

Change Brings Opportunity

A lot has been learned over the past 18 months – in society, in culture and in business. Everyone learned to be nimble, to adapt and to recover. The lottery industry learned that given a sudden absence of gaming and entertainment alternatives, their games – especially instant games – soared. At the same time, consumers cut back on store visits as they gravitated to more and more online purchases.

Many changes have fundamentally altered consumer expectations of how they conduct their daily lives and how they interact with companies. Now it is up to the industries that serve these consumers to adapt and keep up with the pace of change. So we asked our associate members the following question:



NASPL Associate Membership

How can lotteries take advantage of the fundamental changes in society that have taken place in the wake of the pandemic?



IGT

Serving New Player Needs and Expectations

North American lotteries have broken all sales records during the pandemic. The lack of entertainment options available to consumers due to social distancing requirements has spurred a notable evolution of the player base, with a significant number of new players discovering lottery even as more players than usual lapsed. This situation provides an opportunity to structurally widen the player base by re-attracting lapsed players and retaining the new ones. However, the competition for screen time, share of wallet and consumers' attention is also increasing. For example, in July Netflix announced that it will offer video games to its subscribers.

To maximize the positive momentum, lotteries should continue to focus on content innovation, improving convenience and multiplying purchase opportunities.

Content innovation includes optimizing multi-state games (further differentiating Mega Millions from Powerball); continuing to enrich the offer with add-on games such as Fireball, EzMatch, and Double Play; launching new games well-suited to the digital channel, such as CASHPOP™, to appeal to newer demographic segments; and continuing to advance the instant game offering. IGT has several new innovations in the instants and draw-based games roadmap that will be soon announced.

Enhancing convenience requires a player-centric approach as well as a focus on removing attrition

points and increasing the opportunities for purchase. Lotteries can expand their ability to communicate directly with players and understand their preferences through CRM, big data, second chance and loyalty; increase the opportunity to play at retail via automation and in-lane; promote esubscriptions; expand convenience in-store and on personal devices; and – if regulation allows – expand cashless payment. The retail and mobile experiences should reinforce each other, for example by promoting lottery app downloads at the in-store ticket checker or promoting registration when players check tickets with their mobile.

The lottery ecosystem should become more open to third parties, for example by providing the opportunity to include purchases made at lottery vending machines in the retailer's loyalty program; providing the ability to digitally store a lottery ticket in a secure mobile phone wallet outside of the lottery app and be notified of wins; and giving retailers the ability to sell lottery without a dedicated lottery terminal, as IGT offers today with in-lane solutions. We are committed to leading the industry with a focus on R&D and the vision to support lotteries in adapting their business model to the evolving retailer and player expectations that will continue to drive revenue growth.

– Stefano Monterosso, Senior Vice President Lottery Product & Sales Development