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What's your legacy?

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Close your eyes and fast forward twenty years … what's your legacy? What future did you leave for your lottery? Did you and your team grow sales? Did you successfully launch a new game or scratch ticket? Did you drive participation? And more importantly did you leave your lottery in a better situation that you found it?

This year we have celebrated huge, rolling jackpots and the resultant record breaking sales. But what sort of legacy is left behind after these brief events? The player's expectations have been reset—$100 million dollar jackpots are no longer so exciting. And so begins jackpot fatigue. This same phenomenon can be true if one increases payouts on a scratch ticket; you risk teaching your players the art of jackpot chasing. Although win-ability and jackpot size are effective drivers to play and help to increase sales, they both come at cost to your lottery's future as the net revenue itself is eroded.

Other successes we measure—the launch of a new game which, more often than not, comes in the form of new imagery on a scratch ticket. Given the decline in player participation and our industry's current struggle to capture the attention of the younger demographic (in America, 51% of over 25s play the lottery, but only 30% of 18-25 year olds play, already down from 35% only 6 years ago), it's clear that new imagery on scratch tickets alone isn't going to build the lottery's foundations for the future.

So what are the steps you can take now to ensure your legacy is one you'll be proud of? What can we all do to leave a legacy of a healthy, thriving lottery with a broad player base—in other words to ensure your lottery continues to thrive in the future?

I believe strongly that digital has to play a key part in this. We are living in a digital world where more and more consumers buy products online, and this is especially true for younger consumers. Nearly two thirds of all Americans own a smartphone, a figure which increases to 85% in the 18-29 year old category—the very demographic we need to appeal to. Research also shows that people are increasingly comfortable transacting online—57% of all smartphone owners use online banking, a number which once again increases when considering the young adult category, as 70% use online banking facilities.

Consumers can buy pretty much anything online these days, from banking to holidays, to household appliances—but apart from in a handful of States, they cannot buy a lottery ticket online. This is eroding our player base, and is going to prove increasingly damaging for our industry in the future—unless we do something about it.

We do not underestimate the challenge of going digital. Legislators, retailers, and lobby groups are all ready to express their objections and concerns. But for the sake of our industry, and the beneficiaries we support, we must do all it takes to get there. It is true that the road to a fully digital lottery world is a challenging one. So much so, some of us may even have left the industry before that day finally comes. But, just because we have no certainty of reward in our careers (but a great sense of the risk!), does not mean we should be complacent. A strong legacy would be to safeguard the future of the lottery and the causes it supports through the execution of a clear digital strategy, that broadens the player base.

Undertaking the challenge of positioning your lottery, your players, and your beneficiaries for a digital-future is most certainly a worthy cause for celebration. But how do you do this?

There are numerous steps you can take immediately. Executing a mobile led strategy which bridges the gap between online and in-store is a great place to start. Ticket scanning, mobile results checking, store locators, and ibeacon messaging … these are all digitally hosted features you can offer players without any transaction happening in digital. Once you have begun to develop your digital presence, you can continue to evolve and develop the offering, introducing enhanced content with digital second chance games, such a Collect and Win. This not only gives players the opportunity to interact with your lottery and to play exciting games, it also gives you the opportunity to develop a personal relationship with your players. And, in time, you can use this digital presence to demonstrate that the digital lottery world is not something to fear—it is a necessary evolution which can be well managed to ensure your lottery is able to achieve sustainable growth in a responsible way.

The key throughout this process is communication. Tell your legislature of its success, explain the benefits of your strategy, and how you will develop it. Build their support, and engage them in your vision. Help your players to gain confidence in the concept of digital lotteries, reassure them that you can meet their needs safely, securely, and personally. Bring your retailers on the journey. Share with them the success stories from Michigan, Georgia, British Columbia, and the UK National Lottery, among others, who have succeeded in growing retail in conjunction with digital. Show them examples of retailers who themselves have embraced digital technology in retail, such as Starbucks who offer in-store transactions on a customer's mobile device—they have now reached 13 million users and transact over 16% of purchases via this channel. Show your retailers what digital can do for them.

To achieve this, to begin the very daunting and challenging task of positioning your lottery, your players and your retailers to be ready for the digital world is not an easy undertaking. It is filled with many small steps, slow success, and great victories.

We need to think beyond the 'record breaking sales' headlines and understand what lies beneath them—what are the small triumphs we should be celebrating instead? What is the future going to look like because of something we have done? What will your legacy be? ■