

Diamond Game, Veterans Organizations Offer Untapped Market to Lotteries

“Our debt to the heroic men and valiant women in the service of our country can never be repaid. They have earned our undying gratitude.”

—President Harry S. Truman

For more than 100 years, United States military veterans have gathered at American Legion (Legion) and Veterans of Foreign Wars (VFW) posts throughout the country to enjoy the company of those with shared experiences. In addition, these organizations do important work through their time and monies raised reaching veterans in need. Similarly, non-profit fraternal organizations develop camaraderie around the good works they do in their community, frequently for veterans. The clubs in which they congregate offer members a friendly spot to enjoy light food and drinks and partake in entertainment opportunities.

These club locations provide an untapped market opportunity for most lotteries. In many states, non-profit veteran and fraternal clubs have not been licensed as lottery retailers and in states where they have, there is still significant opportunity for new products that would increase revenues for both the veteran and fraternal causes and lottery programs. What better use of the retailer commission than to support the local good causes of veteran and fraternal clubs?

For lotteries that are looking to expand their player base, non-traditional retailers offer an opportunity to generate incremental revenue from a different player demographic. And non-profit veteran and fraternal groups are a safe political avenue to expand in. Between veteran organizations such as the Legion, VFW, and Disabled Veterans, and fraternal organizations such as the Benevolent and Protective Order of Elks,

Eagles and Moose and the Knights of Columbus, there is a potential total retailer network of approximately 30,000 locations in the United States.

As a state-level example, the median number of lottery retailers for a US state is approximately 2,950, not including veteran/fraternal clubs, and such a state is likely to have 500 or more veteran and fraternal locations that are not current retailers. Recruiting just half of these vet/fraternal locations would increase the lottery's retailer base by approximately 9%.

California-based gaming company, Diamond Game, is working with these organizations in several states on product solutions geared toward the unique nature of these organizations as lottery retailers. These solutions include matching its ITVM and SST machines in the right configurations to maximize revenue within these locations, for both the lottery and the organization.

“Our LT-3 ITVM and NexPlay SST are perfect for a non-traditional retailer looking to attract players and increase revenue,” said Rick Weil, President of Diamond Game. “As more lotteries look for new avenues of revenue, considering veteran and fraternal organizations makes perfect sense. They have important missions, offer a new and perhaps under-served player base, and are eager to work with lotteries to provide entertaining gaming options to their members.”

As an example of the revenue potential of



the product in the medium-sized state noted above, if Diamond Game's product were deployed in half the non-profit clubs in the state, an additional \$25,000,000 in net revenue would be generated, based on data from existing markets.

Diamond Game designs, produces, and services games, gaming systems, and tickets for various North American Lotteries. Diamond Game's mission is to provide innovative solutions to lotteries seeking retailer and revenue growth.

For veteran and fraternal organizations, Diamond Game currently offers its LT-3 ITVM and is introducing NexPlay™, a suite of products that combine the benefits of traditional self-service sales and ticket checking with a modernized and more engaging interactive video display. The NexPlay product suite connects to Diamond Game's robust central system that facilitates many new, innovative features, as well as provides the data and security lotteries require from their central system providers. The NexPlay™ Self-Service Terminal (SST), via two large HD monitors, offers draw, keno, and instant ticket game sales, animated ticket checking, multi-game functionality, downloadable content, cashless payment options, age verification, and other robust responsible gaming features.

Diamond Game is confident that the LT-3 and NexPlay™ technology will not only drive new gaming revenue for retailers but also increase their core revenue stream. Why the confidence? Just look at the results the Missouri Lottery retailers have seen since the Missouri Lottery allowed veteran and fraternal organizations to install the Diamond Game LT-3 ITVMs in 2013:

- 95% of Veteran and Fraternal locations have experienced increased visits by their members
- 80% of Veteran and Fraternal locations have seen an increase of up to 30% in membership
- 80% of all respondents stated that the ticket dispensers have increased their food and beverage sales up to 60%

For lotteries that are looking to expand their player base, non-traditional retailers offer an opportunity to generate incremental revenue from a different player demographic.

And the organizations have noticed. *"These machines provide entertainment for our members and additional revenue to our [club],"* said Wayne Langbecker, Meramec Eagles No. 3678 in Arnold, Missouri. The Fraternal Order of Eagles is dedicated to helping the people of its communities through outreach and fundraising. And in Maryland, Dwight Reynolds at Woodsboro



American Legion Post No. 282 says *"Members & guests enjoy playing the machines, which is good for our organization as well. Profit is better than we anticipated."*

For the VFW, the revenue earned by the Diamond Game product helps the organization in its stated mission to *"assist worthy comrades, to perpetuate the memory and history of our dead, and to assist their widows and orphans."* There are few missions of higher importance than that.

Tapping into this under-served retailer base, particularly with a product properly-suited to the environment such as NexPlay™, is a win-win for lotteries and the good causes supported by non-profit veteran and fraternal clubs. ■

Visit us at www.diamondgame.com!