

Getting the Most Out of In-store Lottery Solutions - Adapting Retail Tools for Increased Sales

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A well-recognized strength of lottery gaming has been its convenience and accessibility for the broad player base compared to other forms of gaming. In fact, among the top U.S. sales volume lotteries the distribution parameter appears to be a 1:1,000 ratio of retailer per thousand population.

This pursuit, however, does have its limitations if retailers simply added for network expansion goals are low sales performers. In view of continually changing conditions, the challenge to lotteries is how to maximize the quality of the retailer sales performance and not just rely on quantity to deliver numbers.

Not surprisingly, one size or retail model no longer fits all.

- Maturity of lotteries and familiarity with lottery retail operating requirements
- Retailer demand for easier, less labor intensive management of lottery sales
- Competitive retail approaches offering location and one-stop shopping convenience versus more personalized service
- Economic factors impacting player shopping patterns such as rising gasoline and food prices
- Varying player demands, those seeking personal exchanges with retail staffs and others comfortable with more expedient ways to do their shopping

A broad suite of lottery sales configurations is necessary to meet different retailer expectations and visions for how lottery fits into their product offering mix. This approach does not mean that equipment has to be customized for each trade style, or retailer. Rather, the selection of clerk-activated, self-service and third-party lottery equipment tools needs to be combined differently to optimize sales results.

Key considerations for the development of a lottery retail floor plan are:

- Business type and player expectations, e.g. a terminal in particular but any lottery equipment typically signals full service capability such as validating, cashing, offering the full game menu, etc.
- Full service versus limited or specialized service such as primary focus on Keno sales
- Convenience versus destination service where players are encouraged to stay longer through more game displays, quick reinvestment of "churn" prizes, dedicated player areas, seating, food or beverage amenities
- Separation of lottery transactions from general transactions at check out
- Multi-lane versus single lane check out set ups
- Player flow during the day; daytime social players versus end-of-day working players
- Retailer attitude toward lottery as indicated in use of signage, updating game information, creating "signature displays", player recognition and publicity

After countless field surveys in different jurisdictions by GTECH, the number one differentiator between high and low volume retail performance is a positive, proactive retailer attitude toward lottery sales and its potential to increase store traffic.

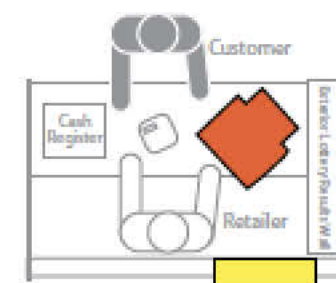
That said, here are some planogram examples of lottery equipment and display configurations for different retail needs:

Legend

IMAGINE Lottery Terminal*	Ticket-Scan*	Lucite Instant Ticket Display	ESMM Digital Message Display*	Quick Pick Cards*
Lottery or Instant To Go ITVM*	Play Station	Instant Showcase*	Keno Monitor*	Cash Register with Lottery Inside*

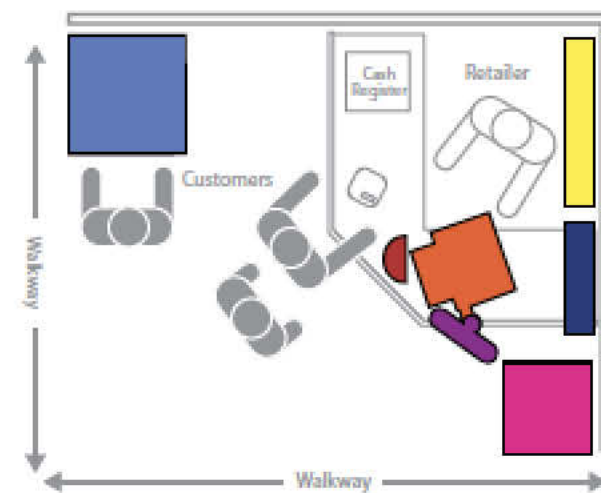
*GTECH Product Names

Street Newsstand: Primarily Online and Instant Game Sales
Situation: high volume location, either stand alone or store front, typically in urban environment with limited space for customers and displays



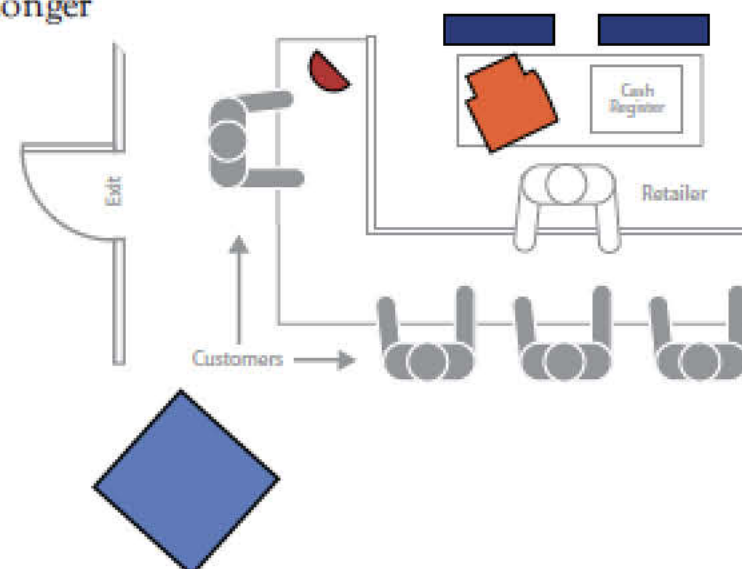
Mall Newsstand: Primarily Online and Instant Game Sales with Keno monitor

Situation: high volume location within enclosed mall, preferable at a corner to capture two-way foot traffic and use of display screens for games and/or promotional messages to attract customers (customers playing monitor games stand in mall walkways)

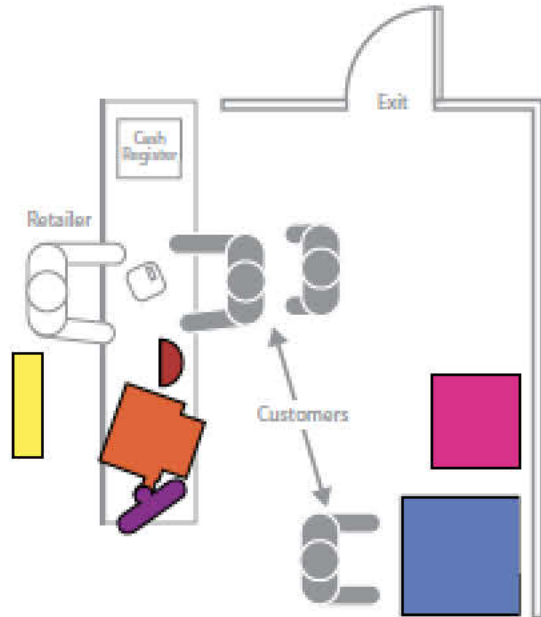


Bar/Restaurant: Primarily Keno with some Instant Games

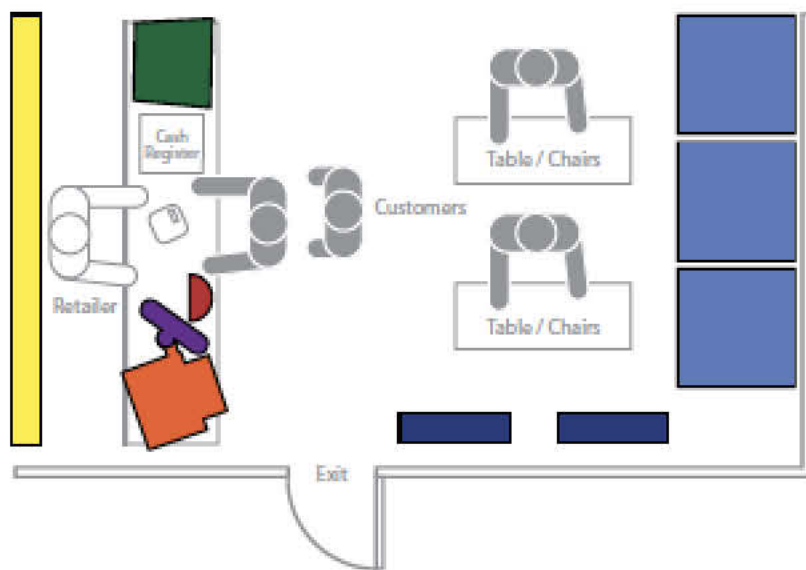
Situation: specialized sales volume situation with limited but dedicated customer traffic and designed to encourage customers to stay longer



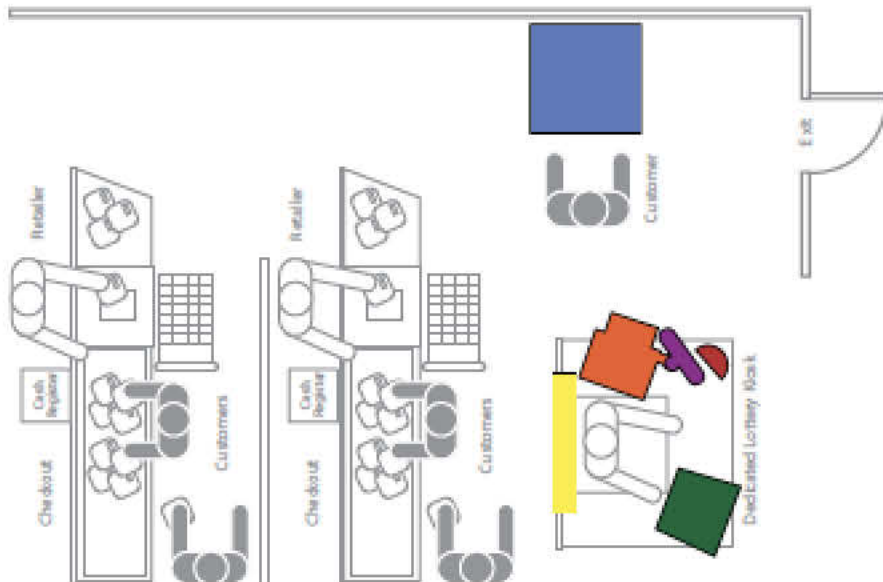
Gas/Convenience: Primarily Instant and Online Games Sales
Situation: low to medium volume location, depending on retailer attitude, with widespread locations in suburban and rural locations and limited space for customers unless a dedicated area for sitting is used for beverages, food, reading and games



Convenience Store: Full Game Sales, including Keno monitor in separate room
Situation: low to high volume locations in a variety of settings, typically a “neighborhood meeting place,” with customer seating or socializing areas and may provide amenities to encourage players to stay longer (larger operations known as “lottery parlors”)

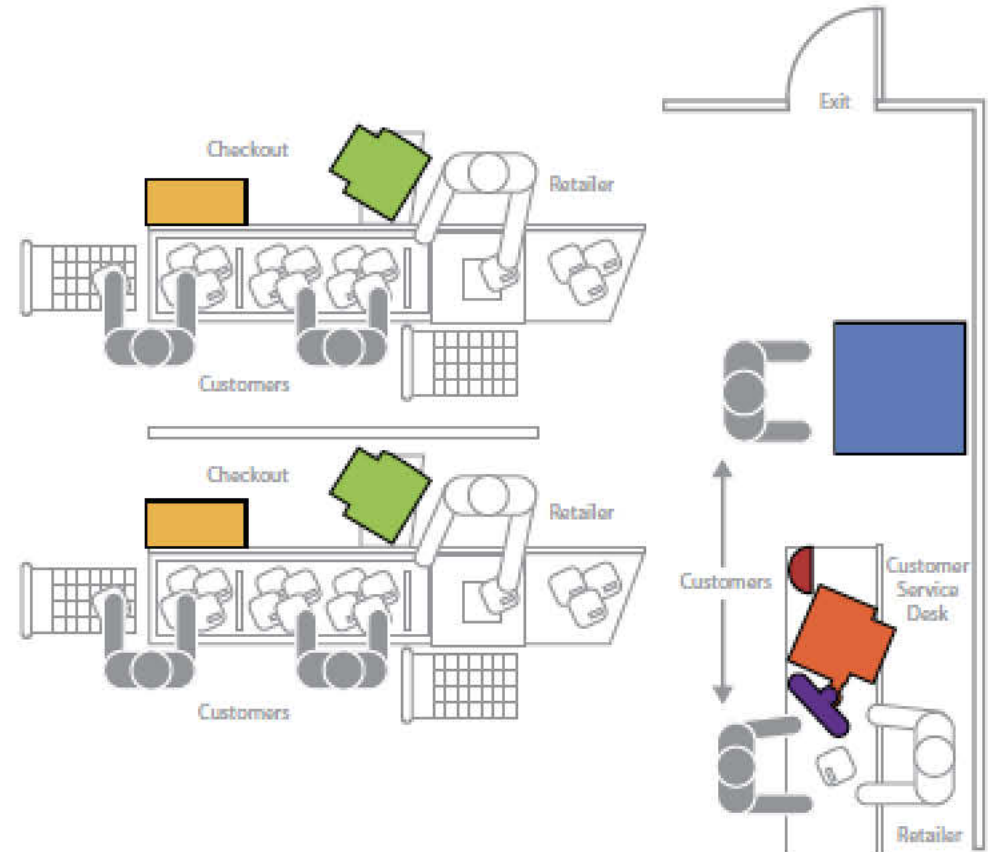


Store within Store: Kiosk with primarily Online and Instant Game Sales
Situation: medium to high volume location with high customer traffic but limited space for customers such malls, airports or big box stores

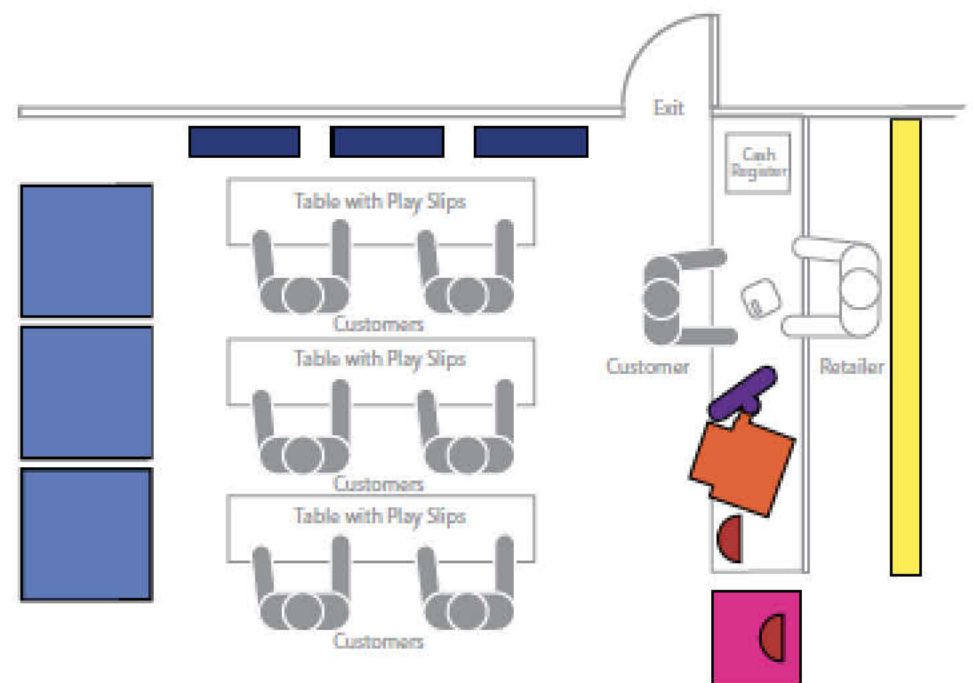


Multi-Lane Store with Customer Service Desk: Primarily On-line and Instant Game Sales

Situation: low to medium volume locations, depending on retailer attitude, with any dedicated player areas close to the customer service desk (note: some supermarkets have added Keno and lottery product areas close to the food court or customer service areas) with two possible scenarios: (a) all lottery sales at customer service desk and (b) quick lottery transactions through check out lanes and remaining business at customer service desk



Specialty Store: Full Game Menu with emphasis on monitor games
Situation: retailers willing to dedicated fair amount of floor space to creating social or seating area for lottery players to play monitor games such as Keno as well as traditional online and Instant games – players take care of their own play slips, ticket checking while retail staff mans the terminal and restocks supplies



A final note: while these examples demonstrate possible ways to maximize lottery retail sales potential, the most productive way is to work with and encourage the creativity of the retailer. It means being flexible and open to new approaches but the results can be terrific!