

New Year's Evolution

What ideas and solutions can lotteries use to turn challenges into opportunities in the year ahead?

In a panel session at the recent World Lottery Summit, IGT's Renato Ascoli, CEO Global Lottery, offered a perspective on how industry challenges can drive evolution and growth: A given challenge or disruption "can also be an opportunity," he noted, "depending on how we react to it."

Certain challenges require industry-wide collaboration to develop a unified approach. For many others, lotteries can embrace solutions that are available now, whether to accelerate modernization and enhance their connection with players or more readily adapt to a shifting competitive landscape.

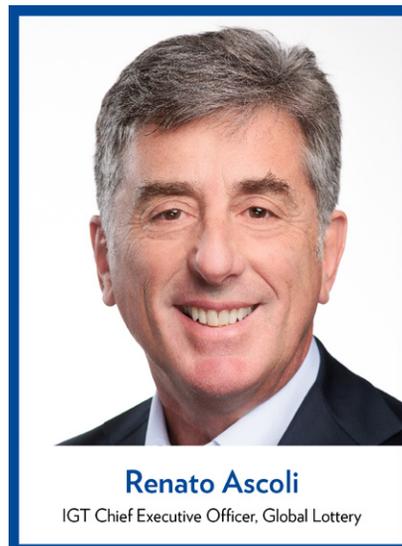
IGT takes the time to understand customers' challenges and goals, and consistently seeks feedback to evolve the company's products and services. This perspective, which informs IGT's product roadmaps and significant R&D investments, is underpinned by consumer research, trend data, and IGT's operator experience around the world.

"We set the bar high for our development teams in recent years," noted Ascoli prior to the summit. "We charged them to think boldly and evolve nearly all aspects of the

lottery path to purchase with a forward-looking suite of solutions. As these new, integrated retail and digital solutions enter the market, lotteries are seeing how our product roadmaps have been carefully orchestrated, providing solutions that work

together to help them turn challenges into opportunities."

"The **retail channel** continues to hold major growth potential," he continued. "To support lotteries in capturing that opportunity, we didn't look at one product



or another in isolation. We took a broader approach, based on how retail is changing and how consumer shopping behavior and payment options are changing, and we connected the dots. We mapped out solutions that are flexible, that complement one another and produce more useful data for advanced analytics — from terminals all the way through to next-generation self-service, in-lane, and mobile.”

Speaking at the NASPL conference in October, Melissa Pursley, IGT Senior Vice President, Lottery Product & Sales Development, detailed several of these solutions, designed to help lotteries meet the challenges posed by changing technology and retail environments.

“To grow retail, we need to maintain a commitment to the environment in which we’re operating,” she urged the industry. “The top 20 retail chains represent one fifth of all lottery sales locations and one quarter of all lottery sales in the U.S., and they have expressed three primary needs: consistency, efficiency, and data.”

By addressing retailer needs and the

related challenges for lotteries, IGT’s solutions, discussed below, offer opportunities to meet evolving consumer preferences, provide more convenience, and support continued growth.

Discovering & Pursuing New Retail Opportunities

DATA & INSIGHTS

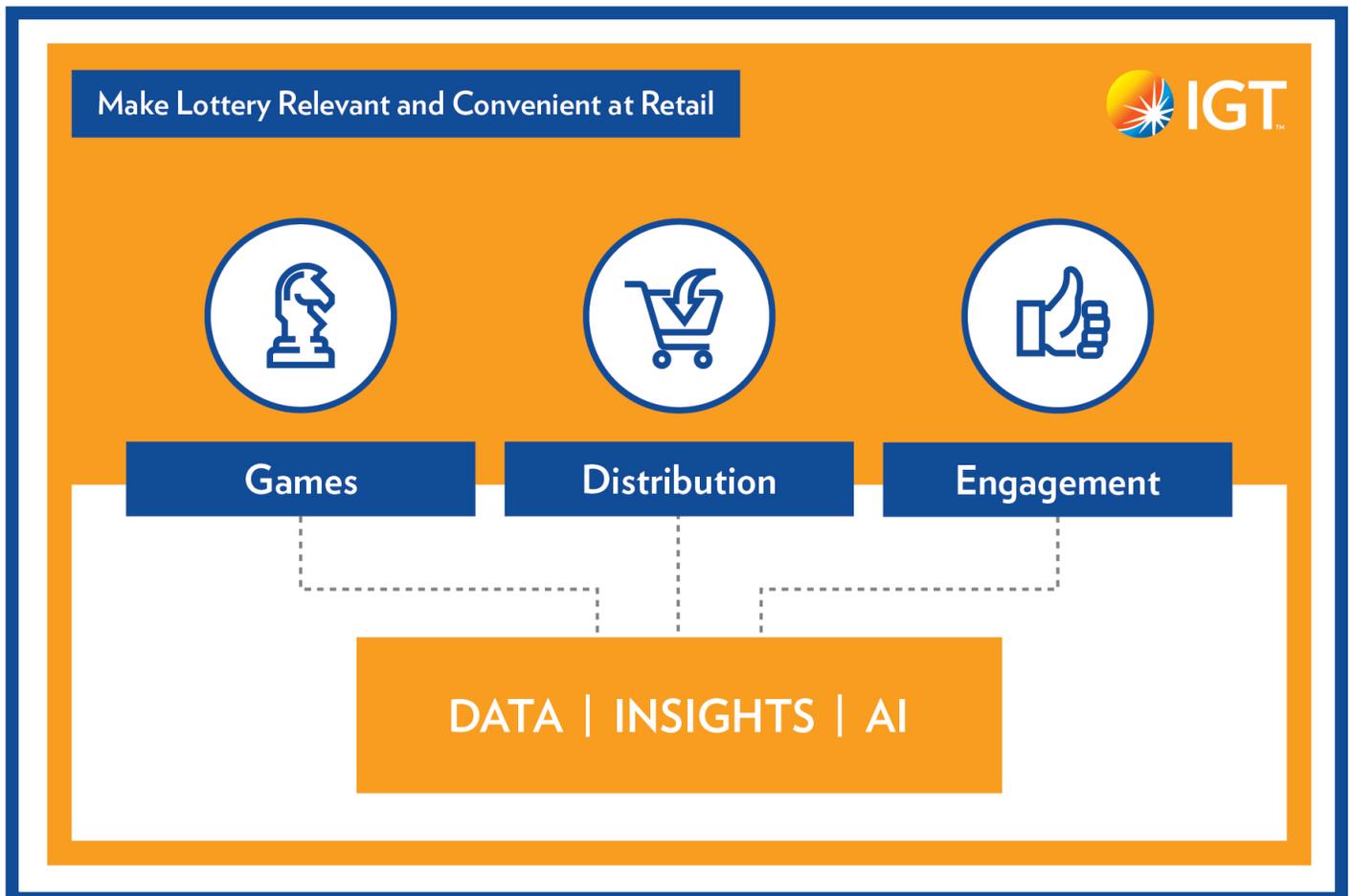
“An important point of focus for IGT has been to provide customers with an unmatched level of support through the use of proprietary data-based intelligence tools,” said Ascoli.

IGT’s investments in this area include Lottery Data Cloud (LDC), an internal, cloud-based, advanced analytics platform. LDC brings together seemingly disparate sets of data from cross-jurisdictional and cross-functional data sources, including multi-state jackpot performance. The tool uses machine-learning technologies to

help IGT analysts find correlations and apply the insights to help customers derive business value from them for a wide range of use cases.

Another unique tool to support lotteries with retail optimization is IGT’s **Retail Market Insights® (RMI)** database. It provides data on more than 85% of U.S. traditional lottery sales via 176,000+ U.S. lottery retailers. **RMI gives participating lotteries and retailer decision makers the tools to analyze lottery performance trends within and across jurisdictions**, including comparing retailer and geographic attributes that impact performance to identify consumer trends and optimize existing lottery locations.

By leveraging data from both of these tools, for example, IGT is helping customers **optimize the placement and performance of lottery vending machines (LVMs)**: “We can look at existing performance to identify which retail locations have the most potential,” explained Pursley. “We can also evaluate the specific locations within a retailer for



maximum visibility and interaction. Some retailers and trade styles can benefit from having more than one LVM in a location, and using IGT's Lottery Data Cloud we can help lotteries and retailers pinpoint those opportunities."

GAME INNOVATION



"Cash Pop™, IGT's popular draw-based game, stands as one of our growth-driving game innovations," said Pursley. This game has now launched in 15 U.S. jurisdictions and is selling at an average weekly per capita of \$0.11, with more jurisdictions onboarding in 2025.

Lotteries that have already seen success with Cash Pop are also working with IGT to develop and launch game enhancements, such as an all-new instant win component at retail, which launched in 2024.

"In the instants space, IGT's **Infinity Instants™** games represent something very exciting," Pursley noted. "Lotteries are beginning to leverage the new game mechanics and prize structures made possible through Infinity technology, and which link to how the prize is revealed to provide new player experiences."

Jurisdictions are seeing the creative possibilities as they design and deploy Infinity Instants games in a multitude of ways, including omnichannel offerings. Other **omnichannel opportunities** enabled by IGT teams include **bringing Fast Play and scratch-off offerings together.**

IGT also recognized several years ago that the system for producing scratch tickets was ripe for reimagining. The company invested in designing a revolutionary, **patented new security**

system, NextGen, which links every process in instant ticket development to a common, coherent database and an associated blockchain for each game. "With the combined capabilities of IGT's NextGen programming platform and Infinity Instants™ digital printing platform, we can provide players with **new, highly engaging instants play mechanics** that can't be replicated with traditional printing technologies," said Pursley.

And, in 2025, IGT is adding a new printing press to its North American instants production facility in Lakeland, Florida — another example of the company's investments to better serve current and future industry needs.

DISTRIBUTION

"What's exciting about retail and the future are several opportunities for further success on the distribution side," noted Pursley. "Channel expansion is critical as the industry looks to the future. Some retailers have indicated that in-lane is the only way they're interested in selling lottery. Because retailers also have software development schedules, they may not always be able to undertake the software development necessary to implement in-lane lottery sales."

The good news is that IGT has been innovating in this space: A new product available in 2025, **IGT LotteryLink™** is a small, plug-in retail device that solves an enormous need for the industry by



affording the benefit of in-lane sales without any point-of-sale programming. "It enables in-lane sales for draw games and, even more exciting, scratch-offs," said Pursley. LotteryLink is completely unique to the industry and offers a breakthrough in retail sales, especially for corporate and high-volume retailers around in world.

"There are still numerous chains and trade styles that lottery players and potential players visit on a regular basis," Pursley noted. "These retailers are also looking for growth opportunities and want to give consumers a reason to keep coming back. Lottery can be that reason." To support lotteries and retailers with lottery channel expansion, one IGT team is **specifically focused on penetrating and developing green-field retailers.**

ENGAGEMENT

"Engagement is all about optimizing the experience of the consumer, making it more convenient and intuitive," noted Pursley.

IGT's **Connected Play** solution provides an important suite of functionality that digitalizes the consumer experience at retail and enables known play rather than anonymous play, a unique benefit for lotteries that are not regulated to sell in the digital channel.

The mobile lottery app is the lynchpin for this functionality, through which lotteries can establish a mutually beneficial relationship with players. "Connected Play enables lotteries to provide convenience and choices to players while only requiring a light registration, such as by email or phone number," noted Pursley.

With Connected Play data, lotteries can implement more personalized player marketing and support a connected, 360-degree lottery experience. Connected Play also enables paperless and cashless options for retail lottery sales, supporting sustainability initiatives and players' changing preferences.

"We're proud of the level of investment IGT continues to make in enabling future opportunities at retail," added Pursley. In

Player Benefits of Connected Play



WAYS TO PLAY

Quick Pick/Play Slip

Digital Play Slip

WAYS TO PAY

Cash

Cashless/eWallet

WAYS TO RECEIVE

Paper Ticket

Digital Receipt

Digital Ticket

WAYS TO GET PAID

Cash at Retailer

Auto Pay to eWallet

Mobile Claim

increasingly crowded retail environments, digital signage can really help a product stand out. “Deployments of various digital menu boards have shown 15 to 20 percent uplifts in instant ticket sales,” she noted. “Even better news, we’ve seen that digital signage over-indexes with younger demographics.”

IGT’s new **Digital Menu Board** offers a sleek, modern way to showcase lottery offerings and promotional content at the point of sale. The product’s integrated communication with the lottery central system enables retailers to configure the digital menu to match the physical inventory within their specific store, making **near-real-time updates** based on activated packs for sale.

Cashless payment options are another important factor in player engagement, as new or occasional players who want to try a game could be limited by not having cash on hand and pass by the opportunity. Cashless transactions also open the door

to additional analysis and investigation: for example, learning whether cashless transactions correlate to the purchase of higher-price-point instant games. IGT’s lottery vending machines support all major card brands for payment using Swipe, Chip and Tap. And Tap payment methods can be by card and mobile/eWallet.

Looking Ahead

“It’s such an interesting time for the industry,” observed Pursley. “When I look to the future, what excites me is our continued focus and our passion to dig deeper than the obvious solutions to support lottery customers’ growth.”

Adds Renato Ascoli, “The future of the lottery industry is bright. I believe the industry is entering a breakthrough phase in modernization. We’re positioning ourselves to be more agile and responsive as we bring to market compelling, growth-driving solutions across the lottery

value chain — and enable further lottery-business growth opportunities that will benefit customers for years to come as they continue to generate funds for good causes worldwide.” ■



IGT has orchestrated its product roadmaps to offer integrated solutions that work individually or together to help lotteries pursue new retail growth strategies.

