

# New Player Acquisition and Player Retention in an Increasingly Competitive Games-Of-Chance Marketplace



**T**he term of the moment in the lottery world is “omni-channel.” For many people, this means using all the content tools available to attract and retain new players. For **Gretchen Corbin**, President and Chief Executive Officer of the Georgia Lottery, an omni-channel approach is critical, but it includes so much more than just games.

“Is it enough to attract and retain players by just offering new games?” Gretchen asked. “Perhaps not. Having great games is the cornerstone to Lottery’s success, but we need to use all the tools available to us to engage the consumer. The omni-channel model is a critical component. That means optimizing the reach and effectiveness of all consumer touchpoints as well as your online and retail approaches. How do we cut through the noise of our competitors and reach our players? What about younger people who are so critical to lottery’s future and who might not fit into our traditional sales models and distribution and media channels? We need to make sure we provide the tools for lottery employees and retailers to create the content, in-store presence, and delivery channels that will ensure our success in the short and long-term.”

Helping Gretchen tackle this important topic was a panel of industry veterans:

**Jessica Fritz**, Senior Manager, Digital Growth Marketing, Scientific Games

**Ryan Mindell**, Deputy Executive Director, Texas Lottery

**Brian Rockey**, Executive Director, Nebraska Lottery

**Jennifer Westbury**, Executive Vice President, Sales & Customer Development, Pollard Banknote

**Andrea Williams**, Vice President, Marketing, INTRALOT

Scientific Games’ **Jessica Fritz** emphasized that player acquisition and retention should begin with a strong digital plan. “Even without iLottery, lotteries need to put resources behind building a digital profile for their players,” she said. “The most successful iLottery programs began with a strong online presence years before lotteries were able to sell online. Digital programs can start with players simply scanning their mobile to check if tickets are winners, loyalty programs or second chance activity. As you begin to move your players online or attract new players through online initiatives, even if they can’t purchase games online yet, you are now building that connection with the player who will play your games and remain more engaged than non-digital players. Access to data about your players will inform the way you make decisions and the way you communicate directly with them which, in the end, will create a stronger relationship with your player base.”

Intralot’s **Andrea Williams** said lotteries should focus on how their technology can attract and retain players. “We can look at player acquisition from a market perspective but it is critical that lotteries have

modern technology in place so players can easily purchase products or communicate with other players,” she said. “Our systems must be nimble and easy to implement and quickly respond to players’ changing needs. A strong marketing plan is really important but it must be married to the technology side of the business for a collaborative approach to solving player needs.”

Looking at how other businesses interface with customers can provide good lessons for lottery, said Pollard’s **Jennifer Westbury**. “I think the lottery industry should be thinking of our customers the way the banking industry thinks about its customers,” she said. “With a bank, if you withdraw money from an ATM, your account immediately reflects that transaction. Or if you go into a bank and deposit money with a teller, when you get home and log into your online account, you see that deposit. Lottery should be thinking about how we get to that model. We need one portal where players can see all their activity. Obviously as you look at it jurisdiction-by-jurisdiction, there are some limitations. But the future of the player relationship is in knowing who those players are, what they are playing now and what they want to play in the future.”

Speaking as a lottery director, Nebraska’s **Brian Rockey** said the road to technological advancement is different for each lottery, but all lotteries are working to modernize their systems. “Some lotteries, particularly smaller lotteries like ours,

are slowly updating their technology,” he said. “But until this technology is in place, we work to acquire new players through ‘old-fashioned’ promotions and marketing outreach. I’ve had discussions about helping our policymakers understand the importance of modernizing lottery systems to put us on the same footing as other consumer products. Not all lotteries are equal when it comes to the tools available to reach current and potential players, but our hope is that we’re on the road to offering the same type of technology to our players that they see in other industries.”

**Ryan Mindell** of the Texas Lottery is in a similar boat as Nebraska. “We have little data on our players as we are very limited in what we can offer digitally,” he said. “Without this information, we make sure we don’t treat any segment of the player base as monolithic. We create diversified product offerings using different price points, prize structures, playstyles and second-chance promotions that are appealing to a wide range of players. We have sufficient product in the market to appeal to diverse preferences and also make it available at locations accessible to as many people as possible.”

Gretchen turned the conversation to the use of marketing and promotions to attract customers. “Traditionally, our primary mission in the lottery industry has been to create great games, make sure the consumer knows about these games through effective marketing and promotion campaigns and then provide easy access to the games,” she said. “But if the past three-plus years have shown us anything, it is that the business of acquiring and retaining customers has changed, probably for good. People’s purchasing habits and even lifestyles have changed, where they work has evolved, and these changes are reshaping shopping behaviors. Let’s explore that.”

Jessica rightly pointed out that the past three years have seemed like a lifetime for the lottery industry and change has accelerated. “Suddenly, there’s more focus on self-service, on ‘touchless’ purchase of lottery products,” she said. “For iLottery jurisdictions, the primary changes have been using predictive analysis more than previously. An example is how we identify players before they lapse so the lottery can more easily keep them as active customers. The metrics we are provided by their online activities can help us create personal-

ized marketing campaigns for different segments, with the end result being a stronger relationship with players.”

As more lotteries build out their digital footprint, Andrea said there will be additional opportunities to communicate with them and entice them to play a variety of games. “More lotteries are adding multi-vertical portals which feature a variety of lottery content,” she said. “Some even offer sports betting and casinos. It’s important to communicate with all these players. For iLottery, how do we ensure that our technology allows us to cross-sell different price-points and different play-types? If someone is on a site to place a sports bet, you want to have the capability to send them a message about a sports-related lottery game. And then we have collected data that says this player is a sports fan and we can use that for future promotions.”

On the subject of launching promotions, Brian was pragmatic. “Whatever we can afford,” he said, only somewhat kidding. “We try and develop partnerships with recognizable brands, we support tourism in the state, and we stretch to get our message into the community. Without a strong digital platform, we don’t know how much these programs attract new players, but our feeling is that we are able to reach different groups of customers and non-customers. We do a lot of segmentation research so we know what interests certain types of players. This then informs our promotions. But many of these promotions are designed to marry lottery with brands that are going to attract consumers to the lottery.”

Pollard has found great success with the Frogger brand, and Jennifer said that taking a page from the video game industry could be useful to lotteries. “Many lotteries have games available through a variety of devices,” she said. “The younger player is also playing video games and our colleagues in the eInstant studio tell me that games have to load in six seconds or less or we lose the players. This type of information is critical for the lottery industry to understand as we seek out new players and create gaming experiences for players who are also video game players. Not surprisingly, our data confirms that we lose players if they don’t have an enjoyable experience, and that includes the opportunity to win money. If we marry our lottery knowledge with the experiences players have with video games, we can better develop games

and promotions for current and future lottery players.”

The panel discussion wrapped up with the topic of actionable items or, as Gretchen put it, “where the rubber hits the road.” “All of us are looking for pioneering new directions in which to take lottery to connect with our players and new consumer groups,” she said. “New promotions, relationships with key brands, point of sale material, distribution strategies. Consumers can be fickle. We have many consumers who are committed to our products but others who are a little harder to reach. For those, what are the best strategies to attract and retain them?”

Ryan provided the example of the Texas Lottery’s long-time relationship with the Dallas Cowboys. “The Cowboys were ‘America’s Team’ because they were the best in branding for so many years,” he said. “Our relationship with the Cowboys has provided us with a major boost, particularly considering how little we can spend on advertising. It starts with our second chance program and the incredible experiential prizes we offer. Players can win the opportunity to be in the draft room with (Cowboys owner, president and general manager) Jerry Jones, and that is something even non-lottery players have told us they want to win. We’re tapping into the passion of Texas residents, whether they have played lottery or not. And that’s how you attract new players.

“We have offered a \$100 ticket for a number of years and it has really created a buzz among a certain segment of players,” Ryan continued. “We know there are players who only buy that particular ticket because of the value proposition. Having these diverse options allows you to attract players from across the spectrum. My advice to lotteries is to not be afraid to try something new because you just might be surprised by how your players are going to react. We need to stay relevant in a changing environment, making sure we’re out there trying new things to get in front of as many people as possible. The players will tell you what they like. If you’re responsive to their feedback, you’ll see the results in new players and, we all hope, increased sales.”

Jennifer said that while much attention is being paid to digital, it is at retail where most of the new players will be created. “Most of the challenges we face at retail are

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about working with our existing retailers to find new ways to sell and attract players,” she said. “Over the past 20 years we’ve seen the retail product continue to increase in sales and while we’re in a bit of a lull right now, I’m confident sales will increase at retail. The industry has always found ways to keep the retail product growing. But it will take a reimagining of how we do things in the retail environment. You don’t take your wallet into the store to pay for gas anymore. So how do you get that wallet into the store? Things like a digital menu board help merchandise your products and promote sales. We’ve seen it work in a number of lotteries. To attract new players we have to find them where they are at a time that works for them. Some of this is digital but it also means making the retail experience as simple as possible for players.” As the director of a lottery that does not sell online, Brian certainly agreed with Jennifer’s assessment. “Even if you can’t sell through the internet, you need to offer a good mobile app and make sure the retail experience is as seamless as possible,” he said. “In the end, we’re basically selling the same type of product that was created 50 years ago but we have to figure out how to make it relevant, available and, for new players, approachable. I attribute a great deal of our success to adding features to our app. We can’t sell through it, but players can check their numbers and enter promotions. Our app downloads have doubled over the past year. That’s an example of staying relevant, even if you can’t sell through that app. It’s easy to complain about what we don’t have

but that won’t help us attract players. We need to make lottery as simple and accessible as possible, offer exciting promotions and products, and get in front of as many people as possible.”

Andrea added to Brian’s comments by stressing the importance of doing as much as you’re allowed in the area of digital. “To entice new players, you must bring the online experience to retail,” she said. “Most players buy their tickets at gas stations, convenience stores and supermarkets. Lottery is typically not the primary reason they are there. How are we going to make it as easy as possible for them to see the product, to get their hands on lottery tickets, and play our games? Perhaps it’s a single sign-on experience that’s hassle free and allows them to purchase with different types of payment methods. Let’s figure out how we can best attract and engage our customers. We’ve seen it work in the video game world, where players are continually provided with new experiences that keep them online as long as possible. If we can extend the experience for our players, they will find lottery fun and enticing and continue to purchase our products.”

Jessica explains how best to attract and retain players. “Through our CRM platform, we’re collecting first party data that allows us to understand the characteristics of players and predict their future value to the lottery,” she said. “This data is collected from both iLottery and non-iLottery player activity and includes second chance entries, loyalty points earning and iLottery purchases. We can

now build profiles of players that help lotteries create look alike audiences to reach new players in their paid media channels. This information also helps the acquisition and retention teams work together so they are not operating in two separate funnels. The more collaboration, the more your teams can better chart the user journey and make better decisions on how to reach players. Everyone at the lottery should be on the same page and using the player data available to them to make the most informed sales and marketing decisions possible.”

Brian wrapped up the panel by urging his colleagues throughout the industry to identify the competition and make sure we stay a few steps ahead of them. “Look at what happened during the pandemic,” he said. “Lottery was the only game in town and our sales boomed. But when consumers returned to their normal routines, and other forms of gaming returned, our sales didn’t drop to pre-pandemic levels. Why? They liked the experience they had. They liked the value proposition. Currently our growth is not the same as it was in that initial stage of severe disruption, but we are retaining a lot of players, many of whom may not have played lottery before the pandemic. If we can make our games appealing, offer a variety of price-points, and make the sales process as seamless as possible, we’ll continue to attract and retain new players as well as satisfy the needs of our current players. We just need to execute on well-conceived plans and stick to what we all do best.” ■

and directly know if they won or not.

Furthermore, by delivering the best possible service to our partners, which begins with a compelling instant games portfolio, we also bring lots of knowledge about how to optimize market and portfolio strategies. We not only aim to optimize revenue of the games categories our partners have booked from us. Instead, we believe that applying our knowledge to help our partners optimize their portfolio management and therefore their customer lifetime value benefits the operator, the players, and ZEAL as a games supplier. This holistic portfolio

management approach facilitates cross-selling, thereby attracting customers who might never have played instant products and enhancing the overall player experience for everyone. If our operator partners can increase their players’ lifetime value, they can more efficiently monetize customers for the benefit of good causes.

ZEAL’s mission is to build a tailor-made solution for each lottery partner and their portfolios. For that matter, the portfolio of our support services can be configured to align with your exact needs, including some or all of our products and services. We

offer the whole range of managed services from delivering and aggregating game content to managing our partners’ instant game portfolio and even the whole iLottery platform as needed.

Our long-term goal is to work with our partners to shape the future of lottery for the benefit of the good causes supported by government lotteries. Category management is one of several measures that we apply to bring innovation to an industry that is on a tremendous trajectory of change, growth, and prosperity. ■