



Debbie ALFORD

President and Chief Executive Officer
Georgia Lottery Corporation

PGRI Introduction: Since its inception in 1992, the Georgia Lottery Corporation (GLC) has transferred more than \$17.6 billion to the State Treasury's *Lottery for Education* Account. Annual sales now exceed \$4.5 billion with annual transfers to education well over \$1 billion.

On average the Georgia Lottery offers 40-45 instant ticket games at any given time and has nine draw games. Additionally, the Georgia Lottery offers online play with DIGGI games for players located in Georgia.

It is not surprising that one of the most progressive lotteries in the world hosted one of the most exciting and innovative annual NASPL Conferences ever (last October in Atlanta). The speakers were all world-class innovators in their industry sectors. Much of the following discussion is based on the amazing presentations from that event.

The **NASPL API Initiative** is a good example of innovation that's **critically important** to our industry ... as an industry, we must **accelerate** our time to innovate.

Paul Jason: *What are some of the 'truths' that you think we need to revisit and reimagine for our industry to unlock potential to innovate and progress?*

Debbie Alford: The consumer's path to purchase has changed considerably over the years. As we move closer to a cashless society, e-commerce has dramatically altered the way we consume and how and where we make

purchases. Lottery tickets are primarily a cash product, being sold in a cashless marketplace.

Additionally, the majority of consumer brands recognize that the consumer's path to purchase does not always lead to one destination. In our industry, we are highly leveraged in convenience stores. As a result, our sales are dependent on foot traffic, gas prices, etc. in these locations.

Building relationship marketing programs

that support multiple distribution channels or "destinations" will help maintain relevance with consumers. Our customers expect more. We must be where they are, whether it's at the counter, in-lane or online.

Most importantly, our future success requires us to understand our future players (millennials and Gen Zers). We must reimagine our industry through their eyes. Only by understanding their expectations can we connect them to our games, distribution channels, and ultimately the good causes we fund.

How might Lottery innovate to drive operational excellence, superior execution on the fundamentals of business practice and process?

D. Alford: Focus at retail. Make our products "easier to sell" and "easier to purchase."

First, we must identify our retailer's pain points and then we must eliminate them one by one. Some innovations can be as simple as replacing legacy field equipment, increasing the use of vending machines, developing e-retailer applications, to revisiting ticket activation and settlement procedures. Product distribution has been one area of focus for the Georgia Lottery. Keen focus on getting the best-selling products to the right retailer, implementing planograms, reducing stock-outs, and increasing auto-orders continues to yield results for us. But, I still believe that with access to more detailed, real-time sales data we can achieve even better results.

Other operational innovations are much more complex and require a great deal of collaboration across jurisdictions, and with our vendor partners and retailers. With a goal of increasing sales at underpenetrated or non-penetrated retailers, the NASPL API Initiative is a good example of innovation that's critically important to our industry.

Some innovations may seem like no brainers (even the most-simple ones) but in actuality, they can be quite difficult and time consuming to implement. I think as an industry, we must accelerate our time to innovate.

From a player perspective, I think we've got to make it easier for players to make the purchase decision. Given the number of products we offer, making a purchasing decision can be difficult for players, particularly new players. So, the positioning (and presentation) of our product at the point of purchase continues to be an area of focus for GLC, as well as developing menu boards to better aid and expedite a player's decision to purchase.

Finally, it's critically important to have both a short-term and a long-term plan. Every year, approximately 35-40 GLC team members, along with our vendor partners and retailers, meet to assess our performance and to develop the following year's operational plan. And then, our whole team focuses on relentless execution of the plan.

How effective is traditional advertising at connecting a brand to its audience? How might Lottery integrate social media into its marketing mix?

D. Alford: Traditional advertising (like TV and radio) is still an important component to connecting to the customer. Whereas traditional once drove the consumer to the retailer location, today it also drives the consumer to the internet—where they do their research to determine if the product is worth their consideration.

Lotteries need to really think through their approach to digital and social media. I recall reading a recent study that indicated 25% of millennials left Facebook because they were tired of newsfeed ads. I'm not a millennial but ... who isn't frustrated by pop-up ads? Digital and social media requires that we master the art of selling without selling.

With that said, social and digital media

can foster a conversation between the brand and the consumer. Players are not "passive recipients" of marketing messages—rather, they expect to be "active participants" in shaping the message. When these channels are used to reach consumers in more personal ways they can create a stickier relationship with the brand.

At the GLC we communicate daily with players via Facebook, Twitter, Instagram and our Player's Club because that is where they choose to engage with us. Likewise, the introduction of our mobile app allowed us to reach players on the device they choose.

To effectively reach an audience nowadays requires a multi-layered approach. We must become more interactive, reaching out from the screen, billboard or radio to social channels that facilitate two-way conversations and ultimately create brand advocates.

Lottery tickets are primarily a cash product, being sold in a cashless marketplace.

Better yet, how might Lottery integrate social media into its game design and player experience?

D. Alford: We see this as a big opportunity for our lottery, both online and at retail, to create multi-player experiences. Currently, the GLC develops contests specifically for Facebook, Twitter and Instagram users. We have created second chance promotions that drive players to engage with us online and are working with vendor partners to create iLottery games that incorporate player generated content (i.e. chat, leaderboards).

These are just a few of the vehicles that can be used to integrate social features into product development roadmaps.

The Coca Cola company and others succeed at creating a story to go with their product, which are simple commodities, not nearly as intrinsically fun and interesting as Lottery. What can Lottery do to build a richer, more human-fo-

cused, more emotionally engaging story to capture the imagination of its audience?

D. Alford: I always find it interesting how consumer brands work to connect with causes and non-for-profit organizations in order to show their relevance and bring an emotion-quotient to their brand. As lotteries, we all support great causes that have a direct connection to our communities.

The voice of our players and benefactors of the good causes we fund are the most impactful. Asking for their feedback and creating a platform to share their stories is a great starting point.

The Georgia Lottery has been successful with 'Experiential Activations' as described by "The Famous Group." Could you describe those, and perhaps explain how you measure ROI on the cost of producing something that makes a big impact. Too, might there be opportunities for multi-state collaboration to share the cost of producing Experiential Activations that could have regional or even national impact?

D. Alford: Like most lotteries, we have corporate partnerships with local professional sport franchises and other strategic entertainment properties. As always, our goal is to leverage these relationships to promote the Georgia Lottery brand with the property's audience. We work hard to evolve these sponsorships into season-long activations that not only provide on-site/in-arena presence, but the ability to leverage the associations with engaging promotional installments. Our experiential activations are designed to captivate and engage the thousands of audience members with a targeted lottery message. We use this platform to introduce new product, promote major product initiatives, or to promote the great causes the lottery support.

As an example, our relationship with our NBA team, the Atlanta Hawks comes with the sponsorship of multiple halftimes during the season. Here we have developed a visually stimulating floor projection graphics show that features our digital games, that we call Diggi Games. We uniquely designed this show to allow selected audience members to come on the floor and compete to win cash at halftime, and to engage the whole audience by asking them to text to participate. ■