## Insights and Data to Help Manage Today's Changing Consumer Environment

Self-checkout lanes – a welcome convenience to some, a misapplication of technology to others. Wherever you might be on this spectrum, there is no denying the fact that self-checkout lanes are more prevalent than ever and being increasingly embraced by retail channels across the board. In this issue of Data in Motion, we examine why self-checkout is on the rise and what it means for the lottery industry.
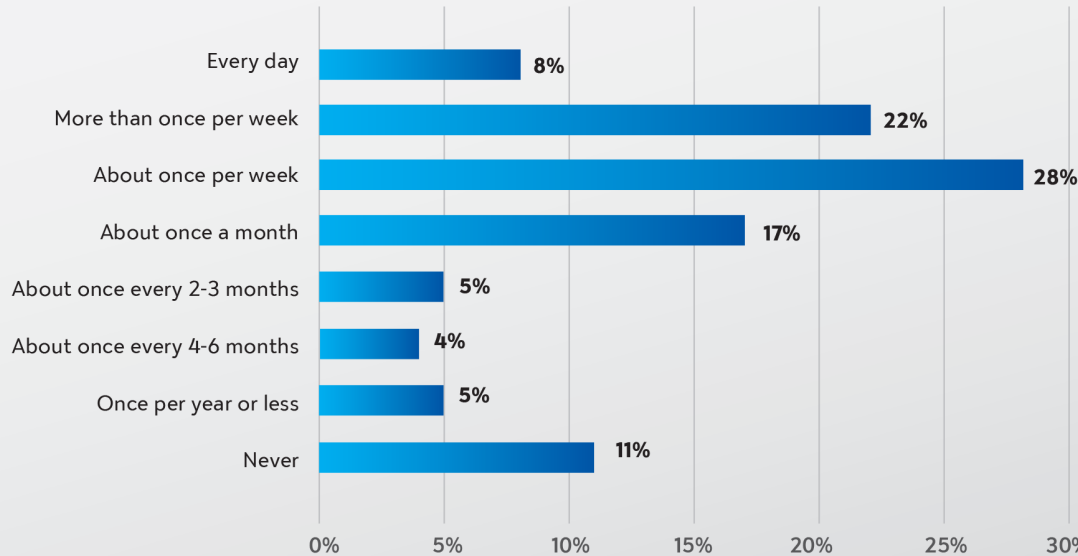
### No One Reason

According to Grand View Research, the global self-checkout market size was valued at $3.44 billion in 2021 and is expected to expand 13.3% from 2022 to 2030. COVID-19 and the need to maintain social distancing, reduce wait time in lines, and offer products beyond retail store premises were the primary triggers behind this growth. A shortage of skilled laborers in developing nations, rising labor costs, and a trend towards personalized shopping experiences were also factors. While most of the growth has occurred in supermarkets, the convenience store channel is increasingly turning to self-service options in an effort to provide a frictionless, around-the-clock consumer experience.

### Used and Liked by Lottery Players

To gain a better understanding of how self-checkout lanes are used and perceived by lottery players, Scientific Games fielded a survey to its proprietary ONE™ Voice national panel and found that 58% more of our respondents (all lottery players) use checkout lanes once per week or more.



**Self-Checkout Usage**

| | |
|---|---|
| Every day | 8% |
| More than once per week | 22% |
| About once per week | 28% |
| About once a month | 17% |
| About once every 2-3 months | 5% |
| About once every 4-6 months | 4% |
| Once per year or less | 5% |
| Never | 11% |

*How often do you use self-checkout lanes at retailers when buying items like groceries, home goods, or electronics?*

This number is driven somewhat by how often the respondents patronize stores that offer self-checkout, but knowing that this option is used on a regular basis by a majority of players is noteworthy.
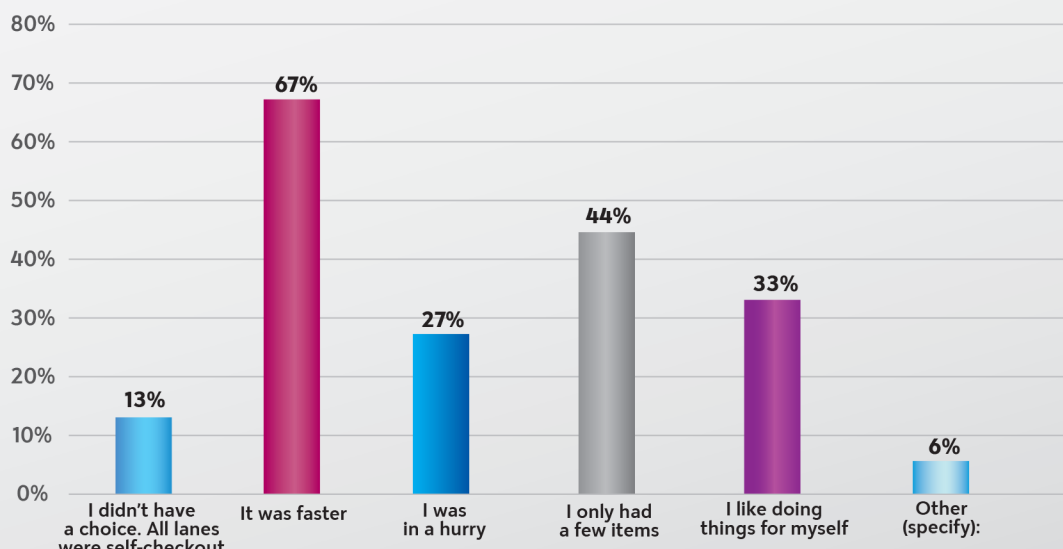
Still, 'use' of a product or service doesn't always equal a positive perception of that product/service. So we asked our respondents directly: *"Do you like self-checkout lanes?"* A whopping 72% said that they did.



**Do You Like Self-Checkout Lanes?**

| Yes | No |
|---|---|
| 72% | 28% |
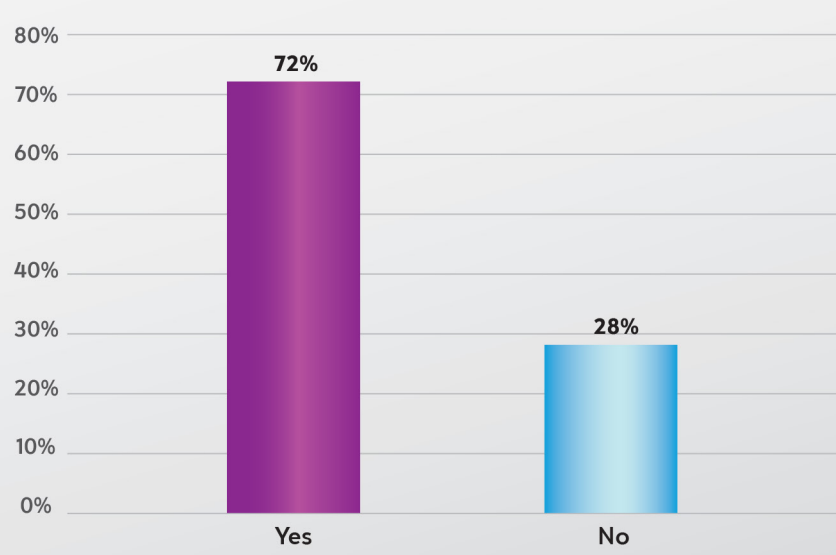
We then asked our players why they use self-checkout lanes. *"It was faster"* was the number one reason by far.



**Reasons for Using Self-Checkout**

| I didn't have a choice. All lanes were self-checkout | It was faster | I was in a hurry | I only had a few items | I like doing things for myself | Other (specify): |
|---|---|---|---|---|---|
| 13% | 67% | 27% | 44% | 33% | 6% |

*Thinking about the last few times you used self-checkout, what were your reasons for doing so? (select all that apply)*

But what about the ability to purchase lottery products in self-checkout lanes? We asked that too, and the majority – 59% - indicated that they would be interested in this option. Only 17% indicated that they would not be interested in this option.
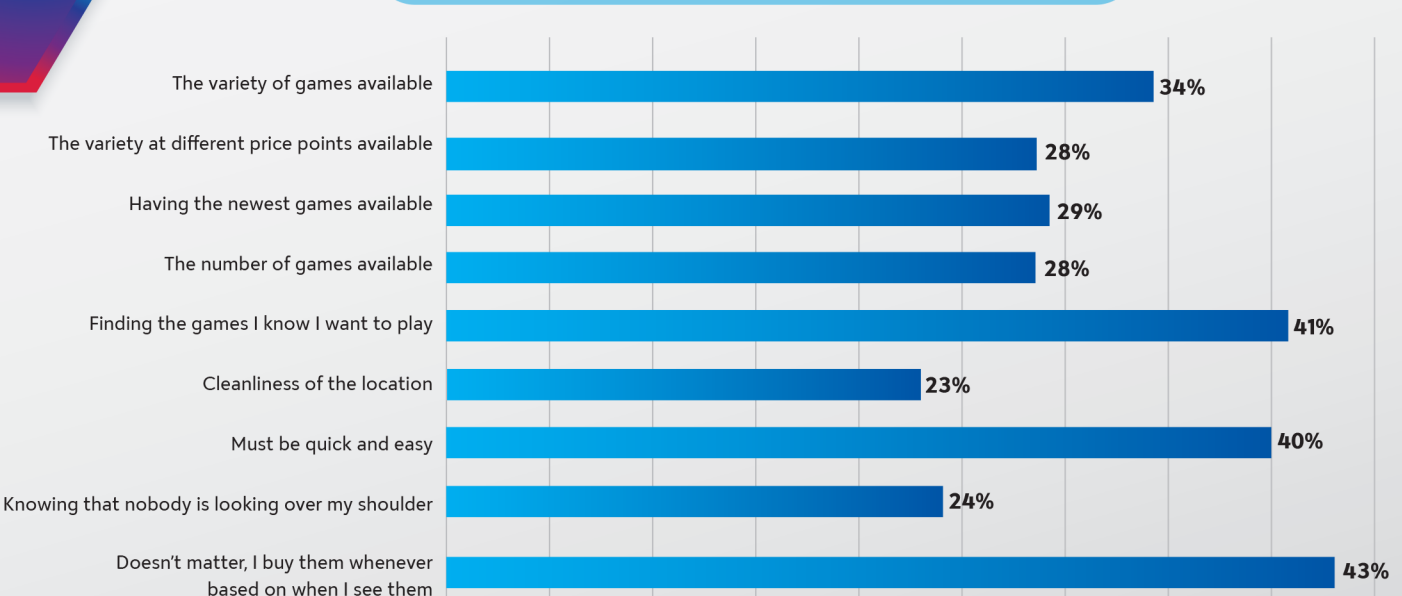


**Interest in Purchasing Lottery Products at Self-Checkout**

| | |
|---|---|
| Yes | 59% |
| No | 17% |
| I'm not sure, it depends | 24% |
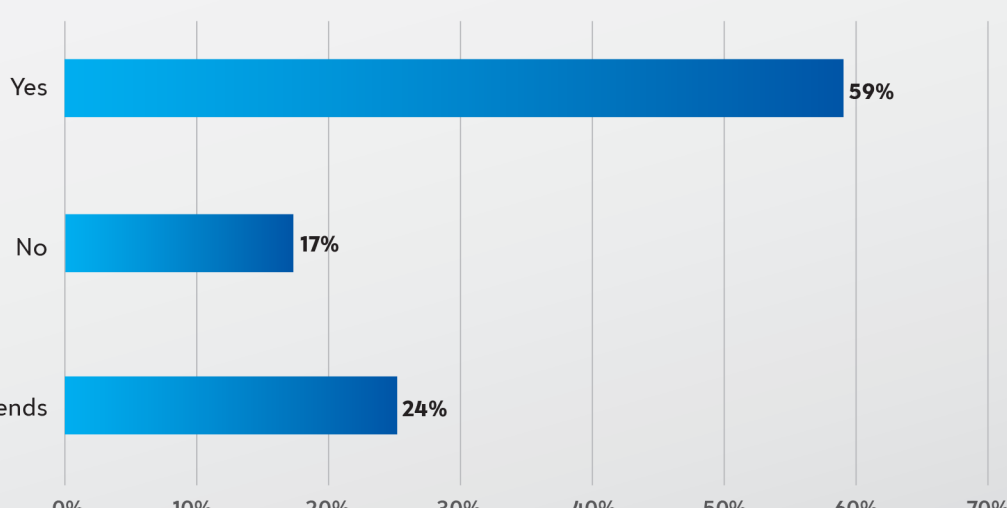
*What if you could purchase lottery games in the self-checkout lanes along with your other purchases at the store? Would you be interested in hearing more about that?*

When we asked players what factors are most important to them when buying instant scratch tickets, *'Finding the games I know I want to play'* and having a *'Quick and easy'* experience were two of the three most cited answers at 41% and 40%, respectively. So any effort to sell lottery products through self-checkout lanes should keep these factors in mind.



**Instant Game Purchase Decision Factors**

| | |
|---|---|
| The variety of games available | 34% |
| The variety at different price points available | 28% |
| Having the newest games available | 29% |
| The number of games available | 28% |
| Finding the games I know I want to play | 41% |
| Cleanliness of the location | 23% |
| Must be quick and easy | 40% |
| Knowing that nobody is looking over my shoulder | 24% |
| Doesn't matter, I buy them whenever based on when I see them | 43% |

*When buying instant scratch games, which factor is most important to you?*

### Final Thoughts

It's a safe bet that self-checkout lanes are here to stay and that their expansion across various retail channels will continue. It is another point-of-sale that our industry needs to measure, monitor, and adapt to. If we are to take advantage of this fast-growing phenomenon, the user interface and experience have to be intuitive and the games being offered need to be visible and meet the needs of players. Other factors to consider include how basket analyses can inform what games should be offered together for maximum impact, how technical solutions should be built with the needs of chain accounts in mind, and how we can market and message to players while in line and during the purchase process.