

LOTTERY 3.0 IS HERE!

Lottery in the US is very different today to where it first began. Lotteries can now achieve retail and digital sales growth by harnessing the power of data to personalize each player's experience.

LOTTERY 1.0 - RETAIL EXPANSION

The start-up phase of lottery in the US, or 'Lottery 1.0', saw new lotteries launch by adding retailers and expanding retail networks, putting new technology infrastructure into the market, and getting games into stores.

Spanning from roughly 1985 to 2000, nearly every year brought new growth thanks in part to lotteries starting to sell in each state for the first time. Relatively simple but effective tactics helped reach players and build engagement, including increasing access and convenience of purchase, and mass marketing via a 'one-to-many' approach.

LOTTERY 2.0 - PRODUCT EXPANSION

At the turn of the new Millennium significant strides forward were made in areas such as product, brands, and marketing. Lottery 2.0 had arrived.

Players were no longer limited to a small number of game choices. The category expanded with varying price points and payouts, and brand loyalty deepened with players.

Marketing teams, armed with better insights into purchasing behavior and game preferences, were able to shift marketing strategies from a relatively analog one-to-many approach to a more focused 'one-to-segments' approach.

LOTTERY 3.0 - DIGITAL REVOLUTION

Our world has significantly changed since the dawn of the millennium. Then, just 52 percent of the US population had internet access of any kind - a figure that is more than 90 percent today¹. Smartphones wouldn't be bought by large numbers of consumers in the US for another decade; today more than 80 percent of US adults have one².

The increased access to digital tech-

nologies has radically changed consumer behavior. About 96% of Americans have made an online purchase of any type and 51% of Americans say they prefer to shop online³. Consumers are now playing a completely different game.

Lotteries need to adapt and modernise to address changing consumer behavior by introducing new programs and channels to engage existing players and further grow their player bases.

WELCOME TO LOTTERY 3.0

We are in the midst of a wave of innovation in lottery, as the industry embraces a digital-first mindset for player engagement, growth and personalized marketing.

A well-executed digital strategy achieves improved retail sales in parallel with new digital revenue streams, as access to data and improved business insights improves.

Earlier this year the Illinois Lottery completed the very first digital platform and iLottery conversion in the US, including integrating with Camelot's Atlas Data Platform to connect retail, marketing and digital channels, and drive improvements across the business.

Illinois' digital program is focused on improving the player experience, seamlessly integrating content across channels, using quality data insights to drive business decisions, while also offering light registration, ticket scanning, retail store locator, and instant ticket promotions.

One key metric of player engagement is ticket scanning via an app. A brand new feature for Illinois, ticket scans have organically grown to more than 13,000 per day which gives the Lottery invaluable data to help grow its business.

When tickets are scanned via an app, details such as where and when a retail ticket was bought are linked to a newly generated and unique customer ID number. Although at this stage the lottery won't know any of the customer's personal details, it can still begin to market to these

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players based on their preferences and game play history, all gained through ticket scanning via its app.

DIGITAL FUELS GROWTH

While lotteries continue to optimize and innovate in retail, technology and games, the enabler of growth and optimization in the Lottery 3.0 era is digital and data.

Embracing digital technologies and use of data is crucial for all lotteries, even those unable to sell tickets through digital channels. Digital means more than just mobile and web - it also creates the ability to integrate data from across all areas of the business quickly and easily. Digital fuels growth through information.

With a robust digital program in place and access to a rich stream of data, lotteries can make informed, intelligent, data-driven decisions, particularly around how to best communicate and market to players in a personalized way.

The ability to turn data into insights and actions creates profitable business outcomes.

THE FUTURE IS NOW

The 3.0 era is here. Digital transforms the player's experience with the lottery brand through personalized marketing, data insights and digital technologies.

When players are engaged and have an emotional connection to the brand, lotteries grow and communities benefit.

Simone Harrison is Camelot's VP North America.

With a 20-year career leading unified sales, opportunity management, business development, marketing, communications and business operations in highly regulated industries, Simone is focused on delivering the right solutions for US lotteries.

¹ **Source: Pew Research Center (2019).** <https://www.pewinternet.org/fact-sheet/internet-broadband/>

² **Source: Deloitte (2019).** *Global mobile consumer trends, 2nd edition* <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-global-mobile-consumer-survey-second-edition.pdf>

³ **Source: BigCommerce (2018).** *The Global Omnichannel Consumer Shopping Research Report.* <https://www.bigcommerce.com/blog/ecommerce/#types-of-ecommerce>