

IGT PlayDigital: Turning Disruption into Opportunity to Enhance the Player Experience

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PGRI INTRODUCTION: Appointed to lead IGT PlayDigital in 2018, Enrico Drago and his team have been executing on a mission that has only become more urgent for lotteries today: offering a seamless, connected, easily navigable, and intuitive player experience. We discussed how the pandemic has refocused retail trends and consumer behaviors, accelerating the need for contactless and cashless options such as those that IGT enables. Ultimately, the story is all about the player, and the focus is on one objective: delivering an enhanced player experience through increased entertainment value.

Paul Jason: How has the pandemic crisis affected the ways that digital transformation and online gaming, in particular, are unfolding?

Enrico Drago: Several million people globally are moving to any sort of on-line/mobile consumption as a consequence of COVID-19 lockdowns, and this trend is also happening across several regulated gaming jurisdictions. IGT has always been aligned with our channel partners, the retail stores and casinos that were focused on serving players in ways that did not always include mobile and online gaming. As a long-term partner to lottery and casino operators, we have evolved to meet players' changing needs, providing a fully integrated spectrum of platforms, games, and tools that enable operators to offer the experience players want at retail, mobile, and online. Well, of course, we and our customers have expanded

our vision radically over the past five months as the pandemic unfolded.

To support the explosive increase in demand for online gaming, we continue to reimagine the ways we can support a marketplace that is changing and help to meet the needs of a far more sophisticated consumer base. Now, it's not just about digital and online play. It's about consumers being more curious and willing to try new games accessed through new media, as well as wanting to explore and experience new and different play styles.

Much of this vision was brought to fruition over the two years since you were appointed to lead PlayDigital.

E. Drago: IGT already had the fundamentals – the game development groups, the system delivery, all the organizational infrastructure. In the time since, we have coalesced around a clearly market-driven vision alongside a more agile and nimble approach. We have organized our offer into three main game categories: PlayLottery, PlaySports, and PlayCasino. The unifying element is the PlayDigital platform, which we built around the goal of delivering value, in the form

of entertainment, to the player. We empower operators with fully flexible open architecture that works seamlessly across channels, providing complete insight and management of the business. Integrated with the operator's existing central server and systems, the PlayDigital platform puts the entire focus on the player experience.

From the player point of view, mobile is the unifying principle. It's not just that players want the games to be optimized for smart phones, though they certainly do want that. Mobile is also the user-interface that gives players the complete view of everything they need to know about the universe of games and the play experience, including how and where games can be played. Mobile also delivers cross-promotional messaging to enhance the variety of player experiences, along with Responsible Gaming tools and ancillary products and services that our channel partners, like retailers and casinos, think might enhance the overall consumer experience.

How are you applying the global breadth and depth of IGT assets to help operators transition into a world that will be quite different from the world we knew just six months ago?

E. Drago: One effect of the current crisis is the accelerating rate of change in general and consumers' willingness to adopt new technologies in particular. The trend lines were already evident – the timelines have just been radically compressed. Now it is imperative for gaming operators to refocus their view of the player relationship.

IGT is ready to deploy new offerings on every front. We're prepared to partner with operators in smoothing a path for players to embrace a new gaming environment that is more exciting and entertaining than ever. IGT is applying a brain-trust informed by decades of experience in all sectors of the games-of-chance industry, a wealth of data-driven insights into player behavior and market-driven solutions, and ongoing R&D resources.

How would you describe IGT PlayDigital's approach to innovation?

E. Drago: We have always known that lottery needs the digital connection to attract new players and expand its player base. But before the pandemic, many players continued to prefer playing exclusively at retail stores. One impact of the pandemic is that players are seeking alternatives in this era of social distancing. It is now vital for operators to provide a multi-channel portfolio of options for players to play wherever, whenever, and however they choose.

IGT works internally to develop platforms while collaborating with external game studios and app developers in order to bring the very latest to the marketplace. Also, we talk to players globally by offering them new game previews and a seamless mobile user experience, and we listen to their feedback. These are extremely valuable insights that we factor into product and roadmap developments.

iLottery is important, but it is just one part of the picture. We think of the opportunity for customers as being much bigger than online games or digital technology. IGT PlayDigital wants to help customers integrate the entire scope of land-based and online offerings into a single, easily navigable player experience. And the measure of success is the player experience.

What are the player-centric objectives?

E. Drago: The first goal is to introduce core players to the incredible array of new features and benefits delivered online, whether they want to know about jackpot levels, winning lotto numbers, special promos or bonuses, or enjoy the countless benefits of digital connectivity.

At this point, everyone is familiar with managing their activities online, whether it's online banking, ordering groceries, or managing travel or restaurant arrangements. And over just the past few months, many more people have become active users of videoconferencing, social media, and other online tools. The consumer marketplace is far more receptive than before to new ideas that will improve the quality of the experience. And that is as true for the traditional lottery player, who played only in a retail store, as it is for everyone



By the Numbers

IGT has long been at the forefront of the industry's move to digital, with more than 10 years of online for-wager gaming experience, a global team, four digital game studios, and \$26+ billion in wagers processed through April 2020.* IGT consistently invests millions annually on Research & Development (R&D) to expand its evolving IGT PlayDigital product and content roadmap. As both an operator and a provider, IGT tests and proves-out solutions before introducing them to other markets.

With 120+ worldwide customers, no two are the same. IGT supports customers from start to finish, beginning with an evaluation of the unique dynamics of their jurisdictions. This includes in-depth analysis of the market, player demographics, regulatory environment, and current technology. Coupling this information with more than a decade of industry expertise, IGT then designs a custom solution that fits the needs of the operator while providing a path for future growth.

Importantly, PlayDigital also has the people in place to deliver the optimal player experience. With about 40% representation among people of color, nearly 30% representation of women, and representation among Millennials and Gen X at more than 90%, the PlayDigital staff reflects the diversity of the evolving player base that IGT's products and customers serve.

**January 2018-April 2020 YTD IGT RGS Digital Wagers Only*

else who has adopted new behaviors as a result of the pandemic.

Making it as convenient and enjoyable as possible for players to adopt a multi-channel relationship with lottery is essential. Along

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with offering fabulous games, player retention relies on engaging with players through multiple communication channels.

The other goal is player acquisition – attracting new players who may not have purchased lottery products in a retail store. The key to achieving both goals is entertainment. Of course, it all has to be a seamless, intuitive, and convenient process to register and interact with lottery. That’s now the minimum threshold that everyone must meet. But the competitive differentiator will be entertainment.

There are two ways to entertain. The first is through the game content itself. The second is through the ecosystem that surrounds the games – from the moment the decision to play occurs, through the way the results are communicated, to the countless opportunities to bring fun and entertainment into the overall playing experience. The application of online tools, messaging, and player-retention tactics support repeat play and truly drive

player loyalty and ultimately the growth of playership and sales.

IGT has access to tools and insights that were being successfully applied in the casino world prior to lottery and are now even more advanced. Those include customer acquisition strategies and especially CRM and customer retention tools and tactics. As an operator in Italy, IGT spent 15 years developing sophisticated software and technology tools to build effective players clubs and loyalty programs, which also gave us 15 years of real-world experience in attracting and appealing to players, and in implementing a long-term strategy to increase playership. Combine that with IGT’s decades of lottery sector experience, and we have a 360-degree perspective on the games-of-chance industry. At the end of the day, we are selling entertainment, and we need to do what we can to make sure that every playing experience is fun and entertaining.

What are the trend lines today and how are they manifesting differently throughout the world?

E. Drago: Sports betting is changing the face of gaming throughout the world. Of course, its popularity is exploding in the U.S. gaming market as we speak. But it is also the fastest growing game category globally. The importance of this extends beyond the revenue potential of sports betting. The sports-betting player represents an entirely new demographic profile to lottery that is ready to also play other games of chance. That is why we all need to forge new pathways for connecting with sports-betting players. Again, it goes back to the primary key to success: selling entertainment. The more we can engage players in a variety of ways to access and play the games and the more access they have to fresh new experiences with different game categories, the more engaged and entertained they will be.

IGT is creating the content-delivery systems that enable fast and easy migration from one game category to another. Electronic Gaming Machines (EGMs) let the player access multiple categories on the same device with no need to go to a different room or different console. It’s not just about increasing the value of floor space or even ease and convenience for the player. It’s about entertainment. Players have the option of mixing up their routines with something new and different. The sports betting player might take a break from the intensity of sports betting to play a few casual rounds of lottery.

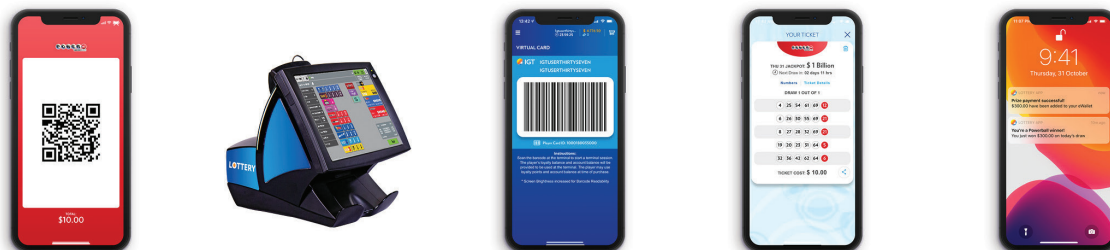


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Contact-Free Digital at Retail



Player downloads convenience app, makes selections on their mobile device and creates a **Digital Play Slip**.



Player's **Digital Play Slip** is scanned at the terminal.



Player elects to pay with **eWallet**. Barcode in the app is scanned at the terminal.



Player receives the **Digital Ticket**.



Player can claim prize at retailer to **eWallet**. OR Ticket is auto checked. Prize is paid to the **eWallet**.

One of the impacts of the pandemic is that players are seeking alternatives at a time of social distancing. IGT can help lottery customers integrate the entire scope of land-based offerings into a single, contact-free and easily navigable player experience.

Not only can one device deliver multiple game categories, the console can display multiple games at the same time. For example, the IGT CrystalBetting™ Terminal allows players to watch their favorite sporting events on one side of the screen and place bets on the other side of the screen. The player can mix and match whatever content is most appealing in the moment. And mobile apps already are configured to support fast, easy migration among different game categories. Our PowerBucks game, launched in Canada, is the world's first omnichannel wide-area progressive game that links the jackpot prize pool between gaming machines found in casinos with games on mobile devices and desktop computers.

What are some player or marketplace trends that you think will emerge over the coming few months or in the coming year?

E. Drago: There will be lots of innovation in the Electronic Gaming Machine and mobile gaming spaces. People still love to play lottery and games of chance, and people like to socialize and interact with each other. That leaves a lot of room for technology to foster social interaction in an era of social distancing. For instance, the EGM or a mobile device can display

a live dealer as part of the game-playing experience. Maybe we will be able to interact with other players like we interact with colleagues in a videoconferencing call. Players can now play blackjack, poker, and craps at an EGM. The quality of that player experience will only get better, with the feeling of live in-person social interaction being replicated in a social distancing environment.

One trend to note is that people don't stop playing games if their game of choice becomes unavailable. Instead, they often switch to another game. People who may have travelled to a casino or wagered on sports may turn to lottery if it is more accessible. Likewise, if people who traditionally played the lottery at retail are reducing their trips to the store, maybe they will decide to play online. And as we discussed, increasing the functionality and entertainment value delivered by EGMs is a top priority. With split screens to enable monitoring, switching game categories, or queueing up one game while playing another – or being able to order food and beverages at the machine – players can accomplish whatever they want to do and all within a Responsible Gaming framework. There is a lot of room for digital transformation to enhance the player experience.

I think everyone appreciates that retail modernization has gone from being a pre-Covid "trend" to being an urgent mission-critical crisis. This represents an opportunity for lottery to adopt in-store digital tools to make the retail lottery experience contact-free. IGT has a whole portfolio of solutions that are transforming the retail playing experience, with a lot more in the pipeline. Of course, U.S. lottery directors feel that sense of urgency, and many are constrained by state regulations. But all state lotteries can take steps now to remove physical contact from retail journeys, even if they are prohibited from selling lottery products online. There is still so much that can be done. Building out the omnichannel relationship with players is key to increasing playership and sales in the short term, as well long-term growth and sustainability. An engaged, interactive relationship with the player is also a key component to an effective Responsible Gaming program.

IGT calls this *Connected Play* – creating an omnichannel relationship with players, building the lines of communication and interaction, and enabling players to seamlessly migrate among game categories, distribution channels, and media. It's all about creating fun and entertainment for them. ■