

Digitization Now: Tools to Transform the Player Experience

Even where digital wagering is not yet permitted, lotteries can digitize the retail experience to increase player engagement and provide a contactless player journey.

Giving lottery players the same cashless payment options commonly used for other everyday purchases was an industry priority even before the pandemic. With new safety concerns, the time is now to use digital solutions to offer a more contactless player journey at retail and transform other aspects of the player experience. IGT's Srimi Nedunuri, Vice President PlayDigital Lottery, and Karri Paavilainen, Senior Director PlayLottery Marketing, discuss the range of options available to engage players and advance lottery in a post-pandemic world.

La Fleur's: What are some of the ways you expect digital lottery to address the need for change mandated by the coronavirus pandemic?

Paavilainen: The first change is perceptual. Lotteries are recognizing that digital isn't replacing retail. It's a parallel service channel that lets lottery brands engage where consumers are—and engage in many ways beyond wagering.

Nedunuri: Yes, digital solutions are important not just from a sales perspective, but from the product and player-experience perspective as well. You can encourage your retail players to interact with you via your mobile app and various touchpoints that digitally enhance their overall lottery experience. Players can have their winnings withdrawn electronically and deposited directly into the bank. Or they can top-up funds

electronically to buy their physical ticket by cashless and contactless means. These are just a few of the tools available.

The changes mandated by the pandemic are expected to impact the world for a long time. Across the board, industries



are adapting to new ways of doing business. It's important that regulators understand that this can be done in a socially responsible way and be more open to these changes, which support and protect critical funding for social causes, especially now, when the need is even greater.

Paavilainen: Among lotteries that are already in a digital space, the unanimous feedback is that it improves the relevance of the lottery brand and actually increases the purchase propensity when the consumer is in a retail environment. This is supported by sales numbers. Most jurisdictions that have launched a digital channel are also enjoying very strong retail sales.

La Fleur's: Srimi, you've given presentations on using Artificial Intelligence (AI) and data to benefit lotteries and players. Aren't digital solutions also a key aspect here?

Nedunuri: Exactly, digitization is key to understanding user behavior, even when the player is anonymous. Once you understand those unique player profiles—what your players enjoy, how and when they want to play, and so on—then you can proactively provide the respective services. That's what digitization is all about: improving the player experience.

La Fleur's: How important is content in the digital world?

Paavilainen: Game content is the reason why players return to the platform, especially when we're talking about Instant Win content. The optimal game is easy to grab, it gives entertainment and reveals its secrets layer by layer when you

play it. This happens over and over again in the digital space. What's important is that the game content interacts closely with the play features supported by the platform and the prize structures. Because all of those—when they come together—create the successful play experience, which drives satisfaction for the player as well as driving revenue.

La Fleur's: Looking at it from the player perspective or the lottery management perspective, is a digital lottery offering complicated?

Paavilainen: The only real barrier for the player is the sign-up process. Associated KYC (Know Your Customer) procedures and payment-instrument acceptance are driven by regulations and the payment industry, with their own rules and regulations. But outside of those factors, the player experience isn't complicated even though the technology supporting it can be.

From the lottery management perspective, managing the business requires new competencies. Suddenly you're a shopkeeper, and you're responsible for your customer relationships. In the beginning it might look complex, but the industry has developed processes and approaches to tackle this. For example, IGT offers tools like Play.AI that enable lotteries to automatically pull in complex calculations to create a single segmentation group that needs some communication or promotion at a given time.



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Srini Nedunuri: Exactly, the tools are available, and we can help customers with every aspect. Along with the technology, IGT can provide the marketing services, product services, operations, call centers, payment services, payment processing—a complete turnkey solution. As we already do with many lotteries, we have local site teams to help run the business, and we can extend that to support our customers in learning the details of the interactive lottery business in a manner they're comfortable with, whether they want to launch with one product or many.

La Fleur's: What can other lotteries learn from the Rhode Island Lottery's digital transformation?

Paavilainen: One lesson is that you can get into this space in a very short period of time—a matter of months—if you put the wheels right. Second, you don't need to have everything done on Day 1. Rather, you can proceed step by step, choosing your angle on how you want to go to market and what will give the best value for your players. Rhode Island decided: Let's move forward as a first phase with the most interactive games, a digital version of the retail Keno and a selection of eInstants, which is content that has the most to give in a digital environment for players. In later phases, the plan is to expand and cover the full offering. That's a good approach for lotteries balancing which way to go in.

Obviously, some lotteries are limited to draw games from the regulatory perspective. And another option, which is more typical in European jurisdictions, is to go all-in with the full product portfolio offered to players. We're seeing that all lotteries that are now in the digital space will be adding to their game selection to be more complete. And I think that's great from the player perspective. Ideally, digital should be like an endless shelf-line of selection.

Nedunuri: Rhode Island is also a good example of why the choice of a platform is important. The IGT platform supports all verticals—Lottery, Sports Betting, Casino, Poker, and Bingo—with the same solution. If local regulations allow, IGT



customers who are trying to expand into sports betting can service that as well as their interactive lottery and more with the same platform, based on a single player account across the different product verticals. This gives you a lot more insight into how you can leverage those player journeys if there is any crossover or cross-selling among the segments.

Paavilainen: Another example to look at is the Hoosier Lottery in Indiana, because the discussion that is coming up more and more is how well a platform is connected to different marketing technologies. This could range from an isolated platform or customer database, where your only option is to send emails or texts to your players, to a digital marketing platform level that enables the lottery to cater messaging to player preferences.

In Indiana, the Lottery is able to digitalize player relationship marketing even though they're a retail lottery. While they don't know these players' complete purchasing behaviors, they're capturing their digital actions through their website and mobile app, and they can segment as a result.

Optimally, in true digital marketing, those players should be seeing instant ticket advertising on Facebook and chatbot reminders. If you are able to integrate the platform, that's one further step in expanding touchpoints to your players.

La Fleur's: Lotteries have a treasure-trove of data. Once they integrate it with IGT's system, it provides an excellent opportunity for you to help them create an entire marketing strategy. So is it better to ease into digital, or to jump in with two feet?

Paavilainen: There are three main paths lotteries take: One is to start by digitalizing the player relationship marketing and communications. Using the database, expand the use of the loyalty second-chance program, capture the data on how players are using portals, and then create the profiles, use those profiles as a basis of communication, and expand those communication alleys where you have touchpoints with the player.

A second is to digitalize the services, whether it's a convenience app, ticket scanners, digital play slips, digital tickets, redeem the winnings, basically entering into what IGT calls Connected Play. And the third is digitalizing sales, where there are regulatory challenges for many states.

But you can start with eInstants or draw games until you end up with the full product offering, which is what players expect. Again, three different ways, and lotteries need to choose the first step that works within their existing regulatory framework and get into the game.

Contact your IGT account manager to learn more.