



Declan HARKIN

International Senior Vice President
and Chief Operating Officer, IGT

Beyond Omnichannel: Intelligence is the Key to Growth

Tomorrow's lottery players will expect much more than an omnichannel experience. How are lotteries adapting?

Paul Jason, PGRI: *Everyone in the lottery industry is talking about omnichannel. What's your view of what omnichannel is?*

Declan Harkin: The term 'omnichannel' is already becoming somewhat dated, partially because it's often overused and misunderstood. Confusion around the term primarily stems from a focus on the delivery devices rather than the end-to-end consumer experience.

All lottery players are consumers, but clearly not all consumers are players. That's both the challenge and the opportunity.

The consumer today doesn't talk about 'channels' at all—they just engage with brands. As consumers, we expect the brands we interact with will know every aspect of our interactions with them. We expect the brands to know exactly where we left off in the conversation or transaction. We expect a personalised experience at all times.

As consumers, lottery players expect and demand the same type of consistent interaction, regardless of where they are ... for example in a store, at a social event, or relaxing at home.

In the past few years we've seen the evolution of tablets, smartphones and now wearables. These types of connected devices are rapidly transforming our day-to-day interactions through the ubiquitous 'Internet of Things'. For years within the

lottery industry, we have talked about appealing to the Gen X and Millennial players, who grew up with the Internet. The situation today in this regard, however, spans all generations. All age groups know how to use their devices and want exciting and entertaining content and services available anytime. The lottery industry is very well placed to deliver and compete with the myriad of other content providers fighting for consumers' attention. In addition to compelling content, however, the industry needs transformational tools and platforms to capture their attention.

We're no different than all the major eCommerce retailers and entertainment companies throughout the world; we must be in the moment with our players wherever they are. At IGT, our latest Aurora platform and solutions offerings are built from the player journey up, on the very latest technologies with this vision in mind. We rapidly enable each lottery company to execute its own tailored vision and creative applications for its particular market and player journeys.

It's an old saying but a good one—'The only constant is the pace of change.'

So what do you think are the next waves of change?

D. Harkin: Today, whether we realise it or not, predictive analytics is already

prevalent in the services we use. For example, my mobile device proactively 'nudges' me to tell me how long it will take me to drive home. It adjusts the temperature of my house once it knows my journey is underway, reminds me that a restaurant I was researching earlier is located along my route home, and offers to book a table. It also suggests I reserve a table for six, because that's the number of family members it remembered from the last time I booked. This technology will only improve and very soon it will be commonplace.

Sundar Pichai, Google's CEO, recently said, "Looking to the future, the next big step will be for the very concept of the 'device' to fade away. Over time, the computer itself—whatever its form factor—will be an intelligent assistant helping you through your day. We will move from mobile first to an Artificial Intelligence first world."

Our challenge and opportunity in the lottery industry is to stay in lockstep with this exciting and dramatic transformation of the information age. Machine learning and predictive analytics will mean that very soon you will find it difficult to know what information you have really searched for yourself and what is being presented to you ahead of your conscious needs. This may sound like

science fiction, but it's fully upon us now.

You will have already seen slightly "crude" marketing efforts today—you see ads for a product that you had already just bought or a trip that you just came back from. Now imagine that the right lottery product is offered to you at just the right time! Not just a nudge to play a jackpot game one evening because you usually play when the jackpot hits \$100m, but beyond that...to a nudge for a social space game with several friends, which appeals to exactly your preferences. Again, we can't predict exactly how all this plays out in each market, but this fast emerging competition aspect is now a reality, and lotteries must be able to compete with the most sophisticated consumer businesses for the consumer's attention. We have 40 years of global lottery experience plus all the insight from our new IGT business. We're using this today to build predictive capabilities and learning into our core platforms. We need to be there and responsibly nudging.

With things moving so quickly, how does IGT keep up to date and build for the future?

D. Harkin: There are many dimensions to this, Paul. First, we listen very closely to our customers. Some of them have been innovating and experimenting on the leading edge of technologies and content offerings for several decades. In fact, 120 of our customers have interactive offerings around the world. Listening to them gives us a unique perspective into their needs as they develop and expand their businesses across new channels.

We also leverage the knowledge within our own company. Everyone in IGT is encouraged to openly contribute to developing the long-term vision. No ideas are bad ones (at least to begin with), and there are huge sources of insight and talent among the 13,000 people who work for our company. The strength and depth of lottery and gaming industry knowledge and expertise within IGT is second to none. We have large Research and Development groups, as well as 'Futures' teams, who are dedicated to thinking about what's next. We partner with trend watchers and specialists across all areas of consumers' lives. I can't stress this enough: all players are consumers, but not all consumers are players. So lotteries must deliver the same quality of convenience and experience that consumers already expect and receive from the other brands they interact with every day. We are constantly looking at other industries and evaluating

latest technologies and best practices.

IGT's Aurora software platform is the result of all of the inputs described above. Aurora is designed and engineered to provide exactly the same kind of personalized experience that characterizes the most successful commercial businesses today...whether they be 100% through the traditional retail channel or accessed through multiple devices. It can service all possible channels, now and in the future, because it's built around the needs of lottery players and retailers. It also has complete flexibility to integrate with any new game content or service capability that may be conceived.

You mentioned Aurora a couple of times. Aurora is IGT's major new Lottery Platform launch. What would you say is its most exciting feature?"

D. Harkin: Yes, and we are very excited about it. Aurora is designed to deliver on that vital player experience. It provides lottery operators, players, and retailers the essential data each stakeholder needs to deliver and receive the true omnichannel experience. Think of Starbucks, who do an excellent job of providing a seamless consumer experience across channels. You can choose how you'd like to load money, see your rewards and even order your coffee in advance, and every transaction is updated in every channel in real time. Aurora has been built using the very latest architecture and technologies to enable that realization of the same seamless experience for your lottery players and goes far beyond what's currently offered in the marketplace today.

The beauty of Aurora and what sets it apart, is the fact that it's relevant to all our customers, wherever they are on their digital roadmap. Its sophisticated analytics toolset allows lotteries to manage their player relationships through their retailers and directly through B2C channels. Only by having this holistic view of their players can lotteries truly continuously deliver and evolve a compelling omnichannel consumer experience.

Is Aurora ready to predict when a player wants to enter a lottery draw?

D. Harkin: Well some of the world's biggest companies have already implemented similar algorithms for other products. We are staying very current with these trends. Of course we are also able to integrate learnings and experiences from

our IGT colleagues in the casino gaming segment who also have a wealth of related Predictive Analytics experience. And we are leveraging that. All these possibilities of course must be achieved with a close eye on Responsible Gaming principles; but certainly I think this is already available with the right tools and data.

But this is just one small example. Our roadmap for Aurora is designed to respond to technology and consumer trends as they emerge. It allows our customers to be ready with the right solutions at the right time when these trends become mainstream or even when a lottery wishes to experiment with new content or services. Aurora lets lotteries rapidly implement their own innovations and unique requirements, whether they be on a 100% dedicated retail network today or a totally digital roadmap. While IGT excels at working with its customers to help them execute ideas, what we really deliver is helping them innovate new customer experiences. What lottery would not welcome this type of technology, which brings lottery games to consumers and turns them into players because it's at just the right time, in just the right place, and at just the moment when they are most likely to play?

What's your message to lotteries struggling to make sense of this new consumer world?

D. Harkin: At IGT our first priority is to listen to our customers and ensure that we understand exactly what their issues are and what they need from us. Everyone needs a partner that understands today's evolving technology and develops solutions from an operator and consumer perspective. IGT is also an experienced Lottery operator itself in multiple jurisdictions, serving the full spectrum of game content offerings through solutions at the forefront of these evolutions. So we recognise the challenges and opportunities that lotteries face and are able to ensure market readiness—whenever that may be required.

Ultimately, the player stands at the centre of this change. Technology is meeting the players' expectations for a frictionless experience where needs are anticipated and every interaction is personalized. We're proud to say we've built Aurora with the architecture to achieve this, enabling more consumers to become players, whilst ensuring retailers and lotteries can meet the exciting and demanding needs of our new consumer world. Now I am off to see what my phone wants me to do next! ■