NEOPOLLARD
INTERACTIVE

CLICKQUISITION:
How lotteries are only a few clicks away from broadening their player bases.

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It doesn't matter whether you are selling jeans, vehicles or lottery tickets, the great challenge in today's retail environment is the same: to design and deliver a "frictionless" experience in a world that is increasingly dominated by the convenience of online transactions.

How much of retail is now conducted online? In PWC's 2016 Total Retail report—a survey of the retail buying preferences of more than 23,000 shoppers in 25 countries—it was discovered that 54 per cent of all respondents buy products online weekly or monthly. And 34 per cent of those surveyed believe that their mobile phone will become their main purchasing tool in the future.

These figures aren't surprising, and it certainly emphasizes the significant influence that the Internet has on retail marketplace trends. Unfortunately, surveys alone cannot tell us how to take full advantage of that trend.

The pursuit of a truly frictionless transaction that can be completed with the fewest barriers, clicks, and keystrokes is fueled by improvements in payment methods, technology, and modified consumer behaviors. This has prompted some of the biggest companies in the world to try their hands at re-inventing retail transactions: Apple Pay; Walmart Pay; Google Wallet; Amazon Dash. All these solutions are geared towards the same goal: an enhanced shopping experience with effortless purchasing.

Lotteries operate in an industry with a solid and reliable bricks-and-mortar retail tradition that is increasingly looking to digital experiences to maintain relevance, grow player bases, and compete with other forms of entertainment. But in a world where people will be able to purchase just about anything, anywhere and with little more than a wave of their smartphones, how will they compete?

NeoPollard Interactive exploits the leading edge of retail technology to ensure that lotteries can augment the proven sales performance of draw-based games via bricks-and-mortar retail networks with modern online tools to capture and convert new players.

Many lotteries have already established a solid web presence with traditional customers, many of whom are very comfortable going online to check winning numbers for draw-based games or monitor jackpot amounts. That familiarity presents an enormous opportunity to take those customers and introduce them to new games and features that can dramatically expand a lottery's player base.

However, there are other advantages. Products such as interactive draw-based games offer players—particularly consumers that may not fully understand how the games work—a simple, error-

proof entry into the lottery experience.

Although the majority of the most loyal lottery players are comfortable with the traditional retail experience, modern players are looking for something that parallels e-commerce transactions that are becoming an everyday experience for today's consumer.

For lotteries, the solution can be found in NeoPollard's Interactive draw-based games. These digital versions of the most popular draw-based games are managed through NeoPollard Interactive's interactive Central Gaming System—a fully independent online platform that can be launched in any jurisdiction regardless of the current retail system in use—and are available as part of the company's iLottery 360° Solution™.

In jurisdictions using NeoPollard Interactive's iLottery 360° Solution™, the opportunity to select numbers and purchase draw-based games in a digital environment introduces these products to a whole new segment of players that are already geared to conduct most of their everyday purchases via smartphones, tablets or desktop computers. This "clickquisition" strategy has garnered between 6,500 and 7,000 new players per month for one or NeoPollard Interactive's clients since the launch of its interactive draw-based games portfolio.

Once online, players are exposed to dynamic cross-selling options that boost sales both online and through traditional retail locations. As an added bonus, because players can select their numbers and complete the entire gaming experience prior to purchase, interactive draw-based games can be used as a powerful educational tool to help encourage new players to purchase tickets at traditional bricks-and-mortar retail outlets.

Most importantly, interactive draw-based games satisfy consumer demand for a condensed purchase flow. Ticket purchases, including number selection, can be completed in as little as three clicks online. This streamlined purchase flow delivers an e-commerce experience to lottery consumers that is consistent with the experience that digitally-enabled consumers have grown to expect in engagements with today's biggest online retailers.

The results in jurisdictions that have forged ahead with interactive draw-based games are compelling. NeoPollard Interactive has found that more than 60 per cent of players that register online to play interactive draw-based games crossover to play e-Instant games. That conversion is a critical leap forward in the drive to expand the lottery player base.

Today's consumers have a world of goods and services at their fingertips. This is true across nearly all consumer industries, including lottery. Ultimately, by offering digital versions of the most popular traditional games, such as interactive draw-base games and e-Instants, lotteries can effectively leverage both digital and retail strategies to acquire and engage a broader player base across the entire lottery ecosystem. ∎

Alice Garland Interview ...

A. Garland: Lotteries can follow the WLA's Responsible Gaming Framework or the new Responsible Gambling Verification Program sponsored jointly by NASPL and the National Council on Problem Gambling. What North Carolina found out as it worked to obtain Level 3 certification is that it already had many important responsible gaming practices in place. I suspect many U.S. lotteries would discover that too. But we also saw the gaps, the places where we needed to improve our program. One key area of improvement was in training all our employees and then all our retailers to understand what problem gambling is, know how to recognize it, and know how to offer resources that can help. Our work also led us to a new tool for retailers to easily, and in a discrete manner, provide the toll-free number for North Carolina's Problem Gambling helpline with one push of a terminal button. And we strengthened our partnerships with the National Council on Problem Gambling and our local partner, the N.C. Problem Gambling Program. I don't know of any better place to start, however, than with making sure your employees get the training they need to offer the right resources to someone who has a gambling problem. You'll probably find, as we did, that your employees—including many of our sales reps—face these situations already and are glad to get the training they need to provide help. ∎