Driving the Omni-Channel Experience: What are the promotional tools, levers, game concepts, and strategies to entice the player to engage with Lottery on multiple channels?

L-R: Mark Michalko, Richard Bateson, Shannon DeHaven, Helene Keeley, Randy Spielman, Lorne Weil

Omnichannel has been the buzzword du jour across the lottery industry for awhile now. Everyone appreciates its importance, but what exactly does omnichannel mean for the Lottery? And how can we best implement it to generate data, provide seamless player experiences, and maximize player engagement across distributional channels? These were just some of the issues addressed in the panel discussion that brought together experts from the vendor and lottery communities, and moderated by **Mark Michalko,** Executive Director of the North Carolina Education Lottery.

Mark was joined on the panel by:

- **Richard Bateson,** Chief Commercial Officer, INTRALOT

- **Shannon DeHaven,** Vice-President of Digital Engagement, Pollard Banknote

- **Helene Keeley,** Executive Director, Delaware Lottery

- **Randy Spielman,** Deputy Executive Director Product Development & Digital Gaming, North Carolina Education Lottery

- **Lorne Weil,** Executive Chairman, Inspired Entertainment

Mark began by asking the panelists what omnichannel means to them. "Is it just about driving engagement at both land-based retail and online? Or is there more to it than that?"

From the perspective of INTRALOT and the vendor community, **Richard Bateson** emphasized the importance of connection and integration. "As vendors, we sit at the apex of marketing and technology. The omnichannel relationship enables us to identify what players want and allows them to play by whatever means they would like to interact with us. So, having a customer data platform that sits underneath everything else is at the heart of omnichannel."

Similarly, **Randy Spielman** defined omnichannel as "a player-centric approach to engagement. Omnichannel engagement goes beyond the player purchase of a lottery ticket to encompass marketing, commu-

nication, and even the culture of Lottery itself."

Sounding a note of caution, **Lorne Weil** took a broader perspective on questions of omni or multichannel. "Lottery is not a closed system, and Draft Kings' acquisition of Jackpocket shows that the lottery industry is not working in its own isolated universe. For some of our competitors, Lottery is the primary if not only product category with retail as the primary channel of distribution. For others, their strategy is focused on multiple channels like sports bettors online and retail sports bettors as well as lottery players. That's why we need to think as much about how to defend our turf from competition as we do about the opportunities that omnichannel presents."

Helene Keeley also described how omnichannel is "a new challenge" for the Delaware Lottery. "In Delaware, all

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games-of-chance products are sold and/or regulated by the Delaware Lottery. We're the regulator and we sell the products. But competition from the surrounding states means that we still have to pay attention to omnichannel competition. Even though we manage the entire gaming industry in Delaware, we need to keep up with the competition from outside our jurisdiction."

Focusing just on lottery products, Shannon DeHaven, argued that omnichannel is about "consistency and seamlessness. For example, you might have Powerball online and Powerball at retail, but that isn't really omnichannel unless the exact same features are available at both. If it's going to be omnichannel you have to offer a seamless experience with the same product no matter how a player chooses to play. And that's why, when we talk about omnichannel, it's essential to also talk about how you leverage the technology that underpins the consistent and seamless player experiences."

However, Shannon also acknowledged that "there are certain categories, such as instants, where the same product is not going to work on both channels. There are different audiences. But we need to make sure that each audience has the options and the opportunities that they're looking for."

Picking up on that point, Mark highlighted the differences between multichannel and omnichannel approaches. "Multichannel implies an operator-driven approach to maximize outreach at various distribution channels. Whereas omnichannel is about looking at everything from the player's perspective. But, coming back to Shannon's point, how do we connect the experience of playing games into a true omnichannel experience for the player regardless of whether they play online or in-store?"

For Shannon, the key issue was having a data platform that allows you to understand "what's resonating with players online and what's resonating with players at retail. And you also have to identify those players who want to play at both because that creates opportunities for cross-promotion."

Agreeing about the importance of data and technology, Richard said, "If you're

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trying to forcibly connect with a consumer via a channel or location they don't want, then they're not going to be as receptive to it. So, we've got to make ourselves available anytime, anywhere, so that players can access games wherever is most convenient for them."

Building on that, Randy stressed the importance of using data to understand customers' likes and dislikes. "Consumers expect to be listened to and modern technology is making it easier for companies to know their customers. So, if we don't start moving toward a complete, omnichannel understanding of how our players like to engage with us, then we have the potential to turn them off. We don't want to put offers to play scratch-off games in front of people who don't like them."

Responding to Mark's question about how vendors can accelerate lotteries' progress toward an omnichannel relationship with players, Lorne argued that lotteries need to emulate the openness of the rest of the gaming industry. "At Inspired Entertainment, we focus 100% on content creation. Our customers have 20 suppliers, and anybody with a great product can have that on MGM, Caesar's, DraftKings, FanDuel, or wherever. But that openness doesn't exist in the lottery industry. And I think omnichannel is really a pipedream until the most important platform suppliers take down the barriers and make it as easy as possible for content suppliers to get their products into the distribution channels."

Richard also emphasized the importance of integration. "Technology needs to support our business plans and strategies,

and the way to do that is to have a fully interoperable system that can plug in microservices apps, game content, widgets, whatever you need to have in there. With interoperability, you can bring in whatever solutions are right for your customers. The system enables integration and gives you the openness to work with whoever is going to best meet your customers' needs."

From Shannon's perspective, the issue was not just about content. "As suppliers or business partners, we need to bring forth solutions that are highly adaptable at a much faster pace. And we need to bear in mind that any solution has multiple integrations. Sometimes, you've got to swap one out because something better comes along but you don't want to swap the entire system out. We also need lotteries to open up and discuss with us the challenges they are facing because it's only when we understand those challenges that we can be part of the solution."

Echoing Shannon's point about the pace of change, Randy made the case for contracts that commit vendors to keep up with relevant technological developments over the entire term of the contract. "The world moves so fast that we can't just wait till the next contract period to address the needs of the customer. We've just launched digital instants, and it's already clear that we need to adapt and leverage new tools as soon as they become available, not at the end of a seven or ten-year contract. And we need to speak to our vendors to write that commitment to update and adapt into our contracts."

Randy also identified a specific issue about implementing omnichannel in retail

environments. "Another challenge is we don't control retail. The best omnichannel companies more than likely control their retail settings. So, we don't just need conversations with our vendors, we need to engage our retail partners too. There's more we can do to accelerate the omnichannel expansion by working directly with them."

Helene explained how Delaware faced specific challenges because of its size. "Delaware is a tiny state, and we have to be prepared to stand up for ourselves to get the same products from vendors that the much bigger states neighboring us are getting. Also, because we don't have a lot of staff, it's challenging for us to keep up with the pace of change. But we're motivated to meet those challenges, and we'll keep working with our partners to make sure that we do."

Randy also emphasized the need to change the lottery culture to accelerate the shift to omnichannel. "Lotteries are really good at launching and selling new games. However, we tend to do it within our little silos of traditional methods and departmentalized operations. But for omnichannel we have to drive departmental integration across the organization. Customer service is a great example of that. Players can access customer service via multiple channels like social media or in retail settings, and we have to ensure that they have a seamless experience with customer service that deals with their issues as they're happening. To achieve that, we need customer service to communicate with the departments that can solve the issues. For that, we need to change our culture and structures."

While recognizing the importance of technology, Lorne argued that omnichannel cannot be successful without the right content. "Imagine someone built the most technologically advanced supermarket with the greatest POS system and the best customer tracking, and they're offering one kind of cereal, one kind of milk, and one kind of soda pop. All the technology in the world isn't going to make that a success. People won't come to you just because you've got great technology, they'll come if you have content that they want to engage with. So, the technological priority when moving toward omnichan-nel should be simply to maximize the content opportunities available to players across those channels."

In response, Shannon made the case for focusing on the technology. "Technology is not the sexy part to talk about, but it's what makes these great games come alive and enables you to serve them to your players. And technology is changing so fast, that we really need to focus on six or ten years down the road and start asking difficult questions like, 'Will we even need terminals in the future?' Because what other consumer products require people to go to a special part of the store to check out? So, are there other solutions to make the experience more seamless? And it all comes back to the point about having flexible contracts."

"You need to have maximum flexibility written into the contracts," Richard agreed. "Additionally, you need orchestrated layers within your ecosystem technology so you can easily implement whatever is necessary to respond to market changes. Lotteries require their technology suppliers to provide flexibility and agility to compete effectively. To achieve this, vendors and lotteries must collaborate closely when creating new contracts."

Returning to the theme of data, Randy highlighted the importance of customer data platforms. "We have so much data that lives in various aspects of our business, and we need to find a way to centralize that and get one true picture of players. I think all lotteries should prioritize looking at their different channels, reviewing how they're collecting player data through those channels, and coming up with strategies to utilize that data."

Replying to Mark's question about how to engage people who don't currently play the Lottery, Lorne discussed the importance of importing proven gaming content from new game styles or even categories. "We have a library of around 300 games that we sell through every imaginable distribution channel—from physical machines to mobiles—and we know people like these games because they're playing them like they're going out of style. So, how can we repurpose these successful games so that they conform technically, ethically, and legally with the requirements of the lottery industry?"

Richard argued that the whole debate comes down to one key issue: relevance. "Omnichannel alone is not going to be a silver bullet. What matters is how you use it to get customer data and insights that enable you to communicate better, craft better value propositions, and build better products that will be more relevant."

Discussing examples of brands from other industries that provide the most advanced omnichannel experiences, Shannon focused on grocery stores. "Companies like Meijer and Kroger do a really good job regardless of whether customers are buying online or at retail. And they know how to use customer data to provide personalized offers." Similarly, Randy highlighted Target, which offers "a very seamless experience, you just log into their app when you're going into the store, and it drops all the offers. They were a little late to the game, but when they got there, it's as seamless as it gets."

Invited by Mark to share parting thoughts on the omnichannel player experience,

Lorne returned to his earlier point about the opportunities and threats that exist in an omnichannel world. "Technology is enabling all these different worlds to converge, and that convergence creates amazing opportunities to go omnichannel. But as we're looking at our world of Lottery, we also need to understand that the same technology is letting the rest of the universe converge on us whether we like it or not. So, we need to be very careful to look outside Lottery and see what's happening there too, so that we can maximize the opportunities presented by omnichannel and minimize the risks."

Shannon advised, "Do what you can with what you have; every little step is a step in the right direction, and eventually you will get there." Richard revisited the importance of "changing mindsets and starting to build up databases that enable you to bring in an omnichannel single view of the player." Helene recommended, "Trying new things and not being afraid to make a mistake because nine times out of ten you learn from it, and the next thing you do is going to be better for it." ■