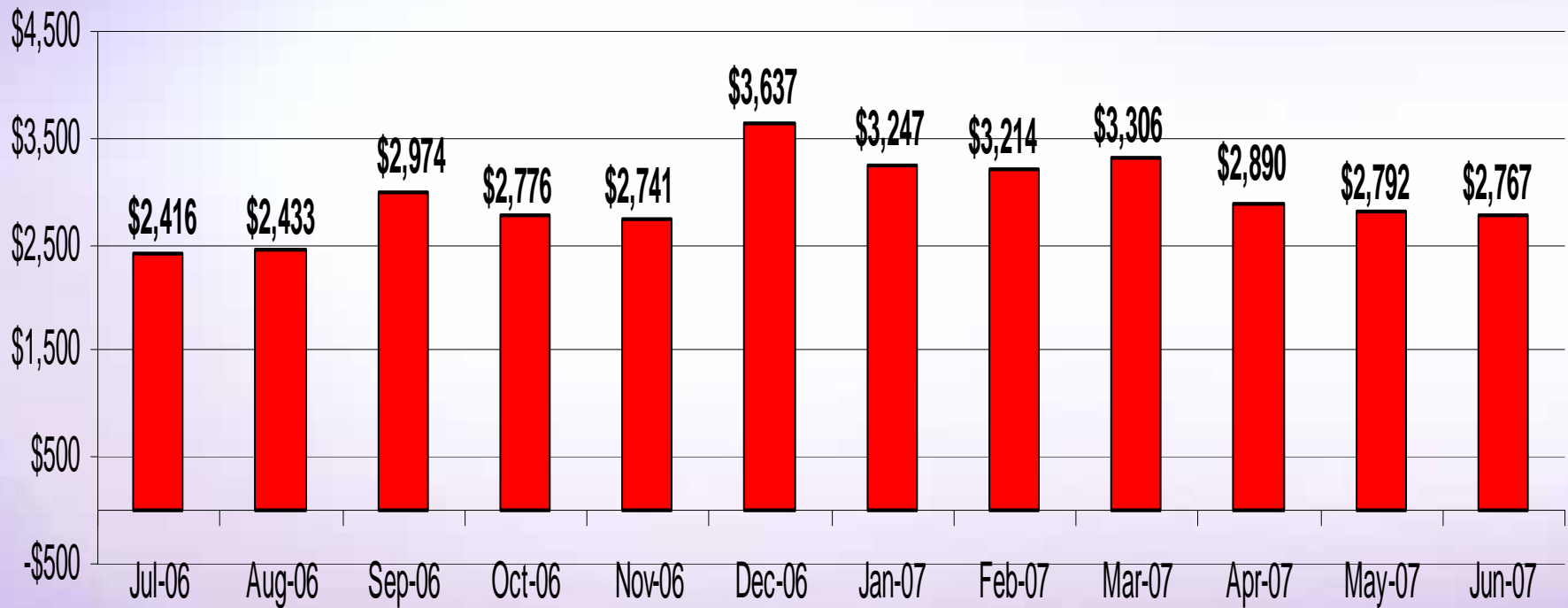


## Average Monthly Sales per Location



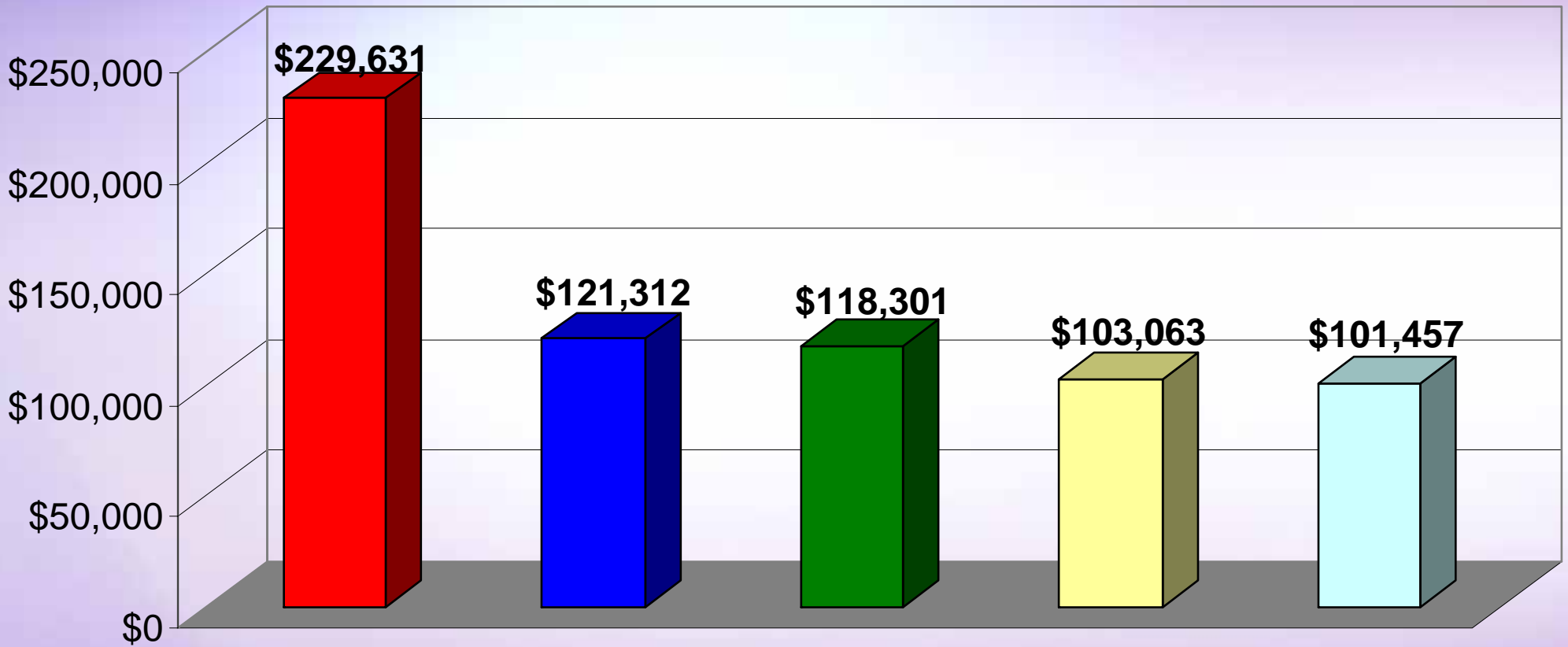
# Sears

## Average Monthly Sales per Location



# Sears

## Top Five Locations



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# CVS/pharmacy®



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# CVS/pharmacy®



# Questions

