

WHERE Science MEETS THE Art of Interactive

Insight, innovation lead to a portfolio of lottery digital solutions

From loyalty and bonusing solutions to mobile apps, second chance promotions, iLottery and eGames, Scientific Games innovation has resulted in a portfolio of world-leading lottery interactive solutions. Since the early 2000s, the company's insights analysts, internet and mobile technologists and marketing strategists have collaborated with game designers and creative teams, demonstrating what happens when science meets the art of interactive.

Continually focused on advancing technology, content and solutions for its global lottery and gaming customers, the company is very tuned in to what today's consumers want—and discovering new ways to deliver it.

As a result, Scientific Games has delivered more distinct mobile and web-based projects to global lottery organizations than all major lottery suppliers combined—in diverse regulatory environments, international languages, and with technology architected to allow multi-channel distribution and third-party integration. To date, the company has delivered over 600 digital programs and promotions to more than 45 lotteries around the world.

"We're engaging and connecting players with lottery games on mobile, web and at retail point-of-sale in new ways that expand beyond their initial purchase and play," said Michael Lightman, Senior Vice President, Interactive Products for Scientific Games. "From the player's perspective, interactive is all about offering more excitement and more chances to win."

Lightman said the players who register online for extended play experience a deeper connection, and this enhanced engagement leads to enhanced actionable player insights for the lotteries. "More registered play means more insights on player preferences for game themes, brands, play styles, price point and prize structure," he said. The Digital Content Studio at Scientific Games leverages these insights to create even more innovative lottery games and promotions.



First launched with the Arkansas Lottery, the Loyalty Plus™ program is now offered in nine states, with more than one million registered members.

Loyalty/Bonusing

Scientific Games is the first provider of full-service loyalty rewards programs to the U.S. lottery industry, starting with the launch of *Loyalty Plus*™, with the Arkansas Scholarship Lottery in 2009. *Loyalty Plus* has grown to more than 1.6 million members. Today, more than 33 percent of the Lottery's sales are from registered players—club members who subsequently scan their tickets in return for the chance of a bonus win.

Continuing to lead with interactive innovation, in 2014 Scientific Games provided the New Mexico Lottery with a targeted loyalty promotion called *Points and Rewards*, which offered players a chance to win cash or points to shop in an online store. The mobile app allows players to scan non-winning tickets for entry into the promotion. Scientific Games also conducts the monthly drawings and provides customer service support for players.

The results? New Mexico's \$1, \$2, and \$3 lottery instant game sales experienced year-over-year increases during the promotion, which was so successful the lottery extended it another year. As of May 2016, players had entered more than one million tickets into the promotion and installed the supporting mobile app on over 10,200 devices. Scientific Games and the New Mexico Lottery are currently working to introduce new features to keep the promotion fresh and allow for expanded marketing tools.

The company's lottery mobile apps leverage smartphone technology to provide players with an easy, convenient way to participate in loyalty rewards. The app's ticket scanning feature allows them to scan instant and draw games purchased at retail, and accumulate points. Players then redeem their points for merchandise in Scientific Games' exclusive online store – the only store of its kind in the lottery industry. Players can also scan instant and draw games to determine if they are winners—adding to the convenience factor.

Second-Chance Promotions

Second-chance promotions have long offered the opportunity for lotteries to deepen their connection with players. In the early 2000s, Scientific Games pioneered the use of interactive second-chance promotions and promotional games, followed by unrestricted for-fun games, to help lotteries engage with their players and to connect the players' retail experience to digital engagement. From its successful foundation in second-chance promotions, the company now

offers a wide range of loyalty and bonusing solutions to nine U.S. lotteries, and is the only full-service loyalty rewards provider in the industry.

Scientific Games can design and manage all aspects of an interactive program including web development, hosting, business intelligence, prize sourcing and fulfillment, customer service and drawing services. The company's Digital Content Studio also specializes in second-chance promotions, which allow regular non-winning tickets to be played again for more opportunities to win prizes.

Additionally, the studio creates and manages targeted loyalty and bonusing promotions with virtual prizes and additional drawing entries, as well as advanced loyalty and bonusing programs that provide gamified extra chances to win real and virtual prizes, or instant cash, each offering achievements or qualified criteria for bonus opportunities to win more.



Five weeks into the Ohio Lottery's Gold Fish™ promotion, 19,770 unique players had entered 114,463 tickets.

Advanced second-chance bonusing, like the new *Gold Fish*™ game the Digital Content Studio at Scientific Games recently created for the Ohio Lottery, connects a branded instant game purchased at retail with a highly-involved casual social game that provides players chances to play online to win cash prizes and drawing entries. Players earn virtual coins and fish food, advancing to new levels in the game as a reward for keeping their virtual pet gold fish and aquarium healthy.

Five weeks into the promotion, 19,770 unique players had entered 114,463 tickets. More than 504,500 in-game purchases



(virtual pet gold fish accessories, advance in levels, decorating aquarium) were made. Over 810,000 instant games sold, representing a retail value of more than U.S. \$1.62 million.

Indexing at 141, the game is performing 41 percent better than the average of any other Ohio Lottery game in its price point in the last fiscal year.

iLottery

“The heart of any iLottery initiative is the catalog of games,” said Lightman. “A common ingredient across all successful iLottery programs is the breadth of content, offering something for everyone. Scientific Games supports all of a Lottery’s existing game categories, and can complement these with a wide array of new and innovative themes.”

Success centers around introducing current players to the convenience and interactivity of the iLottery channel; engaging new and in particular, players not previously interested in lottery by integrating new media and social interaction; and developing all players into more active Lottery consumers in planned and responsible ways.

Scientific Games is an iLottery pioneer with 13 customers currently operating; the first was Lotto Bayern (Germany) in 2001. Since then, the company has developed a comprehensive suite of interactive gaming solutions and services for iLottery and player subscriptions, extending engagement to an eCommerce platform that enables players to make purchases online. In North Dakota and North Carolina, where Scientific Games supports iLottery draw game subscriptions, players can purchase a single ticket in the next draw (beginning June 2016 in North Carolina), and/or a subscription up to 12 months of draws, configured to each lottery’s individual rules.

Once the player registers and sets up a subscription account, purchases can be made through credit (North Dakota only) or debit cards as well as through an electronic funds transfer. Players receive email alerts if their numbers are drawn.

Player engagement is enhanced by a portfolio of tools that includes a dynamic shopping cart, real-time display of all game offerings and flexible prize redemption. Player account management is enabled by the creation of profiles, each offering more insight into how and what players like to play.

eGames

“Instant game players are seeking a chance to win prizes instantly in a casual online environment,” said Lightman. “Our eInstants deliver this by combining proven social gaming engagement techniques with instant game design visuals and math models.”

Scientific Games has also learned from interactive social gamers that winning isn’t always about cash. So the company also makes lottery games more fun—creating more chances to win—because value can sometimes motivate players beyond cash toward a more meaningful social, game-winning experience.



“The ability to post wins on social leaderboards, and redeem winning points to purchase exciting merchandise from an online store, drives eGame engagement,” said Lightman. “We offer a steady stream of innovation in this area, including freemium, second-chance, *Fun Play™* and *Skill-With-Reveal™* games. All of these expand the value of the game and deepen player connection to the lottery’s brand.”

Skill-With-Reveal games can be executed as a mechanism for awarding prizes or in a just-for-fun capacity, as determined by the rules and regulations governing the lottery.

Lotteries that are unable to offer internet components in their games can utilize this new category of games for entertainment purposes only by simply eliminating the reveal component and leveraging the games themselves to engage new and existing players in a more social competition.

Scientific Games’ eGames extend the playing of popular games to an online platform.

Convenience



Promotions



Loyalty



Rewards



iLottery



Mobile Apps

For years, the lottery industry predicted that mobile would one day become as important as the internet—or even more so. It’s why Scientific Games creates interactive customer solutions with the mobile interface as the first consideration.

“We are currently the leading provider of mobile apps in the lottery industry, with one in four U.S. lotteries using a mobile app developed by Scientific Games,” said Lightman. “Mobile apps are central to our digital solutions, offering features in the areas of convenience, promotions, loyalty, rewards and iLottery.”

Lightman said the company’s mobile apps include advanced features like bar code and ticket scanning that enables players to see if their ticket is a winner. The technology also offers promotional “push” notifications to alert players to new opportunities, as well as eCommerce that allows players to buy lottery games from their phone in jurisdictions where this is permitted by regulations.

Base features of mobile apps include core program functionality such as account access, new account registration, game information and member entry history, along with point balances.

Advanced features leverage the latest mobile technology, including GPS for retail lottery location, targeted notifications and promotions, and the camera for ticket validation and ticket entry.

As a real-world example, the Tennessee Education Lottery has experienced great success with its mobile ticket

Scientific Games’ mobile apps serve a wide variety of customer needs.

scanning capability. Within 30 days of its 2013 launch, its VIP app had been downloaded more than 14,000 times. As of April 31, 2016, the app has been downloaded more than 240,000 times and elicited nearly 77 million ticket entries.

Predicting the Future

Looking ahead, Scientific Games will continue to develop advanced, open technology platforms, interactive content and games for an increasingly changing marketplace – all focused on broadening player engagement and lottery revenue opportunities.

While players are driving gaming product convergence, the company’s innovations are also guided by megatrends happening in many different consumer segments.

Scientific Games’ Shared Services Platform group and iLab track across the lottery, gaming and interactive sectors—and are tasked with developing new concepts based on a holistic view that encompasses casinos, lotteries, mobile, web, retailers, regulators and players.

Focusing more on technical innovation over a two- to five-year period, the iLab seeks to develop technology that can be used across any or all verticals, with a goal of continuing a tradition of strong, insight-based interactive gaming products for decades to come. In a very real sense, the iLab is a “think tank” that looks as far into the future as possible, identifying emerging platforms or game delivery methods that others might not yet see on the horizon.

With 15 years of innovation in the industry’s newest channels, Scientific Games has firmly established the company as the leader in lottery interactive – from loyalty and bonusing solutions to mobile apps, second-chance promotions, iLottery and eGames. Blending science with art to deliver what today’s consumers want, sometimes before tomorrow arrives, Scientific Games’ mission is to create the world’s best gaming and lottery experiences.

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