

Satellite Failure – How Nebraska Lottery Handled the Public Relations

By Brian Rockey, Associate Marketing Director, Nebraska Lottery; and Misty Wendt, Public Relations Manager, Intralot Nebraska

While the Nebraska Lottery was just one of dozens of business and media customers affected worldwide by the November 28 failure of the Telstar 7 satellite, we were probably the only affected party to enjoy the level of customer service delivered by INTRALOT, USA and their Nebraska staff.

By the evening of Thursday, December 2, the entire Nebraska Lottery Lotto retailer network was back on-line, but other interests affected by the failure faced long delays. In order for this to happen, the entire staff of INTRALOT worked around the clock for four days. Corporate management personnel even came from their offices in Duluth, Georgia to help.

INTRALOT Nebraska supplemented its 11 Customer Service Technicians across the state with several front office staff, and brought in dozens of contract technicians. These technical crews worked more than 2,000 man-hours and drove thousands of miles across the state to restore service at more than 975 Nebraska Lottery Lotto retailers.

The outage was made all the more dramatic by the Powerball jackpot of \$127 million for the Wednesday drawing, and the Nebraska Pick 5 Doubler jackpot promotion. Remarkably, players seeking Powerball tickets for the December 1 drawing had access at about 800 retailers statewide by draw break that evening. The full network was operational in plenty of time for the Saturday, December 4, Powerball drawing, with an estimated jackpot of \$145 million.

Sales of Powerball, Nebraska Pick 5 and 2by2 tickets that were disrupted by the Sunday failure of the satellite had rebounded significantly by that Wednesday night. Total Lotto sales for Wednesday, December 1, alone were about 70 percent higher than average Wednesday sales for the previous two months. A combination of the fast recovery effort

mounted by Intralot staff, and players deferring rather than canceling their Lotto purchases, helped to minimize potential losses. Moreover, Lotto sales for the week were more than \$240,000 above goal.

Knowing how important public relations is in situations like this, our efforts started right away. INTRALOT staff began calling retailers as early as 5:00 a.m. on Sunday morning to inform them of the situation so they knew why there were not able to sign on to their Lottery terminals that morning. Additionally, INTRALOT changed the Hotline greeting to an outgoing message that gave information regarding the situation, which helped to ensure that retailers did not have to wait for an available operator to be updated.

Due to the satellite failure, retailers were not able to obtain their weekly settlement report via their Lottery terminal. So that the retailers were able to do their weekly accounting, INTRALOT staff called retailers on Monday to give them their weekly settlement amounts.

I worked closely with Misty Wendt, Public Relations Manager for INTRALOT, in an effort to keep the media and public informed. Each day we released statewide press releases that included a status update. In addition, the home page of the Nebraska Lottery website featured the most recent press release and a list of retailers who had been reconnected. Additionally, I was available for interviews throughout the week and Misty and I worked to coordinate members of the media meeting up with the technical crews so photos and news footage could be taken.

As a final public relations effort, and to ensure that all retailers ...continued on page 28.



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New Hampshire

New Hampshire State Sweepstakes Director Rick Wisler told the state's House tax-writing committee that the legislature will need to increase the maximum price point on Instants from \$10 to \$20 in 2006, and up to \$25 in 2007 if they want to increase the likelihood of lottery revenue growth. A bill is currently being drafted that would allow the Lottery to increase the price of tickets. Wisler has also proposed changing state law to allow individuals convicted of a class A misdemeanor to sell lottery tickets ten-years after their conviction, and allow those convicted of a class B misdemeanor to sell tickets after five. He also suggested that the state allow the lottery to be sold at mobile locations.

New Jersey

The New Jersey Lottery ended 2004 with another record. Aided by its popular holiday-themed games, the lottery announced a record breaking sales week for instant tickets with \$23.8 million worth of scratch-offs sold from December 22-29. The previous mark for one week sales was \$23.5 million for the week of December 17-24, 2003. In fiscal year 2004, the lottery achieved a record \$2.1 billion in total sales, which included \$973 million in instant game sales. The contributions to support state education and institutions from the record-breaking week were \$6.5 million.

New Mexico

"Wheel of Fortune" fans, who have thought of sharing the stage with Pat Sajak and Vanna White, may be a step closer to celebrity status. New Mexico Lottery players can enter non-winning "Wheel of Fortune" scratcher tickets for a chance to win a trip for two to Hollywood, and audition for a chance to be an on-air contestant. The Lottery's "Wheel of Fortune" scratcher game features a top prize of \$33,000. The grand prize winner will receive airfare, three nights' hotel accommodation, \$1,000 spending cash, tickets to a "Wheel of Fortune" audition for a chance to be an on-air contestant and a "Wheel of Fortune" prize pack. The prize pack consists of a leather travel bag, Polar® fleece jacket, ball cap and embroidered t-shirt, each with a "Wheel of Fortune" logo. Prize packs will also be awarded to 382 runners-up. Grand prize-winners selected during their auditions to be on-air contestants will receive an additional three-day, two-night trip including airfare and hotel coinciding with the program taping.

New York

The New York Lottery just finished a fantastic Calendar Year 2004, as

lottery sales (including VLT revenue) reached \$6.13 billion, 8.7% higher than CY 2003 revenue. VLT revenue from Monticello, Saratoga, Buffalo and the Finger Lakes reached \$193.8 million. Meanwhile, instant sales climbed 10.5%, up to \$2.9 billion, and Mega Millions rose 13.2%.

South Carolina

The South Carolina Education Lottery marked its third anniversary on Friday, January 7. Since the lottery's creation, total ticket sales have exceeded \$2.4 billion and players have won more than \$1.4 billion. State income tax collected on winnings over \$500 totaled more than \$18 million. In addition, the lottery has transferred more than \$713 million to the Education Lottery Account for appropriation by the state Legislature.

Tennessee

The Tennessee Lottery announced it will remove some of the mystery from its popular Lotto 5 computerized game by giving players an estimated jackpot before each of the tri-weekly drawings. Prior to estimating the jackpot, players only knew the rollover amount from the previous drawing if there was no winner. At the game's launch, it was announced that the top prize would range from the "tens of thousands to more than one-hundred thousand dollars."

Virginia

The Virginia Lottery reached two major milestones as the second quarter of fiscal year 2005 came to a close. Executive Director Penelope W. Kyle announced the best second quarter in the Virginia Lottery's history as nearly \$330 million in sales were reported from October through December 2004. Kyle also announced that the Virginia Lottery has passed the \$15 billion mark in total sales since the Lottery began in September 1988. The record sales figure for the second quarter continues a hot streak for the Virginia Lottery. First quarter ticket sales for fiscal year 2005 also set a record. Not only that, but the just-ended 2004 calendar year was the best ever in the Virginia Lottery's 16 year history, with sales of \$1.305 billion. That is more than a 10 percent increase over the previous calendar year. For the second half of the fiscal year, the Lottery plans to keep the hot streak alive with new and exciting scratch games such as World Series of Poker \$100,000 Texas Hold 'Em, available at retailers February 28.

Washington

The Washington State Lottery Commission recently agreed to add a third draw for its Lotto and Quinto games. Starting February 14, drawings for the games will be held on Mondays, Wednesdays and Saturdays. ♦

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understood what had happened, Nebraska Lottery Acting Director Jim Haynes wrote a letter that appeared on the front page of the December retailer newsletter, Ticket Talk. He explained the situation and thanked the retailers for their patience and understanding.

The situation could have easily become a crisis, however, due a few key tactics, it did not. First, it was very important that members of the media always dealt with Misty or me. This allowed us to ensure that the information being conveyed to the media was consistent. Equally

important was that we always explained the situation in full to ensure the media understood and conveyed the right story. We also always released accurate and truthful information to the media. Additionally, we explained that this was not just a Nebraska Lottery issue, but that it affected many businesses throughout the country.

These PR tactics and the expedited response by INTRALOT helped to minimize lost sales, and enhanced our ability to keep Nebraska Lottery retailers and the public informed as the situation was resolved. ♦