

# CONVENIENCE CONNECT

JANUARY, 2013



## Lottery Business - An Update

**Greg McKenzie, Senior Vice President Lottery**



As we begin 2013, I'd like to take this opportunity to provide you with an update on our Lottery business.

### Lottery Business Highlights

There was much to celebrate in 2012 in each of our lines of business. From a National perspective, it was the year of **Big Lotto Jackpots**, with both LOTTO 6/49 and LOTTO MAX driving significant traffic to convenience stores.

The LOTTO 6/49 jackpot reached \$40 million in November, the largest LOTTO 6/49 jackpot in 5 years, while LOTTO MAX reached a base jackpot of \$50 million plus Maxmillions 21 times in 2012! LOTTO MAX set a record with \$100 million in jackpot prizes twice.

Our Regional category continued to grow with the introduction of Pick 2 and Midday Draws in June, followed by the expansion of our successful Watch N' Win portfolio with the launch of Mega Dice. The Instant category continued to deliver strong results by offering new games, such as our \$20 \$100,000 A Year For Life, and bringing back consumer favorites, like \$10 Classic Black. The re-launch of Pro-Picks POOLS helped to demystify Sports lottery play, and we recently celebrated the third largest POOLS win of more than \$725,000 for one lucky Brantford player!

As we look ahead to 2013, OLG will continue to look for new and innovative ways to educate our consumers, drive impulse purchases at retail and offer maximum entertainment value in all of our lottery offerings.

### Modernization

We continue to progress successfully since our OLG modernization announcement in March 2012. To recap, the OLG report "Modernizing Lottery and Gaming in Ontario" outlined three key recommendations:

1. Becoming more customer focused.
2. Expanding regulated private sector delivery of lottery and gaming.
3. Renewing OLG's role in oversight of lottery and gaming.



As part of this announcement, the OLG made two points clear:

1. Convenience stores are expected to continue to be the source of the majority of lottery ticket sales.
2. Convenience store lottery terminal locations will continue to be a priority.

Convenience store retailers continue to represent a significant contribution of all lottery sales in Ontario, generating approximately \$168 million in commissions annually.

### Request for Pre-Qualification (RFPQ)

The next phase of modernization was launched on December 14, 2012 with the release of the RFPQ. The RFPQ process will enable OLG to identify qualified service providers eligible to receive the Request for Proposal (RFP) documents, the next stage in our procurement process to select a qualified service provider for the day-to-day operation of lottery in Ontario.

At this RFPQ stage of the procurement process, we're asking potential service providers to demonstrate their capabilities as it relates to lottery operations, including:

- Experience executing business ventures or large projects,
- Ability to develop and manage complex technology systems, and
- Capacity in managing marketing and sales operations.

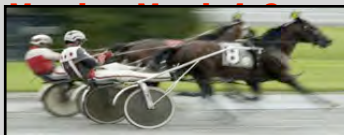
Those service providers that are pre-qualified will then participate in the Request for Proposal (RFP), to enable OLG to select a qualified service provider to enter into an agreement with OLG to provide for the day-to-day operations of lottery in Ontario, which includes: a Lottery Integrator, Technology Lead and Marketing and Sales Lead.

The service provider will be responsible for recommending strategies to maximize the growth and success of the lottery business, developing products and marketing plans, operations, and process and cost optimization. While OLG will set the overall strategy for lottery, and manage the market by approving sales channel strategies and products, in accordance with its role in the conduct, management and oversight of lottery in Ontario.

To learn more about Modernizing Lottery and Gaming in Ontario, please visit [www.olg.ca](http://www.olg.ca), or speak with your OLG representative.

I continue to remain committed to providing you with open and frequent communication and look forward to supporting the work of the OCSA Lottery Committee. We want to continue to have an open dialogue about your business, Lottery modernization and our future together.

**THE RACE IS ON!  
Woodbine  
Entertainment.**



### TICKETS ARE NOW ON SALE

Make a note now to attend our fabulous networking event. Enjoy the entertainment and a fine dinner with your peers at Woodbine as a prelude to ConvenienceU.

**Download the registration form**

[CLICK HERE](#)

**DON'T MISS CONVENIENCEU  
- TORONTO  
March 5 & 6, 2013**

Be sure to attend the ConvenienceU CARWACS show at the International Center in Toronto and attend **two** OCSA seminars: "Free our Beer", March 5 and "Robbery Prevention and Employee Safety" on March 6. **Drop by our booth: #1112/1113.**



**Ontario Convenience Stores Association**

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# 2013 - The Year Ahead

## OCSA Gears Up To Address Many Issues

We face challenging economic times in Ontario and 2013 is going to be a very busy year as your Association continues to address many key issues. We work hard to listen to the needs of all our members and help develop solutions that address them as best we can. And this year the priority list looks to be quite full!

Your Association membership comprises nearly 7,500 of the 11,000 C-stores in Ontario. The industry represents \$13 billion in annual sales and employs over 69,000 people. Statistics show that over 3 million people visit C-stores every day in communities across the province and collectively, C-stores sell more age restricted products than any other retailer – and do a better job of checking for age with our We-Expect-ID program.

### Responsible Community Retailing

We will continue to encourage our members to participate and support them as best we can to engage their local political representatives and communicate the key points on important issues.

We have been very successful in working across the province to get numerous municipal councils to support stiffer penalties for those involved in the contraband trade – and to give more power to please to disrupt or curtail these illegal activities.

The success we have achieved is a direct result of our local members getting involved and directly engaging. And we are certain that their efforts are going to make a huge difference this year once the provincial Liberals choose a new leader who in turn will no doubt go to the polls to try and get a new mandate in the spring.

We already know that some of our key issues are going to play an important part in an upcoming election. Our ongoing fight against contraband tobacco is one. We also know that the sale of wine and beer in C-stores is also going to be a major issue. It is already heating up with the Progressive Conservatives proposing to allow C-Stores to sell wine and beer and the Liberals supporting an LCBO initiative to build 10 “Express” stores inside 10 supermarkets to make it more “consumer accessible” to but liquor and wine.

OCSA today has earned considerable respect for our common sense positions. We succeeded in getting Toronto City Council to withdraw their controversial plastic bag by-law and to get them to prohibit big-box from the opening on nine on 9 statutory holidays. And we will continue to address these and other issues using all available media opportunities to outline our positions.

We will continue to work and develop Employee Safe Practices and our very successful We-Expect-ID Age Verification Training program.

We continue to communicate with our members on key issues that affect us all including such things as our work on Gas Theft Awareness, Ontario’s Accessibility Standard for Customer Service, the end of the Penny in Canada, Credit & Debit card fees.

OCSA is also continuing to work with the media (TV, Radio, Press and Internet) to get all our messages out to the general public. And, of course, we feature our website and Convenience Connect to keep our members always up-to-date.

If you require assistance on any OCSA activity, please contact our office - (905) 845-9152 - or send an email to: [info@conveniencestores.ca](mailto:info@conveniencestores.ca).



Dave Bryans, OCSA CEO is continually being interviewed on key issues.



## CONVENCEU - TORONTO March 5 & 6, 2013 NEW LOCATION!

Be sure to stop by the OCSA Booth

#1112/1113



Hall 2 - International Centre

6900 Airport Road

Mississauga ON L4V 1E8

Trade Show Hours

Tuesday, March 5 - 12:00 - 5:00 p.m.

## BE SURE TO ATTEND OUR FREE SEMINARS

Tuesday, March 5th 11:30 am - 12:15 pm

### Free Our Beer



This seminar is a great opportunity for retailers to learn how to communicate to the public, government and local media about the ongoing demand from our customers to have more access to beer/ wine in the c-store channel. This seminar will appeal to all types of c-stores, and it is all about the future.

Wednesday, March 6th 11:30 am - 12:15 pm

### Robbery Prevention and Employee Safety

Join Crime Stoppers and the Toronto Police Services in a dialogue on preventing robberies and employee theft, as well as sharing strategies to enhance the safety of your stores. Be prepared with your questions so we can answer the many retailers' concerns about crime in their communities.

Ontario Convenience Store Association members are responsible community retailers. Convenience stores sell more age restricted products than any other retailer, and do a better job of checking for age than any other retailer.

The Ontario Convenience Stores Association (OCSA) represents convenience stores throughout the province that are committed to Responsible Community Retailing. The OCSA membership comprises nearly 7,500 of the 11,000 convenience stores in Ontario. The convenience store industry represents \$13 billion in sales annually in Ontario and employs over 69,000 people. More than 3 million people visit convenience stores in communities across Ontario every day.

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- If you have more than 20 employees, you were required to file an **online** report by December 31, 2012 and should still do so if you missed the deadline.



# IT'S BONUS TIME

## \$100,000 A YEAR FOR LIFE BONUS

We're gearing up for another LOTTO 6/49 bonus draw. For all LOTTO 6/49 draw dates in February 2013 there will be an additional bonus draw for \$100,000 A Year For Life.

### Pre-Bonus Advertising

To prepare for the bonus and spread the word, a **tear pad** will be shipped to you via your instant ticket order during the first 2 weeks of January.



The bonus will be communicated on LOTTO 6/49 and LOTTO MAX tickets with a **ticket topper message** beginning Jan. 19, post-draw. The message will inform customers of the upcoming bonus.



**BONUS DRAW DATES - February 2, 6, 9, 13, 16, 20, 23 & 27**

## Improved Ticket Validation Procedure

**Effective  
Jan. 29,  
2013**

All On-Line retailers will be able to confirm prize amounts over \$50 before validating a ticket.

Winning tickets will be branded as paid if the prize is \$50 or less or the retailer chooses "YES" to the "Can you pay?" prompt for tickets over \$50 up to \$999.90.

### Changes are as follows:

All On-Line retailers will have the option to pay up to \$999.90.

"Can you pay?" prompt will appear on screen for all prizes greater than \$50, up to \$999.90.

Where to claim prize information will appear on customer receipt for all prizes greater than \$50 when "NO" is selected to the "Can you pay?" prompt.

### Benefits

Confirm if you have cash available before you commit to paying the prize.

Supports retailer "cash on hand" availability.

Consistent procedure for all On-Line retailers.

