

THE SELF-SERVICE EVOLUTION

Taking self-service to the next level doesn't require revolution or reinvention.

The most financially beneficial approach applies the full range of available solutions for optimal and responsible lottery sales.



“Rolling out self-service might seem simple – and we do so much behind the scenes to make it simple for retailers, customers, and players. But there are a lot of different levers to facilitate the optimal, growth-driving solution for a customer and retailer,” says Gina Easley, IGT Senior Manager National Chain Accounts. More than any one device or feature, what takes self-service to the next level is the partnership between lotteries, retailers, vendors, and the on-site people involved in deploying the right combination of products and services.

“When we started down the path with the world’s largest retailer a few years ago, they agreed to test IGT vending machines in their Neighborhood Markets in Florida,” says

Easley. “It moved the needle – validating the potential. And as a result of that trial, the retailer’s input, and our own R&D, IGT developed the award-winning Game Touch™ 20, a vending machine now being deployed in more than 70% of the retailer’s lottery-selling Supercenters in the U.S.” IGT will have about 1,300 Game Touch 20 machines installed in Supercenters across 10 states by the end of 2019.

The Game Touch 20 is part of a full range of IGT self-service products to accommodate different retail environments. “But, once you have the right product, a lottery still has to heavily support the retailer to make it successful,” notes Easley. (See *following pages*.) IGT provided a combination of consultancy services, retail support, and aggregated data analytics.

“The retailer collaborated with our Retail Sales and Execution team to optimize the operations side, the reporting, and the accounting,” says Tom Stanek, IGT Senior Director Global Retail Sales and Marketing. “IGT invested an estimated 20,000 work hours in software, product, and technology to accommodate their needs. This included developing, testing, and deploying new daily interface files, shared with other vendors in the Supercenter roll-out.”

The same types of needs and solutions apply to other retailers. This year, IGT is also working with customers to roll out the Game Touch™ Draw self-service vending machine, designed to introduce draw and monitor games into social spaces such as bars and restaurants. Ongoing learnings from the deployments will be used to benefit other customers and retailers. Also, across all distribution channels, IGT provides sophisticated, protective tools, such as age-verification technology to help ensure responsible growth for customers and responsible entertainment for players.

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“The commitment we make to retailers is that we partner with lotteries to deploy self-service for everyone’s benefit, including the player,” says Easley. “We’ve been working behind the scenes for a long time to put all the right pieces in place to do that, so our customers don’t have to.”

ENGINEERING SELF-SERVICE GROWTH



Medina Topalian
IGT Senior Product Manager

A mechanical engineer who began her career at Ford Motor Company, Medina Topalian joined IGT 10 years ago as a project manager in hardware engineering. Today, she oversees the roadmaps for IGT’s portfolio of new and existing player-facing products, including vending, retail digital media, and digital signage. “I work with lottery customers to understand their needs and, together with the IGT Innovation team, explore the wider realm of technology inside and outside of our industry for solutions to benefit players, retailers, and lotteries,” she explains.

Topalian oversees development of both IGT hardware and software, always with a focus on player and retailer needs: “If we’re exploring a new idea for a user interface for touch products, for example, my team generates concepts for focus-group testing and processes the results. **The art of our user-experience designers is to take complex workflows and translate them into experiences that are engaging, memorable, and as easy as possible for the player.** Equally important is the entertainment aspect of the design, which is accomplished through the use of creative animations and attract shows. To a lottery player, it’s just a press of a couple of buttons to get a ticket — and we spend a lot of time making sure it’s that simple. The success of our GameTouch™ products is largely due to the intuitive design and engaging lottery brand experience presented to players.”

Topalian fosters the high level of collaboration required for successful development. “**One thing we do is to create ‘user stories’ for our products, defining the capabilities and functions that each product needs to have.** By sharing these stories at the outset with our technology teams — the solutions architects, hardware/software engineers, and our user-experience designers, it expedites the development process. Everyone understands from the beginning what we’re trying to achieve with the product, so they can provide early input and approach the design in a holistic way.”



SELF-SERVICE

Deploying self-service for growth involves much more than rolling out a box...

RIGHT-FIT VENDING SOLUTIONS

Player Requirements

By keeping players at the center of innovation, IGT products and solutions support lotteries in delivering the experiences players want and expect. For example, current vending features like **cashless-enablement and payment via an Apple Pay wallet** were built into product roadmaps up-front, so that when a lottery is able to offer them, the solutions are ready to provide the payment options that are important to players and enable a successful roll out.

Hardware

IGT's range of cashless-enabled **GameTouch™** self-service vending machines (pictured) offers **the right vending solution for a wide variety of retail environments**. "Sales have been shown to increase an average of 13% when older vending

machines are replaced with GameTouch™ models," notes Medina Topalian, Senior Product Manager. "I've listened to a lot of players who've interacted with the new technology, and it's been so positive. Our teams are excited about that, as we are when we see customers really pushing the envelope with the content they're displaying on the screens. It's all geared to delight the player."

Software

Successful self-service goes beyond "the box" to getting everything else right: **standards and settlements, back office accounting, and reporting** that IGT shares with other vendors. All of IGT's player- and retailer-facing terminals are powered by Open Retail – the common platform that enables a faster time to market in adding new features and functions. Another key consideration is **the user experience and the interface** that players interact with. Attract screens on IGT GameTouch products play when the machines aren't being used, raising awareness with players by highlighting new games or running a lottery's video promotions on-screen, a feature that has helped take self-service to a new level of success.

Vending Optimization

One aspect of optimization involves the solution itself – the hardware, software, and the user interface. Once the solutions are built and delivered, **the second aspect involves knowing how to optimize the deployment inside a store, a chain, and a geography**. It's important to get both right, and IGT has committed significant resources and efforts to do both. (See opposite page.)



GameTouch™ Draw



GameTouch™ 28



GameTouch™ 20

CONSUMER AND RETAIL TRENDS

The retail environment is continually being reshaped by changing consumer preferences. IGT makes a significant investment in conducting **global player and retailer research** and has longstanding relationships with leading research and analytics partners to investigate emerging consumer and retail trends and share insights to help lotteries anticipate and respond to players' changing expectations. The findings of IGT's **Insights team** inform **game development, enhanced player experiences at retail, and other marketing initiatives** to accelerate growth in lottery sales and proceeds.

SUCCESS

...Success relies on a partnership between lottery, retailers, and vendor.

RETAIL EXECUTION

Vending Optimization Services

One of the unique consulting services from IGT's **Retail Sales and Execution team** is **VendMix+**, which offers a 360-degree view of retail and self-service, resulting in **a complete strategy and plan for optimization as well as a valuation of the potential gain**. Significant IGT market research goes into helping lotteries determine which retailers should have a vending machine and where those machines should be placed, as well as establishing leading practices for the user experience. With more than 80% market share of self-service vending terminals in the U.S., IGT applies **the experience of specialized team members and a range of KPIs and benchmarking data** to support customers in every aspect of self-service optimization and monitor the performance over time. The team also advises on **pilots** and provides **guidance on acclimating players to new products and new technology**.

On-Site Retail Support

To help drive adoption and success, IGT works with lottery customers to provide retailers with a range of self-service support. The **TrainUp+** service focuses on training for new clerks and new management in-store, both from a technical perspective and in terms of out-of-stocks and other aspects of retail execution, such as how to sell optimally. When retailers deploy self-service, they also want to make sure players know it's available. IGT's **VisualMix+** service assists retailers with strategies to alert consumers to the location and availability of self-service, for example, within large store footprints. IGT's **InstantMix+** service helps ensure that self-service is merchandized properly and with the right games and planogramming for optimal sales.

Aggregated Sales Data

Retailers want lottery to operate like everything else they sell – particularly national and regional retailers, who need **a single, chain-wide view into their sales and operations**. IGT supports lotteries and retailers with a unified, cross-jurisdictional view of performance through a unique **Retail Market Insight (RMI)** tool developed and maintained by IGT. As the largest U.S.-centric retail database in the lottery industry, RMI draws on more than 320 trillion data points covering 76% of the U.S. population in lottery states and 73% of traditional lottery retailers. RMI is available to all U.S. lotteries regardless of which vendor's lottery system they use. IGT's **Performance Wizard** software includes further tools to make the entire operation easier for lotteries and retailers, providing them with access to a **consistent data format and a business routine** that IGT teams developed in collaboration with Kroger, CVS, and other multistate chains. This standard, which IGT shared with the industry, is now in use by other retailers and their lotteries, regardless of vendor.



LOTTERY/ RETAILER BUSINESS MODEL

What business arrangement does a particular retailer prefer or expect from an individual state lottery? IGT collaborates with lotteries and retailers to **find the model that works best for them** and design a program to meet their roll-out requirements.

