

INCREASING THE NUMBER OF POS: Today's Highway to Increasing Sales



Included among the various opportunities lotteries have to increase sales are:

- Increase the number of products
- Enhance existing products
- Improve/increase advertising and promotion
- Maximize consumer access and ability to buy the product

Making it easier for the consumer to buy lottery games is the most reliable way to achieve the goal of increasing sales. That is why increasing the number of retail stores is a top priority for almost all lotteries. Increasing POS by other means (Self-serve Vending Machines, making lottery available at the checkout lines in grocery and other stores, penetrating new trade-styles and retail segments, etc.) is also a top priority. And now, enabling the consumer to buy lottery tickets at the gas pump is proving to be a most effective way to quickly and dramatically increase the number of POS. Linq3's Play-at-the-Pump (PATP) solution does just that—enables the consumer to buy lottery products right at the gas pump. The video monitor displays the offer with appealing and explanatory graphics, and processes the purchase transaction right at the gas pump. The amazing and wonderful aspect of this solution that makes it possible for the consumer to buy lottery products without going into the store is that it actually increases store traffic at the same time. The increase in store traffic has been measured to be between 4% and 7%. This result may seem a little counter-intuitive, but frankly it's not surprising. "Consumer engagement is a theme that we are always talking about. The overall impact of PATP on the entire business of convenience-store retailing is a perfect example of how an engaged consumer is more likely to buy more of everything, not just lottery" says Daniel Cage, CEO of Linq3.

Play-at-the-Pump (PATP) transforms any unmanned POS into highly interactive access points for the sale and advertising of lottery products. By leveraging existing hardware, the Linq3 solution works in partnership with existing lottery networks, allowing lotteries to efficiently reach whole new market segments, interacting with them in a brand new way. Making lottery available at the gas pump gives the consumer an entirely new access point. More than that, it gives both the retailer and lottery visibility that engages consumer attention, increases lottery sales, and drives store traffic. Following is an appraisal of its impact to date.

Linq3 PATP solution is



currently live in four states, with 211 pump locations and a total of 1,985 screens or points of access communicating lottery games and their jackpots (average of 9.4 screens per location). An additional 200 locations with almost 2,000 screens will be activated beginning mid March. The average PATP transaction ranges from \$7.00–\$8.00. During big jackpot runs, the average transaction per day typically exceeds \$10.00. And near and dear to the hearts of our retail channel partners is that in-store sales at PATP locations have increased an average of 4-7%. During the recent Powerball run, PATP stores saw a significant increase in-store Powerball sales in comparison to stores without PATP in addition to their PATP sales.



Research & Data that Measures the Impact of PATP

Linq3 recently completed a market research study surveying over 1,600 lottery purchasers composed of frequent, occasional, infrequent, and non-lottery players. Below are key findings:

- Linq3's offering has strong appeal with people that like lottery, technology and convenience.
- The largest audience most interested in PATP skewed younger, female, have more children at home, and are technologically savvy.
- The majority of respondents overwhelmingly like the convenience of the PATP offering.
- PATP solution was found to increase annualized lottery purchases by an average of 24 tickets per player.
- PATP appeals to new consumer groups, attracting consumers who are not buying lottery products now. This fact suggests a power to expand the market, capture incremental spending, and penetrate new demographic segments.
- As with all lottery products, signage is key. Signage displayed at the pumps demonstrated dramatic impact on the likelihood of purchasing lottery tickets. On average, the number of consumers who purchased tickets where there was a large sign at the pump was more than twice than that of consumers who purchase tickets where there was no sign at the pump.

The study clearly indicates that tapping into the purchasing power of occasional, infrequent, and new players is based on convenience and simplicity of play. Reaching these types of players has always been a challenge, but PATP breaks through the barriers. Having lottery games available where consumers are as opposed to where they have to go to play is the future of the lottery business. ■