

# the **ART** of interacting for lotteries

Today's world is nothing like it used to be, not even a few years ago. The Internet is now a vital part of normal, everyday life of the modern consumer. They take advantage of its numerous functionalities to do things that once needed physical presence, such as

payment of bills and purchasing of goods. Personal interaction has also moved to a completely new level, which no one would ever have thought possible, not even five years ago. Social Media, such as Facebook and Twitter, have created new communication platforms where people around the world can easily communicate with each other, as long as they are connected to the web.

Many of the modern lotteries have not adjusted to these developments and have not taken full advantage of the Internet and other "interactive" channels (mobile, iTV etc), thus missing out on significant opportunities to grow their business as well as to improve and enrich their gaming offering to their customers.

INTRALOT has invested in its ability to support its clients' transition to this new world of connectivity. One example of that is the development of the ART framework for Lotteries. ART incorporates a very concise strategy for leveraging the interactive channels and supporting the evolution of every modern Lottery. Under the ART framework all sales channels, from a purely retail organization to a gaming operator, along with the technological platforms and operations that support them, are fully convergent.

The strategy consists of three phases: Anonymous Gaming, Registered Gaming and Transactional Gaming. INTRALOT offers solutions that can satisfy the needs of any Lottery operating within or moving towards any of the three phases.

## **A**NONYMOUS GAMING: WHERE WE'VE COME FROM

In this phase, all gaming products are offered through a retail network on an anonymous basis. The Internet and interactive channels offer limited capabilities for direct revenues but are important activities for offering good quality customer service. Given that no sale of any game can be offered through interactive channels in this phase, they can only have an indirect effect on the retail sales.



The key activity at this stage is to offer a modern, comprehensive gaming information portal that encompasses all progressive internet trends and offers various information services to cater for all the needs of lottery players.

The Gaming Info portal needs to

be modern and attractive, allowing customers to configure a wide range of information services, including email, RSS, and SMS notifications. Additionally, it can be extended through dedicated informational apps for Smartphones.

As part of the overall marketing strategy in the Anonymous Gaming phase, interactive marketing activities are confined to publicizing the gaming information portal and all the services and support a customer can receive on the internet. This phase also makes use of other tools such as banner advertising, viral marketing through games or videos, and content proliferation through RSS feeds, widgets or customized apps.

## **R**EGISTERED GAMING: THE NEXT EVOLUTION STEP

Registered Gaming is the phase in which the Lottery tries to get to know its customers on an individual level, offering them personalized service as well as directing them through the internet and interactive channels where limited but important gaming activity can take place. This phase addresses the introduction of a personal account at both the retail and internet level. It also introduces the deployment of a loyalty program - the revamp of the gaming info portal as an important channel for redemption of loyalty points on merchandising or game entries, fun and skill gaming, and also subscriptions or memberships for the lottery games, to the extent this is allowed by law.

In the Registered Gaming phase, synergies between retail and internet channels are exploited, which is crucial for positioning the lottery in the internet gaming domain in anticipation of the legalization of interactive gaming. Customers become registered and accustomed to interactive interfaces for lottery games and online payments, if allowed.

The Registered Gaming phase also has a positive impact on retail

sales as the lottery increases the customer's loyalty and satisfaction from services received. The strategy in this phase is customized for each lottery depending on local conditions, legal restrictions and internet and e-commerce market maturity.

An important component of Registered Gaming is its ability to combine internet technologies with a comprehensive responsible gaming framework, along with full security and protection for its customers. A registered customer should be encouraged to set personal limits for certain time periods on deposits and losses, and the lottery will monitor customer activity and be able to detect problematic patterns and implement interactive corrective or support measures. We expect this to become a valuable competitive differentiator for lotteries in the very near future.

## **T**RANSACTONAL GAMING: LOTTERIES BECOMING REAL E-GAMING ORGANIZATIONS

The focus of the previous two phases was to prepare and support the progress of lotteries towards the third phase. Transactional Gaming is the phase where INTRALOT helps a Lottery become a real e-gaming organization, offering its products for sales over the Internet and other interactive channels, as allowed. This is the phase that can bring real benefits to the lottery in terms of appealing to new demographics, increasing sales of existing products, and creating new revenue streams with fully interactive products, while ensuring a full responsible gaming environment due to the extensive registration, verification controls and detailed business analytics.

To the extent allowed by law, the lottery can leverage the power of the new channels by customizing and enriching the games for the new media (e.g. web-specific instant games). In the Transactional

Gaming phase, security and safety need to be absolutely guaranteed. At the same time, online gaming propositions need to be managed in terms of dynamic content, ensuring frequent updating and customization depending on customer behavior. Business analytics, customer acquisition and retention strategies, campaigns, day-to-day product management, and personalized, quality customer service are all key factors for the success of transactional gaming.

In this phase all Lottery games can be offered for direct purchase over the Internet. The emphasis here is on customizing games for the interactive gaming environment, focusing on games that are suitable for fast interaction, higher payouts and dynamic content. Acquisition marketing, customer retention and optimization are important and imbedded operational activities.

Lotteries should also exploit the mobile devices that are increasingly used for data services or internet access. The proliferation of Smart-phones makes the mobile channel important for future growth, as well as for increasing the customer base. The first step of the strategy is to address the mobile channel through dedicated mobile portals or apps for information services. The second is to offer casual or free gaming propositions, in a manner similar to the Internet strategy. And finally, the transactional gaming proposition needs to be customized for the mobile channel.

Almost all business sectors have adapted themselves to these new trends and are providing their customers with Internet-based offerings, using these alternative channels as the new 'ingredient' of their marketing mix. It is this new ingredient that is likely to become the 'tail that wags the dog'.

The gaming and wagering sector is moving rapidly in its eagerness to grab a market share in this new interactive environment. INTRALOT is ready to help its lottery partners to keep on winning in this new era of expansion! ♦

<b>T</b> <i>ransactional Gaming</i>	<b>Mobile Gaming</b> <b>Web.TV</b> <b>Transactions over Internet</b>	<b>W</b> <i>hen legally permitted</i>
<b>R</b> <i>egistered Gaming</i>	<b>Subscription Play</b> <b>Loyalty Cards</b> <b>Game Social Network</b>	<b>I</b> <i>mmediate implementation</i>
<b>A</b> <i>nonymous Gaming</i>	<b>Game Info Portal</b> <b>Retail-Self Service</b> <b>Retail Network</b>	<b>N</b> <i>ow</i>