Lottery of the Future
GUIDING THE SUCCESS OF OUR INDUSTRY

Over IGT's three-plus decades in the lottery business, the industry has seen many transformations as the company has evolved with market dynamics, consumer behavior, retail trends, and operational efficiencies.

Internet retailing became popular almost two decades ago, followed rapidly by Web 2.0, social media, and then portable devices, smart phones, and mobile apps.

The Digital Age is ever-transformative, dramatically changing social structures, eliminating boundaries, and ushering in an expectation of immediacy and convenience.

Today, organizations in all sectors need to radically revolutionize themselves every few years to stay relevant in a business landscape that has changed forever. How can the lottery industry cope with these unstoppable waves of digital transformation?

To help lotteries build a successful future, IGT offers an objective and impartial evaluation of trends, strategies, technological solutions, and procurement options through a series of articles and white papers.

In one recent evaluation of trends, IGT worked with trendspotting partner Foresight Factory to bring robust technology and consumer-trend forecasts to the lottery industry through a **2022 Trend Report, available at IGT.com/lotteryblog.** "We will continue to equip our customers and the industry with the regular analysis and information needed to understand which among the potentially overwhelming myriad of trends will be the future drivers of the lottery business, and help our customers shape their digital lottery strategy," **said Srini Nedunuri, IGT Vice President, Global iLottery.**

Srini Nedunuri

IGT Vice President, Global iLottery

SHAPING DIGITAL LOTTERY STRATEGY & POLICY

A successful digital lottery strategy also requires a deep understanding of market drivers and player needs within the local regulatory environment.

Like fingerprints, no two lotteries or state governments are the same, but player expectations are uniformly clear. Players are looking to brands and lotteries alike to create seamless experiences whereby online and real-world channels complement one another, rather than compete.

For lotteries, the path to digital can and should begin right away, by taking steps that will enhance the player experience and integrate physical and digital channels in

readiness for a full iLottery program. These are steps that can be implemented prior to iLottery jurisdictional approval, enabling lotteries to create player familiarity with mobile app features, such as digital playslips and eWallets, in readiness for the final step of offering wagers online.

For lotteries seeking to add the iLottery digital channel, it is critical to directly engage in the policy discussion with policymakers, educate them on how successful iLottery programs operate, and communicate the benefits it will bring to players and good causes.

"Lotteries need to ensure policymakers have a clear understanding of the rules and regulations for online play," **said Scott Gunn, Senior Vice President, Corporate Public Affairs.** "In the process, they can demonstrate that an effective state iLottery program maintains the highest standards of responsible gaming, security and integrity, leveraging the proven and

Scott Gunn

IGT Senior Vice President, Corporate Public Affairs

globally accepted best practices being used by lotteries that offer products over the internet."

In tandem, lotteries can prepare for digital wagering by putting in place the digital building blocks that pave the way toward its introduction. A strategy that increasingly introduces thoughtful digital features designed to complement and enhance the retail-player experience will establish new player behaviors and gradually shift the playing experience from the physical to the digital. In the process, it can meet the demands of ever-more digitally savvy players while proving the value of the digital shift in terms of player uptake and revenue contribution to good causes.

Then, when regulation allows, this technological progression makes selling tickets over the internet a relatively small step, as players have already become accustomed to connecting with lottery play digitally and are enjoying the greater convenience of the digitally enhanced retail-lottery journey.

CHOOSING AMONG OPTIONS

Let's examine the options for lotteries embarking on the path to digital. Many of these features have universal appeal, but gathering local player insights will be invaluable to understand players' preferences and inform the appropriate approach. While each of these digital components has singular benefit, implementing them as an integrated digital journey creates a robust, omnichannel experience.

A digital strategy is a sound foundation for a lottery's future success, but to make it a reality many complex decisions are required.

Watch for the next article in this series, which will examine the products and technology available for lotteries to procure when embarking upon the digital journey. ▪

DIGITAL BUILDING BLOCKS

Convenience App

- Check winning numbers
- Find a closest retailer
- Preview draw and instant ticket information
- Receive jackpot information alerts
- Push marketing notifications
- Save playslips to Favorites

Second Chance

- Draw and instant ticket Second Chance promotions
- Chance to win via ticket or points-based drawings
- Bonus options like multipliers

Loyalty

- Earn points for online and retail wagers
- Spend points for entry into Second Chance drawings

eWallet

- eWallet allows for funding and payment at retail
- Auto-pay prizes back to eWallet

Subscriptions

- Continuous or configurable subscriptions for all draw games
- Ability to edit subscriptions
- Payments upfront or on a weekly basis
- Player win alerts

Personalized Player Offers

- Offers based on previous transactions
- Offers based on similar player transactions

Responsible Gaming Tools

- Promote protective tools for informed play