VISION OF THE POST-CORONAVIRUS WORLD





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I predict that people may be more health and safety conscious with a heightened concern with cleanliness, not only regarding their own personal hygiene but in retail and business establishments.

Prior to the pandemic, online shopping, shopping online with curbside pick-up and grocery delivery already existed. Now, however, these types of shopping experiences are becoming even more routine, customary and widespread. I believe these habits will remain.

A growing trend in brick-and-mortar retail has been creating a customer experience as a way to remain relevant. Now more than ever, this will be a necessity. People will continue to shop but will demand an experience that they cannot find online. That could be grab-and-go convenience, learning something new or being entertained while shopping. The lottery industry should evaluate what part of its product makes more sense online as shoppers shift to routine purchases there and what part of its product makes more sense as an in-person purchase at retail.

Lottery operators should examine optimal product distribution points for consumers, whether that be online, delivery or in-person at retail. In Louisiana, we found that in the beginning many of our retailers, especially in the hard-hit area of New Orleans, made the decision NOT to sell our products during the pandemic even though these stores remained open for other purchases as essential businesses. Some of the reasons for the decision were reduced staffing and hours, as well as the amount of customer interaction required to process a lottery transaction. However,

"settling in" to the current situation coupled with the loss of Lottery revenue has caused some retailers to reverse that initial decision. Nevertheless, we need to be asking ourselves what lotteries can do to minimize the "high touch" nature of a lottery transaction at retail. Reducing the amount of effort required to purchase/ sell a lottery ticket has always been a high priority for the industry, as it increases retailer profitability and player satisfaction. These efforts will become even more critical in our post-pandemic reality.

It remains to be seen whether Lottery will be resistant to an economic downturn, as a pandemic of this type and scope is unprecedented. As a form of entertainment, playing the lottery is relatively inexpensive as compared to other types of recreation; however, at retail, lottery products are often an add-on or impulse purchase. If individuals are making less frequent store visits, that could make a difference. Currently, our sales have been marginally affected, but the factors may have less to do with economic repercussions and more to do with the consumer effects of stay-athome orders and retailer business decisions in the midst of the pandemic.

In the past, here in Louisiana, we have seen decreases in regional sales that correspond to the health of our oil and gas industry. This industry has obviously been severely impacted by the pandemic, compounded by global supply issues that existed prior to the pandemic. We will be watching how this may affect our sales on a more long-term basis as well.

I am not sure that we'll be traveling less but perhaps using different modes of transportation and choosing recreation options that are less about crowds and more about new experiences – think renting a cabin in the mountains for a family gathering versus visiting a huge theme park, at least in transitioning to normalcy. I expect that harder-hit industries -- such as cruise lines and airlines -- are taking a serious look at what changes they can make to reassure consumers, and something really innovative could come out of this. Remember the Tylenol tampering scare

in 1982. That crisis did not result in the demise of over-the-counter medicine; instead, drastic improvements were been made in consumer safety across all sorts of types of products.

It has been interesting to see some retailers decide NOT to sell lottery during this pandemic, even as they have been deemed essential businesses and remain open. We respect those individual business decisions but must also evaluate why they made those decisions and how we can remove those barriers for the future. Coming at the problem from the opposite direction, we should also ask ourselves whether we have an obligation to diversity our distribution options, such as going online, to offer financial protection.

I believe this pandemic has brought some regulatory issues to the forefront and increased the sense of urgency. Lotteries need the freedom to diversify the ways they can deliver their products, and they should also look for ways to reduce the "high touch" nature of transactions at retail. Industry-wide solutions and best practices can be developed and shared. Because of the global impact of the pandemic on nearly every facet of business, I believe legislators and regulators will be receptive to positive changes.

During the first week of crisis, we were in "challenge" and "obstacle" mode as we stealthily reacted to the health crisis as individuals, employers and business leaders. As we consider what a return to safe work will look like, we have already transitioned to "opportunity" mode as we assess went well, what did not and what we can do even better for the future. This crisis has united us around a shared problem and experience, forcing us to look at different ways of doing business and making us predisposed toward action. From a best practices standpoint, crisis MUST lead to innovation. Even as we deal with the emergency, we are currently determining what options can we deploy on a long-term basis to address a new reality, including altering the prize claims process, digital marketing and communication strategies, retailer customer service solutions and staffing situations.