

# USING TECHNOLOGY NOW



*Ways to engage players, expand lottery marketing reach and drive sales today*

**IN OUR TECH-SATURATED CULTURE,** it's easy to ask forward-looking questions. What is your lottery's mobile strategy? What are you doing with social media? Is your website optimized for all devices?

To a lottery, these questions may sound like the tail wagging the dog. Another more business-minded approach might be: How are you enhancing the relationship with your players using the technology currently available – and allowed by regulation – in your jurisdiction?

## **Business Before Technology**

During the past two decades, three different technology waves have built upon one another to enable lotteries to strengthen their business in new ways. The first, which started in the mid-1990s when the web became a part of our lives, was simply providing consumers with the information they needed through a brand-new channel. Most lotteries started out with “brochureware” by replicating printed information to their new websites so consumers could learn more.

Next, innovations in technology helped lotteries enhance the consumer's experience by extending lottery play value. Initially, this happened when 2nd Chance game registrations moved from a mail-in

process to website entry. Then came play-for-fun games, which were the first real web-enabled innovation that offered true interaction for players. Then it evolved further with hybrid games featuring a physical instant game linked to a web-based interactive game component. This wave of 2nd Chance, play-for-fun and hybrid games will continue to get even richer as technology bolsters the consumer experience in even more engaging and entertaining ways.

The third technology wave has already begun, and it's all about deepening relationships with players and building loyalty with the lottery and its brand. This emerging trend has evolved into players' clubs where registered members receive bonuses and special offers. Today, rewards are the gold standard in loyalty programs because they offer players the ability to accumulate and redeem points for merchandise, drawings and experiential opportunities. Lotteries that have launched rewards programs are seeing incredible benefits, including:

- Enhanced player insights and purchasing behaviors
- Higher levels of player engagement with the lottery brand
- Ability to use point structures and promotions to drive sales of profitable games

The gold standard in loyalty programs is the rewards – the ability for players to use points for merchandise, experiential opportunities, digital downloads and drawing entries.

What's next? Greater levels of player engagement and consumer marketing using mobile technologies.

## Lotteries Go Mobile

Within weeks of the original iPhone® release in 2007, third-party apps emerged and mobile became the next big consumer channel for many industries. In the highly regulated, security-focused world of lotteries – mobile has emerged as an important element in the marketing toolkit to reach consumers.

The adoption of mobile apps in the lottery industry is driven by a few primary business objectives: information delivery, enhanced player experience and deeper consumer relationships.



Points for Prizes includes a web store where players can redeem points for merchandise and music downloads.

Today, 13 lotteries – 29 percent of U.S. lottery jurisdictions – have mobile lottery apps developed by Scientific Games. Common features in these apps include winning numbers, game information and GPS-enabled retail

locators. Several lotteries also offer apps for play-for-fun games. And today, four of the 13 lotteries using the Scientific Games lottery apps in the U.S. are integrated with players' club functionality.

The launch of the new Slingo® Lottery Challenge is a great example of a fully-integrated digital marketing platform wrapped around an instant game. Players can fully engage with the lottery's brand and its game by going deeper into a digital experience.

## The Growth of Rewards Programs

Nearly six years ago, Scientific Games introduced Properties Plus®, a comprehensive player rewards program for the lottery industry. Properties Plus allows consumers to enter their lottery games into a rewards website and accumulate points in their player accounts. The points can then be redeemed for merchandise, digital downloads and other items, as well as entries into drawings. The rewards website also offers lottery information, photo sharing, play-for-fun games and other social features.

Currently, Properties Plus programs are operating in seven U.S. lottery jurisdictions: Arkansas, Tennessee, Missouri, North Carolina, Maryland, Kentucky and North Dakota. Combined, the player rewards programs in these jurisdictions now have more than one million members.

In addition to growing playership, a player rewards program can increase engagement with the lottery brand. For example, consumers spend an average of less than five minutes on general lottery websites. According to Scientific Games, participants spend an average of 18 minutes or more on Properties Plus rewards program websites. This can be an ideal marketing platform for lottery brand awareness and promotions.

## More Connection, More Engagement

In early 2012, the Tennessee Education Lottery added Points for Prizes® to its rewards website. Unlike any other

## The Tennessee Lottery's players club membership more than doubled since the Points for Prizes® program launched just over two years ago.

platform in the lottery industry, Points for Prizes includes a web store offered through Properties Plus, where players can redeem points for merchandise and music downloads. Prior to Points for Prizes launching in Tennessee, 10 percent of eligible non-winning lottery games were entered on the rewards website for drawings. Today, Points for Prizes has pushed this entry figure to 26 percent. In fact, the Lottery's V.I.P. Players Suite membership more than doubled in just over two years after the Points for Prizes program launched.

"We are always looking for new and innovative methods of connecting and engaging with our players, and Properties Plus has done just that," explained Rebecca Hargrove, President and CEO of the Tennessee Education Lottery Corporation. "The more we grow our loyalty program, we hope the more players will want to play games and accumulate points in their accounts. Our goal is that this will ultimately result in more proceeds being returned to education in Tennessee."



*Jim Acton*

Jim Acton, Vice President of Business Development, Properties Plus, for Scientific Games explained: "Our program has turned a non-winning experience into a winning experience. Players now have an alternative to simply discarding games after they have been scratched or after a drawing is held.

Every game offers real entertainment value. That motivates more consumers to engage more often."

Once consumers are engaged, lotteries can then market to them directly through website promotions and email campaigns.

Now that the building blocks for interactive have been established, many lotteries will want to move from simple information sharing to actively increasing loyalty and direct engagement with their players. Rewards programs and mobile are two important marketing tools to achieve these objectives.

Being responsive to consumer trends is critical to remaining relevant and giving consumers the very best value for their entertainment dollars. The good news is that so far, the lottery industry has created a flexible set of interactive tools to engage players and offer varied marketing programs. Maintaining this momentum is the key to future success for today's lotteries. ■