

# Supersizing Scratch-off sales and profits using the Six Pillars of Success

A big innovative, new product category supported by the Six Pillars of Success led to record-breaking Texas Lottery sales.

**Situation.** The Texas Lottery continuously searches for Instant product innovations that will attract new players and, at the same time, excite core players. Existing innovations in the Texas market, such as spotlight games, families, and Game Book, have successfully accomplished this as evidenced by the increase of more than \$600 million annually in the past six years.



Launched in October 2014, the introduction of the Game Book concept resulted in extraordinary success as the highest selling Instant product initiative since the first spotlight game in 2009. Its success was due to advertising support and a differentiated value proposition. Players perceived that they were getting something “for free” – six \$5-sized games for \$20. Additionally, Texas players had never seen an Instant experience in a unique booklet format.

**Mission.** With the mission to provide new innovations that will deliver incremental sales, the search began for the “the next big thing” that would provide a unique value proposition to Texas players. Finding the right innovation to attract new players and excite core players was the challenge. It was important to develop something new at an affordable price point so the cost to entry would be attractive for new players. It was also important to develop a visibly different innovation in the market place so it would catch the attention of potential Texas Lottery players.



To attract the attention of core lottery players, IGT knew that the next game had to offer a unique value proposition to set it apart from the other 50 games on the market at the time. Since the \$10 game

had to offer a 70% payout, the game needed to offer high perceived play value.

The answer was the Super Ticket product category. Its large 8”x12”-size offered many benefits. Core players recognized the value of buying four games for \$10 and unique game dispensers, sitting on top of the other merchandising towers, provided player awareness and a means of distribution.

**Strategy.** The Texas Lottery launched Super Ticket 7’s on April 20, 2015, with 8 million tickets printed. With two bold metallic pulses,

the game also featured dual-color imaging. Call-outs on the game and the dispenser inserts showcased the four games for \$10, the \$250,000 top prize, as well as the super-sized fun.



When the Texas Lottery agreed to launch a Super Ticket concept, advertising funds had already been allocated to other initiatives in its fiscal year plan. The Lottery could only promise minimal support for the launch.

By comparison, the Holiday Game Book received significantly more support, including television, radio, and billboard advertising. This could have been a major disadvantage in determining Super Ticket’s long-term success and viability in the market.

Challenged with minimal advertising support, IGT leveraged its Six Pillars of Success and focused on distribution, retail messaging, and sell-in execution. This helped solidify that the Super Ticket was not just “the next big thing” for players; this was “the next big thing” for the sales force and retailers as well. The goal was to ensure that the sales force was excited about a new sales opportunity and convince retailers that they did not just need to sell Super Ticket 7’s – they *wanted* to sell it.

**Retail Tactics.** Because of its large game format, the Super Ticket couldn’t be dispensed through vending machines. It was critical to gain on-counter visibility and distribution for the game.

Six weeks prior to the April 20 launch, the sales force began selling a dual dispenser placement armed with a product sell-in sheet and retailer Holiday Game Book performance data. Within three weeks, the sales force had convinced nearly 91% of Texas retailers that Super Ticket 7’s was too good of a sales opportunity to pass up. By comparison, only 82% of Texas retailers chose to sell the Holiday Game Book during the sell-in process.

The Texas Corporate Account team was also instrumental in the sell-in process. Equipped with the same flyer and sales data, the Corporate Account team gained commitments to Super Ticket 7’s placement at all its corporate accounts. However, because the team could now speak about “missed opportunities” using Game Book sales data, it gained commitments from major accounts such as H-E-B Grocery, Barri (check-cashing services), and Wal-Mart, chains that chose not to sell the Holiday Game Book last year.

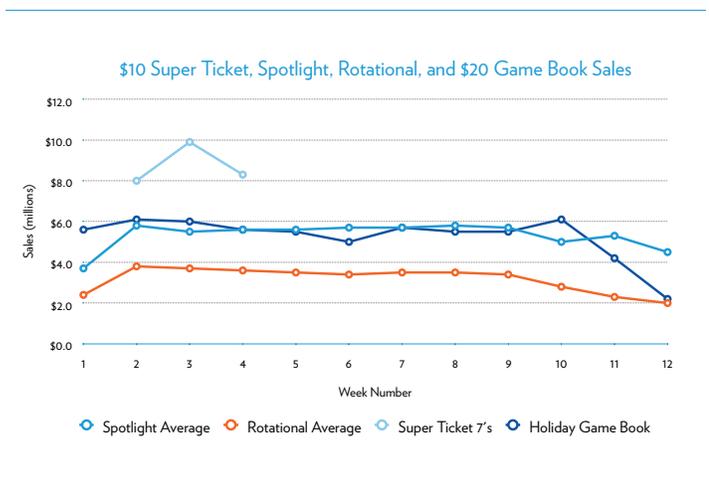
**Distribution Tactics.** With the game sold-in, and dual dispensers placed, Super Ticket™ 7’s was ready for an April 20 launch. Packs were shipped to retailers in quantities similar to Holiday Game Book. With unprecedented market demand following the launch, the initial distribution

fell short. Retailers sold out of initial inventory quickly. On the fourth day, a special initiative was introduced as Procall reps and the warehouse team collaborated to ship expedited orders to retailers that were out-of-inventory on a daily basis.

Super Ticket™ 7's was active in 700 retailers more than Holiday Game Book in the first three weeks and 1,500 more retailers (~9%) more than advertised \$10 spotlight games.

Active Penetration Through First Three Weeks of Sales	
Initiative Game	Active Penetration
\$10 Spotlight	79%
\$20 Holiday Game Book	83%
\$10 Super Ticket 7's	88%

**Results.** Super Ticket™ 7's had surpassed Holiday Game Book sales. In its first week sales were an astonishing \$8.1 Million, more than 52% above the first week of Holiday Game Book sales. The phenomenal trend continued through the first three weeks which were more than 65% above other \$10 fully-advertised spotlight games. Super Ticket™ 7's went on to become the best \$10 game in Texas Lottery history with over \$78 million in sales.



Following the success of Super Ticket™ 7's, the Texas Lottery extended the product category and introduced the Big Money Super Ticket™ on March 7, 2016. Maintaining the 70.00% payout, the game also offered four games for \$10 and a \$250,000 top prize. The game was also extremely successful with \$22.9 million in sales in the first 3 weeks (a 3-week index of 240).



The Super Ticket™ concept has been equally successful in other markets:

### Kansas Virginia



Launch date	Dec. 2, 2015	Feb. 2, 2016
Price/payout	\$10/70%	\$10/71%
Index	285 (17-week index) Highest selling \$10 game in Kansas Lottery history	177 (6-week index) Highest indexing game in Virginia Lottery history

