

REFLECTIONS ON A PERIOD OF MAJOR TRANSITION



Sarah M. Taylor

Executive Director, Hoosier Lottery (Indiana)

PGRI Introduction: Sarah M. Taylor is an accomplished leader with more than twenty-five years of public service experience. Sarah’s career in public service includes twice being elected as the clerk of Marion County, Indiana, the state’s largest county and home of Indianapolis. She served as the Director of Constituent Services under Indianapolis Mayor Greg Ballard. In October 2013, then-Indiana Gov. Mike Pence appointed Sarah as the Executive Director of the Hoosier Lottery. She has since been reappointed by Governor Eric Holcomb. In her 9.5 years as lottery executive director, she has moved up the ranks in lottery industry leadership. She has served as president (two one-year terms), vice president and secretary for the Multi-State Lottery Association, and as region director, secretary, 2nd vice president, and 1st vice president before being elected president of the North American Association of State and Provincial Lotteries. Sarah and her husband, a retired law enforcement officer, have three children.

Paul Jason: What an interesting year this is for everyone as we navigate a transition into a future that has been so changed by the pandemic experience. What would the short list of things that are undergoing most dramatic change and those things that surprisingly are remaining the same?

Sarah Taylor: Paul, it is great to be back to “normal” even though our post-COVID “new normal” world is so different from three years ago. Many of you reading this interview will be joining us in-person for

PGRI-Miami. Others recently gathered for WLS in Vancouver after a two-year absence. It was good to be back together with my industry peers.

One of the most dramatic changes I’ve seen is with consumer behavior. For me, I had used Amazon maybe once prior to COVID. Now packages arrive at my house weekly. I also look at my 85-year-old father who knows how to pull up a restaurant menu on his phone by using a QR code. Consumers of all ages have gone digital.

This change goes hand-in-hand with a more contactless and cashless society. In Indiana, for instance, we have one retailer who is transitioning stores to smart-check-outs, without the need for a clerk. Lottery tickets, alcohol, and tobacco are still age-verified by a retail clerk. Many states have self-service lottery vending machines, which allow a contactless purchase of all games. In Indiana, we’ve seen an increase of 68% in the use of our digital play slips since the start of the pandemic and an almost 75% increase in mobile app downloads.

As consumer behavior continues to evolve, we must communicate with our players that new consumer-friendly and contactless options are available.

Likewise, remote work schedules have seen a very dramatic change post pandemic. Many of our traditional downtown areas have transitioned to fewer in-office workers than they had just three years ago. As an industry, we must take into consideration all of these factors when determining product development and placement, retail expansion and support strategies, and other operational issues as well as big-picture strategic planning.

When players weren’t enjoying other forms of entertainment, consumers moved up in price points. \$5 and \$10 price points are still popular and so they continue to be developed in a similar manner. But

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our overall portfolio of gaming options has expanded and that causes changes to peripheral activities and functions like planograms to take on a new and different look. Frankly, it is exciting because it opens up opportunities to expand. We must continue to innovate or, as former GE CEO Jack Welch says “Change before you have to,” to meet player needs.

How has the disruption of the last two years changed or impacted NASPL’s mission?

S. Taylor: That’s a great question, Paul. Thanks to our incredible staff at NASPL HQ, we are business as usual...with a few minor changes. We joined the rest of the world in embracing remote work and online meetings. While we do enjoy the return of in-person meetings, conferences, and trade-shows (see you in Cleveland for Lottery Leadership Seminar, then in Denver for Professional Development Seminar, and then Milwaukee for the big NASPL annual conference/trade-show!), like everyone we have integrated video-meetings into our basic communications agenda.

The immediate past-presidents of NASPL – Bishop Woosley, Angela Wong, and Gretchen Corbin – did a lot of the heavy lifting with input from the rest of the NASPL executive committee. We reacted promptly by making the best decisions with the information we had at the time. We began by offering virtual opportunities that included video training and educational seminars sessions for our lottery teams. A few issues were unavoidable, such as the need to extend contracts for hotels and conference centers so events scheduled in a time when there was no travel could be rescheduled for a time when we have gotten back to our normal travel routines. We also launched a new survey tool with the results being posted to the NASPL Matrix site.

In addition, we certainly refined how we maintain communications and project-management process throughout the year. In fact, I might observe that a collateral impact of all this disruption is that many of our skill-sets and competencies have been enhanced by the whole experience. Kind of a “necessity being the mother of invention” thing.

In your letter to the industry (in December NASPL Insights on NASPL.org), you refer to experiential prizes as an example where lottery is innovating. Where else do you see innovation taking place?

S. Taylor: While cash prizes will always be the standard for lotteries, players have shown an interest in more experiential prizes. The Texas Lottery, for example, has partnered with professional sports teams to provide once-in-a-lifetime game experiences. Other jurisdictions have prizes involving concerts and cruises, just to name a few. And recently, Powerball and NASCAR have partnered to reach a wider audience. This unique agreement will highlight one of our industry’s most popular games in a way like never before. I think we can expect to see more of these new kinds of brand collaborations.

But it’s not just these types of prizes that show the innovation of lottery.

More basic but important innovations, such as game design and price-point progression, remain key components of product life-cycle management and our business in general. Increasing the number of POS sales-points with in-lane sales and courier services where deployed or permitted allows easier access to our products. Other innovations include possible game changes for Mega Millions and thinking holistically about the “for life” games.

I’d be remiss if I didn’t mention iLottery as a modernization opportunity. Those states that have already implemented it have seen success without harming traditional brick and mortar retailers, which still reign as king. While this new sales channel has been successful, not all states have gotten onboard due to various constraints. States who have iLottery have gained a lot of information about and insight into player interests and preferences. iLottery states are introducing new games to their portfolios and developing new ways to capture and interpret data to take a more individualized approach to their players. The end result of iLottery-enabled enhancements is a better player experience and more funds for the good causes supported by Lottery.

Speaking of iLottery; are there things we can do to increase the effectiveness of our legislative outreach to get iLottery

authorized in more states?

S. Taylor: Here in Indiana, we just went through this exercise where iLottery and iGaming legislation were bundled into one bill and failed to gain traction due the perceived lack of a need or want by the consumer, by the citizens of the state. The NASPL Government Relations committee is equipped to support lotteries that are involved with their legislatures by providing industry-wide facts, data, white-papers, and debunking myths about Lottery. NASPL also stands ready to conduct surveys about the interests of lottery industry topics or issues for the benefit of our members.

Since lotteries are sanctioned by the state, certain laws or rules or just tradition may limit their legislative efforts. By working with our vendor and retail association partners, we can collaborate and share data and information with lawmakers. In the meantime, NASPL is also monitoring illegal lotteries that deprive legitimate good causes of revenue. Legislators are natural advocates for consumer protection of their citizens and should be informed on how to help eliminate, or at least minimize, illegal lotteries and illegal gambling activities.

Sarah, you’ve been involved in the lottery industry for almost a decade and have led both MUSL and now NASPL. What do you enjoy most about our industry?

S. Taylor: So many things could be said about our industry and what makes it so special, but I think the spirit of cooperation is key. We truly learn from each other. Because we are prohibited from selling products outside our own jurisdiction, we can be collegial and not competitive. It’s not uncommon for directors to call and ask, “Can I talk to your sales team about XYZ?” We share job descriptions and game ideas. The Hoosier Lottery once used a TV ad previously used in Tennessee (with their permission, of course).

As a part of this collegial nature, I want to point out the Women in Lottery Leadership (WILL) mentoring program. It’s a wonderful program where everyone is a phone call away and willing to support each other through the relationships with our colleagues and in our various game groups. The lottery industry is not short on collaboration! ■