



# Product Development Sales & Marketing Division

Presentation to  
California State Lottery Commission  
February 23, 2012

# What is the Role of Product Development?

- Simply stated:
  - “Create & Launch Lottery Gaming Products”
- Our Team:
  - Draw Games Team
    - Mega Millions, SLP, Fantasy 5, Hot Spot, Daily 3 & 4, and Daily Derby
  - Scratchers Team
    - Instant games, various price points (\$1, \$2, \$3, \$5, and \$10)



# Major Draw Game Initiatives

- Lotto Game Analysis
  - Complete impact analysis of adding a \$2 Powerball game.
  - Goal: recommendation by July 2012
- Super Lotto Plus
  - Strategy: increase purchase transactions and frequency of play
  - Tactic: offer “added-value” program for next FY that utilizes new Public Web Site and non-winning SLP tickets

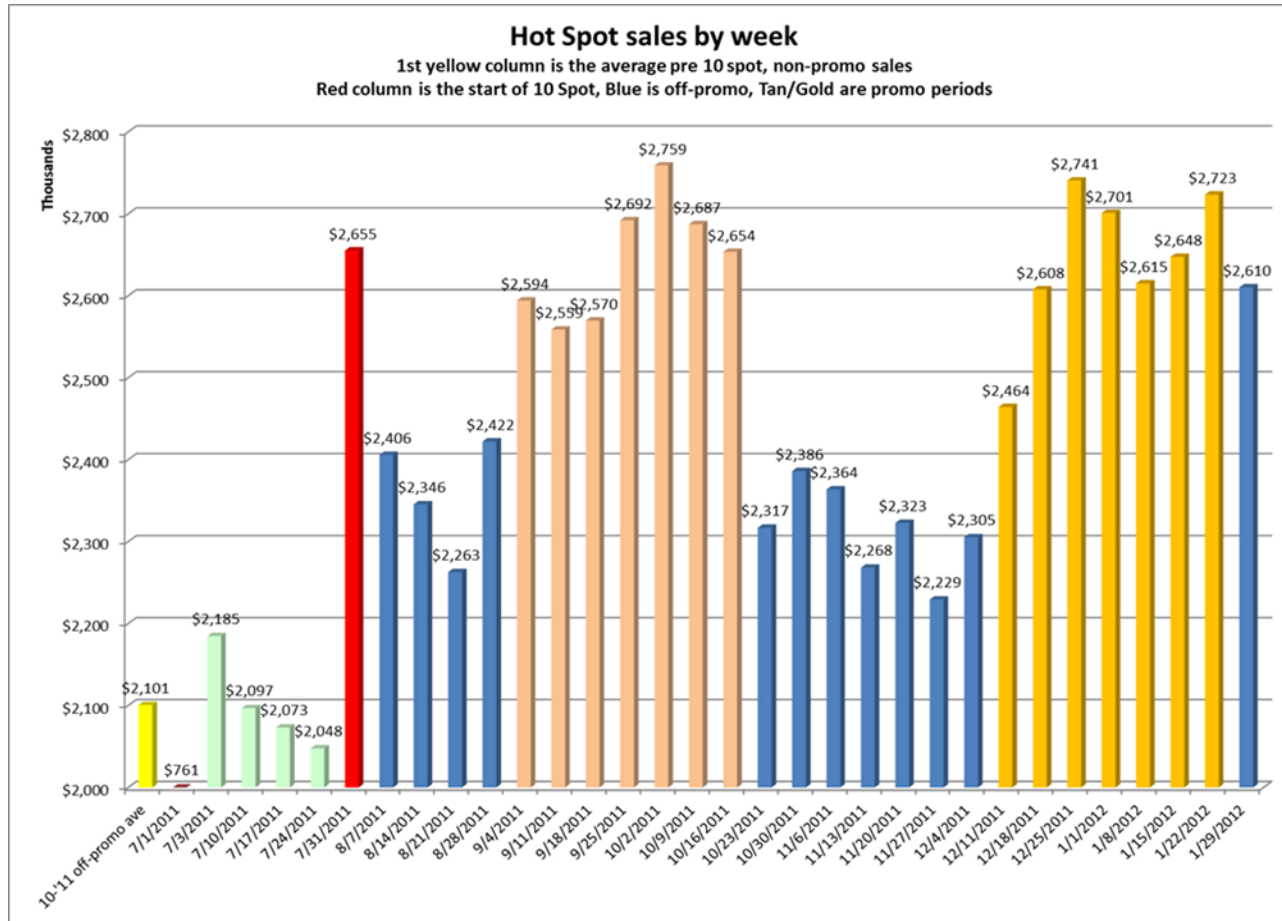


# Major Draw Game Initiatives

- Monitor Games
  - Identify optimum base payout level for Hot Spot
  - Develop new monitor type games/features for consumer testing
  - Develop a retailer servicing plan



# After Implementing this year's Hot Spot Initiatives Base Sales have Increased



# Major Draw Game Initiatives

- Mega Millions
  - Goal: establish a stronger player emotional connection
- Any Questions/Comments on the Draw Games?



# Scratchers Product Development



Liz Furtado

Sales and Marketing Division

Scratchers Product Manager

- Annual Scratchers Product Plan
- Direct and manage game development and performance tracking for 48-50 games per year
- Provide comprehensive Marketing direction to the Sales team

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# Major Scratchers Initiatives

- Growing \$5 game sales
  - Increased number of \$5 games offered
  - Launched first \$5 Crossword game
  - Increased size of \$5 tickets to 6x4





# Major Scratchers Initiatives

- Launched First \$10 game
  - \$250 Million Cash Spectacular
    - Large 8x4 Size
    - 73% Payout – Lots of \$100 Prizes
    - 31 \$1 Million Instant Top Prizes
    - Special Holographic Paper



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# Major Scratchers Initiatives

- Improved Prize Structures
  - Removed irregular prize levels
  - Improved payouts
    - \$5 games – from 66 to 68%
    - \$2 games – from 61 to 62%
- Streamlined Game Development Process
- Ongoing Research of Game Concepts Prior to Launch



# Upcoming Scratchers Initiatives

- Continued Growth of \$5 Games
  - Adding more \$5 games to retailer mix
  - Moving \$3 players up to \$5 Games
- Grow \$10 Games
  - Launch additional \$10 game
  - Consider increasing number of \$10 games available at retailers
- Adding Play Value to all Price Points



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# Scratchers Product Development

Questions or Comments?

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