

Break Open Ticket Development Fund

Demonstration Project #2

Post-Project Summary Report

The following is a post-project summary report on the Break Open Ticket Development Fund's second demonstration project.

The Participants

This project was a partnership between BOT supplier Ron Vanderlip of Nevadaman Inc., Avondale Stores Ltd., independently owned stores, and 38 local and provincial charity organizations including Epilepsy Ontario, Bereaved Families of Ontario, Ontario Society of Senior Citizens, and the Air Cadet League of Canada, Ontario Provincial Committee.

The Purpose

The backdrop for the project is the reality that BOT positioning and visibility are an ongoing challenge for Suppliers and Charity Licensees in the face of competition for prime counter space at Third Party Retailers. BOT displays become a permanent fixture that can be crowded out or obscured by other products that occupy less space.

Running from late July to September 2013, in 50 retail locations, the purpose of the project was to test the overall effectiveness of custom-made acrylic installations for existing BOT bins that would have the overall effect of:

- Raising up the bin so that it is more prominent on the counter and can be more easily accommodated alongside other products.
- Adding a permanent POS message feature that will draw attention to the bin and include the capacity to have a replaceable card stock message, using a charity message for the demonstration project.
- Front door decals that repeat/reinforce the BOT/charity message in the POS message feature.

"Effectiveness" for this project was defined as having two dimensions:

- First, whether the resulting increased visibility would have a positive impact on sales.
- Second, to measure reaction from retailers and their staff, as well as charity licensees and consumers.

As with all BOTDF demonstration projects, the underlying purpose was to test a number of concepts from the retailer and consumer research that was done professionally for the BOTDF over the past several years, including the importance of:

- Making a visible and clear connection for the customer between their purchase and benefits for specific charities.
- Stimulating interest and commitment/loyalty on the part of the retailer to the product and to helping charities.

The reaction of retailers was a particularly important component. Part of the purpose of BOTDF demonstration projects is to test concepts or findings from the retailer and consumer research that was done professionally for the BOTDF over the past several years. One of the retailer research findings was that retailers see ongoing challenges related to the administrative complexity of the product and ongoing declines in the revenues tied to declining sales and slower “churn” that tend to make the product less attractive. The researchers suggested that going forward, it is important to find ways to retain retailer interest in the product.

Another key part of the project was that the acrylic fixtures and POS materials being tested would be non-proprietary and that design and product costs and related information would be available to the industry once the project was completed.

Project Elements

The design of the demonstration project included the following specific elements (total cost: \$9,366):

- Container Lifts – An acrylic stand for existing containers (two per location) to sit on, tested on bins with the following base dimensions: 10” x 10” base and 7.5” x 16.5” base. These were constructed 8 inches high with 3 sides closed, 1 side open. The open side allowed retailers to display higher price point items on the counter in the open space underneath the bin.
- POS Paddles – An acrylic paddle/post that extended above the BOT containers with a permanent POS message (e.g. “Play NEVADA TO SUPPORT CHARITIES”) with an arrow pointing down to the container. This Paddle was affixed to the side of the container, extending 16 inches above the container. As the Paddle was affixed with Velcro pads, the angle of the extension could be adjusted from vertical as needed for the display. Dimensions of the POS paddle were 35” high x 5.5” wide. The Paddle was purposely this dimension so that any future POS messages on the paddle could be easily made by suppliers and charities alike by creating a card stock sleeve of “legal size” – that can slide over the paddle (a concept similar to a pump topper at a gas station), thereby enabling POS messages to be easily refreshed.
- Front Door Decals – An identical message, size, colours and graphics of the POS message “Play NEVADA, SUPPORT CHARITY”. The consistent message drawing the consumer through the door to the BOT display.

Appendix A includes “before and after” pictures of the fixtures and decals deployed in retail sites.

Project Impact

As noted above, the purpose of the project was to determine whether these types of efforts would translate into increased sales and also to measure the reactions of retailers and their staff, as well as charities and customers.

Impact on Sales:

- The project compared the two months of sales before the installation of the fixtures (June and July) to the two months of sales with the fixtures in place (August and September). The comparison was also made with sales performance during these periods for stores that did not have the fixtures in place. The data showed a 5.3% increase in sales during August and September for the locations with the fixtures versus a 1.6% decrease in sales for the locations that did not have fixtures in place.

Retailer/Charity Response:

- Retailer and charity responses to the fixtures was very positive. Retailers reacted strongly to the increased visibility, but more importantly, to the way in which the fixture allowed them to make better use of counter space and position other products in the space that the fixture created. Specific comments included:
 - *"Thanks for your follow through. I see that our program has been improving. How can we help with future projects?"* (Charity licensee)
 - *"What other projects can we be a part of? This was so easy as you [the Gaming Supplier] coordinated everything..."*. (Charity licensee)
 - *"I really liked that it is now clear that the sale of these tickets is for Charity."* (referencing the messages on the POS Paddles)
 - *"The stand (lift) is a good idea because of limited counter space. I have to put the container on top of the OLG trays. Now my customers can see the scratch tickets I have on display below the container. My OLG rep should like the change."*
 - *"My sales representative put my Paddle directly beside the OLG terminal screen. Customers always look at the screen and now see that the Nevada tickets support charity."*
 - *"My container was buried by my other products. Now it is visible over top of these other products and I didn't lose counter space."*
 - *"I like the display case under the container. I put my more expensive lighters on display in it instead of the back counter."*
 - *"My sales representative hung it (the paddle) from the ceiling over the container. You can't miss it."*
 - *"I think my sales have gone up since putting up the new stuff."* (lift & paddle & door decal)
 - *"The Lift was fine for reaching into the container when the container was full, but it made it difficult to dig tickets out from the bottom of the container."*

Ordering Fixtures and Decals

An important feature of this project that charities and suppliers would have access to/be able to order the custom-designed acrylic fixtures and paddles, as well as paddle and door decals that were produced for this project, without incurring design costs. Also, the AGCO has confirmed for OCGA that the bin lift and paddle are considered to be part of the bin and therefore considered a reasonable and necessary expense within the Terms and Conditions.

The fixtures were fabricated by and are available from:

*Acrylic Custom Design
721 Bayview Drive, Unit 9
Barrie, Ontario
L4N 9A5
705-737-9180*

Charity licensees or suppliers interested in these fixtures should be budgeting in the range of:

- 10" X 10" X 8" Lift \$40 per lift plus HST and shipping
- 7.5" x 16.5" x 8" Lift \$30 per lift plus HST and shipping
- Acrylic paddles: \$9 each plus HST and shipping

Door and paddle decals were printed by:

*Burtnik Printing Inc.
78 Queenston St.
St. Catharines, ON
L2R 2Z2
905-682-2458*

Charity licensees or suppliers interested in these fixtures should be budgeting in the range of:

- Paddle decals (2 per paddle): \$8.04 each (\$16.08 per paddle) plus HST and shipping
- Door Decals (5.5" W x 16"H): \$6.34 each plus HST and shipping

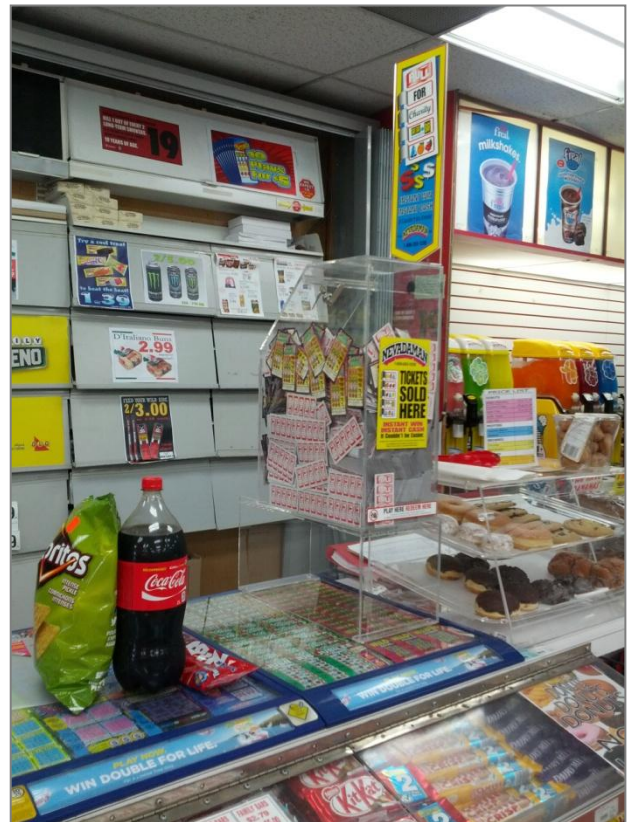
Appendix A

Photos of fixtures in place in participating retail sites

A participating location before the fixtures were in place



The same location with the paddle and bin lift in place allowing for a clear and unobstructed view of the OLG lottery ticket tray.



A participating location before the fixtures were in place



The same location with the paddle and bin lift in place. As shown, the Lottery Ticket Checker can fit underneath the bin in the space created by the bin lift.

