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INSIGHTS

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**WORLD LOTTERY
SUMMIT 2022
VANCOUVER**

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The world is moving to self-checkout – 70% of sales are self-service at some retailers. Lottery products must be sold no differently.



Two areas are key: a cohesive view of the game portfolio and the overall lottery ecosystem. There is huge opportunity to optimize both of those to drive retail and digital sales, even for high-performing lotteries. More and more, our work is expanding to provide our customers with products and services that connect games, technology and analytics to engage and entertain the most players, the most effectively. It requires a lottery's investment but can deliver great return.

A strong instant game management program tailored for each customer can produce double-digit growth. That same portfolio management approach can be applied to draw games, digital and sports. The entire ecosystem must be cohesive to manage player engagement holistically. iLottery programs can be managed using the same approach. The use of data analytics is vital for success.

If the portfolio is optimized, game innovation is key to growth. This may mean new digital products, such as iLottery. Or bridging the gap between retail and digital with digital extensions and familiar licensed brands. For retail games, it may mean new price points, new themes or new play actions.

Growing the instant games category depends upon effective distribution of the product. It's important to meet consumers where they are. And with traditional retailers threatening to "clear the counter" or cut labor costs, it's important that lotteries protect their retailer base with solutions to the challenges of selling scratch products. The world is moving to self-checkout – 70% of sales are self-service at some retailers. Lottery products must be sold no differently.

Growth can also be driven by aligning and embedding lottery within a retailer's business and managing lottery as a category like other traffic-driving products in the store. This takes investment in retailer intelligence, advanced self-service terminals, inventory management software, CRM, and loyalty platforms.

Consumers expect a personal experience with their favorite brands and products. Lotteries can connect with their players and build loyalty through professionally managed CRM and next generation loyalty programs. This is crucial for lottery to remain relevant with players.

Lotteries must continue to invest in and modernize the category for the benefit of all stakeholders, which goes beyond beneficiaries to players and retailers who ultimately enable the good causes. Striving to be as data-driven as possible and investing in research will inform long-range business strategy, product innovation and technology solutions that maximizes growth potential holistically across retail, digital and sports.

- Pat McHugh, Chief Executive Officer, Scientific Games