



Gretchen Corbin, President and CEO, Georgia Lottery Corporation

Daily life for consumers the world over has changed in unimaginable ways in a very short period of time. As a result, we are faced with rapidly-changing habits and attitudes with the way we behave, the way we work, and the way we entertain ourselves.

Everything from how consumers enjoy a meal to how they purchase lottery tickets has been impacted. Grandparents are ordering items online. Millennials can't hang out with their friends, so they are streaming the same movie at the same time for a shared experience. Busy families that used to eat a lot of take out are now cooking every night. And we're seeing a spike in lottery players shifting to mobile play as they shelter in place.

Modern conveniences like e-commerce, online food delivery and streaming services have been growing for some time, however, they were not universal. Now we're seeing them attract new customers and expand into new products and services. As more people try these, they will adapt and this will become a new normal. While some of the changes are temporary reactions to our current circumstances, many are more fundamental shifts. People may be very cautious about returning to old habits.

Consumer behaviors and technologies were already evolving, but now the process has been accelerated. More people are going cashless, and more processes have been digitized. So we have to explore ways to expand our digital channels and be innovative with developing new concepts. Our lottery players will still want to play and win, but their behavior will be different. We have to really examine and understand that to move forward strategically.

After countless weeks of social distancing, online shopping and working remotely, consumer behaviors are bound to shift dramatically. In order to withstand this

crisis and position ourselves for future success, we have to anticipate what kind of consumer is emerging from this experience and how behaviors are evolving.

By understanding the most significant and lasting shifts, we can better position ourselves to prepare and adapt. From there, we have to develop the capabilities that ongoing success will require. We will need to rethink how we're reaching consumers, what products we are offering them, and how and where those products are being offered.

We'll need to focus on wide retailer recruitment and expanding our distribution base. We have to expand and grow our digital channel. And we have to find additional ways for our retail and digital networks to complement each other.

This is also a good time for us to reinforce our beneficiary messaging and remind the public of the many good causes supported by lottery funding. People feel good about purchasing our products and supporting their state lottery because they know that we support them and their communities.

There is hardly any industry that has not been touched by the coronavirus crisis, and that includes the lottery industry. As with any business that competes for discretionary dollars, the economy impacts our sales.

This is an unprecedented time, and it's difficult to predict what the economic environment will look like when this is behind us. There are a lot of factors out of our control. What we can do is focus on the things that we can control like our product offerings, our distribution channels, and opportunities for innovation. I am optimistic that we will learn a lot, adapt, and come out of this stronger together.

The COVID-19 pandemic changed the world in the blink of an eye. It could take years for things to return to normal, and it's highly likely that "normal" will be redefined. This certainly presents an opportunity to reach new players and to provide new experiences to existing players.

As we emerge from this crisis, some people will want to quickly return to previous behaviors, some will ease into them, and some will change the way they do things forever. After sheltering in place, consumers are more open to online purchasing and new entertainment options. Some of those who like to travel may want to stay closer to

home until they're confident that it's safe to resume travel. So they may be inclined to try homegrown forms of recreation like the lottery. We have a unique opportunity to tweak our business model and even reinvent aspects of it based upon the shifts that we're seeing.

Although we've experienced tremendous and rapid iLottery growth, our retailers are still our bread and butter. They're at the foundation of our success, and we have a deep appreciation for everything that they do.

All of our retailers have been impacted by the coronavirus crisis in one way or another. Some of them, for example some bars and restaurants, have even had to close during this period. Our sales representatives have been working hard to service retailers while sheltering in place. When they are back in the field and visiting retail locations again, they will do everything they can to ensure that our retail environment remains strong. We want our retailers to know that we are here for them and support them.

We will build upon our relationships with our retailers by connecting with them and assuring them that we are committed to our partnership and to their success. We will continue to employ strategies entailing maintaining manageable inventory levels, financial responsibility, industry information, and sales and promotions opportunities. It's also critical to explore ways to improve our digital space at retail.

Our retailers contribute greatly to our success, and in turn, we offer them a product that is a key driver of consumer traffic. Ultimately, we want them to know that we're here to help them bring in customers and move their business forward.

As always, the key is communication and engagement with legislative stakeholders. Consumer demand and habits are changing. Lotteries need the ability to offer products to consumers in a variety of ways. Brick and mortar retailers are always going to be an important part of the lottery business; but in order to continue to support the good causes that lotteries do across the world, there needs to be the option of new technologies. This can be done in a way that is safe and secure for players. Explaining how the funds will be utilized, the safety measures that can be put in place, and how authorization can benefit the lottery and consumers is the first step.

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