The retail landscape is changing before our eyes. Consumers now expect more from their shopping experiences, and retailers are adapting quickly.

Convenience stores are modernizing their operations, offerings and customer engagement to appeal to modern consumers. C-stores are increasing ease and availability with digital apps and fresh, made-to-order food. In other retail channels, supermarkets are offering more in-lane and self-service products with similar priorities.

A recent study published in January sheds some light on retailers’ efforts to create a more engaging customer experience. According to Bluecore’s research, “...up to 39% of brands reveal they are prioritizing customer-centric initiatives, such as improving experience or increasing customer value. This is in direct response to consumers’ rapidly increasing rate of product adoption and demand for experience.”

Their survey of 307 marketing technology decision makers at retail enterprises in the U.S. and Europe found that customer experience was respondents’ highest priority, while only 21% of respondents said they think they do an effective job. The second-highest priority, customer acquisition, fared even worse at 20%. To evolve the retail experience and attract new customers, retailers need data to help guide their decisions.

Research by SwiftIQ and the Association for Convenience and Fuel Retailing (NACS) shows that lottery players’ baskets at convenience stores are at least 50% greater than non-players’ baskets. Yet c-store retailers have grown inside sales by 30% between 2010 and 2018 according to NACS. C-stores are not stopping there—Nations Restaurant Review reports that c-stores now own 10% market share of the fast food industry.

“These positive statistics for lottery retailers do not discuss the impact of lottery as a driver of sales at convenience stores. Retailers are not focused on lottery products because of the inherent problems associated with the operation of lottery at retail,” says Randall Lex, Vice President Retail Solutions, Scientific Games. The company serves lotteries and retailers in more than 150 markets around the world and is the leading innovator of lottery retail technology in the industry.

“Retailers want to grow the category but cannot continue to operate the same way and expect different results. As an integral product at retail, the lottery category has the opportunity to modernize and help retailers up their game,” he said.

**Putting Data to Work**

Fun products, slick signage, creative marketing, retail engagement—these are the things that come to mind when thinking about reaching lottery customers and boosting sales. But what fuels the decision-making behind these important elements? It all comes down to data, Lex affirmed in a presentation at the European Lotteries London 2020 conference.

“There’s data out there. We just have to capture it so we can actually use it in a way that will help drive sales—and drive sales responsibly,” Lex said. “It’s critical that lotteries leverage data to make informed decisions, modernize lottery at retail and drive healthy play.”

**Creating an Ecosystem**

Scientific Games designed its SCiQ® retail ecosystem to use data to create better lottery experiences. Lex emphasizes the term “ecosystem” when describing SCiQ because it has unique benefits for retailers, players and lotteries. In addition to modernizing the instant game presence at retail, SCiQ increases data capture and player engagement and extends the experience beyond retail.

“It’s not just a retail lottery game display and dispenser. It’s a data generator for lotteries and retailers,” he said.

The underlying concept is to increase the capture of usable data throughout the lifecycle of an instant game. The collected data informs all aspects of the instant game business, from new product development to marketing, merchandising and sales. It is designed to provide visibility and real-time data to retailers and the lottery while reaching players in a competitive retail landscape.

**Quoting Tim Bucher, Chief Product Officer at Scientific Games:**

“Data at rest is storage. Data in motion is an experience.”

With consumers more open to new technology than ever before, vast amounts of data are being generated all the time. Rather than just storing this data on a server, Lex proposes putting this data to work to create better player experiences.

“It’s not enough to have data and to have marketing ideas. Cross-company departments have to merge together, those units have to talk, and they have to understand the capabilities of capturing that data and how to execute on it,” Lex said.
Changing the Game

Retailers are not focused on lottery as a driver of sales at convenience stores. According to a study, food industry retailers now own 10% market share of the fast food category, which is a significant increase from previous years. A recent study by Bluecore showed that retailers have grown inside sales by 30%, with convenience stores accounting for at least 50% of their sales.

Customers, retailers need data to help guide their decisions. A recent study published in January sheds light on the importance of data in the retail industry. The study found that 84% of retailers say they make their day-to-day lottery work easier, but only 36% of retailers wait up to a week or longer to get data. This statistic could easily be used to describe lottery retailers and lotteries, who are typically hindered by imprecise and untimely data regarding instant game sales across their retail network.

SCiQ® brings specific insights because it manages, dispenses, merchandises and tracks instant games at the ticket level. This enables precise inventory management, out-of-stock prevention and security for retailers. Thanks in part to the immediacy of data that SCiQ provides, 84% of retailers say it makes their day-to-day lottery work easier, Lex said.

“Think about if you could actually extract the unit-level information of that instant game data and understand what a shopping cart looks like, what transaction volumes look like by hour, by day,” Lex said. “There are opportunities for us to grow and bring this data in-house, review it, analyze it, and execute on it every day.”

Increasing Player Engagement

Because consumers have driven the need to enhance the retail experience, SCiQ offers advantages to retailers who want to boost instant games’ appeal and visibility in their stores. Typically in a retail environment the instant product isn’t as front-and-center, yet the instant product drives a lot of sales and repeat traffic and churn for the retailer,” he said.

A modernizing element of the SCiQ system, a digital menu board displays game images and data such as ticket numbers and game recommendations. Some retailers hang SCiQ menu boards from the ceiling of their stores to maximize visibility, a media value that lotteries have never received before.

“As soon as you walk into some stores you see a 50-inch SCiQ monitor—

Making Retailers’ Jobs Easier

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Driving Sales Responsibly

Improving the experiences for players and retailers is necessary for healthy retail, but lotteries exist to generate profits for the good causes they support like education, health and welfare, senior citizens and the environment.

“For lotteries that have fully adopted the SCiQ ecosystem, we see a 15-20% increase in sales,” Lex said. “We want to grow sales, but we have to do it responsibly.”

Scientific Games continues to evolve the SCiQ ecosystem, including using data to help players manage spending levels. The company is also expanding SCiQ in areas such as in-lane sales and self-checkout, as well as extending player experiences via mobile. Of course, data remains at the heart of all new innovations.

“Data is powerful,” Lex said. “We are putting it into motion and creating new experiences.”

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Retail Brand Survey

45% customer acquisition top 3 highest prioritites

21% effective at delivering good customer experiences

36% up to a week or longer delay to get data

39% customer experience top 3 highest prioritites

12% very effective personalized experiences

35% tech contributes to their ability to improve customer experience

*Study conducted by Bluecore