

LET'S BRIDGE THE GAP: EXTRACTION IN RETAIL



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Lotteries have always been decisive in the way games of chance are offered. Retailers receive a dedicated lottery terminal (a closed loop system) to sell tickets. These terminals have their own processes and rules built in. However, this style of sales channel is old and has not moved with the times. Sales integration into the overall ecosystem of the retailer is needed in order to give substance to the omnichannel approach. Abacus solutions make this possible for lotteries.

full integration with self-service tills. This continuous realization of increasing the contact and sales opportunities with consumers means that every visitor to the store is always offered an opportunity to buy a game of chance. 100% exposure across the entire store.

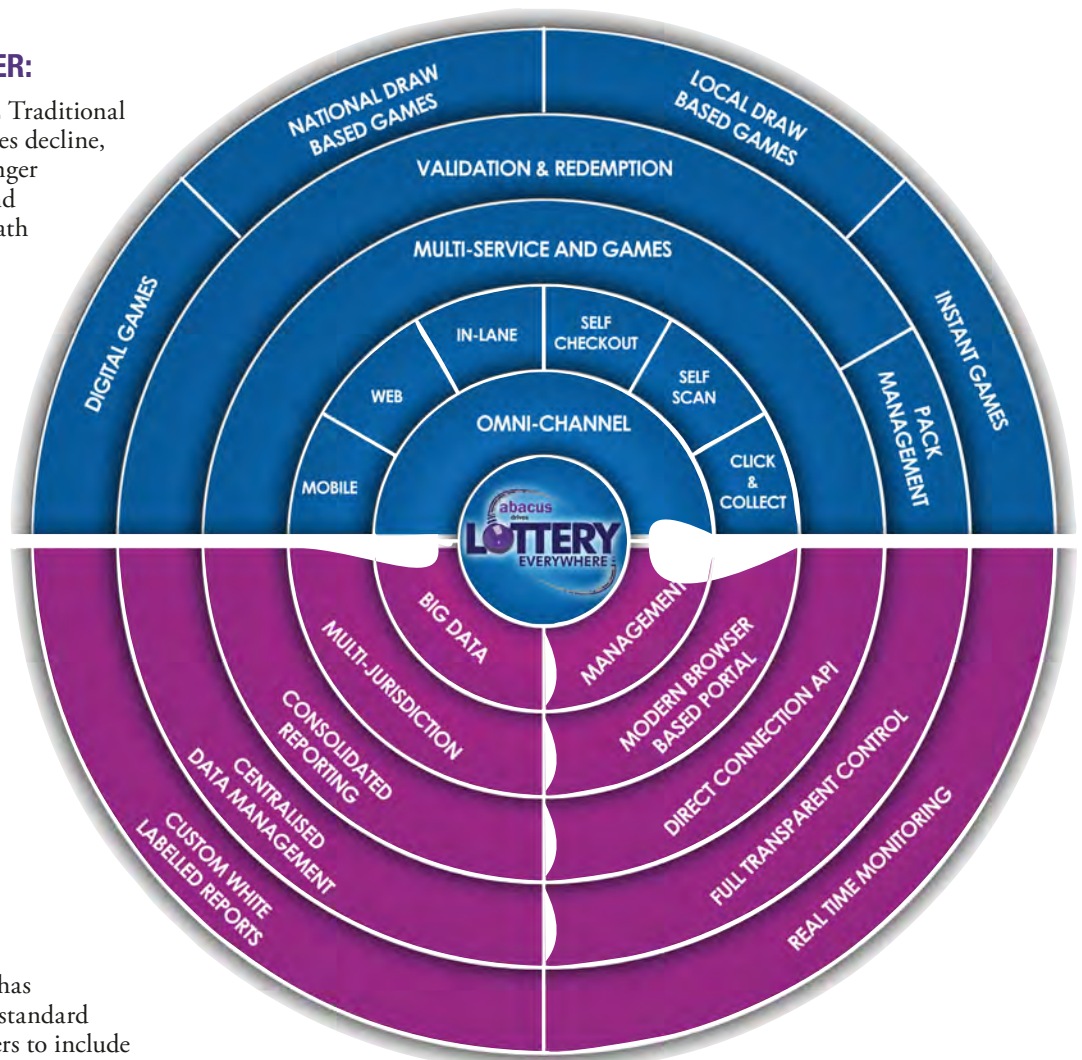
Consumers want convenience and speed. Participation via a mobile phone app provides a more interactive customer experience and also eliminates the complexity of the bet slip. Generating the purchase barcode on a mobile and having it scanned at a point of sale not only makes it easier for the consumer, it also fits in with the standard way of handling products in retail, with all the benefits of an interactive experience, cost reduction and potential insight into consumer data.

FOLLOW THE CONSUMER:

The consumer is less loyal. Traditional lottery outlets are seeing sales decline, especially amongst the younger target group which more and more is following its own path in determining where, how and when shopping takes place. In particular, the experience must be faster and easier. Retailers are reacting to this new trend by transforming themselves to meet their consumers demands.

We see a growth in convenience stores with more emphasis on faster and more engaging experiences. In supermarkets, on the other hand, a move towards self-service and independence is trending. It seems only a matter of time before the number of consumers preferring to use an unmanned cash register surpasses the manned cash registers.

Abacus in the Netherlands has expanded its integration in standard manned in-lane cash registers to include



Consumer data is already collected by retail through loyalty schemes. Retailers can targeted specific offers based on their marketing intelligence, driving consumers back to their stores. In order to remain new and interesting for the consumer retailers offer the same experience across an omnichannel approach, where a well-connected ecosystem is of utmost importance.

This style of selling not only offers lotteries lots of challenges but also many opportunities. It is vital lottery providers embrace this change in the retail environment, especially if they are able to become part of this new retail ecosystem and thus benefit from fulfilling consumer needs in the future.

FOLLOW THE RETAIL:

The retail environment has moved towards a strong digitally platform in recent years. An omnichannel approach requires multiple systems that are connected and provide a single customer experience. Whether the purchase and handling of all sales happens via the cash register, the mobile app, the self-service or via the e-commerce channel, the consumer is always put first in the experience.

Quality of EPOS (Electronic Point of Sale): The deployment of digital products in the retail environment has grown enormously (gift cards, vouchers, etc.), and EPOS systems are built and enabled to handle financial transactions in a safe and controlled manner. In other words, a cash register can now be made just as secure as a lottery terminal! Abacus' solution uses this important knowledge to control lottery sales, increasing exposure in existing stores and enabling sales points in new locations.

Participation in lottery games must become simpler and offered as a standard "commodity". By making the lottery ticket just another item in the basket it standardises procedures for cashiers in the sales process improving ticket handling and providing better margins on products and services sold.

For example Abacus makes it possible, through a collaboration with Pollard, to offer an instant game which is sold as a regular gift card. The instant ticket is only activated (and therefore has value) after purchase, providing true single ticket activation. The game also crosses the boundary into the digital arena allowing game play on a mobile device. The advantage to the retailer is that this process is simple, as their staff already

know how to process and sell gift cards. The integration is direct to their existing cash register, requiring no additional costly hardware, and there is no shrinkage due to theft as the instant tickets have no value until they are purchased.

FOLLOW THE LOTTERY:

There is pressure on lotteries selling through traditional terminal based channels. To be able to engage with new and existing customers with current and new games/services the lottery must have presence in more locations and reach out through modern sales touch points and channels.

Flexibility is the key. The retail environment is rapidly changing and becoming more complex, therefore lead time of new developments and deployment must be kept short to enable the roll out of new solutions in a constantly changing marketplace.

The Abacus solution makes it possible for lotteries to integrate quickly with these new channels. If the concept of an open structure for online gaming already makes common sense, then Abacus is following the same route for the retail channel. The Abacus platform makes it possible for lotteries to realize a wide and innovative range of new points of sale, all at considerably lower costs. The sales margin is therefore increased and points of sale can be profitable even with a lower turnover.

Abacus bring the following important benefits:

- Tracking the consumer within the retail ecosystem
- Reducing costs
- Increasing the number of points of sale
- Flexibility in the provision of new games
- Short time to market
- Connecting to retail in a way that supports a mutual and stronger approach in reaching out to new and existing consumers

BRIDGING THE GAP:

The Abacus platform offers a full range of services for processing of all types of lottery games. Our objective is to make the retailer impact as small as possible. For this reason, we are fully integrated into the Toshiba TCx Elevate platform and



are currently working on many similar initiatives for other retailers.

The Abacus gateway connects consumers, retailers, vendors and lotteries, bridging the gaps between the different parties for frictionless ticket sales and gameplay, enabling lottery to be played everywhere.

Abacus believes the future of lottery lies in integrating with existing retailer infrastructures and enhancing the consumer experience. We enable this by providing a highly secure transaction gateway that allows all parties to work together to create mutual growth. Abacus has a strong focus on speed to market, simplicity of implementation, and reducing its customers' overheads, delivering a seamless integrated solution to drive increased sales. 🇩🇪