

# Customer-centricity: A New Meaning to Putting the Customer First

When the events of the past year are behind us, at least one thing will remain: a shift in the way we shop. We have been warned for years about the impending retail apocalypse, but even in the midst of a pandemic, it has not occurred. While there has been an undeniable shift towards digital shopping in a variety of forms, with some customers learning to navigate new channels for the first time, many have still chosen to continue to shop in-store, especially for things such as grocery items. In fact, according to Bain & Company, online grocery shopping accounted for 5.1% of total grocery sales at the end of 2019, and by the peak of the pandemic in 2020, had risen only slightly, to 6.6% of sales.

While this past year has been very challenging for retailers, many have seen firsthand what other brands have already discovered: the key to success is making the customer experience the top priority. Providing customers with choice—so that they can decide how and when they want to experience a product or brand—is what defines the new era of retail. In the first era of retail, the focus was on the producer; in the second era, the focus was on the retailer; now in the third era, the focus is on the customer experience. Today's customers will shop online or in-person, based on their preference, convenience, and maybe even the weather. This will dictate how retailers sell their products.

For example, Allbirds, an online shoe company based in New Zealand, was so successful with their customer-

centric approach to the online buying experience that they decided to open brick and mortar retail locations, offering customers a new way to interact with their brand. While some consumers prefer the convenience of online shopping, others prefer to see and feel a product before purchasing, so with this in mind, Allbirds designed their store to have comfortable seating, making trying on shoes easier and more relaxed for their customers. In another departure from the typical shoe retailer, they chose to display a select number of shoes at any given time, so as not to overwhelm shoppers. Allbirds successfully translated its online brand to brick and mortar by keeping the customer at the center of the shopping experience in every respect, regardless of channel.

This customer-centric approach is equally applicable to lottery. As lotteries develop and launch new products and services, they need to place the players at the center of the brand experience. This means considering when, where, and how customers want to play, and ensuring that they have products in place to meet them wherever they are—including, for example, in-lane at grocery stores, in social establishments, and on their phones, making it easy for them to interact with the lottery brand. Traditional brick and mortar retail and digital lottery are not competing. Whether players prefer to purchase or play online or offline, it's all about creating the best customer experience desired at that moment in that channel.

## Era's of Retail

**1<sup>st</sup> Era**  
PRODUCER

**2<sup>nd</sup> Era**  
RETAILER

**3<sup>rd</sup> Era**  
CONSUMER



The recent pandemic has presented an unexpected opportunity for lotteries. Many have welcomed a wave of new, lapsed, and infrequent players over the past year, resulting in overall instant sales growth of 13% in North America in 2020—significantly exceeding the growth of the previous years. Furthermore, data shows that many of these new players have indicated that they will continue to play. For example, research in Michigan found that of the casino players that tried instants for the first time during the pandemic, 81% of them said that they will continue to play instants. What is more, over half of those players are under the age of 35.

To encourage these new players to continue to engage with lottery products long after life returns to normal, lotteries need to recognize that continued success is all about the customer experience and therefore seek to leverage customer-centric products and strategies that appeal to players when and where they want to play.

As a leading partner to lotteries worldwide, Pollard Banknote's culture of innovation drives the development of new solutions that will help to support lottery success in the new era of retail, with a specific focus on outstanding games, retail excellence, and digital innovation.

## Traditional Retail with a Touch of Digital

Pollard Banknote recently worked closely with the Western Canada Lottery Corporation to launch eight E-PLAY Tickets, including *Ca\$h Frenzy*, *Holiday Treasures*, and *Cro\$\$word Moneybag Multiplier*. These games provide a 1st chance digital experience that starts and ends at retail, thereby offering players a traditional purchasing experience while gently introducing the idea of playing lottery digitally without overwhelming new players to that channel. The tickets, which are purchased at a brick and mortar retailer, are scratched to reveal a QR code and URL which players can scan on a mobile device or enter using a desktop computer to play a digital game for a chance to win up to \$5,000. To claim their prize, players must return to retail to scan their winning ticket. E-PLAY Tickets create an easy way to

move players into a digital space with a traditional instant ticket that has an added digital component.

## Instants In-lane

To make it easier and more convenient for players to purchase instant tickets alongside other items, Pollard Banknote collaborated with subsidiaries Fastrak Retail and Diamond Game to develop a new in-lane vending solution called easyVEND™. easyVEND™ is integrated into the retailer POS system and allows for the in-lane purchase of instant tickets in a single transaction with other purchases, adding a new level of convenience for customers. This solution also significantly lightens the labor that instant tickets traditionally demand of cashiers and retailers, while placing the tickets conveniently and securely in-lane, very cost-effectively.



## Instant Ticket Vending in Non-traditional Retail Locations

Using a customer-centric approach to facilitate instant ticket sales, Pollard Banknote subsidiaries Schafer Systems and Diamond Game collaborated to develop Select 4™, a small footprint four-bin ITVM that facilitates the sale of instant tickets in non-traditional retailers, such as bars, cafés, and other locations that have

previously been difficult to penetrate. The Ohio Lottery seized the opportunity to provide its market with a



convenient new way to buy their favorite instant tickets, initially placing 25 Select 4™ units in the upper Cleveland area during a pilot program, which was met with positive feedback by players. The Lottery plans to install an additional 475 units in various locations across the state through the end of Q3 2021. The customizable, compact unit offers the

familiarity of an ITVM with an easy-to-use interface designed to grab players' attention, making it easier and more convenient for players to purchase and play instant tickets.

## Hopping into Omnichannel Lottery Programs

The Michigan Lottery used a true omnichannel approach to launch its latest Frogger offering. It includes traditional scratch ticket play and an e-instant version of the classic Frogger video game from Konami Digital Entertainment, providing players with a multifaceted play experience. The \$2 Frogger instant ticket, printed by Pollard Banknote, encourages players to scan their instant tickets—both winning and non-winning—for entry into weekly Second Chance drawings for cash prizes.

By infusing new and retro designs with innovative game mechanics to diversify lottery portfolios, it creates a truly immersive and engaging entertainment experience that appeals to new and returning lottery players alike.

## A Customer-centric Future

The pandemic has accelerated the evolution of customer-centric shopping trends and as a result, lotteries must adapt to meet their changing needs. The modern consumer wants options, and therefore it's crucial to have lottery products available for players where and when they want. Now more than ever, using a customer-centric approach is key to keeping customers excited and engaged. Pollard Banknote is proud to be at the forefront of bringing new, innovative products to lotteries so that they can offer their players more choice in this new era of retail.

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