

FOCUSING ON THE BRAND – LOTTERIES, GAMES AND MISSION OF SERVICE TO SOCIETY



Arizona Lottery Executive Director **Gregg Edgar** knows something about brands. Prior to joining the lottery industry, Gregg spent more than 20 years as a marketing and communications strategist, working with U.S. and international companies to build and expand their brands. In addition to his work as Executive Director, Gregg has been a member of MUSL's Marketing & Promotions Committee for a number of years. So moderating a panel focused on the brand of lottery – from games to beneficiaries – was “on brand” for Gregg.

Joining Gregg were industry experts with their own wealth of experience in branding:

Brad Cummings, Founder & Chief Executive Officer, EQL Games

Stephen Durrell, Executive Director, Kansas Lottery

Ryan Mindell, Lottery Operations Director, Texas Lottery

Brian Rocky, Director, Nebraska Lottery

Gregg began by recounting the recent work of his MUSL committee to expand the reach and impact of the Powerball brand. The group has been meeting with potential partners for more than a year and the results have been interesting.



“When we’ve been in corporate board rooms talking about lottery and how we operate, it becomes obvious that our message of ‘giving back’ still has room to grow,” he said. “In jurisdictions where the word ‘education’ is in the name, people might know that the lottery supports education. But they are stunned at just how much revenue the Lottery actually generates for education. Increasing that awareness is something we need to continue to focus on.

Lottery’s role of service to society is a unique gem that we need to use more in our discussions with our corporate partners, our players, and our retailers.

“Our committee has been quite actively looking at some big initiatives to help build the Powerball brand,” he said. “Of course, the Powerball First Millionaire of the Year promotion is now in its fourth year and our collaboration with the New Year’s Rockin’ Eve program has been very successful. We’ve been in discussions with the NFL and NASCAR as well as consumer product brands like Pepsi. But beyond that, we are also looking at how we can continue to adapt in a changing consumer environment. How are we approaching our brands and conveying our brand message to our many constituents?”

Brad Cummings of EQL Games said it is the uniqueness of lottery and our offerings that needs to be communicated.



“The consumer is now faced with more gaming options than ever. What separates lottery from everything else is the incredible reach of its network of retailers,” he said. “We should leverage that competitive advantage to even better effect – look for new ways to deliver more product, service, and an always improving POS player experience. When EQL is creating games, we always keep the retail reach in mind – making sure the content is interesting, understandable, and fun for the retail player. We have such a unique channel to connect with our players and we should always be stretching to help our retail partners separate our offerings from our competitors.”

For **Ryan Mindell** in Texas, advertising budget cuts have made it challenging for the lottery to communicate with its players. But with challenges



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also comes opportunities. “As our budget has been cut, we’ve had to get more agile and quick to market, and learn how to optimize social media and digital channels,” he said. “One thing that has happened over the past two-plus years is that we’ve witnessed firsthand how many of our players see lottery as entertainment versus gambling. We all believed this to be the case but our pandemic sales have shown this to be true. There were a lot more eyes on us during the pandemic when we were the only gambling option. Fortunately, a large number of those new players have stayed, and so our ongoing sales numbers have been positively impacted.”

In Nebraska, **Brian**

Rockey said they try to balance their traditional game advertising and promotions with communications and brand messaging

centered on beneficiaries. “We’ve always put a fair amount of effort into advertising our beneficiaries, but we stepped it up in the last couple of years, doing a dedicated outdoor campaign and some direct mail,” said Brian. “I also think it’s critical to communicate the positive impact of Lottery to our beneficiaries. We do beneficiary briefings every fall where we sit down and explain our business decisions and explain what we do to maximize our profits. The response to these briefings has been very positive. They understand how the revenue flows and why we make certain decisions. We now have strong beneficiary partners who help spread our message.”

Stephen Durrell said

that in Kansas, they have seen both sides of the beneficiary message.

The result has been to offer a variety of branding messages. “We have

many different beneficiaries, so to communicate to all of them would be problematic,” he said. “We used to offer beneficiary-specific



“Let’s reach out to engage these mega-brands in mutually supportive collaborations.”

tickets but players thought the payouts were lower on those tickets and sales lagged.

So now we use social media to get out our beneficiary messages and that has worked well and kept our social media director busy. The great thing about active social media channels is that you can get your message directly to players and answer questions quickly. And in terms of branding, we can offer quick-to-market promotions that engage and retain players. Our promotions with the University of Kansas and Kansas State University have been incredibly popular, where winners can fly with the teams to road games or win great seats at home games. These types of promotions help spread the word that the lottery brand is fun and relevant.”

As someone whose company and products have evolved over the past ten years, Brad said it is critical to stay tethered to both players and lottery colleagues. “I try to focus on where our lottery players are migrating to – is it themed games, sports betting, casino games, etc.,” he said. “When you put your feet in the shoes of players, it makes it easier to craft content they want. You have then created a brand and brand-related content that answers their needs. At the same time, business moves forward more effectively when you also stay connected with colleagues who are experiencing the same pressures as you. If we can be less transactional about our work and more collaborative, I think we can all move forward with our own particular business agendas. In the end, this will best serve our players and all Lottery stakeholders.”

PORTFOLIOS ARE KEY

Much of the popularity of lottery lies in the diversity of its game portfolios, the mix of huge jackpot draw games with games that create lots of winners, and instant games with a wide range of prize options. Well-known brands like Powerball have helped propel the lottery industry into the same top-of-mind status as companies like Coke and Apple. Keeping that status, preserving

that brand value, is key to the future of lottery.

“From the Powerball level, as we look at marketing, promotions, and brand development, we need to use the power of our brand to control the lottery narrative,” said Gregg. “When you sell 2.2 billion tickets across the country, that is incredible reach. How are we using this reach to positively impact the other games in the portfolio and the other components to the brand? Is there a ‘halo effect’ that can lift other games?”

Ryan said that for the Texas Lottery, they are always looking for opportunities to tweak games and provide players with engaging games and promotions. “The change to three-days-a-week for Powerball was well received by our players and so we also changed our Lotto Texas to three days,” he said. “Increasing the time these games are in the market has been a huge success for both these games. And on the scratch ticket side, it’s all about the higher price points. Our best-selling price point is \$10. We now offer a \$100 scratch ticket with a \$20 million top prize. Players have asked for these higher price point tickets and our sales show that they support this move. When you listen to your players, they typically reward you with increased revenue.”

Nebraska is keeping it local as they spread the word on lottery to attract new players. “From a brand perspective, we increased the number of partnerships we undertake with the state to spread the lottery word as widely as possible,” he said. “Last year was the 100th anniversary of our state park system so we sponsored a scratch game with them and gave away ‘glamping’ trips. It was very popular, one of our best-selling \$5 games ever, so we’re going to do another one in the coming year. We support the tourism industry. We’re doing a companion program this year with the Nebraska History Foundation. And then we’re making plans for a promotion with the statewide blood bank to promote Lucky for Life. Working with our beneficiaries to understand

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“I also think the most important thing we can do going forward is to continue to understand our players better,” he added. “The ability to now have data points on players where we’ve almost been blind for so long allows us to offer much more targeted and strategic innovation. We can build content and games for the types of players that we want to retain long term. Our keys are understanding our players and continuing to get to know exactly what they’re looking for. This will provide us with the ability to market, promote and overall retain those players at higher levels.”

Matt said everything comes back to the retail network. “We’ve seen over and over again, and not just in gaming but in many, many industries such that it’s almost becoming a cliché by now, but the omni-channel strategy is critical,” he said. “The organizations and companies that embrace this approach tend to consistently outperform either those that are only retail or those that are only online. The lottery industry needs to take full advantage of the opportunities that the omni-channel approach presents in terms

of the online reinforcing and helping the retail network thrive. Help the policy makers understand the importance of iLottery not just for the sake of iLottery itself but for the eventual synergy that it will create with the retail network. Show them the numbers from the lotteries now offering iLottery. This is an area where we need to concentrate.”

Lynne emphasized that lotteries must take advantage of their place in the gaming hierarchy. “We know that our industry started as a monopoly and as other forms of gaming have proliferated, that monopoly status has been challenged,” she said. “But lottery is still the best-known form of gaming in most states. Illegal gaming will always exist because it’s difficult to totally eradicate it. But lottery is such an attractive form of gaming – good payouts, strongly regulated – that the demand for our products will always exist. We have beaten back all forms of competition before and we’ll continue to do it.”

Looking back on his career in the industry, Lorne said that lotteries should be heartened by how they have survived through many

forms of competition. But that doesn’t mean lotteries shouldn’t be constantly looking for ways to innovate.

“It’s interesting because our games are essentially the same games we were selling fifty years ago,” he said. “We need to understand that you would be hard pressed to think of any industry that has grown the way the lottery industry has grown in fifty years that effectively is selling the same products. I rack my brains trying to think of another one and I can’t. So there’s something incredibly enduring about lottery and something incredibly ingrained in the psyche and the behavior of people who buy our products. I can assure you that if fifty years from now the products are the same instant tickets and the same Pick 6 and the same daily numbers as lottery offered fifty years ago, the industry is not going to be as successful as it is and will certainly cede market share to our competitors. At the end of the day, innovation should be our primary focus as it is key to building sustainable growth and a long-term successful future.” ■

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us and working to ingratiate ourselves with our neighbors and the different organizations has helped a lot.”

POWER OF BRANDS

With four executives from MUSL-member states, the panel’s discussions inevitably turned to Powerball and its retail reach. “Not only are our products in hundreds of thousands of retailers across the country, but we also have the best-known brand in gaming – Powerball,” Gregg said. “As a group, we are starting to understand better how we can utilize that game more. From the conversations we’re having on the licensing side with private sector businesses, we are getting a view of what they value and therefore what we can offer those other brands. We’re an entertainment brand and we need to work with partners who are also in the entertainment business, among others.”

Stephen agreed and said there are past examples the lottery can model after. “For years, Hallmark made cards and now they have a huge Christmas ornament business and operate three cable channels,” he said.

“I’ve used the LEGO example as well.

Growing up, they were just bricks you used to build things. Now they have movies and TV shows. For Powerball, we used to have a game show but now we’re involved with some very interesting marketing and promotional ideas. That is how you stay relevant. You evolve and take your brand where your potential customers will see you in a different light.”

As the panel’s singular representative from the private sector, Brad’s experience building EQL Games has not been that different than the work to build the lottery and Powerball brands. “I started as a horseracing company and then was able to build relationships with leagues, such as MLB, NBA, and the NHL,” he said. “What is surprising is that working with the large sports leagues has been much easier than working with the horseracing entities. Horseracing doesn’t understand its brand. They have 50 different people who you work with to get 50 different licenses for 50 different racetracks. That is why horseracing is where it is and why the other leagues are much more popular. At Major League Baseball, I work with three people to get everything taken care of.

“The bottom line is that lotteries should never fear engaging with brands that might seem to be more powerful than us,” he said. “Those mega-brands might actually be the ones who recognize the reach, impact, and value of our own lottery brands and end up being the ones who work with us in an effective way. They have the resources and the high-level vision which put them into this elevated position. Let’s reach out to engage them in mutually supportive collaborations. No brand should be considered too big or powerful to gain from a relationship with Brand Lottery.”

Gregg wrapped up the panel with a shout out to his fellow MUSL Committee chairs and members, and their work to expand the Powerball brand. “It’s been almost six years since we kicked off a strategic planning process to build on the primary pillars that have been in place,” he said. “Our MUSL leadership and staff in Iowa has masterfully managed our efforts, including strengthening the committee structure. It’s not one or two people that have ownership of this strategic plan and (MUSL Executive Director) Bret (Toyne) and his team have worked hard to keep our discussions moving forward.” ■