

# Pioneering In-Lane in Ireland: Breaking into the Grocery Sector, Reaching New Players & Insights for U.S. Lotteries

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Shifting retail channels. An aging population and player base. Changing consumer preferences. A familiar story for North American lotteries, but this particular story takes place in Ireland.

Over the past couple of years, Premier Lotteries Ireland (PLI), Fastrak Retail UK, and Carmanah Signs have worked collaboratively to co-develop in-lane solutions for the Irish National Lottery, breaking into the discount sector and optimizing thousands of checkout lanes across Ireland.

## A Look at the Relevant Trends:

The traditional Independent Sector across the Irish Retail Estate is diminishing. Declan Stone, Managing Director and Head of Retail at Colliers International, Dublin, suggests that the sector is “more than a little unloved at the moment” and that many retailers are struggling.

However, despite the current retail environment, Stone remains positive regarding discount retailers. According to him, “The value sector – Lidl, Aldi, Sports Direct, TK Maxx, Penneys – is more active as customers strive to get more bang for their buck.”<sup>i</sup>

In addition, while online shopping continues to grow, grocery remains a small online market in Ireland with only an estimated 3% of total grocery purchases made online.<sup>ii</sup> This makes the grocery channel an attractive way to reach a wide range of demographic segments.

Meanwhile on the lottery side, Ireland is facing the same challenges as most other Lotteries today: an aging population and aging player base, as well as evolving consumer behaviours and needs that demand greater convenience, personalization, and innovation.

## Seizing the Opportunity:

Having identified the discount grocery sector as an ideal growth opportunity, PLI proactively focused on introducing lottery in-lane in what is now regarded by market commentators as the ‘Big Five’ retail chains in Ireland: Lidl, Aldi, Tesco, Dunnes Stores, and SuperValu.

“The lottery offer needs to be consistent in all multiple lane stores,” said Niall Andrews, Head of Sales & Operations for PLI. “The nature of the Lottery offering is such that it needs prime positioning across key points of purchase in-store. There is little point in putting lottery in-store unless positioned in the primary selling location, which is adjacent to the belted checkout and consistent across all assigned lanes.”

Meeting with enthusiasm from the major national chains and green lights for pilot programs, PLI had some questions to answer: How do we do this? How do we fit in-lane, how do we display, how do we communicate?

## Rising to the Challenge:

PLI partnered with Fastrak Retail and Carmanah Signs to develop a variety of Lottery In-Lane Display Units, each with a Wireless Mini Jackpot Sign incorporated. The Mini Jackpot Sign In-Lane Display Units were also tailored to meet the specific requirements of each individual key account retailer.

“The Irish Lottery (PLI) wanted an impactful but flexible Point-of-Sale (POS) display solution that also communicated up-to-date jackpot information. We collaborated with Fastrak to offer a complete solution, ensuring that the Mini Jackpot Communicator was perfectly integrated within Fastrak’s design,” said David Roy, International Business Development Director for Carmanah Signs.

Mick Tooley, Commercial Director of Fastrak Retail, says, “We appreciate space is tight for any in-lane POS display unit and scratch cards are bulky, so our design team worked hard to create a super slim integrated design. The unit’s steel frame provides both structure and stability, meaning additional units can be easily added to the display. The attractive, informative scratch card display fronts were constructed in polycarbonate for a high gloss, durable finish. All graphic areas and headers where permanent messaging was required were rear printed, as always having messaging visible was a key factor.”

Integration was completed enabling



the purchase of draw-based games at the checkout, making it possible for customers to purchase their groceries and lottery tickets in one transaction. Two solutions were deployed, depending on the requirements of the retailer: either a small footprint lottery terminal placed at each checkout lane (used for Lidl), or direct integration with the retailer’s EPOS system (i.e. the till). With the EPOS integrated solution, tickets purchased are printed on supermarket till rolls and contain a mandatory barcode allowing them to be read by all National Lottery terminals.

According to CBE, the EPOS company that facilitated integration with SuperValu stores, “There are 12 draw-based games available with the CBE FutaTill/ National Lottery integration. These include Lotto, EuroMillions, Telly Bingo and Daily Millions, while there are also four scratch card options available. Tickets will be printed on industry standard till rolls rather than the National Lottery terminal rolls. The high quality till roll paper and printing complies with National Lottery

and Financial Regulator requirements that tickets must be readable for up to 130 days after printing when stored under normal use conditions e.g. in a customer's wallet or purse.”<sup>iii</sup>

### Success Beyond Expectations:

Lidl was the first of PLI's retail partners to move from trial to full implementation, rolling out Mini Jackpot Sign In-Lane Display Units to every checkout lane across the full Lidl estate over a three month period, with the project completed by the end of June 2018. Lidl was proactive in promoting the availability of Lottery services in their stores and placed advertisements in national newspapers to inform Irish consumers that they could



now purchase their lottery tickets at any checkout lane, in any Lidl store, nationally across the Republic of Ireland. Lidl also had two big winners in-lane before rollout was even complete, promoting the wins through their highly active social media channel to further drive awareness of Lottery In-Lane at Lidl.

The impact of the pilot across a select group of Lidl stores was compelling (considering Lottery products had never been offered there before), with sales exceeding expectations and becoming a key driver of the decision to move to full rollout. In other trials across the traditional grocery chains, such as Tesco & Dunnes where Lottery services were already available at a single point of purchase (i.e. the Kiosk/Customer Service Desk), there was clear evidence of incremental sales opportunities in-lane.

To date, more than 6,500 Mini Jackpot Sign Display Units have been successfully placed across the national retail estate in Ireland, with more than 1,600 placed within in-lane environments. In addition, PLI have built a strong working relationship with their Retail Network through an active Retail User Council. Council members are Lottery Retailers who have been nominated by their individual representative retail body

to sit on the council.

“Over the past two years we have further developed this forum, which has become a strong sounding board for floating new ideas and concepts. It has been invaluable in building our relationship with our retail partners, which is now stronger than it has ever been... it is a two-way exchange, but once the council are comfortable to endorse what we are doing then this filters down through the system and through their own communication network to their retailers and eases that buy-in,” said George Canavan, Sales Support Manager for PLI.

### Applying Lessons Learned to In-Lane in the U.S.:

According to a recent National Retail Federation (NRF) “Consumer View” report, the U.S. is seeing similar consumer behavior in regards to the growth of the discount sector.

“Off-price and discount shopping took off during the recession as price-conscious consumers looked to save on everything from brand-name goods to everyday household purchases,” the NRF report said. “Now, eight years into the economic recovery, consumers continue to hunt for deals and discounts.”

An NRF survey of more than 3,000 American adults found that 89% shop at various discount retailers. Of those, 58% reported shopping at dollar stores, 50% at off-price stores like Ross or T.J. Maxx and discount grocers like Aldi or Lidl, 44% at outlet stores, and 36% at thrift stores.

The NRF found that those discount models appeal to consumers across age and income groups, with 89% of those making under \$50,000 a year saying they shop at discount retailers, along with 88% of those making between \$50,000 and \$100,000, and 90% of those making over \$100,000. Bargain shoppers include 93% of notoriously hard-to-reach Millennials (born 1981-1994) and Generation Z (1995 or later) over the age of 18.<sup>iv</sup>

Findings such as these make the discount sector an ideal area to target Millennials and players driven by convenience, with the convenience of in-lane lottery sales a particularly appealing area of growth for U.S. Lotteries.

Carmanah Signs is delighted to see where in-lane sales will go in the U.S., and looks forward to providing lotteries and retailers alike with the essential components for successful in-lane executions.

### 7 KEY LESSONS FROM EARLY IN-LANE LOTTERY PILOT PROGRAMS:

1. Reach players and potential players in-lane at bricks and mortar retailers, where we already know they are.
2. Get retail partners on board by ensuring that retailers understand how lottery increases top line sales and consumer foot traffic.
3. Work with experienced vendor partners to co-develop Lottery In-Lane Display Units. Customize units for retailers to maximize sales lift via convenience and impulse purchases.
4. Be consistent in putting lottery across all lanes.
5. Communicate with players that lottery is now available in-lane.
6. In-Lane Jackpot Signs are an essential part of a successful in-lane program. In fact, in another in-lane trial tested both with and without In-Lane Jackpot Signs, the signs were determined to be vital to the program's success.
7. Continue the dialogue with retailers, building relationships to ease buy-in and embracing innovative ideas from retailers along the way (for example, the PLI Retail User Council).

### About Carmanah Signs:

Carmanah Signs, STRATACACHE's global Lottery & Gaming Division, provides everything from digital signage software and hardware (media players, displays, interactive tablets, networking equipment, retail sensors, and innovative jackpot signs) to services (content creation, scheduling & distribution, network monitoring, and technical support).

Carmanah continues to lead the way in jackpot signage innovation, including the development of wirelessly updated jackpot signs for both in-lane grocery and gas station fuel pump environments. With over 15,000 grocery lanes and counting, Carmanah continues to be the only jackpot sign provider with live in-lane jackpot sign executions.

<sup>i</sup> Justin Comiskey, “Is Irish retail in crisis? The winds of change are blowing through the high streets,” *The Irish Times*, December 12, 2018. <https://www.irishtimes.com/special-reports/business-ireland-magazine/is-irish-retail-in-crisis-1.3708364>

<sup>ii</sup> “Retail & Consumer Report 2018,” PwC, March 2018. <https://www.pwc.ie/publications/2018/retail-consumer-report-2018.pdf>

<sup>iii</sup> “A world full of EPOS-ibility!,” *ShelfLife*, May 16, 2019. <https://www.shelflife.ie/a-world-full-of-epos-ibility/>

<sup>iv</sup> “NRF study says consumers shop at discount retailers regardless of age or income,” National Retail Federation, October 11, 2018. <https://nrf.com/media-center/press-releases/nrf-study-says-consumers-shop-discount-retailers-regardless-age-or>