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The supply chain has adjusted rapidly in order to bring more consumer goods directly to homes. In a time where online shopping was already impacting brick and mortar shops, we've now shifted even more of our purchases to the online channel. Adoption of technology has been forced on many Americans in order to obtain groceries and other items. Now that more consumers are in the habit of ordering online--and have learned to appreciate the convenience of homedelivery--I believe that people will continue to use online ordering even after the pandemic is behind us.

It is also likely that "social distancing" will continue in our daily lives for some time to come. Consumers will return to work, restaurants, and recreational venues, but the concept of avoiding crowds and direct contact will remain in our psyche. How this will affect lottery sales, positively or negatively, remains to be seen. It has already been a challenging year for Powerball, and the pandemic has only amplified those problems.

We have taken the approach of social responsibility during the pandemic. Previously purchased media advertising was converted to stay safe/beneficiary messaging. While lottery sales continue in essential retail locations, we are not actively pushing for sales at this time. Although our offices are closed to the public, we are making every effort to respond to player questions and to process mailed claims when we are able. We want New Mexicans to know their lottery is comprised of people just like them, waiting for this pandemic to pass. We feel such an approach is the right thing to do and will also be respected by players and policymakers alike, which in turn may help our efforts to develop new, even more responsible ways to do business in the future.

It is my hope that the challenges faced by lotteries will motivate legislators to authorize lotteries to make products available online. We have seen what can happen in jurisdictions like Michigan, Pennsylvania, New Hampshire, and others where distribution is opened up to include online and mobile channels. These distribution channels not only connect new consumer groups but also provide an online audience connection to drive customer traffic to retail. As a result, online lottery players buy more lottery tickets at retail. And of course, the online channel continues to function in a crisis like Covid-19 when it difficult to shop in retail stores.

Powerball and Mega Millions sales have been impacted even more than other game categories. Jackpots and rules have been adjusted to hopefully drive some improvement. But the real solution is to make the national games available online. I would submit that we should do everything we can to make that happen. I am working toward that goal in New Mexico, and I know other directors are working with their own stakeholders as well. I think we need to have a more nationally unified effort to place Powerball into the online and mobile channels everywhere. We are reaching a point where the best, if not the only, innovation that can drive organic growth of Powerball is to reach more consumer groups, and the best way to do that is by getting Powerball into online and mobile channels. Powerball is by far the most valuable brand in the industry and we need to act now to ensure sustainable growth. I think the digital platform would provide a richer canvas for innovation, for adding new game components and options and diversity into the Powerball player experience. And the crisis we are in highlights these realities for everyone, including our political stakeholders. Now is the time for the lottery industry to act. Only by bringing Powerball issues to the forefront of our agendas and by informing stakeholders and legislators of the urgent necessity to enable online sales will Powerball and other lottery games be positioned to grow sales in the future. I hope for positive action. Insofar as our political leaders want to preserve the funding for good causes, they will recognize the wisdom in giving their state lotteries more flexibility in how to market the games.

Unfortunately, the changes in consumer behaviors have already triggered

adjustments to the Powerball and Mega Millions games' jackpots. The long-term effects of these changes are unknown, but they highlight the need to shore up those games that we all rely upon for the benefit of good causes. With Powerball, increased population through international participation and the use of mobile technology are two ways to move forward. I think it would be a mistake to assume that lotteries will be somehow exempted from the impacts affecting the overall economy. Past recessions did not involve social distancing and other similar factors which directly affect the way people shop, buy things, and play the lottery.

We reached out to our retail partners early on to adjust inventory up or down based upon their needs, and we continue to communicate with them regularly. We are also flexible with general requirements such as selling subject to retailers' hours of operation. We can temporarily disable a terminal if a retailer so requests. The goal is to provide our retailers with the tools to sell lottery products if that's what they want to do. We hope this "whatever you need" approach has earned us the trust and respect from retailers that we can carry forward into stronger working relationships for whatever lies ahead for lottery products.

Self-service vending machines provide more social distancing than approaching a retail counter and interacting with a sales clerk. The trend towards self-serve and digital wallets will likely be accelerated by the desire to avoid the uncleanness of handling cash. I can't imagine in today's world of social distancing that any legislator would not understand the advantages of purchasing and payment solutions that provide both greater flexibility and safety. We are moving toward a cashless retail experience, and for lottery players to only be allowed to pay with cash in most states seems like an irresponsible position and potentially harmful to consumers.

We are here to serve our retailers. We have had approximately 5% of our retailers call us to ask that their terminals be turned off temporarily. A small number, but we certainly understand and respect their wishes.

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