

New Perspectives

on Retail

Lottery sales directors gathered from around the world to discuss the future of shopping and share current challenges and success strategies at IGT's 10th International Lottery Retail Workshop.



The Retail Experience: As in past years, IGT's 10th International Lottery Retail Workshop was designed to foster collaboration and shared insights among retail lottery professionals from around the world. The format allowed for impromptu peer-to-peer conversation and group discussion around a range of current retail challenges.

It's not often that lottery sales executives have the chance to gather with their counterparts from other markets and literally "talk shop." Recently, 17 executives from 11 lotteries took advantage of the opportunity to share insights and strategies when IGT convened its latest International Lottery Retail Workshop. After a one-year pause following 2020's online event, this 10th-anniversary session returned to its origins at IGT's North American Lottery headquarters in Providence, RI, from November 15-17, 2022.

Attendees included many past participants and, for the first time, representatives from IGT's newest customer, the National Lottery of Malta. Some of IGT's U.S. lottery customers were also included in the workshop for the first time. "The U.S. is now a different gaming landscape after

the pandemic, and its unique challenges generated huge amounts of discussion from workshop participants," observed **Sharon Duncalf, IGT Vice President Global Insights**, who co-hosted the

two-day event with **Paul Riley, IGT Vice President Retail Innovations & Partnerships**.

Among many highlights over two days, participants heard directly from fellow



workshop attendee, **Anne Johnson, Walmart Director Retail Services**, on how the world's largest retailer is approaching the growth of its lottery business. Johnson's keynote presentation reflected on her team's 10-year journey to develop the category and cited a number of ways the retailer has sought to deal with the challenges that lottery presents while recognizing their consumers' desire for accessibility and convenience. Johnson went on to discuss many initiatives now in progress to advance the category with partners such as IGT.

To support growth and further success with large corporate retailers, Johnson emphasized the need for the lottery industry to continue eliminating manual processes; to involve retailers in evaluating the impact of important new game and automation technologies currently in development; and to establish workable lead times with large retailers to enable the extensive internal planning they require – and even to expedite initiatives when possible.

"Our learning is never finished," said Johnson. "We're always excited to hear what's next and how we can bring that to life in our stores."

"It was great to hear the perspective of

"Some countries shared their strategies to accommodate the culture of playing lottery, and it's inspiring for us to look to them. Digital as a tool is extremely important. Once we master it properly, we can deliver a better customer experience and much, much better results. That's the bottom line for me: how to adapt."

Stanislav Molnar, Executive Director of Products, Tipos Slovenská



Trending Now for Retail and More: To get a look at broad trends likely to shape consumer demand and behavior in the year ahead, download **IGT's annual 2023 Trend Report**, available at [IGT.com/2023Trends](https://www.igt.com/2023Trends).

such a well-known national and even international chain," said Paul Riley. "Anne's presentation had great relevance to the international lotteries in understanding all the touchpoints of their lottery products for a huge store network."

Macro Trends to Watch

IGT's Sharon Duncalf kicked off the Workshop with a keynote presentation on **"Innovation in a Post-COVID World – The Future of Shopping,"** a look at new research on consumer trends that are expected to reshape the retail landscape.

"Across all age groups, more than 20% of consumers surveyed globally said they will go to stores in person more often in the next 12 months," she noted, citing 2022 research data from IGT's longtime trend-research partner The Foresight Factory.

"We believe that technology will play a vital role in the recovery of bricks-and-mortar retail and boost the shopping experience both online and instore," Duncalf continued. "This might sound

counterintuitive as new technologies are often seen as negatively disruptive, after all. But, done right— and built around human behaviors, rather than the other way around — the impact can be very positive and lead to a step-change in innovation."

What exactly will the shopping experience look like in the future and what's driving this evolution? A few examples among the many that Duncalf explored with attendees:

- **The Growth of Self-Service** Biometric payment methods will help deliver a frictionless shopping experience — for example, in clerkless stores driven by artificial intelligence. Researchers at The Foresight Factory expect that by 2025, 41% of the global population will have used their fingerprint as a form of ID to make a purchase, and a further 29% will be interested in doing so.
- **The Connected Shopper** One in three global consumers select their mobile device as the preferred channel when shopping for products, but that doesn't just mean shopping on the mobile. A full 50% of Gen Z and Millennial consumers say they never go shopping without using their mobile. "Mobile devices are empowering connected shoppers across entire shopping journeys, connecting online and offline channels, and bridging shopping and social interactions," noted Duncalf. "It's clear there are opportunities for retailers to capitalize on this behavior

and keep shoppers within their brand ecosystem when customers are using mobiles in-store.”

- **The Connected Player Journey** Even lotteries’ most sophisticated direct-to-consumer sales platforms (via their websites or mobile apps) are often still operating in isolation of the retail channel. “It will be critical to bridge the current gap between retail and digital, and allow players to benefit from in-store seamless transactions that can be continued out of store,” said Duncalf, discussing a capability that IGT refers to as Connected Play. “We are exploring new game initiatives that will work in this omnichannel environment,” she noted. “In such an instance, retailers will also benefit as a complementary channel.”
- **Virtual Economy** According to Foresight Factory research, the primary reason consumers will consider buying a virtual product is to get discounts on real-life products from the same brand. “This points to the significant role that virtual products could have in the future shopping journey, showcasing products and introducing customers to more substantial purchases at a later stage,” explained Duncalf. One aspect of this trend is **Blending Digital & Reality**. Lotteries can take steps to understand how existing and selling in virtual worlds can bolster their “in real life” (IRL) strategy to reach new audiences and chime with consumers’ desire to forge identities and lives in online spaces. The metaverse may be an opportunity to deliver messaging about lottery good-cause beneficiaries. Or, as consumers want to show off their digital inventories by collecting in the virtual economy, could lottery prizes expand to offer digital assets that “money can’t buy?”

Deep Dive – A World of Retail Challenges & Opportunities

As part of the workshop experience, attendees toured IGT’s **Player Experience Laboratory** for a close look at a number of IGT **innovations**



and unique product concepts directly relevant to lottery retail operations, giving participants an opportunity to offer feedback in the early stages of product development.

IGT’s Paul Riley provided a deep-dive on the current state of **In-Lane Sales**

globally, drawing on IGT’s extensive experience supporting lotteries around the world in selling directly on retailers’ point-of-sales systems. The discussion spanned current and potential solutions for selling lottery in-lane, the benefits to players, retailers, and lotteries, a detailed



As part of the workshop experience, attendees got a close look at a variety of lottery retailers and trade styles in Rhode Island and neighboring Massachusetts. Many attendees also opted to participate in organized retailer visits in New York City (pictured).

look at a range of current implementations, and a comparison of approaches, challenges, and success stats.

Along with a presentation on **Connected Play** — IGT’s vision for helping lotteries deliver new player experiences via digital touchpoints at retail — and a presentation on digital signage from invited guest **Jason Barrs, Vice President of Product Marketing, Carmanah Signs**, the agenda included a series of peer-to-peer presentations in a collaborative setting, offering ample opportunity for questions and group discussion.

On Day 1 of the program, attendees’ presentation topics included highly targeted lottery **incentive programs** to activate a lottery’s entire sales network; the evolution of point-of-sales outlets via the development of **branded lottery stores**; in-depth strategic plans to **modernize the in-store environment** with technology to support lottery’s relevance and maintain consumer health and safety; a **successful program to drive the growth of scratch-off products** via promotional and merchandising initiatives, self-service optimization, and customized marketing

“The sharing is very helpful for us, as we get to share insights, best practices, and lessons learned from various lottery retailers across the globe. We also have had the opportunity to learn from other retailers on their innovative initiatives to improve operations.”

Leng Leng Chia, Deputy Director, Singapore Pools

programs with key corporate accounts; and **evolving the retail experience relative to the draw-game category.**

On the second day, attendee presentations **discussed player experience, point-of-sales process innovation, and marketing and communications** for both draw and instant products; challenges and opportunities in **the post-COVID environment**; pursuing **new retail partnerships**, innovating with **interactive jackpots signs**, and other initiatives to expand the lottery brand at retail.

“IGT’s goal with all of our customer workshops is to expose participants to the newest and best methodologies, technologies, and trends in the field, and give them an opportunity to cross-pollinate ideas with each other,” said Duncalf. “Based on feedback we’ve heard from participants, they left with some new insight and a more finely detailed picture of how other lotteries are rising to meet their retail challenges and opportunities.” ■

For information about future workshops, contact IGT’s Paul Riley or Sharon Duncalf.

