

Expert: NH Lottery Replay! “Innovative”

By Holly Ramer
Associated Press

CONCORD — When it comes to New Hampshire's Lottery Replay program, William Rudd may be the state's winningest loser.

Rudd, 64, of Salem, retired five years ago, leaving him plenty of time to enter losing lottery ticket information online for a second chance to win.

And win he has, collecting more than 1,500 prizes — food, gift certificates and other goodies — in the program's first three years of operation, according to an Associated Press analysis of data compiled by the New Hampshire Lottery Commission.

"Sometimes I'll get a large stack of tickets and not win a single prize. Sometimes I win a lot," Rudd says.

In fact, there were only nine weeks between June 2006 and June 2009 in which Rudd didn't win at least one prize. At his peak, he won 109 prizes in April 2008 alone, including appetizers at T.G.I. Friday's and Canobie Lake Park passes.

Here's just a sampling of his haul: four bottles of maple syrup, 20 pizzas, 33 ice cream cones, 86 cinnamon buns, 92 steakhouse gift certificates, 161 chicken sandwiches, and 484 cups of coffee to wash it all down.

Oh, yeah. And a one-month fitness club membership.

But Rudd says he's no glutton, nor is he a gambling addict. He simply combines his own losing lottery tickets with those collected from a wide variety of friends and family members. And he's always on the lookout for tickets tossed on the ground outside grocery and convenience stores.

"What I do is accumulate tickets from other people and give them the prizes. I share the wealth," says Rudd, who estimates he spends about \$20 per week on lottery tickets.

All Replay participants earn points equal to five times the dollar value of each losing ticket they enter. For example, a \$5 scratch ticket is worth 25 points. The points can be used to enter monthly and quarterly drawings: players must have at least one point to enter drawings for monthly prizes, such as \$100 gas cards and theater tickets, and 100 points to enter drawings for quarterly Ultimate Replay prizes. The current quarterly prize is a two-night stay for up to 18 people at a White Mountains inn.

The program also offers instant prizes that are awarded randomly — mostly gift certificates in the \$5-\$10 range. Participants can choose to take the merchandise or exchange it for 250 points that can be used to enter the monthly or quarterly drawings.

As of Sept. 1, more than 415,000 instant prizes (merchandise and points) had been awarded, or about 2.3 prizes for each of the 180,766 people registered, according to Griffin York & Krause (GY&K), a Manchester marketing company that designed the system and runs it for the state.

During that time, participants played more than 45 million tickets worth \$142 million. Though Rudd won about four times the number of prizes than the next closest participant in the program's first three years,

there's no way to tell who entered the most losing tickets because about 75 percent of instant-prize winners take the points instead of the prize, and their identities aren't public.

Though other states offer limited promotions involving losing tickets, New Hampshire had the first and most extensive system, says Travis York, the marketing company's president. His company recently entered an agreement with another firm that will try to sell the system to other states.

While lottery purchases in other states remain anonymous and untraceable, the New Hampshire Replay program allows the state to create a database of customers and their buying habits. Participants must provide their names, addresses and e-mail addresses, and agree to receive promotional information from the lottery and its marketing partners.

"Most lotteries are spending 98-99 percent of their (advertising) dollars on mass marketing to essentially random and anonymous people," York says. "Because lottery tickets are sold as a cash-based transaction at a retail location, no lottery had any view into who their players really were."

For now, Replay players get e-mails reporting winning lottery numbers, lottery news and information about the Replay program and are asked to complete surveys. York says the state hasn't used the data to target advertising to individual players but more to influence the overall marketing programs for the lottery.

"Although no other state has this level of data available to it, we're pretty sensitive to how we use that data for aggressive marketing purposes," he says.

Industry analyst Michael Jones says the concept of rewarding frequent players has been around for decades, but New Hampshire appears to be ahead of other states in the depth of its program.

"It looks like they've done some very innovative things in terms of converting it to new technology and then developing what sounds to me to be a very sophisticated player tracking program. I don't think most states are doing that," said Jones, the former head of the Illinois Lottery and director of the Independent Lottery Research consulting company that has done research on lotteries around the world.

Rudd, who previously worked in a warehouse at Gillette, says his friends and family now know him as the "lottery guy." In addition to the hundreds of food-related prizes he's won, Rudd also has won museum passes, scratch tickets, ski area lift tickets, and salon gift certificates, which he passes along to his daughter.

His grandchildren have gotten into the habit of finding tickets on the ground and giving them to him, and he rewards them by taking them to sporting events. He's won tickets to auto races, baseball games, hockey games, and more.

"My grandchildren love to go to those games," he says.