



Lottery Oversight Committee

October 18th 2018



Today's Objectives

Objectives for today's session:

- i. To give an update on progress made throughout the current contract (Dec 2015 to October 2018)
- ii. To review the key initiatives we are focused on in FY19
- iii. To answer any questions you have

Executive Summary

- Camelot Global's contract with the Office of the Arkansas Lottery (OAL) commenced on December 1st 2015
- In the 5 year business plan we agreed 5 core areas to focus on:

Games, Brand, Marketing, Retail and Player Relationships

- Connecting this strategy was a new mission statement:

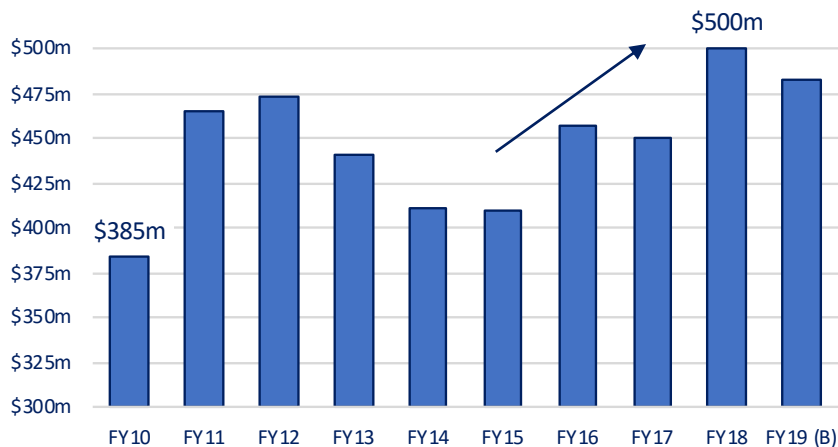
“To Maximize Proceeds to Scholarships in a Responsible Way”

- Since the approval of the business plan in March 2016 great progress has been made against all the core areas through the implementation of a high number of key initiatives
- Camelot have worked closely with the OAL to maximize their effectiveness while managing costs. As an example Camelot returned \$105,047 to the State from the agreed resource plan in FY18. T&E was \$27,267
- FY18 saw record sales for the Arkansas Scholarship Lottery and over \$91m raised in net proceeds

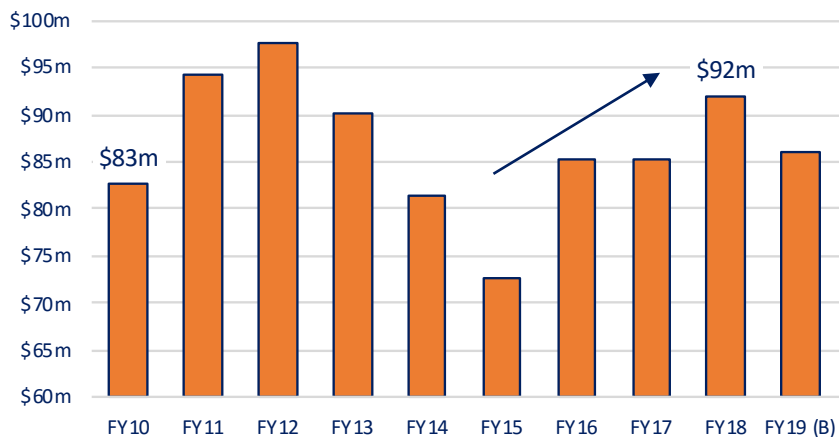
Financial Overview

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 (B)
Revenue	\$384.6m	\$465.1m	\$473.6m	\$440.1m	\$410.6m	\$409.2m	\$456.3m	\$449.9m	\$500.5m	\$482.9m
Net Proceeds	\$82.8m	\$94.2m	\$97.5m	\$90.3m	\$81.5m	\$72.6m	\$85.3m	\$85.2m	\$92.0m	\$85.9m

Revenue

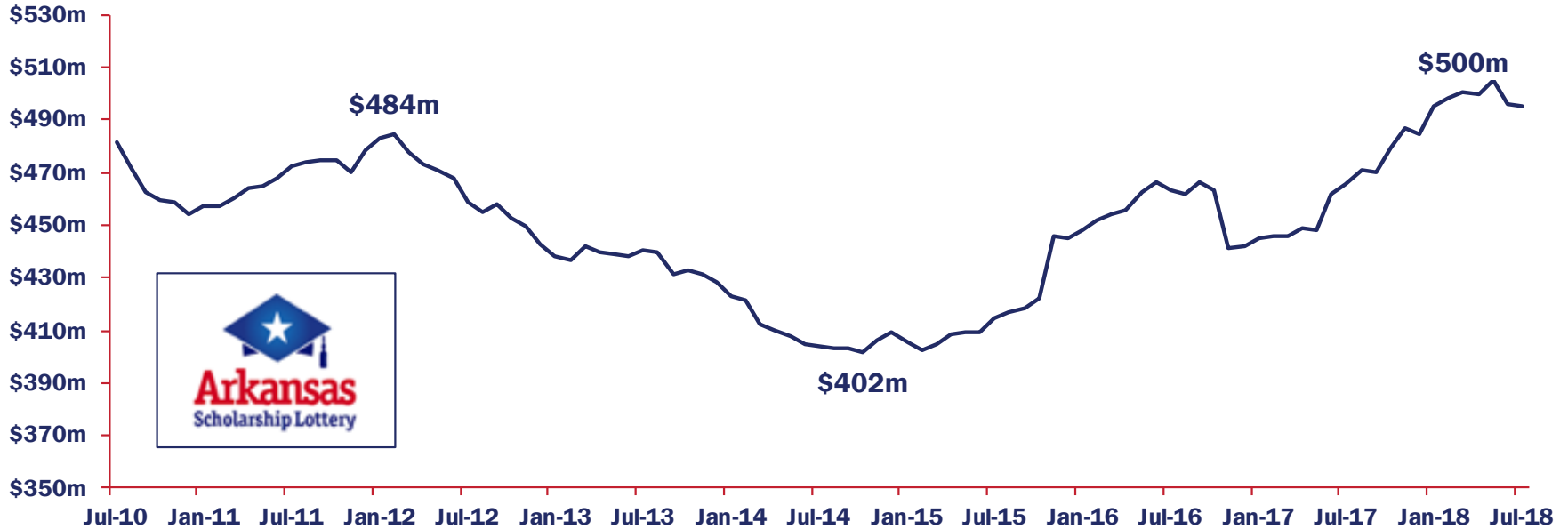


Net Proceeds

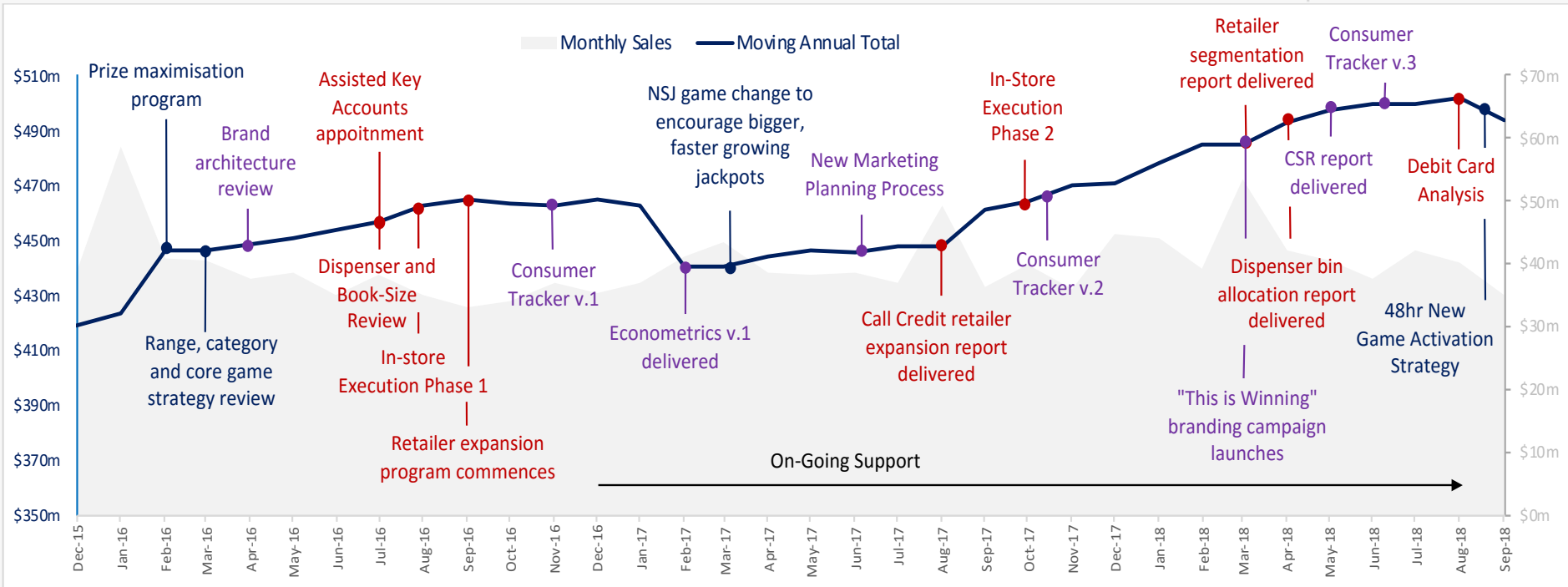


ASL - 52 week sales moving annual total

Arkansas Scholarship Lottery - Moving Annual Total



Camelot and the OAL: Summary and Timeline of Key Initiatives



The OAL and Camelot: FY19 Commercial Plan

KEY INITIATIVES	FY19			
	Q1	Q2	Q3	Q4
GAMES - INSTANTS				
Continued support for quantitative research through 2CV process				
Commercial support for Gaming Director when required				
BRAND				
Brand Affinity - evaluation and application of findings from consumer understanding , awareness, usage and attitude Tracker, as to the purpose of OAL, the #ThisIsWinning campaign platform and win belief / awareness				
GAMES - DRAW				
With planned changes to Powerball Q2 and requirement gathering for Intralot rollout of new system/terminal in FY19, it is agreed there is no requirement for a review of the current draw game portfolio - focus is to sell more of current portfolio				
MARKETING				
Commercial support for Marketing Director and team on implementation of FY19 communications strategies and support of game plan				
Marketing Investment Effectiveness - development of revenue focussed media planning & flighting, reach & frequency optimization, econometrics application & refresh, qualitative development work for comprehension & appeal relating to stimulate consumer demand & behaviour change				
RETAIL				
Store Standards - Continued development of in-store execution program - Including measures and targets, retailer engagement (independents and chains), CRM / SFA data input / output				
HQ to retailer communication - Development of retail communications strategy - Including Digital, Mobile, Print & MSR operations				
Retail to player communication - Develop draw games strategy for retail. Including, jackpot communication and up-selling to players				
Access - Scope and develop the opportunity for 'non-traditional' counter solutions				
Team consultation and development - Store visits, development days, Sales Team structure, future retail projects				

Summary

Focus on achieving FY19 Sales and Net Proceeds budget

- We will continue to review, develop and where necessary improve all the key plans and initiatives implemented over the last 3 fiscal years and those to be implemented in FY19 and FY20
- We need to plan ahead to ensure the Lottery remains relevant and exciting to it's core players and as importantly will meet the expectations of it's future player base
- The retail environment, new legislation on sports betting, the possible introduction of casino's in Arkansas all throw up challenges to the Lottery and our objective is to be as fit as possible to meet these challenges