STRATEGIES FOR INSTANT TICKET SALES GROWTH

Pollard Banknote

Worldwide, instant ticket sales continue to be strong with sales growing by nearly 50% over the past 10 years. Moreover, for lotteries in Latin America, with average per capita sales of approximately $4, as compared to $97 in North America, there is ample opportunity to increase Latin American lottery sales of instant tickets for the benefit of each jurisdiction's beneficiary programs.

Pollard Banknote has an established and demonstrated reputation for helping lotteries drive their instant ticket sales, and reach new sales highs. The implementation of Pollard Banknote's Best Practices, a strategic retail and merchandising plan and the integration of new technology are all means by which Latin American lotteries can immediately take advantage of sales growth opportunities.

Pollard Banknote's Best Practices: Attract and Retain Players

The integration of Pollard Banknote's Best Practices is a proven and successful strategy for introducing new products and overseeing the lifecycle of established games or categories to refine and strengthen a lottery's instant ticket portfolio. This includes the use of successful ticket designs, utilizing popular game themes and/or mechanics, proven prize structure strategies, and incorporating premium ticket features, like Pollard Banknote's exclusive Scratch FX®.

Lotteries from around the world have used Scratch FX®, with its eye-catching effects, to successfully launch new products into their markets. Pollard Banknote has printed over 140 Scratch FX® games for 28 lotteries worldwide, generating instant ticket sales of over $2 billion due to their high impact, rich-looking designs.

When the D.C. Lottery launched Cadillac Riches, it became the best-selling $5 ticket in the Lottery's history. With a 10-week index of 185, Executive Director Buddy Roogow called it, "a super-charged success on all eight cylinders. The combination of outstanding graphics, a beautiful design, and a hot vehicle won the day!"

The introduction of the Pollard PlayBook™ into North American and European markets is another example of successful product launches, selling 34% higher than other introductions. These multi-play game books provide many opportunities to win, have greater perceived value, and as a result, command higher prices. Don Feeney, Research Director with the Minnesota Lottery said, "In almost 20 years of researching Lottery games, I have never seen players respond so favourably to a game!"

After capturing players' attention and triggering an impulse to buy through compelling ticket design or other feature, it is equally important to retain these players with an entertaining and rewarding experience. Best Practice prize structures feature a generous proportion of mid-tier winnings, enticing top prizes, and exciting play formats that encourage players to play again and again.

The British Columbia Lottery Corporation recently achieved 11.4% growth in instant sales working with Pollard Banknote to incorporate Best Practices to maximize consumer "chatter" through the optimization of the Lottery's prize structures and strategically increase revenues from higher price points.

Additional efforts to emphasize and position a particular ticket may include updating art for a fresh look or to better position a ticket at retail. The New Jersey Lottery scored success by recognizing the popularity of the key number match play format to launch a series of seasonally inspired $2 tickets. While the ticket layout remains consistent from design to design for easy identification, the look and game name differs. The Lottery's spring edition achieved a 10-week index of 122 while the four-ticket series fetched a 10-week average index of 118.

Pollard Banknote's Best Practices: Achieving Excellence at Retail

The top-performing North American lotteries have a retailer density in the range of 1:1,200, consisting largely of convenience and grocery stores, gas stations, and tobacco and liquor outlets. Given many lotteries in Latin America primary employ street vendors to sell instant tickets, there is considerable opportunity for retail expansion in the Latin American market and maximize the impulse purchase quality of instant tickets.

Incorporating Pollard Banknote's retail best practices can help Latin American lotteries achieve meaningful success at the retail level. From offering an optimized mix of games, to installing eye-catching signage at a store's entrance, to ensuring ticket dispensers are visible, easy to access and clean, to ensuring retail staff are knowledgeable of lottery products, there are proven opportunities for a lottery to increase its revenues.

Today Pollard Banknote is performing several pilot projects with our customers to identify tangible and realistic ways to help lottery retailers increase their sales through strategic improvements aimed at optimized merchandising, point-of-purchase materials, and more.

Innovation: Growing and Engaging Your Player Base

Lotteries in Latin America are especially well-positioned to capitalize on product innovations and be proactive in the integration of mobile technology. Working with a partner, like Pollard Banknote, that recognizes opportunities to leverage proven innovations to grow sales in Latin America is an excellent means to attract new players, extend interaction with existing players, provide additional entertainment value, and drive players to retail.

Extending players' entertainment and chances to win beyond the paper ticket was the task at hand when Pollard Banknote worked with the Michigan Lottery with its new $100,000 Cashword game. This ticket features a QR code that directs players to a mobile app and web-based interactive site, which allows players to continue playing online for additional opportunities to win. The results of this innovative program were immediate with a 52% increase in the Lottery's weekly Crossword category sales.

The power of social media and networking provided the inspiration for Pollard Banknote's new mobile technology-based innovation. Social Instants™, which embraces the rapidly growing use of Smartphones to facilitate player-initiated messaging at the height of their win to motivate others, especially those that they know, to play as well. Winner-driven messaging is the ultimate third-party endorsement and carries significantly more credit than traditional lottery-initiated advertising.

Setting the Stage for Growth

Around the world instant tickets are a growing segment. Lotteries in Latin America are well-positioned to exploit opportunities and enjoy significant growth. Pollard Banknote's best practices and approach to creatively using innovations to attract new players, retain existing players are strategic ways to both improve instant ticket revues and increase contributions to local good causes. ◆