INSIGHTS

Focus On:
Retail

From the NASPL President

Greetings from the Indiana State Fair! Like many of you, our State Fair is the most in-depth sponsorship executed by the Hoosier Lottery. During each of the past several years, we have seen more than $500,000 in sales of lottery products during the 18-day run of the fair. I enjoy engaging with our players in a unique way by serving as a retailer! Seeing our operation from the eyes of a retailer provides a great deal of knowledge and understanding.

In this issue of *Insights*, we dive into the relationship between lotteries and retailers. Building a strong relationship with our retailer partners is key to the success of any lottery. We must engage the retailers to show the benefits of selling lottery products where space can be very limited. One of our biggest challenges currently in Indiana is the growing presence of vape products on the counter. We must work with our retail partners to share the difference in consumer buying habits for point of sale products.

In Indiana, our lottery sales reps (LSRs) follow a large and small format call cycle to streamline visitation by trade class and maximize consultative selling time in the market. Ensuring the ratio of LSRs to retailers is well under 1:100 allows for in-depth business reviews highlighting category analytics, including lottery as a traffic driver and the overall impact to the basket size. I've often seen our LSRs tidying up the retail space or adjusting signage to provide flawless execution of merchandising standards and point of sale guidelines. It's all about building relationships and focusing on understanding the needs of both the retailer and our mutual customer, the player. We've also worked closely with big box stores who previously did not sell lottery products. The Hoosier Lottery sales team has cultivated the partnership using their established Key Account strategy and grew this into a growing part of our business. We conduct regular "ambassador" events to share the availability and ease of use of self-service machines at big-box stores.

Also in this issue, you'll find a photo recap of NASPL's Professional Development Seminar. I've heard so many great stories from the conference and I want to thank Tom Seaver and the entire Colorado Lottery team for their hard work on this event.

I also want to take a moment to congratulate the winners of the Powers Awards and the Ott Brown Scholarship. Please take a look at the bios of these recipients found in this issue. Their stories are truly inspirational.

In closing, I hope to see you all in Milwaukee at the NASPL Annual Conference, hosted by the Wisconsin Lottery. Cindy Polzin and the Wisconsin Lottery team have been in the planning process for quite some time, "Brewing the Best" for all conference attendees.

Now back to the elephant ears and sweet corn!

Sarah M. Taylor
Executive Director, Hoosier Lottery
NASPL President

INSIGHTS

JULY/AUG 2023

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Focus On: Retail

WINTER IS COMING

GAME OF THRONES

SG
SCIENTIFIC GAMES

NASPL PDS 2023

In mid-July, a large gathering of enthusiastic lottery industry employees came together in Denver at the annual NASPL Professional Development Seminar. As always, they hunkered down and shared successes – and tackled challenges – in their respective disciplines. Attendees also mingled with many of our Associate Members during a Meet and Greet evening event, a popular recent addition to the PDS schedule.

All eyes and ears were on three exceptional keynote speakers: **Captain Gail Harris**, who retired as the highest-ranking African-American female in the U.S. Navy; **Tom Edwards**, a technology and consumer behavior futurist whose presentation on artificial intelligence both informed and alarmed those in attendance; and **Charles Clark**, a mindset coach and mental health expert.

All Powerpoint and recorded presentations at PDS are now available on the NASPL Matrix.

ANISSA COLSON

Finance Administration Manager,
Rhode Island Lottery

TheLot
Your Rhode Island Lottery

W orking in a small lottery, or organization of any kind, means you often get to learn all aspects of the business. And with a lottery that keeps expanding its product line, the learning never stops! Just ask Anissa Colson, the Rhode Island Lottery's Finance Administration Manager. She may be focused on accounting and finance, but she knows every part of the business, from traditional lottery to VLTs and table games, to sports betting and iLottery.

"Anissa always thinks ahead, which has been very important as the Rhode Island Lottery implemented new products during the last few years, i.e., iLottery and sports betting," noted Director Mark Furcolo. "She is very curious, which is highly valuable when it comes to solving various issues that arise in the normal course of business. She has my full trust and confidence."

For the first part of her career, Colson worked in both public and private accounting sectors, at CPA firms and for private companies. She joined the Rhode Island Lottery in 2012, taking a position as Video Lottery Manager. She was an experienced accountant, but this was something totally new. "I didn't know a single thing about lottery, and certainly didn't know what a VLT
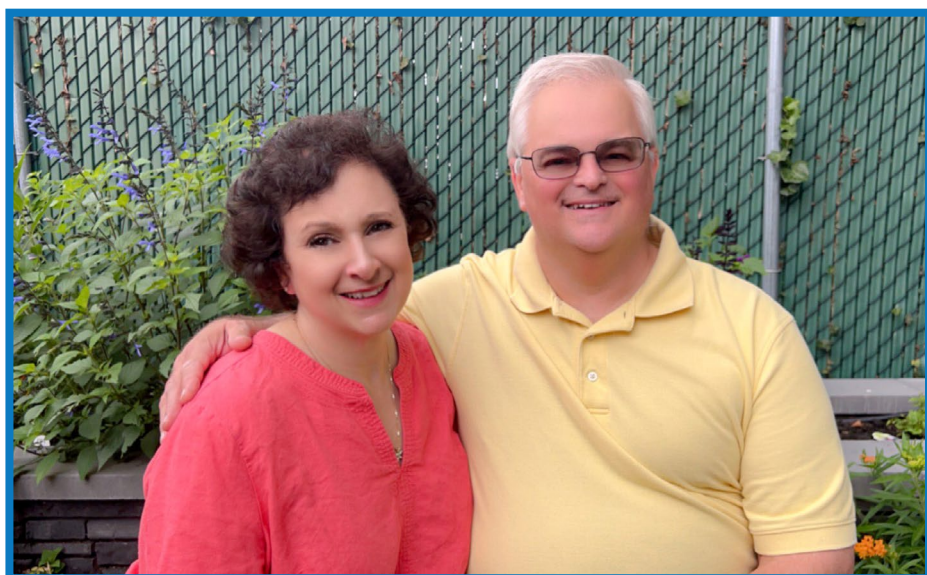
was." Yet she took on the challenge and never looked back.

You might say it was a baptism by fire. Beginning in her first year, the Lottery's VLT central system was upgraded, and for 18 months she worked with software developers, project managers and others to get the system where it needed to be. "In the process, I learned every aspect of every report and intricacy of the system, mastering all the unique reporting laws and requirements for the state of Rhode Island."

Around the same time, table games were introduced at the two casinos. Those casinos added sports betting in late 2018, and online/mobile sports betting began a few months later. In April 2020, iLottery launched with eInstants and Keno. "With all these changes, I had to learn new accounting and reporting requirements, computer systems, etc.," Colson exclaimed. "Basically everything!"

And from the looks of things, she'll keep learning. Next in the pipeline is an expansion of iLottery to all product

lines, enabled by a new central gaming system, and there's iGaming coming up too. Beyond that, she thinks there will ultimately be a transition to more cashless operations, something that is already in the mix with sports betting and iLottery. From lottery sales to prize payments, cashless operations would also require new policies and procedures, and she's happy to jump in when that starts to materialize.

During her tenure at the Lottery, Colson served as Controller for a period of time, and was promoted to Finance Administration Manager in 2022. She never missed a beat during the depths of COVID-19; most of the Lottery's finance department personnel continued to work on-site for essential functions even as many other employees transitioned to frequent remote work.

When she's not learning something new at the Lottery, Colson's favorite leisure activity is swimming. Before work every day, if she can, she swims at the local YMCA. "I can swim for an hour straight without stopping – I just get into that adrenaline zone. Plus it burns off a lot of stress!" She also likes hiking and walking in some of Rhode Island's most beautiful places, often with her sister-in-law, Susan Fitzpatrick. When at home, she enjoys reading, especially murder mysteries. And when she can, she helps her husband of 32 years, Craig, and their adult daughter Julie, a social media/graphic designer/photographer, with a side business offering fine art photography. The couple also has an adult son, Craig Jr., who takes after mom – he went to the same college, graduated summa cum laude and works in corporate finance in downtown Boston.

A Rhode Island native, Colson is a Certified Public Accountant (since 1994) and has a Bachelor of Science in accounting, graduating magna cum laude from Bryant College.

How did you first get the job with the Rhode Island Lottery?

I had been working as Assistant Controller for a property management company for a few years, but they began struggling with the woes of the real estate market. A colleague of mine, who had been one of my clients as a CPA, told me about the open position at the Lottery for a Video Lottery Manager. The job required me to be responsible for all the accounting and reporting for the VLTs for the state's two casinos. For a time, I also stepped in to serve as Controller, at which point I started learning all lines of our business as needed, and prepared all the weekly, monthly and annual reporting requirements. I learned everything from soup to nuts. Basically, anything that was needed of me.

What are the biggest challenges in lottery financial reporting?

It's a constantly changing market. Since I began at the Lottery, we went from offering just traditional lottery products, plus video lottery at our two state-regulated casinos, to offering table games, sports betting, iLottery and (soon to come) iGaming. Our reporting must comply with state laws, contract requirements, Government Accounting Standards, etc., so we have to always dot our "I's" and cross our "T's." Additionally, we recently went

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through a traditional lottery system upgrade, which involved installing all new equipment at our retailers, training those retailers plus lottery staff, and new systems for reporting. We had to integrate it all, so that it was seamless and had little impact on the public.

From your perspective, what are some of the unique challenges related to the video lottery, table games and sports betting businesses?

We oversee the two state licensed casinos, which means that we must implement, operate, conduct and control all these activities at the casinos, and work in conjunction with them and the system provider. Unlike other jurisdictions, our state does not simply collect a tax for these types of activities. Instead, we have a state share in each operation. The casinos, equipment providers, towns, etc., in turn receive a commission. The laws here are very specific with respect to how things are handled. For example, in our sports betting activities, the law states that the casino operator(s) have to hold the bank account for all transactions; Bally's currently owns both casinos. With all this, we have had to implement accounting and auditing procedures, rules and regulations, etc., whereas many other jurisdictions just collect a tax. It also takes getting used to what can be significant variations in day-to-day sports betting revenues. And unlike our previous product line expansions, we didn't bring on additional staff to handle the sports betting business. Our finance team embraced the challenge, developing all the new procedures required for reconciliation and reporting in this very different business.

Rhode Island is a very small state, both geographically and by population. Does that create any particular challenges for the Rhode Island Lottery?

I believe because we are a small state and small population, it does limit some of our product offerings, such

as with scratch tickets. We just don't have the population to offer big ticket jackpots. However, for such a small state, we offer almost every product imaginable, such as our in-state draw game, scratch tickets, multistate draw games, iLottery, video lottery, table games, sports betting, and soon to come, iGaming. We have a phenomenal staff that includes many long-term employees, and they keep churning out the work and learning new products, and new technology, so we haven't been hindered at all.

From your perspective, is there anything you wish the Rhode Island Lottery – or the lottery industry in general – could do differently?

The main thing for me concerns the accounting of scratch tickets. I wish we could somehow recognize actual sales, rather than on a settlement basis. This seems to generate a lot of unnecessary problems, especially when retailers just don't understand the system. They don't understand why a book might settle in 90 days. I know that ticket-by-ticket accounting is available, so this is one of the top things on my wish list!

What do you enjoy most about your job?

I'm a curious person, so I like the fact that I'm constantly learning new things. There is always some challenge

that I need to figure out. On the same token, at times I wish it would slow down – maybe just a bit. Sometimes you might get a little tired of constantly learning new things. And after more than a decade, I still find video lottery the most interesting (and my favorite) activity. Maybe that's because it was the first thing I was involved in, or maybe just because I seem to know absolutely everything about it! I've also noticed that VLT players are very different from our other players, like table game players or sports book aficionados. ■

The Future of Jackpot Games

By Simon Jaworski, Executive Vice President, Leger

As I type this, the Mega Millions jackpot stands at $1.35 billion, only two weeks after Powerball also hit the magical billion-dollar top prize. However, excitement and awareness of jackpots that account for two of the top eight largest in American lottery history are seemingly at all-time lows.

Based off some late 2022 research by Leger, both the Powerball and Mega Millions brands are incredibly well known in the USA, with Powerball brand recognition at 75% and Mega slightly behind at 71%. When we consider Xbox and MLB are at 75% and 74% respectively, the two lottery staples are already in very good company. Add in the fact that the trust level of Mega Millions (40%) and Powerball (37%) are higher than the NFL, NBA, Caesars, Draft Kings and FanDuel, then the initial picture painted is certainly rosy.

Jackpot awareness is down significantly in the USA

Last year's $1 billion Mega Millions jackpot hit an amazing 69% awareness among all Americans, but beneath that overall number lay a pretty big warning sign – recognition among 18-29 year-olds was only 37%. Fast forward a year, and the recent Powerball jackpot run when at $850 million garnered only 42% awareness of the United States population, strongly and significantly lower than not only the $1 billion jackpot from the previous year, but even the $429 million Powerball jackpot of 2016 which managed to hit 50% awareness.

Perhaps the most disconcerting number is the fact that only 20% of 18-29 year-olds recognized the most recent $850 million jackpot. That's almost half of last year's 10-digit jackpot awareness (37%). Obviously this wouldn't matter if it translated into sales, but only 8% of this youngest group of Americans purchased a Powerball ticket for the July 2023 drawing, marginally below the 10% who bought a ticket for the $1 billion Mega draw in 2022.

Will Gen Z want to play Mega Millions or Powerball?

Traditionally, once the youngest generation migrates into the next stage of their life cycle (into their 30s), lottery has become more prominent in their lives, perhaps driven by greater earnings, or the FOMO (Fear Of Missing Out) factor. The current 30-39 year-olds lead the way in terms of play for the most recent jackpot game at 33%, four times the level of their younger counterparts, and this gap

feels wider than ever. The big question is – what happens if the 18-29 year-olds don't make the same transition as their forefathers?

In October last year, Leger uncovered a couple of startling facts. When American adults were asked which activity they do is the most fun, console games (22%) and mobile games (22%) were the joint winners, with PC games third with 14% first place votes. Scratch-offs, thankfully, made it into fourth place with 13%, but it is the underlying disparity by age that should be of greatest concern to the state jurisdictions. Among 18-29 year-olds who have played Scratchers in the past year, 0% claimed that scratch tickets were the most fun game. Zero. When we combine this with the fact that scratch tickets are usually the entry point into becoming a lottery player, the red flags start to wave.

Are there any real differences between Powerball and Mega Millions?

The first question that comes to mind really relates to the two national jackpot games themselves – is there any noticeable difference between the two? The answer, quite frankly, is no.

Both Powerball and Mega Millions have similar awareness, similar play styles (draw five numbers and a bonus ball), similar (if not the exact same) players, eerily consistent jackpot levels at which players come into the lottery market to buy, and very close in terms of America's favorite jackpot game – a quarter say both games are their favorite, with Powerball edging Mega 11% vs. 8% among those who can differentiate their choice. In a slight twist, Powerball (14%) is ahead of Mega Millions (5%) among the 18-29 year-old group for favorite game, but these numbers are dwarfed by the 66% who say they prefer "neither" game.

In reality, the only two differences are the facts that Powerball has one additional drawing per week and one additional add-on (Double Play), which is available in 17 states.

2022 - Awareness of Mega Millions Billion Dollar Jackpot
– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	65	184	177	304	273
Yes	69%	37%	68%	70%	73%	82%
No	29%	56%	29%	29%	25%	18%
I'm not sure	2%	6%	3%	1%	2%	0%

LQ1: Did you know the Mega Millions jackpot reached $1.02 billion dollars?
Base: Total

July 2023 - Awareness of Powerball $850m Dollar Jackpot
– By Age / Ethnicity

	TOTAL	18-29	30-39	40-49	50-64	65 +		White	Non-White
Unweighted n =	1000	65	184	177	304	273			
Yes	42%	20%	38%	40%	54%	53%		46%	38%
No	53%	72%	58%	55%	41%	47%		51%	56%
I'm not sure	4%	8%	4%	5%	5%	0%		3%	6%

LOT8: Did you know the Powerball jackpot reached $850m dollars?
Base: Total

July 2023 - American's Favorite Jackpot Game

- 8% Mega Millions
- 11% Powerball
- 25% Both
- 56% Neither

	Male	Female
Sample n=	491	509
Mega Millions	10%	6%
Powerball	11%	12%
Both	27%	22%
Neither	52%	60%

Do jackpot games, and **specifically Mega Millions among women,** have a slight brand issue?

Speaking of add-ons, even the play rates among Powerball players for Power Play and Mega players with Megaplier are uncannily similar, with 50% of both sets of players stating they play the add-on to some degree. However, a glimmer of hope arises when we drill down among the "add-on" players – among the 18-29 and 30-39 age groups, it's around 70%, significantly higher than the older age groups.

Future play of a national $5 jackpot game

Leger asked the audience of n=1,000 Americans, if either Powerball or Mega Millions moved to a $5 price point, "How likely are you to purchase a $5 national game?" The classic Likert five-point scale was administered, with a focus on those Americans who said they would definitely or probably play a $5 national game.

Twenty percent of Americans claim they will definitely or probably purchase a $5 national lottery game, with 8% saying definitely, 11% probably, and perhaps a more important 23% sat firmly on the fence, saying they might or might not. These could be the same people that say they might not spend $5 on a cup of coffee, but then they see the Starbucks sign, and that grande, non-fat white chocolate mocha with whipped cream becomes instantly more appealing.

The appeal of a $5 national game skews into the traditionally higher spending income and age groups. Among Americans aged 30-39, 36% say they'll definitely or probably purchase; higher income households ($100k+) sit at 27%, significantly higher than the lower income group households.

Perhaps more importantly, past month players of either Powerball or Mega Millions have a strong interest in a $5 jackpot game. Fully 44% state they will definitely or probably play, with another 27% saying they may or may not play, which covers more than 70% of the current jackpot players.

July 2023 - American's Favorite Jackpot Game – By Age

Favorite Game	18-29	30-39	40-49	50-64	65 +
Sample Size n=	163	192	220	212	213
Mega Millions	5%	8%	9%	8%	8%
Powerball	14%	12%	13%	10%	10%
Both	15%	30%	30%	29%	20%
Neither	66%	50%	49%	54%	62%

66% of younger Americans don't prefer either Powerball or Mega Millions, but there seems to be a skew towards Powerball.

How often would you want a **national $5 lottery jackpot game**, like Powerball or Mega Millions, to **be drawn each week**?

- Every day of the week: 2%
- 3x a week: 11%
- Twice a week: 37%
- Once a week: 49%

Over-index:

	Age 18-29	Age 30-39	
	43%	48%	

Age 40-49	Age 50-64	Age 65+
53%	58%	61%
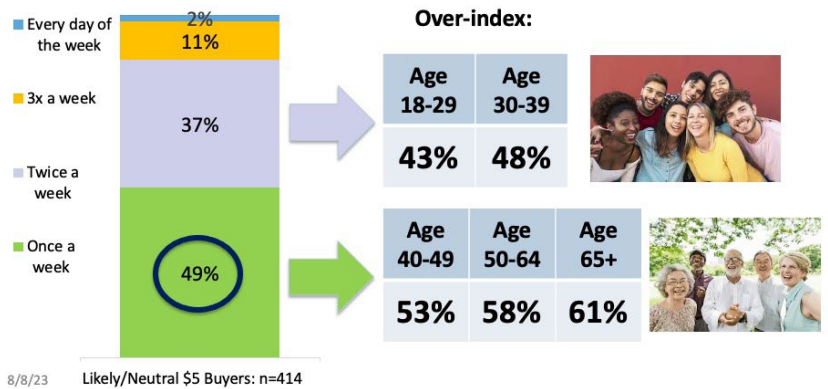
8/8/23 Likely/Neutral $5 Buyers: n=414

Reasons to buy a $5 national jackpot lottery games? - **Past Week Lottery Players**

- Better odds to win a small prize: 38%
- Win $100 for matching any 3 numbers: 36%
- More $1m winners in the main game: 36%
- Winning $20 for matching a bonus ball: 28%
- Winning a free ticket for matching 2 numbers: 27%
- Additional $1m prize winner in each state: 27%
- Starting jackpot is $100m: 24%
- Sweepstakes for all losing ticket to win a free vacation: 20%
- None of the Above: 30%
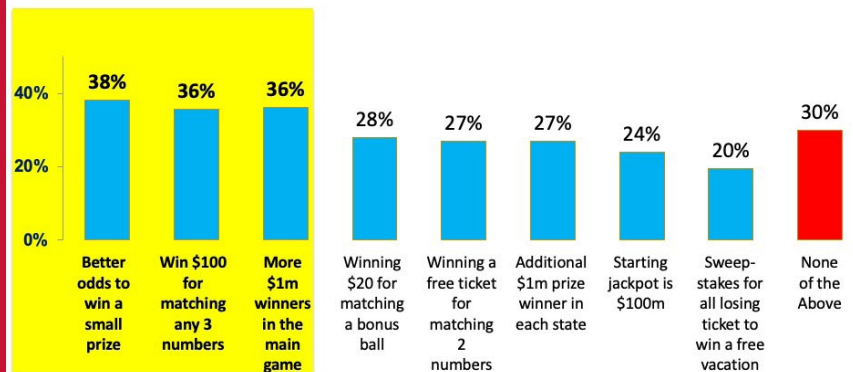
8/8/23 Past week Lottery Players, n=229

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The potential for a successful $5 game is strong. When we consider that $2 in 1990 is now worth a little under $5 given inflationary factors over the past 33 years, it perhaps adds more fuel to the fire that a $5 national game will succeed. Within the scratch sector, the $5 ticket is now the favorite ticket of players, having overtaken the $2 since COVID.

Can an add-on work for a $5 ticket?

Leger also tested the option of an extra $2.50 for a multiplier on a new $5 jackpot lottery game, among those Americans who had bought either a Megaplier or Power Play add-on in the past year. The results were surprisingly optimistic, with almost half of previous add-on players stating they would buy the $5 game add-on for $2.50. Among demographic groups that strongly over-indexed on buying the add-on were 30-39 year-olds (82%), households with children (66%), $100k+ households (60%) and urban households (72%)

Players are split on starting jackpots

The size of the starting jackpot has changed over the past few years, with both Powerball and Mega Millions dropping the starting jackpot prize from $40 million back down to $20 million in April 2020. Leger asked those open to playing a $5 game what size of jackpot they would expect, and among the options given, $50 million was chosen by 37% of the audience, a logical answer if you consider the current $20 million jackpot for a $2 ticket.

However, the $50 million answer over-indexed among a couple of critical groups: the youngest age group (18-29) at 56%, and past month lotto players (also at 56%). Perhaps food for thought.

Thirty percent of potential $5 game players said they wanted at least a $100 million jackpot to begin with.

Frequency and spend options

Almost half of the potential players of a $5 national game recommended just one draw per week, which skewed significantly older (59% among the 50+ age group), while just over a third (37%) thought two draws a week would be sufficient (which skewed a little younger, 48% among the 30-39 year-olds).

Perhaps the only aspect to raise a few eyebrows was the level of weekly spend on a $5 game. In a bubble, players said they would spend $37 on average in a week on a $5 national game, but when we compare this to the past week's spend on Powerball, there is only $1 difference (players spent $36 on Powerball on average "last week" in the survey). The question of potential cannibalization is critical and really requires greater in-depth investigation.

Potential drivers of play for a $5 national game

Finally, Leger's team asked what changes to a $5 national jackpot game would encourage them to play more. Three of the eight options were favored at a significantly higher level including "Better odds to win a small prize," "Win $100 for matching 3 numbers," and "More $1 million winners in the main game."

Among past week lottery players, the strength of these options was higher, with "Better odds to win a small prize" highest at 38%. The heaviest over-index on "Win $100 for matching 3 numbers" was among the past month (but not past week) lottery players at 42%, while lapsed players (played in the past year and not the past 3 months) had strong favorability for "Better odds to win a small prize" at an impressive 49%.

So what should the lottery industry make of all these results?

1. Find new ways to drive awareness of high Powerball and Mega Millions jackpots from the low marks in July 2023.

2. Refocus efforts on attracting younger (ages 18-29) and non-white Americans to the national jackpot games.

3. About 137 million Americans buy jackpot games, but 27 million Americans wait for $500 million/$1 billion jackpots. Ensure this group are firmly aware when a jackpot surpasses $500 million.

4. A quarter of Americans like Powerball and Mega Millions equally, with Powerball marginally edging Mega in terms of overall preference. However, based on the numbers, is there a brand issue with Mega Millions among female players?

5. Two-thirds of young Americans (18-29) don't care for either jackpot game. If they do prefer one, it's Powerball. How can we change their disinterested viewpoint in these lottery staples?

6. Half of all jackpot game players use the Power Play or Megaplier at least some of the time. Interestingly, these features skew younger. Are there other add-ons or promotions that can attract younger players on a more regular basis?

7. For a $5 national game, three attributes could drive a greater player experience: better odds for a small prize, a $100 win for three numbers, and more $1 million winners. The Egg timer prize structure (one high top prize, many winnable lower prizes with better odds) seems to be the way forward for many lottery games based on this and other research Leger has conducted recently. ■

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How Your Current Data and Research Can Work for RG

*By **Phil Kopel**,*
Director of Research Services, and
Chelsea Turner,
Chief Operations Officer
MA Council on Gaming and Health

When the Massachusetts Legislature legalized casino gaming in 2011, they were focused on understanding and mitigating gambling harms. Toward that goal, the Massachusetts Gaming Commission (MGC) created a data driven research plan to understand problem gambling rates and to evaluate and initiate a variety of programs to mitigate gambling harms.

Simultaneously, the MGC chose to license GameSense from the British Columbia Lottery Corp. GameSense is an innovative responsible gambling program and in Massachusetts it is housed inside the casinos, out in the community and online through LiveChat. GameSense Advisors (GSAs) who implement the program have direct contact with players and their families and friends. GSAs have varying backgrounds in the gaming industry, public health and customer service sectors. They are trained to meet players where they are at on the continuum of gaming, with the goal of keeping healthy players healthy, trying to move those at risk (approximately 8%) into the healthy category and connecting those who may have a clinical diagnosis of disordered gambling (approximately 2%) with services that feel best for that individual (Source: UMass SEIGMA Fact Sheet). GameSense is player focused and encourages players to embrace positive play behaviors and attitudes that promote safe levels of play and reduce the risk of gambling-related harm.

The Massachusetts GameSense program includes, but is not limited to:

- Conducting voluntary self-exclusions, as well as reinstatements;

- Assisting players with PlayMyWay, a voluntary budgeting tool that is available on all slot machines and electronic table games; and

- Engaging players in a plethora of interactive, educational activities.

From the onset, extensive efforts were undertaken to collect, review and report data to help best deliver the GameSense program. All the interactions GSAs have with patrons are entered into a checklist. This information provides GSAs with a continual feedback loop to help meet those needs. Most interactions happen at the casinos; an increasing amount happens through LiveChat and some also come through our GamLine/phone. We operate 365 days a year at Encore Boston Harbor, MGM Springfield and Plainridge Park Casino. The GameSense Information Centers are open 24 hours a day at Encore and from 9:00am to 1:00am at MGM and Plainridge Park.

In the past five years, Massachusetts GameSense Advisors have conducted almost 1.2 million total interactions. Of them, 16% are considered Intensive Interactions, 62% are Simple Interactions and 22% are Casino Related Interactions.

The Intensive Interactions are the most substantive and for the purposes of this article, we will focus on these interactions, which are divided into two categories:

1. Demonstrations: These are two-way communications that utilize a GameSense tool to educate guests or casino employees about responsible or problem gambling, often including a visual aid such as a kiosk, website and brochure.

2. Exchanges: These are two-way communications about responsible or problem gambling with guests or

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casino employees that do not utilize a GameSense tool. They generally include items such as answering guest questions about casino games, offering problem gambling and help resources, explaining the PlayMyWay (PMW) budgeting feature and discussing the voluntary self-exclusion (VSE) program.

GSAs encourage positive play with patrons through these Intensive Interactions by answering gambling questions, educating players with new insight about the games and odds, and helping players minimize risk and control their spending. The statistics show that:

- GSAs conduct Demonstrations to 55% of visitors using various learning tools and materials, and the other 45% of visitors become involved with discussions, called two-way Exchanges.

- About 55% of Intensive Interactions are with females and 45% are with males.

- With respect to age categories among the visitors, about 13% are 21-34 years old, 57% are 35-64 years old and 30% are 65+ years old.

The above chart shows the frequency of Exchange discussion topics the GSAs engage in with the visitors.

Almost 25% of Exchange discussions specifically involve the MGC responsible game playing tool called "PlayMyWay," 16% talked about budgeting in general, and another 12% discussed positive play behavior. In addition to responsible gambling tools, about 20% of visitors have general discussions with GSAs about the GameSense program. About 10% of visitors talk about slots and myths, about 5% discuss table games.

Further, while the GameSense program is centered on responsible

Exchange Discussion Topics
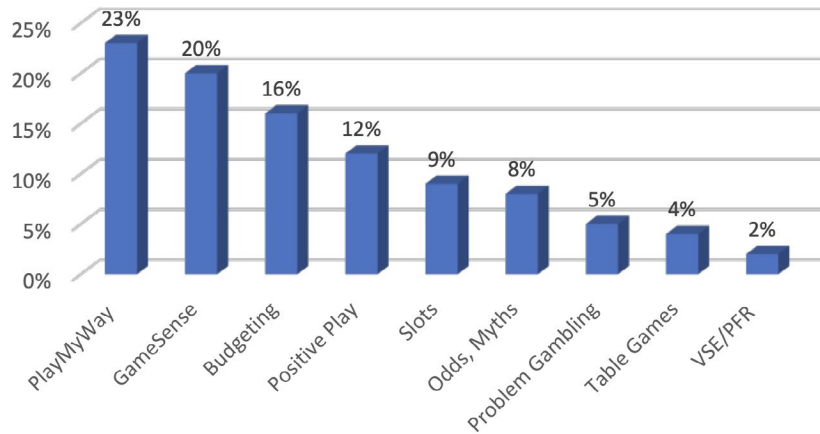
gambling in the casinos for social gamblers, research indicates that the percentage of guests in a casino who are at-risk and problem gamblers can range from 7% to possibly as high as 30%. (Fong et al, 2011, Huang, 2022). For them, GameSense also plays a very important role. It is estimated that 7% or so who visit the GSIC are already problem gamblers or are experiencing at-risk gambling behavior. For those searching for problem gambling resources, the GSAs can provide them (both in-person and remotely) with information about articles, books, peer counseling, 12-step programs and problem gambling trained clinicians. In addition, for those feeling that they need immediate intervention, the GSAs are also trained (both in-person and remotely) to register them for Massachusetts casino-wide self-exclusion. About 2% of those who enter an Exchange discussion with GSAs request information about the self-exclusion program and about 20% of them enroll in self-exclusion.

Lastly, in addition to the Intensive Interactions, GSAs also track Simple Interactions and Casino Related Interactions. Simple Interactions are short, one-way communications with guests or casino employees that are unrelated to responsible or problem gambling. Examples include directions

(lost/found, food, restrooms...) and general conversation. Casino Related Interactions involve a casino-specific event, promotion, rewards card or how the games work. Both Simple and Casino Related Interactions are important regarding building trust and understanding between the GSAs and the players.

In summary, the data collection efforts of the GSAs, coupled with the research efforts of the MGC, are critical in many ways, including helping us to optimize our interactions with patrons, reaching players who might be more at-risk, and planning for future needs and resources. ◼

Sources:

Fong, TW; Campos, MD; Brecht, ML; Davis, A; Marco, A; Pecanha. V; Rosenthal RJ. "Problem and pathological gambling in a sample of casino patrons." Journal of Gambling Studies. 2011 Mar;27(1):35-47.

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UMass SEIGMA Fact Sheet. https://www.umass.edu/seigma/sites/default/files/Seigma-GamblingHarm-Fact-Sheet-F2-2018%20copy.pdf

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HAVING FUN, AND HELPING STUDENTS, FOR THIRTY YEARS

The Georgia Lottery celebrated its 30th anniversary on June 29, a significant milestone for Georgia students and families.

By Patricia McQueen

The Georgia Lottery started a sensation in the lottery industry – the simple idea that lotteries are a great mechanism for providing scholarships and other benefits that materially impact residents throughout a given jurisdiction. Sure, lotteries have been in use for centuries to raise money for good causes, and in the modern era "education" is often the choice for a lottery beneficiary. But before 1993, lotteries funding education often didn't have a lot of specifics to shout about.

That changed when the Georgia Lottery began ticket sales on June 29, 1993. Proceeds going to the Lottery for Education Account were dedicated to the HOPE (Helping Outstanding Pupils Educationally) scholarship program and to pre-kindergarten programs available for free to every Georgia family with four-year-olds. The HOPE program has since been expanded beyond the original scholarships to the Zell Miller Scholarship and Zell Miller Grant (both named after the Governor whose vision created the Lottery), the HOPE Grant, the HOPE Career Grant and the HOPE High School Equivalency Examination Grant Program.

That's a lot to shout about, and the model has been so impactful that some newer lotteries launched with scholarships as their primary beneficiary, and scholarships were added to the education funding mix for a few existing lotteries. More than 2.1 million students have received scholarships or grants, and more than 2 million children have attended the pre-K programs. "When we get to the 30th year, one of the exciting pieces is that we have many HOPE scholars who were also pre-K recipients," explained President and Chief Executive Officer Gretchen Corbin, who has been at the helm since January 2018. "We've even started to see second-generation HOPE scholars in families."

The Georgia Lottery has done exactly what Gov. Miller hoped it would do, not only helping families, but also keeping the best and brightest students in the state, and giving them an education so they can reach their potential. And that has impacted commerce in Georgia as well. "We consistently hear Georgia companies talk about how the state is the number one place to do business, and one of the key reasons is the workforce pipeline and talent that it has as a result of the strong higher education system," said Corbin. "We are incredibly proud of doing our part here at the Georgia Lottery."

The Lottery itself has employed a number of HOPE scholars over the years, and also offers internships each year in partnership with IGT. Students from across Georgia's educational institutions are selected for the internships, and many of them are HOPE scholars.

For players, all of this is a huge motivating factor. "They know that every time they play, a student wins. It's good to be part of a purpose where everyone wins," emphasized Corbin.

Excitement and Simplicity

The engine that drives the revenues that support Georgia students and families is, of course, based on the games offered by the Georgia Lottery. There's a diverse product mix that on the draw side includes daily numbers games (three, four and five digits; they generate by far the most sales of any of the Lottery's draw games), Georgia-only games (Jumbo Bucks Lotto and Fantasy 5), multistate games (Mega Millions, Powerball and Cash4Life), Print n Play, KENO! (games held every 3.5 minutes), and the newest game, launched four years ago, Cash Pop (five drawings daily).

It's all designed to meet player needs. "Anytime you are developing a product, your customers will tell you exactly what they want." And like lottery players in many other states, Georgia players want games that are easy to play, easy to understand, and provide the excitement they crave.

"That's what really leads to success."

Jumbo Bucks Lotto, although the smallest in the draw portfolio, is a rare branded draw game. It capitalizes on the Jumbo Bucks name that is historically very popular in the state, used in multiple iterations with scratch games and more recently Diggi online games. "It has been a great brand in Georgia," said Corbin, adding that players love the brand and expect the excitement it provides no matter the product.

Cash Pop was the first game simultaneously launched at retail and online. It has been strong in both channels – about 15% of sales comes through iLottery. By launching at the $1, $2 and $5 price points, there's plenty of room to grow, and a $10 option may come later this fiscal year.

As for the national games, Corbin is pleased at the work that has been going on between the Mega Millions Consortium and the Powerball group in the Multi-State Lottery Association. "I'm so impressed with the communications that we have to make sure both of those games are strong for all of us." And what she's learned through the research that Mega Millions has conducted gives her optimism for future industry creativity. "From what I've seen, there's always another new idea out there, across our lottery members and our vendor community."

On the scratch side, Georgia released its first $50 game last winter, Ultimate $5 Million. With eight top prizes, it is promoted as the "best odds in Georgia history to win $5 million." The game also offers 100 $50,000 prizes. "We are very pleased with our $50 game's performance; it is currently our highest-selling scratcher in the market," said Corbin.

Will the market go higher? "Our consumers, ultimately, will determine our upper limit," she added. "We are consistently monitoring our consumer trends and exploring what players want." And she also knows that all price points are important, even $1 and $2 games. "We have to have exciting games at the $1 entry point for those players who want that." At all price points, Georgia is looking at second-chance promotions, evaluating payouts, and adjusting strategies to ensure that they are all successful products in the portfolio.

Retail Focus

Good games provide the foundation, and retailers provide an important link to players. The pandemic put a crimp in many lotteries' efforts to expand their retailer base, and Georgia was no exception. The focus turned to improving same-store sales, with initiatives that are still strong even as there are now renewed efforts to recruit new retailers. Senior Vice President of Sales Frank Taylor outlined some of these same-store programs, along with broader strategies designed to increase sales throughout the retail network:

Sell, Sign and Win. In this "ask for the sale" clerk promotion, sales reps assign a focus game for clerks to ask players to play. Once they make a sale, the clerk signs their initials under a number on the numbered poster-sized cards. The card features a hidden latex number to the side. Once the card is completely filled, the latex number is scratched by the sales rep to reveal

the winning number, and the clerk with that number wins a prize.

Store makeovers. Georgia Lottery sales reps select several locations in their territories to refresh dispenser displays, customize signage, and add winner awareness boards and branded POS materials.

In-store tools. Retailers throughout Georgia are getting a new play station, and a significant number of retailers are receiving jackpot signs during this fiscal year. Retailers will also receive new player-facing scanners, which will enable them to accept digital coupons and facilitate unique promotional opportunities, including a new player loyalty program.

Plan-o-grams. These provide tremendous added value at retail, helping retailers organize their presentation to players, providing consistency for consumer selection, awareness and display. This fiscal year, mandatory plan-o-grams are being expanded to more locations.

Corporate Wednesdays campaign. New scratcher games launch on Tuesdays once a month. The focus continues to be on getting all corporate accounts to activate their new games by the next day. This effort will improve overall activation rates and ultimately maximize sales.

Gas Station TV. The Georgia Lottery has partnered with Gas Station TV, which advertises on gas pump monitors. For a few months, advertisements are running at about 1,284 locations to drive consumers into the stores to play lottery.

Cashless. Cashless options are being added to vending machines and terminals statewide this fiscal year.

That allows all retailers to accept debit transactions for lottery play. "We anticipate this will impact and increase sales for over 40% of retailers who currently do not accept debit for lottery purchases," noted Taylor.

In-lane sales. There are plans to add in-lane capability to a major corporate account this fiscal year. Once in-lane is implemented, there will be efforts to attract traditional and non-traditional retailers who only want to consider lottery if provided with in-lane options. This should potentially open up recruitment of some very unique locations.

All the while, the Georgia Lottery has had great success operating kiosks at Hartsfield-Jackson Atlanta International Airport. It's the world's busiest airport, with more passengers passing through than any other. This

fiscal year, a new lottery kiosk will be added on Concourse B. "This is the busiest concourse in the airport, and we project great sales and traffic at our new kiosk," explained Taylor. The new kiosk will be an addition to complement the two Lottery kiosks currently existing in the baggage claim areas of the North and South terminals.

Online Sales Channels

Retail clearly remains the number one priority for Georgia – and all lotteries – even as iLottery helps some lotteries reach new players and grow sales on both sides of the equation. The Georgia Lottery was an American online pioneer, just the second (after Illinois) to offer single-ticket online sales when a limited selection of products launched in November 2012. Today, Georgia's online portfolio is very robust, with most of its draw games offered through the iLottery system along with Diggi games, its own brand for eInstants.

Players who want to purchase lottery games online must be a member of the Lottery's Players Club. "We've seen significant growth in our Players Club registration over the past few years driven by iLottery," said J.B. Landroche, Senior Vice President, Corporate Affairs. There are currently 2.18 million Players Club members – about 26% of the state's adult population. More than 60% of those members, 1.32 million, are at a registration level that allows them to purchase online.

"Our players love the convenience of being able to purchase lottery games anywhere in Georgia. Our mobile channels, especially our app, continue to bring in the vast majority (87%) of our sales."

In the recent year ended June 30, iLottery revenues were outstanding – a total of $780 million, up 76% from the previous year. That includes gross play for Diggi games ($581 million, up 88%), plus total sales for draw games offered through the system, which include Mega Millions, Powerball, Cash4Life,

One of the Georgia Lottery's airport locations.
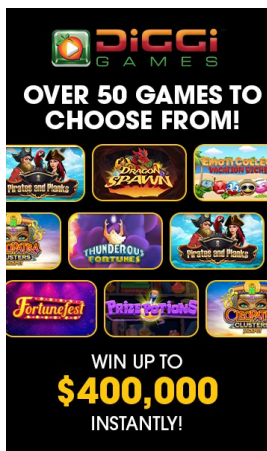
Cash 3, Cash 4, Fantasy 5, KENO! and Cash Pop. Sales of every game category rose from the previous fiscal year, Landroche noted.

There are about 80 Diggi games on the platform, at price points ranging from 50 cents up to $30. Games with progressive jackpots continue to be among the most popular, accounting for more than a third of Diggi sales in June. The Lottery typically adds two new Diggi games per month.

KENO! generates the most sales of any draw game on the platform, with

$52 million last year (23% of total sales of the game). Next, Powerball and Mega Millions are neck and neck, with $34 million (16%) and $33 million (15%), respectively. Similar percentages come from Fantasy 5 and Cash Pop, while the smallest game on the platform, Cash4Life, generates 28% of game sales through online play.

The daily games, Cash 3 and Cash 4, which dwarf all other draw games in terms of total sales across all channels, are predominantly retail products, with only 4% to 5% coming through the interactive platform.

"We've been very happy with the performance of iLottery as a companion to retail," said Corbin. "We have found that iLottery is complementary to our retail sales, which will always be our bread and butter. They grow together."

Marketing Creativity

To help make it all work, the Georgia Lottery produces some of the most innovative promotions and

advertising campaigns in the industry. Senior Vice President of Marketing James Hutchinson credits Georgians in a big way. "Our players are smart, optimistic and expect fresh, innovative concepts from the Georgia Lottery. Because of this, we have to stay on our game and come up with imaginative, intriguing promotions that keep players interested in our games." The Lottery's goal, as an entertainment entity, is to develop products and imagery that "speak to the excitement of our brand." And humor is the marketing goal. "We want players to think 'fun' when they think of the Georgia Lottery."

Hutchinson describes a recent spot for a Big Bills family of scratch tickets featuring Washington, Jefferson, Lincoln and Hamilton, explaining that many times the creative execution is a derivative of the product itself.

"We brought them on a modern-day airplane ... in coach. Well, four identical replicas of the uniformed men stuffed in crowded coach is a laugh unto itself. But to push the humor even further, Hamilton scratches and wins big money. He yells, 'I won.' Instantaneously, they all jump up to gather their things as Jefferson yells 'First Class!'"

And the best thing of all is what the Georgia Lottery does for people in the state. "Georgians know that, when they play, they are helping to educate students in Georgia, so they have an affinity for the Georgia Lottery."

That leads to the marketing priorities for the 30th anniversary celebration – to thank Georgians ("players, retailers and stakeholders who afford us the ability to do what we do," said Hutchinson) for their support over 30 years, helping to raise over $26.8 billion for education. The Lottery is also recognizing the 2.1 million HOPE scholarship and grant recipients and the more than 2 million pre-K students since the Lottery began.

Among the special creations and activities for the anniversary are an emotional television spot acknowledging parents for the hard work they put into educating their kids and the thrill of graduation; a 30-minute television special, a retrospective of the Lottery's 30 years, including vintage footage; a "Thank you, Georgia" video with student imagery designed for social media; and various games and promotions, including 30th Anniversary Scratcher, a $5 game loaded with $30 and $300 prizes.

Not to be forgotten are the employees who have been at the Lottery all 30 years, who remain in the spotlight. "This is a really good time to thank everyone who has worked here, including our direct employees and those of our vendor partners," said Corbin.

Looking Ahead

How about the next 30 years? When so many people depend on what you do, it's always a challenge, but the Georgia Lottery team embraces challenges as opportunities. For Corbin, there's one big opportunity front and center – technology. "We have to work with our retailers to make sure that we are in sync with their technology. That is going to be very important, and I think everybody is aware of that." After all, technology moves fast – very fast – and lotteries will have to keep up. She's confident that the Georgia Lottery is up to the task. "I'm very proud of how the Georgia Lottery in our 30 years has operated in a fast and nimble manner, in a way that provides the greatest revenues to the state, through selling tickets, working with retailers, captivating our players, and supporting our students."

And she looks forward to the same collaboration and support that have brought the Georgia Lottery to this point. The industry's vendors, big and small. The retailers and the players. "And probably most importantly, our governors and our board of directors who have led us every day, and the continued work that they do with us to make sure that we are doing our best for our partners, for our retailers, and for the people and students of Georgia. We are honored to be stewards of the Georgia Lottery, and now we are looking forward to another great 30 years!" ▪

Advanced Portfolio Management:
Solving the Dilemma of $1 and $2 Games

One and $2 scratch games have long been an industry staple, due in part to higher returns for lotteries. It's no secret consumer demand for both price points has been waning. In the U.S., sales of $1 games have plummeted 64% since their height of popularity in 2006 – down from $4.5 billion to $1.6 billion in 2022. In 2007, $2 games reached sales of $6.9 billion vs. $3 billion in 2022, a 56% decrease.

As players choose to purchase higher price point games, lotteries are taking a hard look at their lower price point games. But revising the mix of lower price points in isolation creates an incomplete view of the portfolio. Managing a strategy for the entire portfolio ensures that product interdependencies and a well-rounded view of player demand and changes in the market are considered.

"Lotteries are asking for a data-driven strategy for their $1 and $2 categories. In answer to that, Scientific Games takes a holistic approach encompassing all games and price points within the portfolio through the lens of 15 Determinants of Demand to responsibly maximize sales and gross gaming revenue," explains Angela Saviano, Principal Marketing Specialist for Scientific Games, who's studied industry sales and retail trends for 15 years.

This next evolution of portfolio management provides a deeper level of product understanding by taking a multifaceted approach using in-depth analysis, predictive analytics and research to understand and meet the needs of the market and the wants of the consumer.

A Closer Look

In reality, across the entire supply chain, there's just about as much effort in product planning, working paper creation, logistics, and sales and marketing efforts for a $1 game as there is for a $5 or $10 game. So, the lost opportunity cost of launching a $1 game over another price point must be considered. This is especially true as the industry continues to try to ease the pain points retailers associate with selling lottery products.

"The solution might appear to be to remove $1 and $2 games; however, our research and analysis over the past year provide evidence of the critical roles these games play for consumers and in a lottery's portfolio," shares Saviano.

New players are definitely entering the instant game category at higher price points – specifically the $5 – than existing players. But when asked the cost of the first scratch-off they ever played, Scientific Games researchers found that 23% of new players still say $1 vs. 16% at $5.

"It's easy to understand why a first-time player would be willing to risk a dollar or two to see if they like the product vs. spending $5," Saviano says.

Some lottery directors and product managers believe $1 games are required for new player entry; while others say they are seeing players entering at the $5 price point, so they aren't concerned.

"Our research shows that both are correct. While $1 games are not nearly the requirement they used to be, eliminating $1 games may not show a

decrease in sales initially but might discourage some from entering over time," Saviano explains. "A player entering with a $1 game doesn't know whether that game is new or old. The takeaway is that you don't need a lot of novelty at this price point."

Play Experience and Motivations

The question on many minds is whether $1 games are the best play experience for new players, with payouts so low. But if this logic is followed to its ultimate end, the best play experience for new players would be a $50 or $100 game given the evolution of products.

"We all know that the majority of new players aren't going to enter at $50 or $100. The play experience for new players is critical. Which is why Scientific Games has undertaken a deep discovery process through research and prize structure analysis to truly understand how different win amounts are perceived by players at different price points," she says.

A major component of that research is the company's ONE Segmentation study, which categorizes consumers by groups or segments based on shared player/non-player characteristics and motivations. It helps determine which products to offer, where to reach the player segment and what messaging will resonate best. Scientific Games Chief Marketing Officer Jennifer Welshons innovated the study during her 23 years leading analytics and insights at the company, and it was recently refreshed. Fourteen lotteries have incorporated the ONE study in their marketing strategies.

"The entry point for new players really comes down to motivations. With the latest generation of ONE, we have explored the influx of new players, the role each instant price point plays and much more," shares Welshons. "It's important that lotteries understand that motivation is critical to product development and marketing. They must know the 'why' to effectively reach consumers. But for a full view of players, they also need to overlay the 'what' or the behavioral aspects."

The company's research shows that 65% of lower price point players would prefer to win between $11 and $50 more frequently than a chance to win a bigger top prize. This doesn't mean lotteries shouldn't have games in market with higher top prizes, it simply means that they should have the proper balance of value propositions at

each price point to reach the largest audience. And keep new players coming back with what they perceive as fun and exciting play experiences. As an example, $1 games fill the roles of winter holiday games and gifting.

"The play experience itself for a $1 or $2 game hasn't necessarily decreased. Players can't buy as much with their winnings but maybe that's cause for reinvesting those winnings in the chance at a bigger prize with the next game," Saviano shares.

Advanced Portfolio Management

Scientific Games takes a multifaceted, data-driven approach to portfolio management using four pillars:

1. **Data Analytics** – Sales, GGR, games in market, five-year CAGR, and SCiQ market basket analysis.

2. **Existing Consumer Research** – ONE Segmentation refresh.

3. **Primary Research** – Additional consumer research, including a nationally representative sample and branding questions, both specific to the $1 and $2 categories, and another extensive study on consumer roles across all price points.

4. **New Tools like Predicative Modeling Tool and Feature Engineering** – Assists in revenue and GGR projections based on changes to the portfolio and helps define the most sales impactful game interactions.

Anchoring the Instant Portfolio

ASP $6.84

- Average selling price increased $0.46 in CY22
- Should this change in consumer behavior move our left anchor?
- How do we respond with the proper offerings for each price point?

To properly evaluate changes happening throughout the portfolio, lotteries need to define price point anchors at the high and low end of their products. The right-side anchor has been sliding up for decades. In fact, the average selling price increased by 46 cents in calendar

year 2022. While this ongoing change in consumer behavior might lead to the easy conclusion of shifting the lower price point anchor from $1 to $2, the entire story isn't that simple.

"The $1 price point still fills a critical role in the portfolio. The answer isn't to remove it altogether but, instead, to strategically realign its purpose within the portfolio and consider the role of each of the price points within the portfolio," Saviano explains.

Data Analytics

The company's analytics show that $1 games accounted for only 2.5% of sales and 3.7% of GGR nationally in calendar year 2022. Across all U.S. jurisdictions, the $1 category has a five-year CAGR of -6.7%, down more than 1% from 2021. Weekly per capita sales ranged from $0.03 to $0.22 with a mean of $0.09. The number of $1 games in market ranged from two to 17 with a median of six.

"In general, what we witness across the country is that more mature lotteries tend to have fewer $1 games in market and those games are responsible for a lower percentage of sales and GGR," Saviano points out.

The $2 price point accounted for 4.8% of U.S. retail sales last year, which represented 7.2% of GGR. Similar to $1 games, the five-year CAGR for $2 games is -6.2%. Weekly per capita sales for $2 games ranged from $0.64 to $0.09 with a mean of $0.19. The number of games in market ranged from three to 15 with a median of six.

Similar to the $1 category, more mature lotteries tend to have fewer $2 games in market and those games are responsible for a lower percentage of sales and GGR.
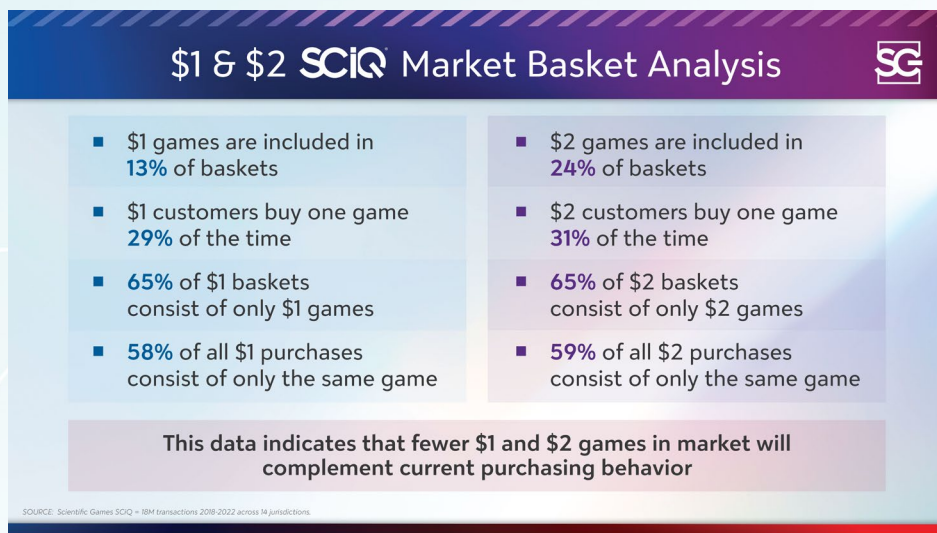
A quick look at what's happening with U.S. market share for the $1 and $2 games combined, vs. $20 and higher games, shows that the ROI on the lower price point games is not comparable to higher price points. In calendar year 2022, $1 and $2 games made up 34% of total games produced but represented only 8% of sales and 11% of GGR in the US. In contrast, $20 or higher price point games accounted for only 12% of games produced but represented 43% of sales and 39% of GGR. From calendar year 2019 to 2022, the number of $1 and $2 games has decreased by 17% while the number of $20 games or higher increased by 47%.

A level of purchase behavior analysis – possible via market basket data from SCiQ (Scientific Games' retail ecosystem) – finds that $1 games are included in 13% of all transactions. Of those $1 transactions, 29% bought only one game and 65% purchased only $1 games. But the most critical takeaway is that 58% of all $1 purchases consisted of only the same game.

The numbers are very similar for $2 basket purchases, with 24% of baskets including $2 games. Of those transactions, 31% purchased only one game and 65% of $2 baskets consisted only of $2 games. And, similar to the $1 category, 59% of all $2 ticket purchases consisted of only the same game. This data provides strong support that fewer $1 and $2 games on market will complement current purchasing behavior.

As a point of reference, $5 games are purchased most often at 36% of baskets, followed by $10 games and $2 games at 24%.

$1 & $2 SCiQ Market Basket Analysis

- $1 games are included in **13%** of baskets
- $1 customers buy one game **29%** of the time
- **65%** of $1 baskets consist of only $1 games
- **58%** of all $1 purchases consist of only the same game

- $2 games are included in **24%** of baskets
- $2 customers buy one game **31%** of the time
- **65%** of $2 baskets consist of only $2 games
- **59%** of all $2 purchases consist of only the same game

This data indicates that fewer $1 and $2 games in market will complement current purchasing behavior

SOURCE: Scientific Games SCiQ + 18M transactions 2018-2022 across 14 jurisdictions.

Calendar Year 2022 US Market Share by Price Point
$1 and $2, ≥$20

$1 and $2 Games =
- **34%** of total games produces
- **8%** of total instant sales
- **11%** of GGR

≥$20 Games =
- **12%** of total games produces
- **43%** of total instant sales
- **39%** of GGR

SOURCE: INFUSE business intelligence solution.

Because $1 and $2 price points play an important role for consumers and in lotteries' portfolios, changes in the overarching $1 and $2 strategy must take these roles into account to avoid a negative impact on sales, GGR, the lottery's brand, and alienating players.

The
Science Inside
the Sale

PLAY TODAY!

The only provider offering an
IN-LANE SOLUTION
for both instant and draw games

Leading
CASHLESS SOLUTION
in the U.S.

PlayCentral Powered by SCiQ
self-service terminals experienced a
16% INCREASE IN SALES
in a top performing U.S. lottery

Scientific Games' ecosystem of innovative retail solutions ensures that the right products are in the right place at the right time, exceeding the high expectations of today's retailers and players.

SG
SCIENTIFIC GAMES

50 Years™

Lower Price Point Research

Scientific Games research shows that $1 and $2 games have broad appeal across both new and existing players. Eighty-two percent of new players and 76% of existing players reported they typically purchase $1 tickets, and 85% of new players and 78% of existing players report they typically purchase $2 tickets.

$1 & $2 Games Have Broad Appeal

$1 & $2 games still have the highest reach across most of our player groups
"Which price points do you typically purchase?"

SOURCE: ONE™ Segmentation 2021 N= 4011

New Players   Existing Players

$1 and $2 Games Play an Important Role in Portfolio

- Entry Level Price Point
- Impulse Purchase
- 'Spare Change' Purchase
- Part of a Family of Games
- Winter Holiday Games
- Gifting

SOURCE: $1 & %2 Roles - National Research, 2022, N = 1463

Scientific Games conducted extensive research and analysis of the needs and wants that $1 and $2 games fill for players and distilled these findings into the six most important occasions for these lower price point games:

1. **Entry Level** – 43% of all respondents answered $1 when asked, "What was the price of the FIRST instant scratch-off game you ever purchased?"

2. **Impulse Purchases** – When asked "Which price point for instant scratch-off games are you most likely to make an unplanned purchase of?" 25% of players said they would be most likely to purchase a $1 game on impulse. Tied for second were $2 and $5 games, at 20% of players each.

3. **Good Use of My 'Spare Change'** – 57% of light players and 37% of core players said that they buy $1 and $2 games because it was good use of spare change.

4. **Part of a Family of Games** – 72% of respondents said $2 games should be included as part of a family and 61% said $1 games should be included. These games came in second and third, respectively, behind $5 games, which 82% of respondents selected to be part of the family.

5. **Winter Holiday-Themed Games** – Very popular with players, in fiscal year 2023 these games indexed higher than other $1 games in all but eight states, with a U.S. average of 124.

6. **Gifting** – Lower price point games are popular as gifts. The most frequently gifted price point is $5 followed by $1 and $2 at second and third, respectively. The most common gifting occasion was the winter holiday season, with 92% of "lottery gifters" giving at this time and birthdays coming in second. In total, 67% of scratch players report that they have gifted a $1 or $2 game for one of these two occasions.

"When creating prize structures for each of these occasions, it is important to remember to have the intrinsic value meet expectations," says Saviano. "For example, 65% of lower price point players stated that they would rather win smaller prizes more frequently than have a large top prize at these price points. So, a holiday gift tag would be the perfect occasion to offer a prize structure with many smaller prizes."

Scientific Games' nationally representative $1 and $2 survey took a closer look at $1 and $2 player frequency behavior. Responses indicated that $1 and $2 players are highly engaged, and these price points are also popular with all player segments in the ONE Segmentation.

In total, one in three respondents said that they have played instant scratch games in the past year. Of these respondents, 61% said they play $1 games at least monthly and

58% reported that they play $2 games at least monthly.

A deeper dive into the purchasing habits of "Heavy Players" at the $1 and $2 price points showed that they purchase a lot of games but with limited variety.

$1 & $2 Players are Highly Engaged

$1 and $2 Games Are Popular with All ONE™ Instant Game Player Segments

1 in 3 report playing instant scratch-off games in the past year

Of these, 61% say they play $1 games at least monthly
- Daily = **15%**
- Weekly = **24%**
- Monthly = **22%**

Of these, 58% say they play $2 games at least monthly
- Daily = **9%**
- Weekly = **26%**
- Monthly = **23%**

SOURCE: $1 & %2 Roles - National Research, 2022. N = 1463

Heavy Players Purchase a Lot of Games, But with Limited Variety

Heavy $1 and $2 Players Account for $3 Billion Annually

58% of Heavy $1 Players purchase 3 to 5 games per session
- **16%** Heavy $1 Players purchase 6 to 9 games
- **25%** Heavy $1 Players purchase ≥10 games

67% of Heavy $2 Players purchase 3 to 5 games per session
- **17%** Heavy $2 Players purchase 6 to 9 games
- **16%** Heavy $2 Players purchase ≥10 games

SOURCE: $1 & %2 Roles - National Research, 2022. N = 1463

These players account for more than $3 billion in annual $1 and $2 sales, or 64% of industry-wide sales. The findings indicate that 58% of Heavy $1 Players purchased three to five games per session, with 25% purchasing 10 or more games per session. And 67% of Heavy $2 Players purchase three to five per session, with 16% purchasing 10 or more tickets per session.

"While Heavy Players are a very active segment, it's important to remember that through market basket analysis we know that they aren't buying a large variety of games," says Saviano.

Strategies and Recommendations

"We're all aware that $1 and $2 games are problematic for most of the industry and some lotteries have started to adjust their strategies accordingly. But lotteries risk losing sales if they remove $1 and $2 products altogether," she cautions.

Supporting this position, Scientific Games research found that 7% and 8% of players indicate they would no longer play scratch-off games if the $1 and $2 price points were eliminated, respectively.

"Now that we understand the weighted importance of $1 and $2 games, we are developing new practices for execution that consider those weights. We are shifting the balance of effort to match the balance of consumer buying and thus helping lotteries increase their return on investment," explains Welshons.

Adjusting a strategy for one or two price points is not the solution; the interdependencies of all price points must be considered.

"The $1 and $2 dilemma everyone is talking about is not solved with just a lower price point strategy. Consumers don't view instant products siloed by price point – they view games across the entire lottery product portfolio," Saviano reiterates.

Understanding what role each of these price points plays for consumers and determining how to clearly establish value propositions between and within price points is necessary to create a strong and sustainable lottery portfolio.

"We know several lotteries are experimenting with $1 and $2 games, and others are watching closely because there really isn't an easy, one-size-fits-all answer. Our recommendation is to stay tuned. We are following the analytics and applying the research to help evolve and manage the entire portfolio to protect returns to good causes," advises Welshons. ▪

NOTES: *A new player was defined as someone who started playing lottery in the last two years, and an existing player as someone who started playing lottery more than two years ago.*

Heavy players are defined as players who play at least weekly and purchase three or more games on occasion, or monthly and purchase six or more games; they make up 27% of $1 players and 20% of $2 players.

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2023 NASPL POWERS AWARDS

Ed Powers was a lottery industry pioneer. He was appointed Director of the New Hampshire Sweepstakes Commission in 1964, making him the first lottery director in the United States. He spent more than 25 years in the industry, helping to establish the most effective organizational structures that have become the blueprint for our successful lotteries of today.

The Powers name is forever associated with the highest of achievements. The drive, commitment and integrity he demonstrated throughout his career set the standard of excellence exhibited by the lottery and vendor employees receiving this award.

T.H. Morris
Vice President of IT and Chief Technology Officer, Kentucky Lottery

T.H. initially came to the Kentucky Lottery as a software consultant during the Lottery's first gaming system conversion project in 1997, and helped to develop the software that supports instant ticket processing. He later joined the KLC in 1999 as a Project Leader and since that time, has held the roles of Project Manager, Director of Application Development and VP of Systems Development. He was promoted to VP & Chief Technology Officer in 2022. Throughout his career, T.H. has consistently sought out ways to improve business processes utilizing technology solutions. He is tremendously creative, innovative and looks at ways to improve what they do with a critical mind, and no idea is out of reach. A list of a few of the major projects T.H. has led include an in-house instant ticket validation system, a web-based accounts receivable system, an iLottery/ecommerce system, the integration of docusign and numerous retailer reporting changes. T.H. is confidently shepherding the Lottery in the right direction, ensuring that they are prepared to take advantage of all the opportunities that await – not only for the Kentucky Lottery, but for its players, retailers and all of the Kentucky families and universities that depend on its proceeds.

Rachel Klinkefus
Lotto Games and Drawings Assistant Manager, Minnesota Lottery

Rachel's contributions to the Minnesota Lottery's continued success have been numerous and extraordinary. She is responsible for assisting in managing and directing the activities of the Lotto Games Department, including all lotto games and second chance drawings, administration of Lottery terminal installations, and lotto games ticket issues. Rachel supports highly complex operations which control all technical aspects of the Minnesota lotto games. Her contributions to the development of lotto game policy, procedural and technical review, and development are invaluable. Even with so much on her plate, Rachel routinely goes above and beyond. Her leadership, knowledge and willingness to collaborate has made an impact that should be recognized and honored – though she will always tell you that it's a team effort.

Allison Pitman
Owner, BCH Agency – Kentucky

Allison plays an integral role in the public-facing elements of the Kentucky Lottery. Her leadership of BCH Agency and the goals of the Lottery align so well that they like to say they are like "peanut butter and jelly." During last year's transition to majority owner of the firm, Allison led the restructuring and evolved the agency's philosophical approach with an emphasis on helping brands "add more life to living." The new approach led to BCH being awarded the entire contract from the Kentucky Lottery for creative, production and media planning and buying services – a first for the Lottery. Allison had been the lead partner on Kentucky Lottery business at BCH for more than 13 years prior to the recent new contract expansion as well. Noteworthy success in the partnership includes the new brand identity and tagline, "Fueling Imagination. Funding Education." The modernization of the brand has resulted in more than 62% brand recall of where the money goes across the Commonwealth of Kentucky, as of April 2023. In addition to fostering strong business relationships with clients, she is viewed as a mentor within the agency. And under her leadership, BCH has been awarded "Best places to work in Kentucky" twice.

Jeff Shoumaker
Regional Vice President of Sales, Scientific Games – Texas

Jeff's knowledge, experience and dedication to the Texas Lottery have all played a critical role in helping the Lottery set new sales records year after year. He is consistently prepared with new ideas, innovative ticket options, and valuable advice. He challenges his in-house design team to create exciting tickets that are not only fresh but also fit within the Texas portfolio and appeal to Texas players. Simply put, Jeff knows what Texas needs. When the Lottery was interested in coming up with a way for high-end print features to be included on scratch ticket families, Jeff worked with his team to develop the innovative "cash + entry" model as part of the $5 Million Vegas Challenge promotion. This innovative promotion has been instrumental to the Lottery's continued growth and success. Jeff also provides Texas with the framework to offer players once-in-a-lifetime, second-chance promotional experiences, serving in the critical role as liaison between the Texas internal advertising team and the marketing team at SciGames. Jeff has been critical to the record-breaking success of the Texas Lottery, and he is a trusted and valuable partner to the agency.

Aric Frost
Accounting Manager, South Dakota Lottery

In his role at the South Dakota Lottery, Aric runs point on all things accounting. This includes everything from supervising the validation staff, ensuring all validations and sales balance, getting the bills paid and ensuring Lottery revenue transfers to good causes are calculated correctly. He took the Accounting Manager role around the same time the Lottery migrated from a state-owned back-office system to a vendor provided back-office system. This migration included the transfer of many years of data from a mainframe-type system to a modern system. Aric was able to work with state of South Dakota IT staff to ensure the data was transferred successfully. His patience in explaining processes and describing duties to new accounting and validation staff is second to none as well. He takes the time to clearly explain the processes and makes himself available to answer questions. Aric is a hard worker with high expectations and an ability to motivate others to achieve success. And he is always willing to lend a helping hand.

Amy Gray
Gaming System Contract Administrator, Florida Lottery

Throughout her journey with the Lottery, Amy has continued to demonstrate, in daily interactions and work products, all the values of an exemplary Florida Lottery employee. With over 20 years of industry experience, she lives and breathes Lottery business, and goes out of her way to create opportunities for other Lottery employees to learn and grow. Her inquisitive nature and thirst for knowledge have her at the front of the line whenever new challenges arise. Not only does she seek out new and innovative solutions to improve business processes, but she truly listens to others to gather their input, and recognizes them for their contributions. Amy knows how to lead a team as well as how to follow. Her excitement for new endeavors is an inspiration to other team members. Amy was an outstanding asset during her tenure with the Florida Lottery sales team, and has more than proven to be a valuable member of the Gaming Operations team. She is very deserving of this honor and should be recognized for her cooperative spirit and the effort she puts into helping the Lottery succeed.

Ryan Mindell
Deputy Executive Director, Texas Lottery

Ryan is focused on the mission of the Texas Lottery, to generate revenue for public education and veterans' services, and he constantly strives to find innovative ways to further that mission. A leader in the industry, he is frequently called upon to present at national meetings and conferences. Ryan has recently worked closely with the NASPL organization, industry vendors and other lotteries to lead modernization efforts for the North American lottery market, most notably in the development of a universal API, an initiative that will allow retailers' POS networks to be seamlessly integrated with lottery gaming systems. Ryan's other many accomplishments include enhancements to the development of the annual game plan for the Texas scratch ticket portfolio, serving as co-chair for the Lottery's 30th Anniversary celebration, developing new and unique ways to provide relief for Texas scratch ticket budget challenges, overseeing the addition of Monday drawings for both Powerball and Lotto Texas, and the negotiation and implementation of a new gaming system and new mobile app. All of Ryan's many accomplishments have directly contributed to continued records being set at the Texas Lottery.

Kimberlee Welsch
Advertising Coordinator, Wisconsin Lottery

Kim coordinates the Wisconsin Lottery's advertising efforts, ensuring they are on strategy and directly contributing to the Lottery's annual sales of over $900 million. She recently celebrated 25 years of state service, providing valuable experience in performing her work duties day in and day out. Because of Kim's hard work and dedication to both innovation and inclusivity, the Lottery's advertising campaigns continually address the cultural, age, and geographic diversity of the state's population, while at the same time exploring new types of media the Lottery can utilize to reach those audiences. Kim has also played a key role in the Wisconsin Lottery's Responsible Gaming program for many years, working diligently to not only advertise responsibly but also to expand problem gambling awareness in the State of Wisconsin. In fact, this year the Wisconsin Council on Problem Gambling selected Kim to receive an award in recognition of her ongoing support of the WCPG and its mission. She truly is outstanding, both professionally and personally.

## Pamela Poteat
Director of Sales, New Mexico Lottery

Pam has been a valuable member of the New Mexico Lottery team since 1996. Today she manages several areas, including retailer relations, telephone sales, key accounts, customer service, and field service vendor oversight. Pam's major distinguishing accomplishment this year was taking over responsibility for the Claims Center. Not content with merely continuing business as usual, she analyzed all aspects of claims operations and looked for opportunities for immediate improvement. A few short months later, the Claims Center was brimming with player promotions and fun, while maintaining integrity and strong fiscal operations. Pam's accomplishments impacted her personal growth by refining her ability to adapt to a rapidly changing environment. With the Claims Center change and with other assignments, she takes on new responsibility with optimism and a "whatever it takes" attitude. Pam deserves to be a recipient of the Powers Award because of her longstanding dedication to improving the New Mexico Lottery, and because of the strong appreciation her management and colleagues have for her.
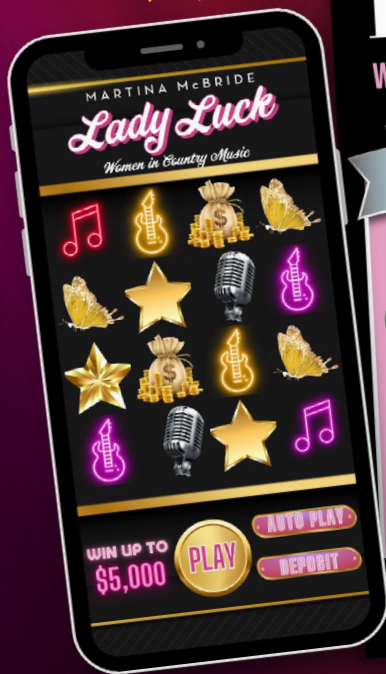
Wayne Dolezal
Deputy Executive Director, Multi-State Lottery Association

Wayne has been instrumental in working with all of MUSL's functional areas – drawings, information technology and information security – as the Association has continued to improve its security profile. He spearheaded the organization's response to the recently finalized Operational Security Assessment and Audit, coordinating staff cooperation to accomplish the recommended security improvements. Wayne was also the project lead as MUSL undertook a "Red team" exercise, a full-scope adversarial simulation that covers physical, electronic, and social attacks. This exercise was done as part of MUSL's annual vulnerability and penetration testing, and Wayne led the project from RFP issuance to the final report, developing responses and remediation timelines as the MUSL team successfully responded to the recommendations. Wayne continually works behind the scenes to ensure MUSL operations run smoothly, and his many contributions to the MUSL organization, and the industry as a whole, make him worthy of the Powers Award.

Alex Hambelton
Senior Manager of Business Operations, Oregon Lottery

Alex is an extraordinary employee and teammate. He is a deep expert in enterprise information management, business systems modernization, business intelligence and organizational metrics. In addition to his subject matter expertise, Alex is a great leader of people. He takes a human-centered, empathetic, and humble approach to leading transformational change. People follow Alex because he sees them and meets them where they are at. He does not cut corners and puts in the effort to see that things are done well. He inspires those around him to aim high, leading teams to accomplish a greater value delivery than originally imagined possible. In the last year, Alex quickly and seamlessly stepped into a growth opportunity in a new department. At every step of the way, Alex collaborated with the core program team and key partners to keep a highly complex program on track, on time and on budget. This is a rare leadership capability. As the Oregon Lottery continues to implement future phases and optimize their use of this new platform, they will increase transparency across departments, have better data to drive management decisions, create meaningful KPIs, and invest in their workforce's ability to apply modern tools to solve future business problems. Alex is a rising leader in the organization, adding tremendous value that will continue to grow for many years to come.

Terri Avery
Deputy Executive Director of Sales, North Carolina Education Lottery

If you want to know how the NCEL has managed to increased sales every year of its operations, their impressive game penetration rate shows a big part of it. If you want to know the leader that motivates her staff to such high performance, you need to meet Terri Avery. Terri became one of the first 10 NCEL employees in 2006, moving north from the Georgia Lottery. She arrived in January 2006 to find piles of retailer applications waiting for her and waded through them with others to launch the Lottery four months later, with more than 5,000 retail accounts. Today she oversees 108 employees as well as operations at all six regional offices and our warehouse. As sales leader, Terri has identified growth opportunities in the field with retailers and implemented sales policies and changes in operations that year after year optimize productivity, guiding lottery ticket sales to almost $4 billion a year. You can't achieve record sales for 16 years in a row unless you get the fundamentals right. Terri gets the fundamentals right, every year, year after year. The NCEL owes a great deal of its success in sales to her leadership and the performance it ignites with her team.

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**JACKPOCKET**

Karla Henriksen
Senior Loyalty and Product Manager, Arizona Lottery

Karla exemplifies the innovative and entrepreneurial spirit that has helped the Arizona Lottery see success year after year. She is a valued veteran, having served the people of Arizona at the Lottery for almost six years as a skilled collaborator and a results-motivated professional, tasked with managing multiple product rollouts in a given year. During the period recognized by this award, Karla successfully launched two digital platforms at the forefront of lottery innovations, the Arizona Lottery Lucky Lounge and Ultimate Playlist. These platforms promise to not only appeal to new and non-traditional lottery demographics; they will also become opportunities for Arizona Lottery players at all levels to engage with their products in new and entertaining ways. It is Karla's tireless pursuit of perfection in developing and implementing these programs, while continuing to observe the highest standards of service and excellence overseeing the traditional lineup of draw and Fast Play games, that makes her the worthy recipient of this prestigious lottery industry award.

Alan Wilson
Senior Database and Development Manager, South Carolina Education Lottery
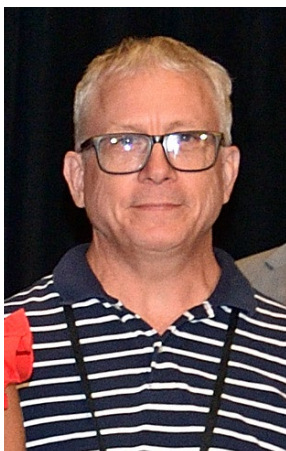
Through 17 years of service to the SCEL, Alan has garnered the respect and admiration of all of his peers because of his commitment and willingness to consistently go above and beyond what is required. When his input is requested on various projects (which is often, and across all departments), he takes his time to digest the facts, ask questions, conduct his research and present his findings in an unbiased and professional manner. He always has the Lottery's best interest and SCEL's mission at top of mind. Throughout his career, Alan has been instrumental in the analysis, design, development and implementation of all secure data exchange processes with other state and governmental entities, as well as with SCEL vendors. He is the resident data expert, and works closely among all departments to assist with a myriad of data and system needs. There is simply not a single department at the SCEL that does not rely on Alan's flawless work for many of their data-dependent processes. He is truly one of the most dedicated, reliable, loyal and humble colleagues you could have the pleasure to work alongside.

Aubrey Braithwaite
IT Manager, Connecticut Lottery

Aubrey started with the Connecticut Lottery in August of 2020 and immediately established himself as a valuable member of the IT team. He arrives to work every day with a positive attitude, and he is an absolute pleasure to work with. One of the things that really stands out when working with Aubrey is his "can do" attitude. Working in the IT industry, every day is a new challenge, and oftentimes you find yourself working on an issue that was not even on your radar that morning. Aubrey embraces the challenges and is always ready to jump in and work on any problems that arise. He loves to work directly with IT equipment and is not afraid to get his hands dirty, whether it be crawling under a desk, pulling cables through a drop ceiling, or rummaging through old IT equipment for recycling and surplus. No job is too big or too small, and it will garner his full attention. Aubrey has experience with a broad range of equipment and technology, so his input on future projects and upgrades is invaluable. He's regularly involved in projects and initiatives, evaluating different options and process changes to determine the best course of action.

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Linked Wins adapts one of IGT's exciting iLottery game mechanics to some of the most popular retail play styles. For crossword games, a visually intuitive collection mechanic offers more ways to win. These games are just the newest examples of what's possible and offer a glimpse of what's in store!

Future Forward. Growth Driven.

Peter Alvarado
Director of Regulation and Oversight, DC Lottery

Across the country, lotteries are taking on new functions. They are licensing sportsbooks, casinos, iGaming, and many other activities beyond traditional lottery sales. The DC Lottery is no different. Peter joined the DC Office of Lottery and Gaming in January 2020, as the Director in charge of sports wagering licensing and oversight of privately operated sports wagering. However, it did not take long for him to take on new roles, including compliance oversight of DC Lottery's sportsbook and games of skill. In the spring of 2022, as part of a consolidation, he also took over lottery licensing, charitable gaming, and lottery security. He viewed all these different roles as opportunities to learn and grow, quickly adapting to address the associated challenges. Peter has a vision of DC Lottery becoming the best lottery organization in the country, and views his role as ever-expanding to meet the new reality of today's lottery industry. The Lottery is no longer one dimensional, and his role is to ensure revenue generation from all products and licensees is done so in a safe, fair and responsible manner.

Julie Stone
Deputy Director for Retailer Services, Pennsylvania Lottery

Julie has worked for the Pennsylvania Lottery for more than 13 years. In her current role, she oversees the Lottery's Retailer Services team and plays an integral role in developing updated processes and training her staff. She is highly respected by her subordinates, peers, and superiors for her professionalism, courtesy, fairness, and equitability. She is a servant leader who always ensures her team is supported. A recent example of Julie's exemplary service is during the PA Lottery's modernization efforts. The Lottery is in the final phase of converting all its systems, and several vital processes will also see significant changes. Preparing for these changes has produced added work for Julie and her team. After her direct supervisor suddenly retired, Julie stepped up to become the subject matter expert for her team in the modernization of systems and processes. She works extra hours weekly and often makes herself available to her team and leadership during paid leave. Although her position permits part-time teleworking, Julie has worked on-site full-time since March 2021, showing her strong work ethic and dedication. These efforts demonstrate the highest level of commitment to the service-oriented culture of the Lottery's Administration Division.

Todd Derksen
Group Creative Director, Wunderman Thompson – Washington

Todd's work has directly resulted in Washington's Lottery consistently growing sales and beneficiary contributions, and our ultra-successful brand, the Department of Imagination. When the Lottery first contracted with Wunderman Thompson in 2012, they were in need of a marketing face-lift. Todd's vision for the agency was fresh and new – let's not focus on selling tickets, let's sell dreams instead. Players needed to be able to envision the social and community impacts they could have by playing and winning the lottery. Todd's solution was the creation of the Department of Imagination. The original premise of the Department of Imagination was a very simple mission: to inspire and entertain; to plant the seeds of "what if" to all Washingtonians; and to do it through creating fun, inspiring, entertaining, relevant, and timely narratives that break through the clutter of everyday advertising. Todd's empathy and respect for people is one of the core creative values that runs through all the work that his team does for us and is at the heart of the original idea behind the Department of Imagination. He is that rarest of talents: brilliantly creative and inventive; utterly honorable and dependable; and a kind and generous colleague.

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lift in intent of future lottery game purchases after running ads with GSTV

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of GSTV viewers will head into the c-store today

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Ron Fornaro
Instant Scratch-Off Ticket Product Manager, Ohio Lottery

Ron is a longtime public servant with more than 30 years of lottery experience. He takes great pride in the success of this product line and the Ohio Lottery as a whole. His ability to remain focused on the Lottery's mission has significantly helped exceed expectations and achieve record profits for education. This past year, Ron helped the Ohio Lottery achieve one of its long-standing goals – introducing a $50 ticket. His work doesn't stop there though. He continues to enhance the scratch-off portfolio to ensure it is diversified and has games that appeal to all types of players. Ron also works with both the regional offices and the Lottery's warehousing and distribution vendor to strategically distribute games in the most advantageous locations to maximize sales and enhance efficiencies. It is due to Ron's diligence and work with the print vendors, conducting player research, making game enhancements, and focusing on optimizing distribution, that scratch-off sales are on pace to exceed $2.4 billion this fiscal year.

Treacherry Kelly
Data Center Manager, IGT – South Carolina

Having worked in lottery operations for 18 years, Treach's unwavering dedication, tireless work ethic, and exceptional abilities have had a significant impact on the success of the South Carolina Education Lottery. Treach provides operational, testing, and customer support to the Lottery IT staff, ensuring that the system runs smoothly and efficiently. He goes above and beyond to ensure successful, problem-free system failovers for business continuity, making sure that the Lottery's operations are never disrupted. Even in the most critical of situations, Treach remains calm and composed, displaying an impressive ability to troubleshoot and resolve complex issues promptly. His meticulous attention to detail and proactive approach have effectively mitigated potential issues, resulting in uninterrupted service for the Lottery. In addition to his professional accomplishments, Treach has managed to balance his demanding role as the Data Center Manager with the responsibilities of being a first-time dad to a beautiful son. Despite the challenges of juggling personal and professional commitments, he has maintained an exceptional level of commitment and performance. Treach's remarkable achievements and exceptional dedication to his work make him an ideal candidate for the Powers Award.

Steve Banks
Senior Draw Manager, Hoosier Lottery
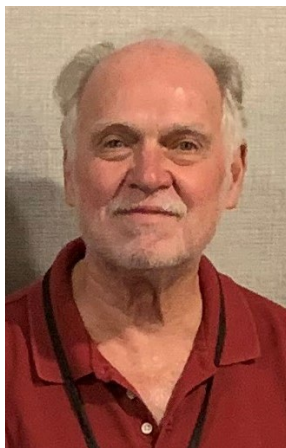
Steve was brought on board in 2013 to oversee all daily drawings – both on ball machines and ADMs. It's a role that he took very seriously – working with employees of the TV studio, developing policies and procedures for drawings, and staffing and scheduling drawings which occurred twice per day. Steve is a stickler for details and requires strict adherence to procedures – a trait that he perfected following nearly 30 years in law enforcement with Indiana State Police. In 2023, Steve and his team had to pivot to incorporate five daily drawings with the Hoosier Lottery's launch of Cash POP. The Lottery elected to hold five drawings of the game per day – requiring new procedures, an adjustment in staffing, a significant increase in time, as well as learning a new tool. For the first time, the Hoosier Lottery started using an animation feature of its ADMs, providing it to YouTube and streaming services. Steve took the adjustments in stride, amending procedures, testing new processes, and training his staff. When Cash POP launched on April 23, 2023, the drawings went flawlessly in large part due to Steve's oversight. The Hoosier Lottery is proud to recognize Steve – not only for his nearly decade of ensuring that drawings occur with security and integrity, but for his ability to adjust to changes. This, in turn, allows the Lottery to meet their mission of maximizing revenues to the state of Indiana in a socially responsible manner.

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Bonnie Amgwert
Administration Manager, Nebraska Lottery

A seasoned administrative professional, Bonnie was associated with the Nebraska Lottery even before the Lottery even started. As Administrative Assistant in the office of Nebraska's Tax Commissioner, she was one of three Department of Revenue employees assigned in early 1993 to assist with startup activities of the department's new lottery division. She was on board as part of the Lottery's administrative team long before the first tickets were sold on September 11, 1993. Since then, Bonnie has been part of numerous RPF processes, administrative rulemakings, annual and strategic business planning meetings, and training and team building programs. And that's just in her free time. Bonnie and her team provide the logistical support that enables every facet of the organization to do its daily best. From customer service in the claim center, to communications, supplies, data entry and special projects, they know how to help everyone else stay on task. The Nebraska Lottery is celebrating its 30th Anniversary this year, and it's only fitting that Bonnie receive the Powers Award as someone who has been there every step of the way.

Sharon Yoshida
Business Analyst, Washington's Lottery

Sharon, a 25-year member of Washington's Lottery, is the epitome of a knowledgeable, dedicated team member. In her role as a Business Analyst in Lottery's IT/IS Department, she consistently produces high quality, on time, and collaboratively driven work products. Her good work is critical to the success of the Lottery, affecting areas such as the player experience on lottery vending machines, retailer-facing interfaces, and essential lottery-facing software that is used to, among other functions, pay players, collect and report data, license retailers, and manage scratch games. If these systems aren't programmed correctly or don't function properly, Washington's Lottery's reputation with players and retailer participation is in jeopardy. Sharon's work ethic, ability to communicate effectively with vendors and Lottery team members, impressive knowledge base and experience, attention to detail, and the overall pride she has in her work and serving as Lottery's "Gaming System Guru" shine through in everything she does. Her knowledge, commitment to her work, and dedication to Washington's Lottery are unmatched.

J.B. Landroche
Senior Vice President of Corporate Affairs, Georgia Lottery

JB has a long and distinguished career with the Georgia Lottery Corporation dating back to 1999, but last year may be one of his finest. He has tirelessly worked with vendor partners, GLC staff and players to make Diggi games, and the entire iLottery platform, the success it is today. JB's leadership in the iLottery platform has led to tremendous growth over the past years and especially in the last 12 months. In FY22 iLottery sales increased 46% over the prior FY21, bringing in $444 million in sales and contributing approximately $106.4 million in returns to Georgia Lottery Corporation's beneficiary programs. JB is a trusted leader in the lottery industry and his wealth of knowledge and sound judgment is leading the way for future growth. He is a valued partner in the State of Georgia and an invaluable leader to the GLC.

Trish Townsend
Gaming Control Manager, Michigan Lottery

Trish has had an immeasurable impact on the Michigan Lottery helping shape the organization and ensure its long-term success. Starting with her time in security, Trish has placed an emphasis on streamlining procedures and improving operational efficiency and productivity. In addition to making sure the Lottery and its vendors meet MUSL compliance standards, she also served on the evaluation committee for vendors and was part of the team responsible for testing and launching the first and most successful iLottery program in the United States. In early 2022, she was promoted to Gaming Control Manager, where her expertise was quickly put to use overseeing the Lottery's first massive conversion project in more than 10 years. When it came time to execute the final step of conversion, Trish and her team worked with internal teams and the Lottery's retail vendor to ensure successful completion. Both internal and external teams have applauded her leadership of the conversion project and consider it to be one of the most successful conversions ever undertaken at Lottery. Trish's ability to bring teams together and broad knowledge have helped her, and the Lottery, be successful. She has left an indelible mark on both the Michigan Lottery and the entire industry.

Christina Price
Director of Finance, Louisiana Lottery

When the Louisiana Lottery's finance department faced several unexpected extended leaves of absence, Christina stepped in and ensured that the department continued to function and deliver quality service, performing additional roles and responsibilities normally handled by her supervisor and executive management. Her sacrifice and commitment to the organization were critical to meeting the high standard of excellence expected of all Lottery departments and operations. The Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its annual financial report and the separate financial report for its retirement plans offered to employees every year during Christina's leadership role in the finance department. Additionally, the Lottery has experienced completely clean external and internal audits with no reportable comments every year during Christina's tenure. Both of these accomplishments are critical to the achievement of the Lottery's mission of generating maximum revenue for the State of Louisiana while upholding the highest standards of integrity and public trust. Christina displays great talents in building a team, attention to detail, and innovation, and she is a joy to work with because of her amazing get-it-done attitude.

Jacob Kreider
Senior Manager of Business Intelligence, Scientific Games – Pennsylvania

Jacob's career with Scientific Games spans nearly a decade. In his current role, he leads the efforts and a site team to unlock data from standard and non-standard sources and provide reports from the gathered information with details that allow for business decisions and planning based on actionable reporting through written reports, white paper findings, as well as visual real-time data mining presentations. Most notably, Jacob has been championing and driving for Scientific Game's BI product (InFuse) to become not just a sales and game monitoring box, but also gathers data from many outside resources and input to help track the performance of cashless, player basket details, cashless behaviors, and retailer terminal performance. He is also a co-creator of "Game Choice," a logic-driven and learning software that will help increase sales by intelligently asking players if they would like to buy another product with their purchase. This groundbreaking solution now has become an offered and proprietary product that has the potential to add revenue to the Pennsylvania Lottery, as more self-vending is becoming mainstream and retailer interaction with players continues to shrink.

Ron Roberts
Database Administrator, IGT – Wisconsin

Ron has been with IGT for almost 25 years, serving the Wisconsin Lottery. In his role, he provides support to the Lottery related to the current Business Objects reporting solution, which includes creating reports, troubleshooting, and resolving issues with the Universes, and performing quality checks on data. Ron has developed efficient, cost-effective solutions for the Lottery, including a customized application to track work orders and retailer terminal repairs with a screener database. He is always approachable and willingly takes on all of the Lottery's reporting requests, digging in and tenaciously viewing the challenge from all angles. He routinely develops innovative solutions that provide the necessary data and allow more opportunities to view that data in new ways. Ron is highly respected for his creative solutions, conscientious effort, and the humility he shows while providing the Lottery with usable and meaningful information. The Wisconsin Lottery puts great value in having him as their business information partner.

Liz Phelps
Managing Director of Integrated Media, PPK Advertising – Florida

Liz oversees all multimedia planning and buying in all media formats for the Florida Lottery business. She is an integral partner, working daily with the Lottery to solve business needs with unique, effective, and efficient marketing solutions. Liz does an exceptional job of articulating industry viewpoints on media strategy tactics and execution, ensuring that strategies align with Florida Lottery business objectives. She does all this while providing creative analysis and recommendations to improve media performance and optimization for future objectives. Liz never backs down from a challenge. She is skilled in the nuances of the Lottery's business and is always looking for new and innovative ways to bring in new players while maintaining engagement with our current player base. She's a joy to work with, and her thoughtful, innovative solutions allow the Florida Lottery to continue to reach their goals.

Bill Tanner
Interactive Manager, Virginia Lottery

For more than 20 years, Bill has been the backbone of **valottery.com**, and in fact was the initial developer of the website. Since the infant stages, he has been on the leading edge of the Virginia Lottery's internet presence – including the first offering of online subscriptions back in 2005, managing the second chance drawing system, and developing their first Know Your Customer (KYC) capability. Bill leads a technical and creative team that is responsible for both the consistent availability and the useable features of the website. The success of iLottery was supported through his positive "will-do" (not just "can-do") approach as well. His smile and enthusiasm are without end, and his full-on commitment to the overall success of the Virginia Lottery is unquestionable. Bill is well respected by everyone at the Lottery and its business partners, leading a very talented interactive team in a manner that promotes fun, results, accountability, and the drive to be successful. He lives and promotes a culture that you are grateful to be a part of every day.

Nancy Wallace
Sales Project Manager, IGT Indiana

Nancy has worked for IGT Indiana on behalf of the Hoosier Lottery for nearly twenty years as a leader in the Sales Department, serving more than 4,400 retailers across the state. She skillfully serves as a liaison for several departments within the organization, lending her expertise and perspective. As the designated point of contact for the product group, she provides research and insight impacting inventory levels and the planogram. This ripple effect spans across departments, the retailer network, and the player experience. One of her biggest contributions is overseeing the Retailer Quarterly Incentive for which she built a tool allowing the sales team to quickly identify retailers with opportunity for access growth. The use of this tool helped contribute to a 78% growth of over 83,000 access points. Nancy epitomizes the qualities of a team player. Her primary focus is to ensure that everyone is getting the best information to effectively do their job, and her work ethic guides her to find solutions and create streamlined approaches for optimal results. Going above and beyond the initial request is the norm as she anticipates future needs and effectively communicates to multiple parties. She has worn many hats over the years, and as her retirement approaches, recognizing her significant contributions and exceptional performance caps off an incredible career.

Tina Mountain
Chief of Human Resources, Massachusetts Lottery

Tina joined the Massachusetts Lottery one year ago, and in that short time she has transformed the human resources department from an office that simply hired employees to an office that recruits, supports and trains an entire team of almost 400 full-time state employees. Tina has brought on HR professionals that specialize in recruitment, retention, inclusion and support to make sure the Lottery has the best talent joining the team. She uses the office to create open dialogue among staff, colleagues and management. One method for achieving this has been the implementation of the first ever intranet at the Lottery, which has allowed for engagement on many levels for the entire lottery team, placing information, news and alerts at the click of a finger. Under her leadership the Lottery has embraced a new and emerging platform of DE&I initiatives as well as a new and innovative employee training portal. Tina has also made an effort to reduce the time it took to post and hire new employees from what was previously in excess of four months to an average of four to six weeks, which has increased production and relieved strains on departments across the Lottery. All things considered, Tina has proven to not just be a leader at the Lottery but an instrumental part in its overall success.

Steve Poole
General Manager, Intralot – Idaho

Steve joined the Intralot – Idaho team at a time when there was a good deal of stress and tension, and his impact was immediate and transformative. He possesses a rare ability to bring people together, foster collaboration, and drive positive change. His dedication, professionalism, and remarkable interpersonal skills have been instrumental in turning around our vendor relationship and restoring a sense of unity and purpose among team members. Steve's ability to understand and navigate complex organizational dynamics allowed him to identify the root causes of the team's dysfunction. Rather than pointing fingers or assigning blame, he approaches a situation with empathy and an unwavering commitment to finding a solution. Through active listening, open communication, and a genuine desire to understand each team member's perspective, he creates a safe and inclusive space for honest dialogue and constructive feedback. Under Steve's leadership, his project team not only regained its sense of purpose but has also achieved outstanding results. His ability to align individual strengths with project goals has allowed each team member to contribute their best work. The team's increased cohesion and improved morale directly translated into enhanced productivity, efficiency, and success all through the organization. Steve's positive impact and unwavering commitment to overcoming challenges and fostering a culture of collaboration and excellence have been invaluable to both Intralot and the Idaho Lottery's success.

2023 NASPL OTT BROWN SCHOLARSHIP

This scholarship was established in recognition of Ott Brown, the late President of the Connecticut Lottery Corporation. This award represents what was important to Ott and the way he lived his life – creating opportunities for people to learn and grow.

The Ott Brown NASPL Scholarship is awarded to one lottery professional each year. This accolade allows the recipient to participate in the NASPL Lottery Leadership Institute at no cost.

Melissa Davis
Chief of Communications, DC Lottery

After having been with the agency for only a few months, Melissa's supervisor departed to pursue a new career opportunity. Despite being new to not only DC Lottery, but also new to the lottery and sports betting industries, Melissa agreed to take on the role of Interim Director of Marketing and Communications while continuing to fulfill her Chief of Communications duties. Her twenty years of marketing experience in alcohol and hospitality helped her quickly come up to speed. For nearly five months, Melissa managed a team of ten lottery staff across marketing, events, and communications. She helped onboard and manage the new agency of record (AOR) and worked to finalize a variety of their creative, production and workflow processes that had not been sufficiently defined and ironed out. Additionally, Melissa partnered with the Executive Director to establish new best practices, such as creating an annual Agency Marketing Summit for lottery staff, marketing vendors and partners. This summit was a culmination of the AOR's onboarding process, and she was instrumental in its planning and success. Melissa was quickly thrown into the role of Interim Director and was required to learn the lottery products and the industry at an accelerated rate. Her adaptability, openness to change, positive attitude, and willingness to help and do whatever it takes was immediately noticed. Her contributions and impact to the organization have been significant.

Getting the Most Out of Retail

The relationships between lotteries and their retail partners are critical to moving the industry forward.

Selling lottery tickets is big business. In America alone, lottery retailers have earned more than $6 billion in revenue annually in recent years for selling (and in many cases, cashing) traditional lottery tickets, from instant games and pulltabs to draw and monitor games. On average, that's about 6.1% of sales.

At last count, there are more than 222,000 lottery retailers in the U.S., ranging from single-location mom-and-pop businesses to national chains with thousands of stores. No matter their format, these retailers go a long way to determining how successful lotteries are. After all, lotteries generally don't sell directly to their end users (iLottery and a few isolated cases aside) – they rely on their retail partners. That's why lotteries go to great lengths to support those partners in any ways they can.

That means beyond just providing great games. It means providing extensive marketing and promotional support, plus technology enhancements that help retailers manage lottery in more convenient ways. The latter is particularly important as the industry seeks to expand beyond its traditional confines dominated by convenience stores, supermarkets and liquor stores.

In this special look at lotteries' retail efforts, you'll find many of the new initiatives lotteries are testing, summaries of recent retail success stories, and what challenges are faced in today's complicated and rapidly-changing retail environment.

And remember, if they aren't actively conducting a pilot test on something, be it new technology, messaging, point-of-sale materials and more, lotteries are usually watching what other lotteries are doing. The nature of the industry is such that experiences are shared, so that others can enhance or refine their own operations. We hope that the information present in these pages will facilitate that sharing, and encourage lottery professionals to reach out to their peers. As always, we thank those lotteries who were able to share some of their current initiatives for this special focus on the retail channel.

On the Horizon

Some of the retail success stories on the following pages involve pilot or test programs that are described in detail. Yet those aren't the only initiatives lotteries are taking to explore new options for the retail environment, and some are too new or limited to draw any conclusions. Here are a few more highlights of current activity across North America.

The **Arizona Lottery** recently piloted a full-service program in a major lottery retailer to determine if sales would increase by reducing out-of-stocks at retail. An added benefit of this program is having games available for customers when they are ready to make a purchase.

The expansion of its network of self-service terminals is one future focus of the **Connecticut Lottery**. The vending-like machines offering instant and draw games have proven popular with players in high traffic locations, like supermarkets, plus bars and restaurants.

The **DC Lottery** is committed to continuous improvement, and that includes offering retailers the latest in lottery innovation. In a recent pilot program, DreamTouch Smart (DTS) technology was introduced to a limited pool of retailers. Offering 25 scratch tickets and unlimited draw-based games, the compact self-serve stations were installed at three DC Lottery retailers selected for capacity

Illinois Lottery retailers before refresh.

Illinois Lottery retailers after refresh.

and consumer traffic. The month-long experimental trial yielded great research results. Retailer feedback was overwhelmingly positive and the retailer call center noted a measurable decrease in repair inquiries. Players reported ease of use, stating that learning from early-model machines was easily transferred to the DTS platform. With the success of the pilot effort, the Lottery is ramping up expansion to include 36 retailers within the next 12 months.

A current pilot test by the **Delaware Lottery** involves offering year-round parlay sports wagering in a limited number of retail locations that are seasonal football wagering locations. It is still too early to draw any conclusions at this time, but the data is promising.

There's a lot going on at the **Illinois Lottery** these days! There are tests to expand a digital screen program to support jackpot communication; to evaluate updated Fast Play Scan-N-Play educational point-of-sale materials; to utilize Path to Purchase research to establish a retail expansion plan and streamline the Lottery's brand presence; and to gauge whether "refreshed" independent retailers with strategic Illinois Lottery pieces help drive awareness and sales compared to "non-refreshed" locations. There are even retailer-specific sweepstakes designed to understand retail players and their interests, and a current promotion that brings together both a retail partner and one of the Illinois Lottery's sports sponsorships in a joint effort.

From a point-of-sale standpoint, the **Louisiana Lottery** has been moving away from game-launch printed pieces at retail and towards more overall branding and messaging. Most recently, LED signs have been offered as a part of the Lottery's regular sell-in package at retail. These signs have been a very affordable option that offers placement flexibility and cuts through the clutter.

The **Missouri Lottery's** pilot of digital ticket menu boards resulted in a 12% sales increase compared to similar retailers who were using a lighted ticket menu board. When funds become available, Missouri looks forward to expanding this project.
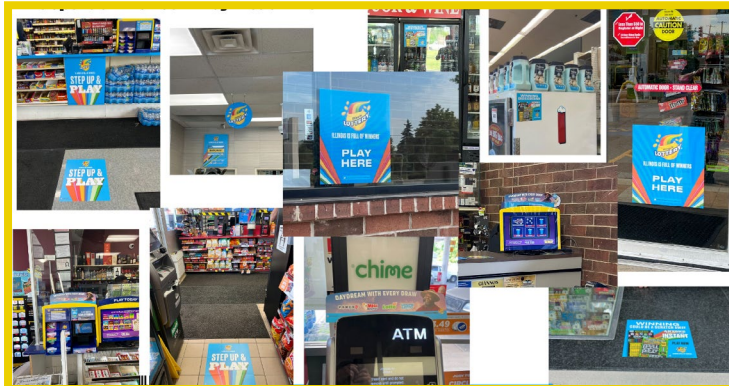
Over the next six months, the **Nebraska Lottery** will be testing large player-facing digital displays; some of the retailers involved in the pilot have already been identified.

The **New Jersey Lottery** tested halo bins (with color, light and branding), and saw an increase of 11% on average in scratch-off sales in the test locations during the test period.

This summer, the **North Carolina Education Lottery** is ramping up retail operations in a big way. A pilot program testing the effectiveness of digital play centers and menu boards is underway. In the major markets of Charlotte and Raleigh, 40 retail locations are getting new digital play centers and another 60 retail locations will test an exciting new digital menu board made up of two 49-inch monitors. Both products will sharpen the appearance of the Lottery's brand at retail with a simple, modern-looking design and dynamic messaging and visuals. The big digital monitors will provide impossible-to-miss updates on the entire portfolio of games. The goals of the pilot are to improve the retail experience for lottery players, while also learning what impact the new digital tools have on lottery ticket sales.

Later this fiscal year, the **Pennsylvania Lottery** expects to pilot in-lane scratch-off sales, which is seen as an exciting opportunity to tap into a new market and offer more convenience to players. Other pilots include digital display play stations and retail-specific handheld e-gaming devices. "We take pride in the fact that we are the only state Lottery that dedicates all of its proceeds to older residents," said Eric Grubbs, Deputy Executive Director of Sales & Retail Operations. "We are always hard at work to find new and innovate ways to continue responsibly generating funds to support older Pennsylvanians."

In collaboration with the **Texas Lottery**, Scientific Games and Pollard Banknote Limited are installing in-lane automated scratch ticket dispensing units this summer. The companies are working with the IGT Texas sales team to contact retailers about participating in a pilot of their respective equipment and system. Pollard will introduce their first easyVEND in Texas at Foodarama stores in Houston. Scientific Games

has installed SCiQ at 7-Eleven corporate and franchisee locations in the Dallas-Fort Worth area and will introduce the pilot at Ralston Drug & Discount Liquor stores in the Houston area. The ongoing recruitment has a deployment goal of 3,000 units each for Scientific Games and Pollard.

Read on for more about what lotteries are doing with their retail partners, what initiatives are proving successful, and what challenges they face in their jurisdictions. You'll find some common threads, such as the expansion of digital displays in various ways and an emphasis on data analytics to keep on top of retailers' needs, but there's so much more! ■

Retail Success Stories
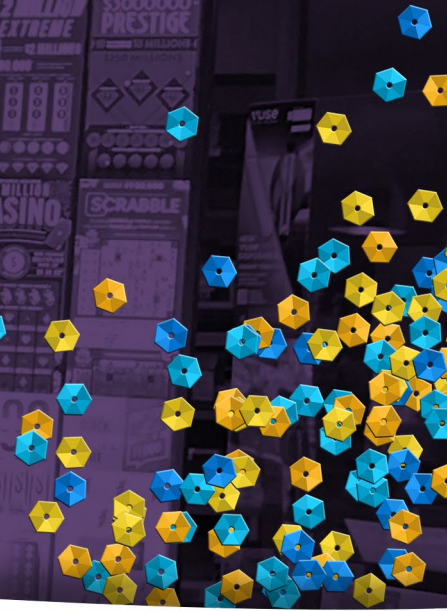
There's an endless supply of creativity when it comes to lotteries and their relationships with retailers. They may be focused on the use of digital tools for consumers in the retail environment, from eye-catching ticket and messaging displays to user-activated products. Or on the evolving technology that allows for in-lane sales of all products. They may involve promotional efforts that drive both awareness and purchase. The list goes on.

We asked lotteries to share their recent retail success stories, including tools and techniques that have provided strong sales growth or other improvements in specific locations or across the whole network. Their edited responses follow.

Arizona Lottery

We recently installed tri-sided tower jackpot signs on our low-profile vending machines originally designed for Walmart Supercenters; we have expanded installation of these machines in locations outside of those Supercenters. The tri-sided jackpot signs draw attention to the vending machines, since they may be easier to overlook; the signs help increase awareness and sales.

Elsewhere in vending, we focused on placing multiple vending machines in Kroger stores. Fifty-three percent of all Kroger stores have more than one vending machine available for customers. We are also placing EX (draw game only) vending machines in travel center locations, allowing players to purchase draw games as they spend their down time in the lounge area and providing a self-service option to reduce lines at the traditional checkout area.

We are adding QR codes to retailer-facing POS and other communications, allowing them to scan and get a digital version of the planogram. We're also putting QR codes inside vending machines, which link to training videos on commonly asked questions about vending machine functionality.

A leading convenience chain continues to show exceptional growth, leading our retailer network with new game activations within five days, and has the highest per store sales average of any chain account. Their success is due to displays at checkout and placement of vending machines in store.

We have successfully completed onsite ambassador events at retail that promote Quick Draw games, with an average sales increase of 417.20% across all event locations, including an increase $4,616 during the activation weeks.

Atlantic Lottery
Modernizing Retail and Enhancing Partnerships in Atlantic Canada

Atlantic Lottery is investing in its retail operations to continue to modernize and digitize the in-store experience for players, while also deepening partnerships with its network of independent retailers.

A key part of this investment is the new self-service terminals (SSTs), which first launched in 2022 and allow players to purchase and validate a full selection of draw, Scratch'N Win and sports tickets through an interactive 42" HD touchscreen. This initiative is designed to complement lottery retailers' existing offerings by supporting their staff and providing players with a more modern and convenient self-service experience. The SSTs are now available at 66 retail sites in the region, with plans to expand to 150 locations.

The SSTs also feature multiple controls to prevent underage play, including requiring players to scan a valid driver's license to verify they are 19 or older and a remote shut-off capability empowering employees to temporarily deactivate the terminal if underage people attempt any interaction.

Atlantic Lottery is also increasing the implementation of digital signage at retail to modernize the in-store experience. More than 100 dual 43" digital menu boards and 90 on-counter 37" vertical screens have been installed in all Atlantic provinces to bring a vivid and dynamic presentation of merchandising, healthy play and other messages to consumers. These are highly visible and highlight key Scratch'N Win games to customers before they reach the counter. The potential for further animations promoting game launches and other items is also being explored. These digital displays have had a tangible impact on sales, which have increased by 3-5% over a control group.

We also offer players a growing line of Watch'N Win games, like Hit or Miss, with a traditional draw daily ticket component and an additional instant draw animation that plays on either the lottery terminal, SST display or mobile phone and offers another chance to win.

Even as online gaming continues to grow in popularity, bricks-and-mortar retailers remain a key part of our business – and always will. For this reason, we have launched several recent initiatives designed to strengthen our relationship with our independent retail partners and demonstrate our continued commitment to the retail channel.

In partnership with the convenience store industry, Atlantic Lottery launched the Retailer Campus online training site across its retailer network in 2023. This portal currently features five modules with information on Atlantic Lottery, an introductory overview of all lottery games and how to play them, as well as instructions on terminal operations, selling and validating tickets, managing inventory and healthy play resources. Retailer Campus is available on mobile or computer and creates an added touchpoint with front-line employees, helping to increase product awareness and assist retailers to sell with confidence. Digitizing this training process has added convenience for employees while driving efficiency for Atlantic Lottery and complementing the work done by our field staff, allowing them to reach more retailers, more effectively.

To motivate and reward high performance, we have also debuted a network-wide retailer bonus incentive. Awarded each quarter and based on a location's sales for that quarter, the program creates a chance for the independent retailers to earn additional revenue based on their total lottery sales. Minimum age compliance is also a factor in the incentive disbursement. The incentive has effectively helped to drive sales, with an average of 40% of participating retailers hitting or exceeding their target each quarter to receive their bonus.

California Lottery

We've been identifying each retailer's top-selling Scratchers games – what makes up most of their sales? Normally it's four or five games, so we take those games and have them double-faced in the counter display. Using this method, we increased Scratchers sales at one 7-Eleven, for example, by 37%. In larger retailers with multiple vending machines, we reset at least one of the vending machines with just these high-selling games. This technique has been successful in growing sales in higher volume stores as well. As an example, in one such retailer, which averaged $40,846 a week with four vending machines, our sales rep reset two of the vending machines with just their top sellers and left two vending machines with all products. After two months, the retailer is now averaging $51,131 a week!

We have also increased our new store grand opening events and store grand reopening events. Retailers really appreciate the commitment that we provide in helping them build their business, and their customers love our spin the wheel events. Through knowledge and retailer partnerships like these, our reps are building back trust with retailers, making a difference in the retailers' sales success, and helping to increase supplemental funding for California public schools.

Connecticut Lottery

We installed 50 digital menu displays at select retailers in the past year. These displays allow for retailer-specific customizable content that helps increase sales, while also modernizing the lottery purchase experience. We began the project with site visit surveys of high volume locations. One hundred potential locations were identified by our staff that allowed for the digital menu boards to be placed in the store, with

appropriate sightlines by customers. In partnership with Carmanah Signs, 50 mostly independently-owned convenience store locations, with and without gas, were selected for the initial placement of the digital menu board monitors.

We are still evaluating the results of these initial locations, but a number of the retailers have seen overall double-digit sales performance increases through the first six months of the display installation. The displays have been especially effective

in promoting messaging for draw games and new instant ticket games. We look forward to adding additional digital menu displays.

DC Lottery

The DC Lottery is excited about the progress made toward widening the reach of our instant ticket program. We are laser focused on making sure all DC Lottery licensed retailers not only carry DC Scratchers in their lottery sales portfolio, but that games are also easily identifiable and

available to players upon request. This effort to increase market penetration involved an intensive 90-day retailer engagement marathon to ensure the addition of the full complement of available games and proper game facings for in-store displays. The marathon included engaging with retailers to add additional dispensers (up to four) and a corporate retailer blitz, visiting mainly corporate retailers to take additional books of the most popular selling tickets to avoid distribution lapses.

Delaware Lottery

We recently implemented the use of gem|Intelligence for our field reps to use during their daily activities. It's still very early in the process, but this has already shown great promise with the delivery of POS during marketing campaigns, addressing individual retailer issues and following up with those issues, as well as being able to stay on top of instant ticket inventories at the retail level.

Hoosier Lottery

In this fiscal year we grew our access points by over 6,000, using a combination of lighted menu boards and 5" bins. We have significant set size growth in many of our chains and top independents.

Idaho Lottery

The continued use, and deep training with field personnel, of Scientific Games' gem|Intelligence for customer retention methods is really providing big benefits. Our ability to closely monitor a retail location's status is yielding huge increases in productivity.

Illinois Lottery

We have a number of recent retail initiatives. A new retail CRM tool was introduced (gem|Intelligence), allowing for higher quality sales calls by the field team, and we also introduced a sales incentive program for the field
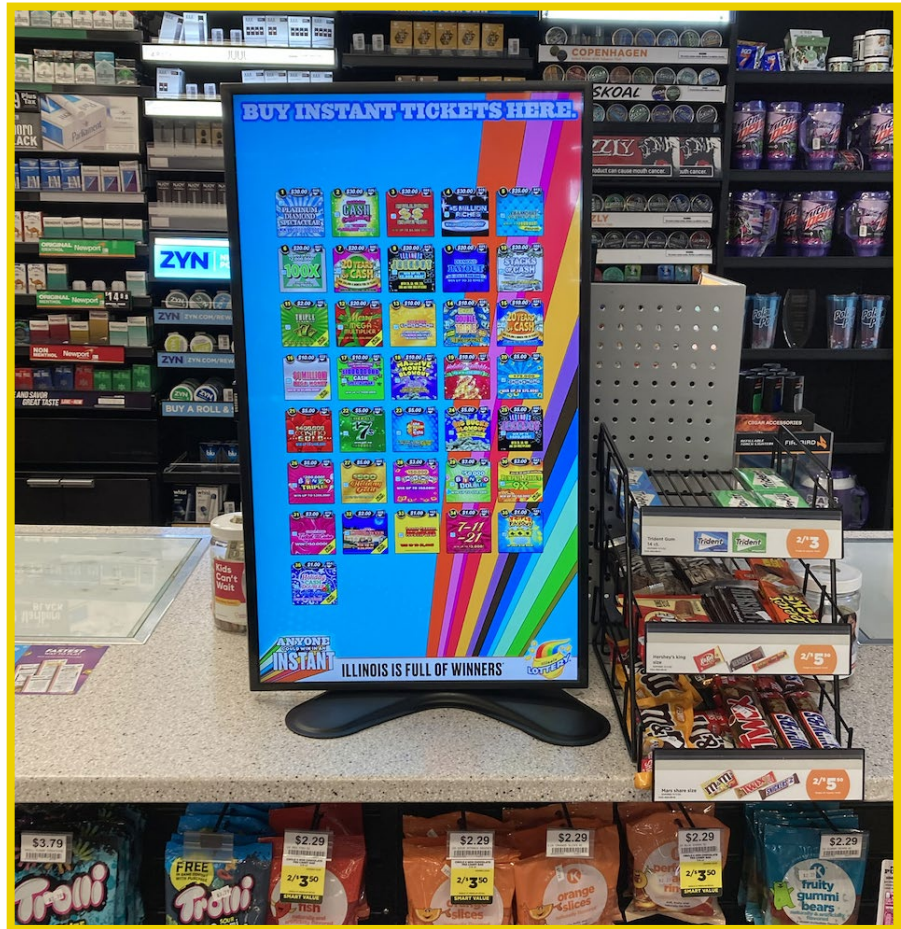
team. New game activation and call attainment have reached five-year highs.

We began an Insert program, where each instant ticket book includes a graphic card of the ticket that can be reduced in size to fit vending, and will also fill the consumer front bins/MSDs. This is aimed at improving the lottery in-store footprint and presence in over 70% of our retail estate. We also launched the digital selling and purchasing program, SCiQ, in 10% of our retail estate. SCiQ provides an improved retailer selling experience and increased lottery branding in-store with digital screens. And we raised the vending machine reinvestment level from $25 to $100.

Sweepstakes programs reward existing, and engage new, players at

retail; they are proving to be a helpful player acquisition tool. Expanded retail promotions have created new opportunities to drive scalable trials of emerging categories like Fast Play, as well as keeping loyal players engaged in our product offering as the competitive environment grows. And we partnered with our media agency to develop full-funnel shopper marketing plans that encourage in-store purchase intent for instants and Fast Play.

Loto-Québec

One of our biggest success stories are the two group play options available at retail locations called Formule Groupe and Formule Super Groupe. Formule Groupe enables players to purchase one or more shares in a group organized by a

and ticket-ordering function of their retailers to evaluate our expectations, refine the training points and ensure a smooth rollout for the transition. The results have been outstanding, with the reps involved saying they have gained a much better understanding of their accounts and have the tools to quickly adjust retailers' scratch-off ticket orders to ensure optimal inventory levels. The change has improved our efficiency, communication, customer service and effectiveness in managing our retailers' inventory, with less out-of-stock or returns.

Another key driver of sales over the last decade has been increasing dispenser counts at retail. We have gone from an average of 15 dispensers per retailer to upwards of 19 dispensers. The recent changes we have made to ordering have served to enhance these initiatives.

Maryland Lottery

The Maryland Lottery began operating in 1973, so we have been celebrating our 50th anniversary in 2023 with a number of activities and promotions, including retail-focused initiatives. For example, we recognized our longest-serving retailers, including several that have been with us since the beginning in 1973. The Lottery honored its "legacy retailers" with commemorative plaques and special 50th anniversary giveaway items including T-shirts, pens and signage.

May 24 marked the 50th anniversary of the Maryland Lottery's very first drawing, and we celebrated the occasion with our one-day Thanks for Playing Promotion. We awarded cash vouchers worth either $50 or $500 with random draw game or Fast Play purchases across the state. In total, we awarded more than $1 million worth of vouchers to lottery customers that day. For Lottery Week (July 17-23), we awarded free draw game tickets with random purchases of

retailer or another player. Players get their own ticket, good for the number of shares purchased, and can claim any winnings when they choose to, regardless of when the other members of the group make their claims. Any free plays are automatically registered and played at the next draw. Formule Super Groupe works the same way, except that it allows players to join groups of 21 to 100 players as they form at retail locations across the network, in real time. Both options are only available in stores, which is one way of helping to sustain the retail network. We believe Loto-Québec is the only lottery corporation worldwide that offers this type of purchase option.

The illustration here shows what appears on the consumer screen at retail locations when someone asks to purchase a group play ticket using Formule Super Groupe. In this image, there are five purchasing options for a group ticket combining Lotto Max, a national draw game, and the Québec Max game. Each option shows the

real-time number of shares already sold. In Option 5, for instance, 88 of the 100 shares have already been sold. Notice running time stamp at bottom.

Louisiana Lottery

Since launching our predictive ordering and inventory management system over 10 years ago, the Louisiana Lottery has continued to expand its reliance on data analytics to enhance and refine product ordering and distribution. These enhancements have helped increase ticket sales, sales force productivity and our understanding of our retailer base. To continue this momentum, on July 1 we took the next step in incorporating data analysis into the process by phasing out our Tell Sell unit and giving regional sales representatives responsibility over their retailers' ticket orders and inventory to deliver a more personalized experience.

Last fall, we began a pilot program utilizing sales representatives to direct the inventory management

draw game or Fast Play tickets across the state. And our months-long 50th Anniversary Cash Bash Promotion provided regular second-chance drawings leading up to a finale at the Maryland State Fair on Sept. 8.

Michigan Lottery

In this day and age, business owners are looking for any way to earn extra money. Our incentive bonus is an awesome way to encourage store or bar owners to promote Michigan Lottery sales to hit their goal. So we're constantly updating their incentive bonus number (which indicates where retailers stand with regard to bonus earnings) to keep them informed of progress – that's the biggest tool for growing sales. We also try to encourage accounts to go cashless and accept credit and debit cards. This can get them an extra 1%

added onto their incentive bonus. With cash becoming a thing of the past, it is smart for retailers to accept credit and debit and get every little bit of sales they can get!

Things we're doing in the field include initiatives such as using quads to highlight and display either new tickets, families or $50 games. We also may offer "X amount" in instants to owners if they reach their quarterly goal as a way to incentivize them to push sales and suggestive sell. Most retailers know their customers well, and by just suggesting a ticket in small talk during each transaction can lead to extra sales.

Missouri Lottery

We have installed self-service vending machines at high volume c-stores, while maintaining the same number of games at the counter. In

some cases, we even increased the number of games at the counter in order for the retailer to qualify for the vending machine program. This led to significant growth in facings and sales. It has also freed up clerks and the general checkout register.

We run short-term promotions at retail when launching new Scratchers games on the last Monday of the month, known as MO Money Monday. Running a promotion forces the clerks to load new games and make

them available for sale to customers right away. It also offers our players the chance to win a free coupon when they purchase new games. The goal is for retailers to get a validation/winner on each of the new games launched within 48 hours of receiving them. If the retailer has at least one validation on each of the new games, they earn a $25 incentive.

Nebraska Lottery

One new technique we have been utilizing is called Compact Super Stores. About four years ago we started identifying what we call Super Stores, which are large volume retailers that have space for 72 bins. This was a great model for stores that had room, but we had a bunch of retailers that didn't have space for a traditional Super Store. So we came up with a way to put 42 scratch games into a smaller profile, suitable for what we call Compact Super Stores. We take stores with strong sales and give them 42 games plus a lighted ticket menu board. At these locations we focus on double and triple facing the best-selling games to limit out-of-stock situations.

Nebraska's 42-bin display.

New Jersey Lottery

Over the last two years the sales team has focused on increasing the penetration of the new Fast Play games launched every month. In January 2023, the launches moved to the first Monday of every month (previously it was the third Friday), to align with the instant games launches. The sales reps have increasingly focused their attention on a subset of high-opportunity retailers and replaced the dedicated POS every month. As a result, the penetration (expressed as percentage of retailers selling at least one ticket of every new game within the first week) has increased from 31% at the beginning of FY23 to 40%+ at the end.

New York Lottery

We have been working with all department leads and our systems vendor on a multi-disciplinary lottery sales execution project that we call "Reimagine Retail." Initiatives include leveraging data analytics and technology to optimize sales representatives' time; aligning our marketing and sales goals with telemarketing efforts to ensure consistent messaging and service standards; streamlining

business decisions, thereby reducing administrative inefficiencies; and developing effective sales tools to optimize both telephone and physical sales calls.

We created several cross-functional working groups. The Retail Stratification, Touchpoints & Network Optimization team developed Scratch-off key performance indicators (KPIs) to measure each retailer's potential to grow sales. We use measures such as new Scratch-off game penetration and replenishment orders, bin churn rate, and out-of-stock rates. Our Lottery Marketing Representatives spend more time with retailers who have the most potential to grow sales, educating them on best practices. We are also working with IGT and a third-party vendor to implement a more flexible routing solution for efficient marketing and sales calls and optimal driving schedules.

The Scratch-off Optimization team has worked to develop and automate weekly reports and dashboards that pinpoint opportunities such as improved game orders, smoother retailer returns, game availability, and vending penetration. Recent efforts are focused on making it easier for retailers – including new retailers and non-English speaking retailers – to manage lottery products and minimize financial risk for the Lottery and retailers. We are preparing retailer research to understand retailers' opinions on current Lottery business rules and retailers' reactions to proposed changes. We will identify the operational changes that encourage retailers to carry a greater quantity and variety of instant games that our players want, enhance the display and merchandising of lottery products, and help retailers keep enough inventory of popular games in their store.

The Service Support team focuses on retailer and sales staff training efforts and ensuring that our in-store

field activities and communication remain aligned with the inside sales team. Finally, Standardized Reporting and KPIs is leveraging our vendor reporting solution to ensure our entire organization is reviewing consistent business analytics.

North Carolina Education Lottery

In July, when new scratch-offs went on sale in North Carolina on First Tuesday, the new tickets sat displayed and ready for sale in lottery dispensers at 99% of our 7,000 retailers. July became the 17th month in a row that our sales team recorded a game penetration rate of 99% for the launch of new games. That month, 54 of 73 sales reps achieved 100% game penetration at their stores and the sales team overall average hit 99%. Besides setting a new activation rate for new scratch-offs, the Lottery fulfilled orders for more than 6.5 million packs of tickets and made some 100,000 visits to our stores in FY23.

The work of our sales team is simply incredible, and to get that kind of performance we follow these best practices:

Goal setting. Review current performance for each sales rep and set new goals tied to team achievement. Write goals down and regularly review them.

Reporting. Measure for results in timely and succinct manner. Email team each day of launch week. Sales reps use Sales Wizard alerts to efficiently identify geographic areas that need support. All regional offices track and display performance of their sales reps.

Tools and execution. To improve, we needed more dispenser facings. We added a spotlight dispenser for holiday and family game placement and built a 43-game bridge unit with six verticals and oversized dispensers. The sales team also pre-sells new games a month in advance and provides planograms

Longtime Ohio Lottery retailer Colla's Market is a participant in the Retailer Incentive Program; owner John Colla and his daughter Jennifer.

for retailers to prepare for the new arrivals.

Reward and recognition. One reward was four hours of comp time to sales reps who hit 100%. We also handed out both individual and team awards, including the Pene Cup, an old champagne chiller from a thrift store, to have fun and create competition.

Ohio Lottery

We have enjoyed year over year sales growth utilizing a combination of incentives, data and technology innovations to improve sales. Using the Michigan Lottery as a model, we researched and developed our own Retailer Incentive Program, which launched July 1, 2017. Over a six-year period, from FY18 to FY23, retailers generated $1.9 billion in additional sales, earning almost $81 million in bonuses through the incentive program. Retailers sign a yearly agreement that provides a two-tiered bonus based on a percentage of sales increase from

the same quarter the previous year. Retailers must also agree to support certain best practices, including the timely activation of new scratch-off deliveries, to qualify for the quarterly bonus. More than 9,000 retailers participate in the program. On average, 37% of participating retailers earn a quarterly bonus, with an average bonus of $1,006 per retailer. One of our top-selling retailers, Colla's Market, earned more than $20,000 in incentive bonuses during FY23. Changes to the incentive program are planned for later in FY24, with details still under development.

We use data analytics to determine the most popular scratch-offs in communities and among individual retailers. We implemented a global, data-driven suggested order model in July 2022. We continue to tweak the program and now have approximately 90% of retailers taking the suggested order, up from 50% when the program started. We've developed the program

with flexibility in mind, allowing retailers to add in their favorite games in addition to the suggested allocation of games. We focus on the regular six-week cycle of new games, the selling of base games – i.e. Cash Explosion and others. We've added a few innovative new games to the base game portfolio over the years.

Pennsylvania Lottery

In fiscal year 2022, we continued best practices elements with our Retailer Incentive Program that have proven to increase lottery awareness and boost sales. The program allows retailers to earn bonus money by implementing PA Lottery Best Practices. These include designating a lottery space with scratch tables, increasing outdoor and indoor signage, adding winner awareness areas, and increasing counter facings. Best Practices has proven success and made lottery a destination spot at retailers. Retailers even come up with creative best practices, such as in-store giveaways. Our lottery retailer Ugo in Mount Holly Springs, Penn., showed us how they are successful with their in-store second-chance drawings.

We are converting our instant ticket vending machines (ITVMs) to new PHD terminals with SCiQ inside. This enables us to understand inventory and length of out-of-stock factors. It also shows basket purchase details for amount and products purchased. We upgraded a large variety of retailers with 40-bin vending (from 24-bin), resulting in double-digit sales increases in most locations. In fact, presently, 51% of all lottery sales come through vending.

Finally, some other accomplishments this year include expanding our route sales program, and we also recruited two new on-premises chains, one national and one regional.

Texas Lottery

We have had tremendous success with our exclusive co-ops and

Retailer Cash Inventive Program (RCIP). The Texas Lottery partners with corporate accounts and retailer associations to conduct exclusive co-op promotions. The group of retailers execute a specified marketing and advertising campaign, while the Lottery provides free tickets to promote selected games. In our typical promotion, a player buys $5 or more of Pick 3 and receives one free Lotto Texas Quick Pick. The promotion is only available at participating locations for its month-long run. The promotions generate incremental sales of the focus games. In calendar 2022, 6,558 unique locations participated, and we are projecting a 25% increase in calendar 2023.

Our typical RCIP sets a sales goal for every retailer in Texas. Retailers that reach their goal and sell over that goal earn cash payments in specified amounts correlating to the surplus sold over their goal. Since the first RCIP was introduced September 6, 2009, over $256 million has been paid to retailers, above and beyond their 5% sales commission, for achieving their RCIP goals. The completed programs have generated over $514 million in incremental revenue for the State of Texas.

Virginia Lottery

A variety of tactics are contributing to success stories with our valuable retail partners in Virginia. Vending continues to be a strong driver for retail sales, as vending retailers represent 32% of our retailer base and 49% of our total sales. Also, more than 55% of our total scratch sales come from vending, and we've seen success by placing additional vending in high-sales locations with multiple customer entry and exit points. We continue to incentivize retailers for best practices that support sales, like reducing out-of-stocks and activating/placing new games on Day 1 of sales. We've also introduced the ability for players to cash-out iLottery winnings (up to $600) at retail locations, which in turn earns the retailer a 1% cashing bonus.

Western Canada Lottery Corp.

We are proud to share the success of our interactive play tables (IPTs). These tables have been delivered and fulfilled across all our provinces, with the majority already live and operational. The IPTs are an upgraded version of our traditional selection slip tables, featuring a built-in ticket checker and an interactive screen that provides players with current jackpot amounts, winning numbers, sports odds and results, and how-to-play information. The convenience of

accessing up-to-date information at the touch of a button has been highly appreciated by both players and retailers. Additionally, the tables serve as an exclusive advertising channel within the store, opening possibilities for future development in ticket building and potential sales through the tables themselves.

As our members complete the IPT deployment, we expect the new tables will be available in 80% of retail sites throughout our region. That means we'll ultimately have about 3,800 IPTs in the field. Retailer type or size is not a limiting factor; we will be at 80% because of our structure. Two of our three provinces are choosing to install in as many locations as

possible, while the third took a different approach – they're starting with a subset of retailers to assess the effectiveness and adoption before deciding whether to deploy further.

In a survey conducted with IPT-equipped retailers, the response has been overwhelmingly positive. Ninety percent of retailers expressed satisfaction with having the tables in-store, while the remaining 10% were neutral; no retailers surveyed reported dissatisfaction. Retailers identified several benefits, including the convenience of not having to manually post winning numbers, reduced customer wait times, and an increased lottery profile in the store. A wide majority of the players surveyed also reported positive experiences using the IPTs. ■

BREWING THE BEST

From polka music to root beer, the Wisconsin Lottery is pulling out all the stops for a fabulous event, including a final celebratory night unlike any other. Visit **naspl23.com** for more details!

OCT.30-NOV.2 2023 | **MILWAUKEE, WI**

Retail Challenges

Swipe to reveal
the newest tickets
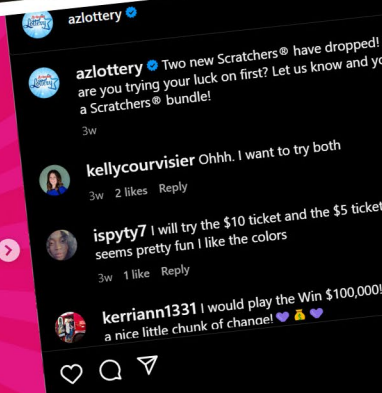
azlottery Two new Scratchers® have dropped!
are you trying your luck on first? Let us know and yo
a Scratchers® bundle!
3w

kellycourvisier Ohhh. I want to try both
3w 2 likes Reply

ispyty7 I will try the $10 ticket and the $5
seems pretty fun I like the colors
3w 1 like Reply

kerriann1331 I would play the Win $100,000
a nice little chunk of change!

Lotteries rely on their retail partners as the front-line sales staff, the people who have the most interaction with lottery players. There's no doubt that the retail environment has changed dramatically, and lotteries are competing for retail space in a crowded landscape.

We asked lotteries what they consider to be their biggest retail challenges these days, and how they are tackling those challenges. Their edited responses follow. Many lotteries cite similar concerns, such as retailer staffing issues, the rapid growth of self-checkout across the retail industry, and new game activations. Maybe you will find an idea or two that can be applied in your own jurisdiction.

Arizona Lottery

A challenge we face involves stores not activating new games within five days. One way we address this is using social media messaging to players, encouraging them to ask for new games at retail. This tactic should help retailers understand the importance of displaying new games when they arrive. We also work directly with retailers, including monthly communication about games that should be removed and the replacement games; LIM messaging to announce new games, which should help retailers understand the importance of displaying new games when they arrive; and messages through the terminal to alert retailers of the new games.
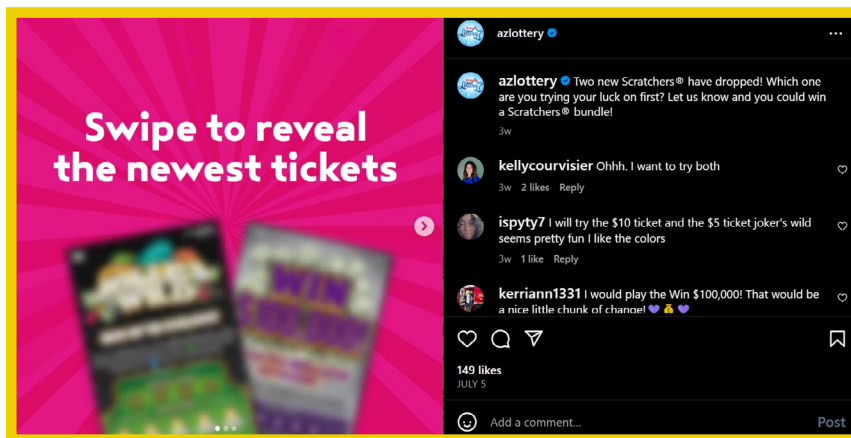
Another challenge is turnover at retail, as employees leave or earn promotions. This results in additional training requirements for their replacements. We are recognizing these opportunities and have our retail specialists focus on these stores to provide additional training and support as the new employees learn their responsibilities with lottery.

We also see stores resisting the $50 price point. We continue to present data and success stories to highlight the $50 games' success, and encourage reluctant store personnel to try the $50 price point.

California Lottery

Theft is a big challenge for our retail network. Smash-and-grabs of whole display cases are up, as are nighttime burglaries. We've made available to retailers steel retainer bars to help secure on-counter displays. We're also doing a pilot of menu boards in high-crime areas that allow retailers to keep their tickets under the counter. Lastly, we are working with our vendor, IGT, on the SmartCount product. Through a combined project, IGT is adding nighttime deactivation to SmartCount. Nighttime deactivations allow retailers to turn off activations overnight, eliminating any loss due to theft. We are currently piloting this in a small number of retailers and look forward to rolling out this potentially

game-changing program to a wider group of retailers soon.

Connecticut Lottery

Online casino sales began in Connecticut in the fall of 2021, including online slots games. Lottery instant tickets sold at retail now compete head-to-head with these products, presenting a challenge to our strong instant ticket sales. Beginning in late 2023, CLC will begin to offer the sale of draw games and Keno tickets through our website and app. As proven in several other states that offer iLottery games, we look forward to this exciting new offering to not only incrementally add to overall revenue but also increase traditional retail sales by attracting new players and offering omnichannel promotional opportunities. We will also introduce stored value instruments for sale at retail that can be used to fund online lottery accounts, adding an additional revenue opportunity for our retailers.

DC Lottery

For more than two years, our biggest challenge was adjusting to operating restrictions instituted during the pandemic. Now, with retail environments returning to pre-COVID operations, we are working diligently to tackle opportunities to grow sales with our larger corporate partners. We understand that big stores have

voluminous inventory. DC Lottery continues to prove itself a profitable business partner offering products that sell well and provide cross-selling opportunities. For an example of the latter, as players purchase draw games, retailers are reminding them of the new $30 scratcher (Ultimate Riches) that launched in May and any upcoming games for the next month.

Instituting monthly score charts and enhancing our retailers' incentive program are just two methods DC Lottery uses to support corporate activations, strengthen brand association, and ultimately drive sales revenue with our larger retail partners.

Delaware Lottery

Staffing issues within the retail locations has been a challenge as far as consistency and training. When new staff is hired at the store level, they reach out for training on selling lottery products and terminal operation. Sometimes that staff member no longer works there when our trainers arrive or the staff member quits soon after. Also, we have found that stores are not reaching their lottery sales potential due to being short staffed and overwhelmed with customer traffic at times. As far as being able to address this, there is no viable solution apparent at this time. The best we can do is continue to help the retailer during our visits with stocking supplies, controlling instant game inventory, touching up displays and understanding the situation that they are in.

Hoosier Lottery

The largest challenge we face at retail right now is the growing presence of vape on the counter. We are in a defensive mode to protect our counter space.

Idaho Lottery

A big challenge is the continual erosion of draw game sales in an era where billion-dollar jackpot runs are becoming more and more

commonplace. To help, we promote secondary draw games and our own in-state draw games, but still find we are big jackpot dependent.

Illinois Lottery

Illinois lottery retailers continue to struggle with major staffing issues and changing consumer shopping trends. We are continuing to offer training programs more frequently to ensure new employees are up to date. We realize shopping habits have changed drastically post-COVID, so we are conducting research to better understand the consumer's path to purchase.

New game activation is another area that retailers continue to struggle with. We created a sales flier to share the upcoming launch dates and the dates to activate by as well as the "why" we need to activate new tickets immediately. This flier was distributed to all retailers and we are currently working to provide an update for FY24.

Loto-Québec

One of our biggest challenges moving forward is the erosion of our network of retailers and finding new ways to sustain this vital market segment. Among our upcoming initiatives is to work with retail banners on integrating lottery products on cash registers, both self-serve and traditional, without needing to perform a transaction on a separate lottery terminal.

Louisiana Lottery

While it may not be a huge challenge now, we see changing purchasing behavior at brick-and-mortar as being a potential disruptor to lottery products as we know them. This is akin to how we consume products digitally now – like streaming movies – which used to be tangible. We are noticing many of our chains moving to self-check technology via kiosks, smart lockers or mobile app scanning. Studies indicate these types of scenarios hurt impulse-purchase products, especially those requiring human

Michigan Lottery

36-Game Promoter®

This lighted ticket Promoter/menu board can sit on a counter, two lights make the tickets pop into view. Ticket dispenser can be placed behind the Promoter, or under the counter.

36-game lighted TMB & 12-Pocket Literature Holder

Clerk's view 36-game

Dimensions

36-Game Lighted Menu Board
Size: 26"h x 27"w x 4.25"d

36-Game Black Box Promoter
Size: 26.625"h x 18.375"w x 15"d

12-Pocket Literature Holder
Size: 6"h x 27.5"w x 8"d

MICHIGAN LOTTERY.

interaction. Other studies indicate 95% of service desks in grocery stores will be eliminated by 2025. We must start thinking now about how our products "fit" inside this rapidly changing retail environment.

Another challenge in our current economy is the rising costs of product distribution, marketing and service at retail, while the price of a lottery ticket does not fluctuate. Toward that end, we are contemplating ways to get rid of waste or eliminate unnecessary touchpoints. Some of these considerations include rethinking play centers and moving to digital-only playslips.

Maryland Lottery

We are always working to encourage retailers to properly manage inventory levels, particularly when it

comes to keeping self-service vending machines stocked with scratch-off tickets. We have designed out-of-stock management reporting to showcase vending machine sales, empty rates, lost sales and lost commissions. These reports are generated on a weekly basis and our district managers use the reports when they make their regular visits to retailers to encourage them to improve and grow their sales.

Michigan Lottery

One challenge is the conversion of our club retailers to cashless accounts. While many have interest in the program and the additional incentive opportunity, restaurant software allowing the purchase of lottery products on the dinner/bar tab is difficult at best. We continue to promote it

and review the opportunity (as cash purchases continue to decline) with our club retail partners.

We continue to look for ways to increase facings, primarily via the 24- or 36-game promoters. At a lot of retailers, we have maxed out available lottery counter space and these two displays tend to maximize while looking good. With us finally restocked and additional room now available in our warehouse, we will continue to place as many of these as we can.

Missouri Lottery

Staff turnover at retail, along with other training and staffing issues, have led us to step up our retail education to include video trainings, as well as more frequent on-site training refreshers.

Expansion of self-checkout at grocery and c-stores is also challenging. We are focusing on these key areas of opportunity to combat the potential loss of lottery customers who use self-checkout at retail:

a. Expanding self-service vending machines in non-traditional selling locations, like high volume c-stores. These retailers are required to maintain the same number of games at counter or add more games at counter if deemed too low.

b. Developing customized dispensers to fit in tight spaces. For example, Schafer manufactured a custom vertical dispenser for us that fits next to the terminal in c-stores.

c. Developing co-branded lane pole signs at self-checkout. These additions offer a great reminder to customers to buy lottery.

d. Installing more lighted digital menu boards and other POS items to heighten awareness of lottery. We have purchased and will soon be installing lighted jackpot signs on top of Walmart ITVMs to help them stand out from the clutter. If this is successful, we may expand to include all ITVMs.

Nebraska Lottery

A growing challenge for us is self-checkout registers. We are currently trying to figure out how to get our games in-lane for purchase, and get legislation passed to allow lottery vending machines.

New Jersey Lottery

One of our biggest challenges is keeping instant ticket sales up year over year, and one way to address this is having our reps focus on the top 25% of the locations that are bringing in the most sales. Things like bin resets, double- and triple-facing tickets, and rebranding of the stores with all updated NJ Lottery point-of-sale materials. In addition, having the sales reps do in-store promotions, and consistently

visiting these locations once a week to increase focus on lottery sales.

North Carolina Education Lottery

High turnover rate of employees at retail stores and fewer clerks behind the counter at convenience stores represent the biggest challenge to lottery ticket sales. Retailers are responding to turnover and fewer staff by employing more self-service checkouts. Our job is to make sure that as these changes occur at retail, our scratch-off games stay visible and easily available. To accomplish that, the N.C. Education Lottery adopted a new strategy for retailers that ensured a minimum of a 12-game dispenser on the counter coupled with a 28-game vending machine. This way, our games stay visible and available and our sales stay strong.

Ohio Lottery

The best retailers, typically mom-and-pop and other small businesses, know the value of cashing tickets – the opportunity to build good will, maintain a loyal following and ultimately increase sales. Many chain stores do not want to cash more than $50 or $100 in prizes, which we contend is a lost opportunity for business. Our research has shown that 85% of players reinvest winnings into additional game play. Our options for players to cash prizes have expanded to include mobile cashing and the use of "Super Retailers" to cash prizes.

Pennsylvania Lottery

The biggest retail challenge we encounter is competition for counter space. To tackle those challenges, we offer monetary incentives to become a monitor game retailer and also offer incentives to place tickets at the counter. In addition, the removal of customer service areas and addition of self-checkout lanes is a challenge. To address this challenge, we have added vending to accommodate our full product portfolio.

Texas Lottery

Retailer distribution channel development is an ongoing challenge with Texas' limited opportunities to expand the game portfolio. Additionally, the Texas Lottery and our lottery operator IGT Texas, along with members of the North American Association of State and Provincial Lotteries, have consistently identified the following barriers to recruiting national corporations representing new trade styles: lack of standardized licensing and accounting processes across jurisdictions; unavailability of new technologies providing retailer back-office accounting; and absence of real-time connectivity to sales and lottery inventory information.

The Texas Lottery is being strategic about expanding its retailer base and product delivery options to increase revenue to the state. As many retailers move to self-service checkout lanes, the Lottery is challenged with product visibility, but we are exploring more in-lane options to combat this visibility deficit including in-lane scratch dispensers, ticket-by-ticket activation and continuing to promote the benefits of Receipt Ticket (printing on plain paper) and QUICKTICKET for additional introductions beyond their current deployments.

Virginia Lottery

The overall expansion of gaming nationally – sports betting, casino gaming, unregulated skill games – are all challenges and competition for traditional lottery sales dollars.

We continue to focus on areas that we can control: solid retail support for our products, working with our retail partners on best practices that help grow our sales, improving the player's overall experience in retail by streamlining processes, and making lottery purchases and redemptions more convenient, all while continuing to offer our players appealing game options.

Western Canada Lottery Corp.

One of our main challenges revolves around deciding what to tackle first, out of a wide and diverse wish list and set of priorities. With a widespread retail network spanning three provinces and three northern territories, covering an expansive land area of almost six million square kilometers (2.3 million square miles), we work with diverse stakeholders, each with their own priorities and wish lists. Therefore, we rely on our retail strategy and established priorities to guide us in making informed decisions. We've recently undertaken internal initiatives aimed at modernizing our technical infrastructure and resolving technical debt. These initiatives will help improve our capabilities for future innovation and our ability to respond quickly to arising opportunities.

Our current priority in the retail space is preparing for a comprehensive terminal and peripheral replacement throughout the region. This terminal solution will enable future integrations, such as self-service options and in-lane projects, facilitating a more seamless and customer-friendly experience. ■

A Day in the Life of a Lottery Account Rep

Just as retailers are the essential connection between lotteries and their players, lottery account reps are the essential connection between lotteries and their retailers.

By Patricia McQueen

Perhaps "A Day in the Life" is an overly-ambitious title, since it might give you the impression that every day is the same. Certainly there are routine functions, but you never know what might come up as a Lottery account representative makes his or her rounds.

The Massachusetts Lottery, which began in 1972, is notable for having the highest per-capita sales of any American lottery – by a large margin. That success is due in no small part to an extensive retailer network, at this writing numbering 7,268, in a state with a population just shy of 7 million. Only Michigan rivals Massachusetts with that level of retailer penetration, and both states have a similar heritage with strong instant games, Keno and daily numbers games.

It's not just about products, though. It's about cultivating retail relationships and making sure retailers are enthusiastic partners. That lies heavily on the shoulders of lottery account representatives, who maintain day-to-day contact with retailers, providing tickets and supplies, answering questions and solving problems as needed. "It's my job to facilitate their vision of lottery in their store," said Massachusetts Lottery account representative Joe Poppalardo. "For retailers, lottery is either a chore or a business opportunity, and most of them see the importance of lottery. Business today is tough, so lottery does help."

Previously a Massachusetts Lottery customer service rep for seven years, Joe's been serving retailers on his route for about the same length of time. Currently that includes 145 lottery agents, in an area southeast of Worcester down to the Rhode Island state line. They are primarily convenience, liquor and grocery stores, plus bars and clubs. Most days he's on the road, visiting each retailer on a two-week cycle. Worcester is home to one of five Massachusetts Lottery regional offices outside of the Dorchester headquarters.

There are also weekly Teams meetings, each a gathering of the account reps in their region. For instant ticket launches, typically every six to eight weeks, all the account reps meet with the Lottery's marketing team. That provides the information necessary to talk about the new games with the retailers (and players) during their routes.

With TD's Pub owner Matthew.

Joe has nothing but praise for the Lottery's working environment. "Having the support of our managers, Michael Lanava and Kim Henrickson, contributes to our ability to successfully perform our duties as account representatives."

July 5 Road Trip

The Massachusetts Lottery welcomed our request for me to do a ride-along as Joe made his rounds. It was July 5, and the day began at 8:45am at the Lottery's Worcester office. Director of Communications Christian Teja joined us, and we all chatted as Joe picked up supplies and showed me around the office. For today's retail visits, Joe's primary goals were picking up unsold books of a Cashword game that ended and replacing counter mats. The latter task was overdue – supply chain issues meant that retailers were using mats that had in many cases outlived their attractiveness. They are usually replaced every two months or so, depending on usage. Another thing on the agenda was advising retailers that the Lottery's new $1 tickets are increasing in size, from 2.5"x4" to 3"x4."

We headed out for our first stop of

the day, reaching TD's Pub in Milford shortly before 10:00am. Current owner Matthew Rich purchased the pub about a year ago from its longtime owner; he had previously served as a bartender there for nine years. "It was an opportunity to take over something that a close friend of mine had, and step into the next chapter," he explained. "So my wife and I talked about it … and here we are!"

Focused on one of the tasks at hand.

Matthew has really embraced lottery, and as a result the location's lottery sales have soared. For one thing, he and his wife are hands-on. "People are going to see one of us here, and that makes them feel really good." It also means that they keep a close watch on the Lottery's vending machine. "I keep it stocked, and I keep it lit. If people can't see a ticket, they aren't going to buy a ticket." He also makes sure there's a plentiful supply of ticket paper, along with pencils and any other supplies. After all, Keno is also a very popular game at TD's.

The genial proprietor knows his customers. Cashword may be one of the Massachusetts Lottery's most popular scratch ticket themes, but Matthew never wants to see one in his pub. "They don't work here, and we know that!" And he's moving up the price point ladder, with $10 games the current sweet spot, taking more of the slots previously held by $5 and $1 games.

Another secret of his success is making sure there is enough cash on hand to pay prizes. "If you can't cash someone's winnings, that's it – they don't stay. If I can cash it, not only will they stay, they will give it back. It's a

Ernie, the proprietor of Ernie's Liquors.

very simple system that keeps everybody happy."

Next was another Milford location, a Richdale convenience store. Here, Joe dropped off some supplies, picked up six packs of the closed Cashword game, and swapped out the old counter mats for pretty new ones. The manager is Brad, who has been at the store more than 40 years. "He is personable, and knows his customers and their favorite numbers," said Joe about Brad. "Joe's the best!" added Brad.

Two Bellingham liquor stores were next on the route. First was Larry's Liquors, followed by Ernie's Liquors. The latter is a fairly new store, owned and operated by Ernie Palitiere and his extended family. He has plenty of retail experience, but traded comic books for liquor after the pandemic hit. He relies a great deal on Joe for a lot of information, such as new games and promotions, and for making sure games are stocked and new games are displayed. "All that helps build excitement for the customers," said Ernie. He added that his customers love anything new! They especially love Extreme 50s, a large-format $10 game. "The novelty of it is very exciting. We blew through those real quick when they first came

out, and they are still very popular, because they are something unique." He admits being nervous about the Lottery's first $50 game (Billion Dollar Extravaganza) when it was first introduced, but is thrilled that people are so excited about that game as something new.

When asked about the difference between a liquor rep and a lottery rep, Ernie answered quickly: "The

liquor reps are always trying to sell us something, anything. The lottery rep KNOWS what sells!"

Another fairly new retail proprietor visited on this day was Bharat Patel, who previously owned a 103-room hotel for 15 years. "It was a big business, and in these times it's very hard to find employees to run big businesses." He thought it would be better to have a small shop that could be family run, so he established Penguin Convenience in Bellingham, which has been open for about 18 months. "It's a good location, we have regular customers, and we've had a lot of good winners! Joe teaches me very well about lottery." In return, he always reminds Joe that good customer service is vital! Yet Bharat has no complaints; Joe is excellent and very responsive.

Next on the road trip was a Mobil gas station and convenience store. Although very small physically compared to the other c-stores we visited, it was complete with two Keno monitors plus a third monitor for the Lottery's newest game, The Wheel of Luck.

The proprietor of Sunny Farms, a convenience store in Mendon, has seen it all. He's owned the place for 29

Working with Raj at Sunny Farms.

Lottery is celebrated at the unique Imperial Country Store.

years, making it through economic ups and downs and even a pandemic. "When I was back in Michigan, gas stations were just gas," explained owner Raj. "Now the gas stations are convenience stores, and what I sell, they sell. So it's much more competitive. It's hard to sustain it, but we've survived."

Lottery is very important to this store. "$1 million-plus a year in sales is pretty good! People come play Keno, sit down, drink the free coffee. And good winners pop up now and then." Raj relies on Joe for everything lottery-related. "He's an awesome guy."

We closed out our road trip with a stop at a most unusual location, Imperial Country Store (and gas station) in Mendon. It's owned by Kevin Meehan, a major land- and business-owner in the region, who has a string of Imperial auto dealerships. Imperial Country Store is jam-packed with retro merchandise, things you can't find anywhere else. It's managed by Dylan, who is the brains behind the unique collection of goods. "He really has an eye for all the

retro things, things that we grew up with in our childhood," explained his wife Carrie. "People love it and they come in just to look around."

Inevitably, they find something they want to buy, and conveniently the lottery tickets are right up front. "They grab a few before they go." There are also plenty of regular lottery players, who come in like clockwork for their tickets every morning.

Joe is proud to note that the official trailer of the "Sea of Trees" film, starring Matthew McConaughey, begins with a night scene of a car leaving the Imperial gas station at this store.

Closing Thoughts

As we headed back to the Worcester office, Joe seemed pleased with the day's efforts. "When I walk in and they are happy to see me, that's all I need!" And sure enough, at all eight locations we visited, whether there was an owner, manager or employee, there was pleasant conversation above and beyond swapping

counter mats and picking up tickets. "I like the relationships with people – it's not just all about business. And a sign that you're doing your job is when they open up to you."

He does emphasize that any good rep needs to be able to read the room upon arrival. "Everyone has a bad day and it's important to recognize that. You have to 'read' the people in the store, so you know if this is a bad day to be there." That doesn't happen too often, fortunately.

Although lottery is very important for many retailers in the Bay State, Joe's general advice to everyone is that they should focus on their main business, because that's what gets people into the stores in the first place. Then once they are there, they can think about buying lottery.

He might get calls after hours – equipment problems or questions from customers, for example. He tries to help when he can; often it just requires a bit of phone time. And sometimes he gets unusual requests during his visits, like how to operate the corporate software utilized by chains. "I previously had no knowledge of that, but as of late I've started to pay attention when they are taking books out of their system. Now, if I should run into a manager who is unfamiliar with removing lottery books, I might be able to guide them in the right direction."

A true people person, Joe loves interacting with customers as well; several customers in the stores knew who he was when we stopped by. "Agents will jokingly tell a customer as I walk in to the store, 'There's the guy you want to complain to.' Other times, I'm squashing conspiracy theories about the Lottery or news they heard from a friend or relative about some aspect of the Lottery. I usually ask them if the person they talked to works for the Lottery and nine times out of ten they say no, and I reply, 'Well, then it's probably not true.'" ■

NASPL and Lottery Industry
Schedule of Events

2023 SCHEDULE

October 30 - November 2, 2023
NASPL Annual Conference
Milwaukee, WI
Hosted by the Wisconsin Lottery

December 2023
NCPG/McGill University
Gift Responsibly Campaign

2024 SCHEDULE

March 2024
NCPG Problem Gambling
Awareness Month

April 15-18, 2024
NASPL Lottery
Leadership Institute
Nashville, TN
Hosted by the Tennessee Education Lottery

July 22-24, 2024
NASPL Professional
Development Seminar
Omaha, NE
Hosted by the Nebraska Lottery

September 9-12, 2024
NASPL Annual Conference
Kansas City, MO
Hosted by the Missouri Lottery

December 2024
NCPG/McGill University
Gift Responsibly Campaign

BREWING THE BEST

From polka music to root beer, the Wisconsin Lottery is pulling out all the stops for a fabulous event, including a final celebratory night unlike any other. Visit **naspl23.com** for more details!

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