When Business as Usual is
Anything But Usual

UNCHARTERED TERRITORY

The impact of the global COVID-19 pandemic has been widespread and dramatic. Stay-at-home orders and the temporary closure of non-essential businesses caused significant economic repercussions across the U.S. which will continue for the foreseeable future. At the same time, there have been countless displays of ingenuity and resilience. Huge sectors of the economy moved quickly to accommodate the rapidly changing landscape. Manufacturers refitted their production lines in order to make ventilators and personal protection equipment. Delivery companies purchased new trucks and hired more employees. Doctors and mental health professionals moved patient visits to online platforms. And these are just a few examples of how businesses large and small pivoted to stay viable during this unprecedented time.

COVID-19 AND THE LOTTERY INDUSTRY

The Lottery industry has also been forced to pivot and adjust over the past several months as consumer behavior and buying habits shifted in response to the pandemic. For example, a recent survey indicated that 62% of the respondents are making purchases with fewer shopping trips and 40% are stopping at fewer places. Another survey showed that 95% of the respondents currently practice social distancing and 15% indicated that they will continue social distancing even after the crisis ends. These trends, compounded by changes in day-part shopping as consumers work from home and skip the commute, mean that it is absolutely critical for lotteries to have the right product available and visible in stores at all times.

Although the after-effects of COVID are far-reaching, there are a number of products and services to help lotteries protect funding for vital state programs while offering players the games they want in a safe and responsible manner. For example, *Scientific Games Enhanced Partnership (SGEP)* customers can rely upon technologies like the new *SciTrak ULTRA®* with *OrderCast™ ML* to ensure the availability of instant game inventory throughout their retail network. The *SciTrak ULTRA* web-based *OrderCast ML* system allows inside sales employees to login from home to place orders or for lotteries to set up state-wide auto-orders. Whether orders are remotely entered, or system generated and automatically sent directly to distribution centers, *SGEP*-powered supply chains keep products continuously in the pipeline.

Another smart technology that's proving invaluable is the *SCiQ®* instant game ecosystem, which provides real-time sales data on the individual instant game ticket level, keeping Lottery Sales Representatives (LSRs) connected to their retailers even when they can't be there in person to address out-of-stocks, optimize product placement and price point mix, manage inventory, and ensure the right product is always available.

The *SCiQ* digital menu board clearly displays games and ticket information allowing customers to make purchase decisions at a distance, prior to reaching the counter and reducing transaction times. And the *SCiQ* lottery-branded mobile app allows players to view which games are on sale and select a game for purchase once in the store, further expediting the transaction process.
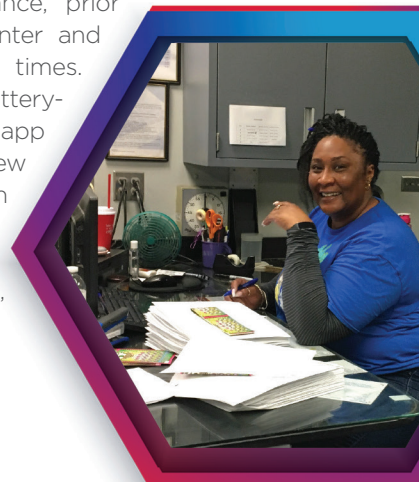
CASHLESS AND ONLINE CONVENIENCE

As more businesses move to cashless and contactless payment solutions in response to consumer fear of using physical currency, Scientific Games has worked to make this migration as smooth as possible. The company provides merchant services including card acceptance devices, payment processing, operational support, and fraud/ AML mitigation. The solution supports both debit and credit, Apple Pay, Google Pay, and other emerging forms of payment.

Another Scientific Games cashless offering is an eWallet which allows players to use funds from casino players cards, PayPal, and debit to pay for iLottery purchases. The digital sales surge during the COVID crisis is evidence that this channel has a lot to offer and plenty of room for growth. In preparation for that growth, eWallet accepts a wide variety of payment methods in the iLottery channel, including PayPal, Sightline, PayNearMe, Instant ACH, WebCash, and more. Going forward, eWallet will utilize a barcode that players scan at retail to purchase lottery products while keeping money within the lottery ecosystem.

BEHIND THE SCENES

Many of the measures Scientific Games enacted to ensure the safe and responsible sale of lottery products at retail took place before the games ever hit the store. In early February, when the full magnitude of the COVID-19 crisis was still unclear, the company's manufacturing and warehouse teams recognized the impending implications of a worldwide pandemic and immediately began to implement an action plan so its lottery partners could continue selling games and generate funding for the good causes they support. Disinfectants were vetted, personal protection equipment was secured, social distancing procedures were enacted, and the use of commercial deep cleaning services increased.

As shelter-in-place orders came into full effect, access to Scientific Games facilities was restricted and strictly enforced. Safety measures based on CDC recommendations and local and state guidelines were put in place.

The company's service technicians are literally on the frontline at retail servicing equipment. In early March, the Field Service Department, driven by a desire to protect employees, retailers and consumers while providing uninterrupted service, began implementing an official safety policy for all Technicians. The policy includes PPE usage, equipment-specific grab-and-go sanitizing kits, and vests imprinted with the clear message of "Stay Back 6 Feet."

The quick implementation of these protocols, which went beyond the requirements of the CDC, minimized health risks and helped ease the concerns of customers, retailers and employees.

MOVING FORWARD, TOGETHER

As states, businesses, and the economy begin to re-open, a new retail landscape is emerging. Some of the shifts in consumer behavior and buying habits as a result of the pandemic are likely here to stay even after the crisis has passed. Many consumers, for example, shopped online for the first time over the past few months and will likely continue to do so now that they have experienced the convenience it offers. Changes in retail operations, such as plastic shields that protect clerks, are likely to become a permanent fixture. And closer to home, iLottery games will continue to play an even greater role in helping lotteries around the world offer convenience to existing players, reach new players and importantly, achieve growth and revenue goals.

Emerging from this time of change and uncertainty, it is a worthy reminder that the work the lottery industry does ultimately provides much-needed revenues to a wide range of good causes that improve lives in communities around the world. Education. Healthcare. The environment. Veterans. Senior citizens. First responders. Infrastructure improvements. All these beneficiaries and more rely on revenues generated by lotteries. The global COVID crisis demonstrates that industry stakeholders must work together and invest in growth and innovation to protect this vital funding.