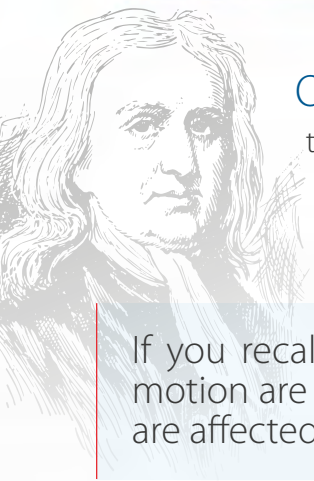# Keeping Lotteries in Motion
with MOMENTUM

Over 300 years ago, Sir Isaac Newton presented his three laws of motion. It's safe to say that in 1686 Newton could not have envisioned how his laws could be applied to the global lottery industry of 2019. However, in the fast-moving world of gaming, we can observe his principles in action every day.

If you recall, Newton's first two laws of motion are concerned with how objects are affected by outside forces:

- An object at rest will stay at rest unless acted upon by an outside force, and an object in motion will not change its velocity unless acted upon by an outside force.

- An object's velocity, or its rate of change in momentum, is directly proportional to the force applied.

Today, players and retailers expect change faster than ever before. That's where Newton's first law comes in. Lotteries need a technology provider willing to get the ball rolling through innovation. Then, as the second law states, generating the right velocity to keep pace with the industry requires a partner with the right technology and the ability to drive profits responsibly.

Scientific Games has staked its systems business on these principles. The company positions its portfolio of systems-based solutions, *Momentum*™, as a strategic way to continually push the industry forward.

"Our industry is in perpetual motion. *Momentum* exemplifies our ethos to keep advancing the industry through innovation," says Jennifer Welshons, Scientific Games' Senior Vice President, Marketing, Lottery. "We drive the industry forward by driving ourselves forward – they go hand in hand."

Force = Mass Times Acceleration
The company has amassed a portfolio of performance-proven products through decades of innovation, as well as by acquiring industry-leading companies such as Lapis Software and its business and retailer intelligence software and NYX Gaming, a world-leading digital gaming and sports betting provider.

Products are grouped into solutions that solve real-world lottery and retailer challenges and in some cases, obstacles. *Momentum* is made up of product suites that address seven areas of lotteries' business, including:

> Lottery systems
> Retail solutions
> Back office and retailer intelligence
> Instant game management
> iLottery
> Sports
> Interactive

The *Momentum* portfolio integrates a complex network of systems and technology. For example, it improves retail performance with the *gem|Enterprise*™ suite, optimizes retailer shift accounting with the *SCiQ*® intelligent instant game ecosystem, provides access to over 2,000 digital games and sports betting, and expands lottery experiences through interactive products. The approach allows more flexibility to meet customers' specific challenges.

Traditional lottery back office systems are typically tied to central gaming systems. However, since lotteries may have multiple suppliers providing draw, instant, sports and digital products, Scientific Games decoupled its back office system from its central gaming system.

Momentum helps lotteries connect to a variety of third-party technologies. Applications can be easily added to the system to create operational efficiencies, offer new content and ultimately drive sales.

"*Momentum* is architected for agile growth," says Kent Christensen, Scientific Games' Senior Director Development, Lottery Systems. "This makes it very easy for us to go into a lottery and set them up using basic configurations. If custom software is needed, we can develop and install it very rapidly on our platform."

The idea is that whatever the lottery – or retailer – needs, Scientific Games has a solution ready. "As an industry, we're now connecting with lottery retailers and representatives who actually sell the product in the supply chain and helping solve their problems," Christensen adds.

Solutions to Prevent Inertia

The *SCiQ* ecosystem was developed specifically to capture big data to support lotteries with real-time information, address pain points at retail, and provide player conveniences and confidence to know exactly what they are purchasing. In addition to tracking tickets sold in real time, the *SCiQ* system amplifies the inventory controls, provides a major increase in the security of selling instant products, and modernizes how instant games are presented at retail to the player. Launching in market in spring 2018, *SCiQ* has already rolled out in hundreds of retail locations across 10 U.S. states and with major retailers including Walmart, Kroger, Circle K, 7-Eleven and Speedway.

PlayCentral® touchscreen self-service terminals modernize the experience of lottery vending. For its *PlayCentral 54* terminal, Scientific Games was named 2019 Supplier of the Year for Product by Walmart Services Division. The industry's first low-profile, 54-inch lottery self-service machine in market, *PlayCentral 54* was custom innovated for Walmart Supercenters to sell instant and draw games and other lottery products.

The full-size *PlayCentral HD* continues to drive sales – and satisfaction of players and retailers. In June 2018, a large convenience store chain in Maryland started selling lottery exclusively through *PlayCentral HD* terminals. In just over a year since going totally self-service for lottery, the chain's Maryland stores have seen their lottery sales increase 51%. In Connecticut, *PlayCentral HD* has been introduced in nearly 200 retailers and has seen rising sales from the machines averaging $1,000 per week, per retailer, in May 2019. *PlayCentral HD* has added a convenience factor for players, who no longer have to purchase the game exclusively at the counter.

Momentum touches all types of games offered by lotteries. The global online gaming market is expected to increase to $94.4 billion USD by 2024, according to a report released by Zion Market Research in September 2018. With the January 2018 acquisition of NYX Gaming, which included the world-leading digital *OpenBet* sportsbook, Scientific Games now has nine game development studios, a network of third-party suppliers globally to offer its customers an expansive portfolio of digital gaming content and expanded *OpenSport* full service, customizable sports betting solutions.

SGEP Enhanced Partnership

Scientific Games created the first secure instant scratch-off game in 1974, and it is still innovating ways to manage lotteries' instant game business. In fall 2018, the company unveiled *Scientific Games' Enhanced Partnership (SGEP)*, an evolution of its performance-driving *Cooperative Services Program (CSP)* for full instant category management. Used by more than 20 lotteries worldwide, *SGEP* manages every aspect of lotteries' instant products category by delivering product solutions, advanced logistics, retailer optimization and digital engagement.

Constant Progression

Though *Momentum* delivers solutions in seven areas of lotteries' business today, it will change with the times and the needs of the industry, Welshons shares. She compares it to Amazon's evolution from an online book vendor to a major player in many areas of online commerce.

"If 15 years ago someone had wanted what Amazon is delivering now, they wouldn't have known what to ask for," Welshons explains. "The lottery business is completely different today than it was even just five years ago, and it will keep changing. And we will keep progressing the *Momentum* portfolio to empower our customers with forward-thinking solutions."

Left to Right:
SCiQ®
PlayCentral® HD
PlayCentral® 54