

# THE MORE COMPLEX THINGS BECOME, THE MORE VITAL IT IS TO FOCUS ON THE PLAYER

**Stephanie Weyant**

*Deputy Executive Director, Marketing & Products,  
Pennsylvania Lottery*



**PGRI INTRODUCTION:** Stephanie has served the Commonwealth of Pennsylvania for 24 years in various communications and marketing roles. She was previously the spokesperson for PA Lottery and its first deputy director of digital marketing. She served in the PA legislature as the communications director of the House Appropriations Committee, before returning to Lottery in 2016 as deputy executive director. Stephanie was the executive lead on the successful launch of Pennsylvania's iLottery program in 2018. Stephanie's perspective on digital lottery and iLottery is informed by this much broader charter to integrate all aspects of the business to coalesce around the player. Stephanie holds a degree in communications from Pennsylvania State University.

**Paul Jason:** You are best known for your leadership role in the development of iLottery. But you are also responsible for marketing and product development for traditional lottery, and for all channels of distribution. Can you tell us a little about how you've balanced those different aspects of your role?

**Stephanie Weyant:** My team has grown and works on all aspects of lottery, both retail and online, from the games to marketing, research and digital. That integrated approach reflects the reality that

you won't hear customers talk about traditional lottery versus online lottery - they just play the lottery. Our goal is to create a seamless, friction-free player journey that respects the players' point of view. That collaborative approach has really helped to break down the silos that can separate organizational departments.

**I guess lotteries with separate iLottery divisions would argue that approach enables this new initiative to flourish without being constrained by the legacy ideas of traditional lottery?**

**S. Weyant:** Each model has pros and cons, and what works best for a given lottery depends on factors such as their starting point, culture, structure, and the flexibility they have with hiring new staff. The integrated model works best for us. Also, we did not have much choice, as our launch schedule for iLottery was so tight that we didn't have time to hire staff and create a new division. We launched with our existing team, who was excited that Lottery finally got approval to sell online. We drew upon the expertise of our vendor partners Scientific Games, IWG and experienced colleagues, such as the Michigan Lottery.

Integration enables us to look at our product and marketing plans holistically and we can easily do cross-product-line launches and cross-promotions between retail and online. Our goal is to be one Pennsylvania Lottery and not be siloed between traditional and online because our players expect everything to be integrated and seamless.

**Until recently, the players of different games seemed to stay in their own lanes: lottery players didn't typically go to casinos and vice versa. But now casinos are so accessible everywhere, and sports betting has introduced a new category, so should we think of ourselves as competing head-to-head with other gambling options?**

**S. Weyant:** Lotteries generally have a broader player base than other forms of gambling. Most people have played the lottery at one time or another because it's easy, fun, and offers a wide range of games. And when the jackpots get big, they bring in infrequent players who don't normally play the lottery. The big jackpots drive the whole FOMO (fear of missing out) syndrome, resulting in a very broad player base and an almost universal awareness of lottery. That's very powerful, and I don't think that necessarily applies to other forms of gambling – except maybe betting on the Super Bowl.

To address your real question, though, I think lotteries should look for opportunities to collaborate. Pennsylvania law requires casinos to be lottery retailers, and they have turned out to be some of our best retailers. For example, one casino buys Scratch-Off tickets to give to their loyalty club members as rewards. I think there is huge potential to build mutually beneficial bridges with other gaming categories, even in the online space.

where and when the customer wants to engage. But it is also a mission to think like our customers so that their perspectives drive everything we do.

**Can you give us some examples of how starting from the players' perspective is creating a seamless experience for your customers in Pennsylvania?**

**S. Weyant:** Currently, although we sell Powerball® online, our Second-Chance Drawings are only for people who played at retail. But from the player's perspective, it shouldn't matter if you buy your Powerball ticket at retail or online, you should be able to enter that ticket into the same Second-Chance Drawing. We are working to enable all Powerball tickets, wherever they are purchased, to be entered into the same Second-Chance Drawing.

Another innovation we expect to launch in Q4 is the Lottery Wallet, which will offer mobile cashing of retail tickets and be fully connected with iLottery, further improving player convenience.

**Are you also trying to create familiar images, protocols, or processes across different consumer-facing media like self-service terminals, point-of-sale displays, Mobile and desktop lottery interfaces to generate familiarity and make playing easier?**

**S. Weyant:** Yes, that's partly why we do so many cross-product line game launches. We'll take a licensed property or a theme and run it across different product lines to

and valuable than players that just shop at retail or just online.

Data also shows that, on average, retail sales accelerate faster in states that have iLottery than in states that don't. That may seem counter-intuitive, but enabling players to engage with lottery wherever and whenever they want improves their experience and ends up benefiting everyone, including land-based retailers.

**Why do you think that is?**

**S. Weyant:** I think when you have a new online player, they've probably walked past the lottery signs and displays in retail stores for years without really noticing them. But after they've bought online, they're more likely to notice the lottery displays whenever they're in the store, making them more likely to buy a ticket there too.

And we've used some simple strategies to help strengthen the connections between playing online and spending at retail, like having online coupons that can be redeemed in stores, and they have the highest redemption rates of all of our coupons. And the great thing about couponing is we know where those coupons are redeemed. So, we can provide our sales team and retailers with information to say, "Here are how many online players we drove into your store."

**Pennsylvania is probably the US's most competitive gambling markets, but despite that, you keep growing. What does that growth say about the potential for different forms of gaming to coexist?**

**S. Weyant:** We operate in a market saturated with gambling options. There are 21 online operators in Pennsylvania, that offer higher payouts than the Lottery, which affects our per capita performance numbers. Our market share of online gambling in Pennsylvania is only 1.4%, but we generate 8% of the net revenues that are turned over to the Commonwealth. So, we are overperforming in profit. And we do keep growing, in double-digits this year, despite the ever-increasing competition.

So, when people ask me whether iLottery can co-exist with online gaming, the answer is "absolutely." Since inception, iLottery in Pennsylvania alone has generated \$400 million in profit to support senior programs.

## Our goal is to create a seamless, friction-free player journey that respects the players' point of view.

**We used to say "multi-channel." Now we say "omni-channel." Is there a difference beyond just the number of channels?**

**S. Weyant:** I think there is a difference. When you start with the customer at the center, you break down the organizational silos that obstruct the genuine connection we want with our players. Maybe we should call it "omnipresent" as the goal is to shape our presence to align with how the customer thinks, behaves, and wants to engage with the lottery. Omni-channel does mean making products available

spread familiarity and recognition. When we launch a licensed property, players will see it at retail with bonus codes to try the online version.

**So, cross-promotions and the retail game-playing experience gives the player a reason to try the online experience?**

**S. Weyant:** Exactly. A goal of our marketing strategy is to take people from online to retail, retail to online, and back again because data shows that omni-channel players are more engaged, loyal,

*Continued on page 38*

## Do you think that there is more we can do now to get retail to support iLottery?

**S. Weyant:** Maybe it's too much to ask the retailer groups to support iLottery, but I think the goal should be to at least get them to not oppose it. Retailers have a lot of lobbying influence. When we launched, we had limited industry data available, but we knew that iLottery would help grow retail sales, not hurt it. Lotteries today have even more data and studies available to disprove the myth that iLottery hurts retail sales.

In Pennsylvania, our retailer groups wanted an increase in their commission, so we used that as an opportunity to create a Retailer Incentive Program where we said, "Okay, we're not just going to give you an increase in commission because that's not going to generate more lottery sales and profit, but we will structure a program to give you an opportunity to earn more commission, if you meet or exceed your sales goals." The retailer incentive was part of the deal and allowed retailers make more money, and defuse their opposition to iLottery.

We also encouraged retailers to trust that we had no intent to hurt retail lottery sales. After all, retail still generates the vast majority of our sales and profits. Another factor was the human factor, and our District Sales Representatives worrying about losing their jobs if retail sales declined, which couldn't have been further from our intentions. We've invested heavily in retail and expanded our sales force.

## How might state lotteries advocate for themselves against the influence of sports betting and iCasino operators who are opposed to iLottery?

**S. Weyant:** Any jurisdiction that hears of an interest in the state legislature for regulating online gambling, especially online casino gambling, should raise their hand and say, "Don't forget about lottery." That's how it happened in Pennsylvania. When the casinos started pushing for iGaming, that gave us the opportunity to push to include iLottery. We defended ourselves, with the result being that both iGaming and iLottery were authorized at the same time.

## Another advantage of iLottery is that players have to register to play online,

# Our goal is to be one Pennsylvania Lottery and not be siloed between traditional and online because our players expect everything to be integrated and seamless.

**which brings a lot of benefits. In Europe, we've seen that there's an emphasis on player registration even though a surprisingly large number of their players don't even play online. Should lotteries in the US that don't sell online also be trying to get more players to register?**

**S. Weyant:** Absolutely, it is a huge benefit for lotteries to turn the anonymous play of retail into an engaged and interactive relationship that begins with registration. It forms the basis for a player-centric relationship. Even if you're not selling online, you want to know who your players are, and what they're playing so you can communicate directly with them and send them better, more customized promotions using a CRM program, and promote responsible gaming much more effectively.

**The increased focus on KYC and CRM brings with it a rise in customized advertising, which seems to raise questions about customer confidentiality. But isn't the modern consumer becoming more comfortable with personalized messaging?**

**S. Weyant:** Yes, I think so. I think it's become an expectation, and some consumers are annoyed if you serve them an ad that's not of interest to them. We also send more customized offers and promotions to different customer segments, and we test different ones to see what's more effective, and those are all things you can do in the digital space if you have a CRM platform that supports that. At the same time, there is an expectation that we will protect and secure their personal data.

**Lottery has always worked to get infrequent players to play more often. Do you have any insights on how to do that?**

**S. Weyant:** That is a particularly big issue when we get the high jackpots and see an influx of new players. First, we try to

engage them with Draw Games, through promotions or subscriptions. Then, we try to cross-promote other products that they might enjoy. For example, if they came in for Powerball, maybe a natural progression would be to a licensed property game with a progressive jackpot. Another thing we do during the big jackpot runs is rearrange our virtual lobby, i.e., the games you see when you land on our app or the site, so that new players who are there for Powerball will see other games around it that might attract their attention.

**How does portfolio management differ in the online space versus the retail environment?**

**S. Weyant:** Online portfolio management is quite different from retail games because we have basically unlimited bin space online, which raises the question of when to terminate the games. We only close them if they become outdated, and we've closed very few. We've launched over 200 games, and out of those, we still have around 175 games right now. So, the question becomes how to organize them so you don't overwhelm players with too many choices. We are also looking at how we can improve game categorization and offer more niche games to appeal to all of the different types of online players.

**And what about launch cycles online?**

**S. Weyant:** Online games are launched more frequently than retail games. The best practice is a new online game launch at least every two weeks. And we've tested different days of the week, double launches, and multiple games in the week. The objective is to maximize sales and not cannibalize other game launches because that's wasted resources for us and our partners. We're still testing, learning and launching at least three to four games a month, trying to identify that sweet spot to maximize sales.

**And iLottery platform providers, in your case Scientific Games, are typically trying to make it cost-effective, fast, and easy to implement third-party content?**

**S. Weyant:** That's the goal with Scientific Games, they're calling it the content hub. It's an aggregator tool, like a library, and it's my understanding that it will be easier and more efficient for third parties to integrate and deliver content to us.

With iLottery in general, the accepted practice is to have access to a lot of third-party games. There are all these international studios that we're soon going to have access to through Scientific Games' content hub, sort of like "Netflix

of iLottery" as Pat McHugh (CEO of Scientific Games) called it in your recent interview with him.

**Are there any ways in which your experience in the online world has changed or informed what you do in the offline world?**

**S. Weyant:** We've done Second-Chance Drawings for decades, but previously we only had limited data. However, now we can take that data and integrate it into the iLottery CRM, which gives us this view of retail players that we never had before.

**And those insights drive decisions about how best to spend your advertising budgets?**

**S. Weyant:** Yes. In traditional in advertising, we have standard metrics such as reach, frequency, and awareness, but we never really knew that this advertising had driven this player to buy this game. With online sales and digital advertising, you can see a true return on ad investment.

**It seems like iLottery just takes you in a whole new direction in terms of your relationship with your players, your retailers, your plans, strategies, and marketing, and just about everything?**

**S. Weyant:** Absolutely. iLottery is a game changer! ■

*Leading with Gratitude — continued from page 33*

**Iowa also has lots of casinos. Should the lottery industry see itself in head-to-head competition with these other forms of gaming?**

**M. Strawn:** I don't know from a philosophical standpoint if other game categories should be viewed as head-to-head competitors. Rather, it is important to take a holistic view of what is happening across your entire entertainment marketplace, of which other forms of gaming are just one component. However, we do need to position the lottery as part of the broader

marketplace conversation when it comes to discretionary entertainment options because if we don't, our mandate to responsibly maximize a sustainable source of revenue for causes like the Iowa Veteran's Trust Fund becomes significantly compromised.

My team and I have a fiduciary responsibility to the State of Iowa to ensure the lottery remains in that conversation. And, we've made some very strategic and intentional decisions to do that by enhancing the value proposition of our game portfolio and

offering experiential prizes that really only Iowa Lottery can provide.

**So it seems you might say that your response to the industry's challenges generally is characterized by gratitude and enthusiasm instead of assuming an unresourceful negative attitude?**

**M. Strawn:** Paul, that is an excellent way to frame up our entire discussion. When you enlist the action-focused power of enthusiasm, with the often unexpected, yet powerful impact of gratitude, everything is possible. Who doesn't love that? ■



**Houston, have you seen the latest issue of Public Gaming Magazine?**