

# Creating the ultimate online lottery experience for your players

**Moving a lottery operation online can take a lottery into very unfamiliar territory. GTECH G2's wealth of experience in designing and implementing lottery websites can help make the transition from offline to online an easy and painless experience.**

Perfect in-store execution and retailer optimization: both are objectives with which the lottery industry is incredibly familiar. With an average of over 80% of all lottery transactions being made at the point of purchase, it's not surprising that lotteries are keen to invest millions of dollars in the retail experience.

So what of the Internet? Lottery websites have been described as 'e-retailers', and they certainly have the power to be a lottery's largest retailer. If one looks outside the lottery industry to the wider e-commerce market, it is full of e-retailers, the prime example being Amazon. Their Internet portal at amazon.com is the world's largest e-commerce website, and with 2010 net sales of US\$ 34.2 billion – a 39.5% increase over 2009 net sales of US\$24.5 billion – it is by far the largest retailer on the Web.<sup>1</sup> Amazon is the paradigm for e-commerce, being to cyberspace as Walmart is to the physical retail universe. It has grown sales in some of the toughest economic conditions seen in recent times. The question most of us are asking is, how? The answer is no doubt a closely guarded secret, but from the point of view of the consumer, amazon.com provides its users with an enjoyable, rewarding, and seamless shopping experience.

## Taking a lottery online

So could lotteries enjoy this level of success? With lotteries like British Columbia Lottery Corporation reporting a 45% compounded annual growth rate between 2005 and 2010, it appears the lottery industry can flourish in the world of e-commerce, and thereby recreate some of Amazon's success.<sup>2</sup> But going online often takes lotteries into very uncharted territory. In many markets lotteries are facing competition from the commercial

gaming world whose operators already have established websites, brands, games, player bases, and higher prize payouts (as they do not have the same restrictions imposed on them as state lotteries). However, it cannot be ignored that while the online gambling industry is enormous, with net sales (sales less prizes paid) of circa €21 billion worldwide, the player base is still relatively small compared to the potential target audience of lotteries, where brand equity has been developed through years of trust and integrity.<sup>3</sup>

It is simply not enough to build a website, however, and hope that players will start to visit it and play. A lottery's online shopfront or e-retailer must also be managed and cultivated to compete head on in the world of e-commerce and to exceed the tech-savvy consumer's expectation.

GTECH G2 is committed to helping lotteries make the transition from offline to online sales, not simply through providing industry-leading content and products, or by means of its unrivalled gaming management system, but also by offering e-gaming management services to clients.

Engaging a team of industry-leading professionals can assist a lottery in accomplishing the important operational tasks necessary to maximize the efficiency and profitability of an online lottery portal. GTECH G2's management services can be invaluable throughout the life of any online operation, especially at conception and launch, to ensure the Internet portal gets up and running smoothly. Using GTECH G2's e-management services can take the risk out of opening an online shopfront, allowing it to be a success operationally from day one.

## Drawing in players

It is not just operations that make an online shopfront successful, however. Developing a website or opening an e-retailer is simply one step in the process. When a new retailer opens in town, the biggest fear of its store clerks is of not having any customers. In the same way, a lottery's Internet portal or online shopfront needs to draw players into the website, turning them from window shoppers into purchasers, and making playing an enjoyable experience that visitors want to repeat. To ensure an online storefront has the characteristics needed to attract first-time visitors and to keep returning customers active, GTECH G2 Web designers work with lotteries to devise Web portal strategies that best promote their games and brand identity. In this way, GTECH G2 helps lotteries to transfer their sterling reputations to the online arena.

Creating the perfect online shopfront starts with ensuring that players can easily navigate their way around the e-retailer. Another key component of the lottery e-retailer is usability. This includes getting customers to the games and activities they desire as effortlessly as possible, thereby maximizing the ability to generate revenue.

GTECH G2 works with lotteries to provide invaluable advice and support in devising strategies for new product acquisitions and customer relationship management. The goal is to attract more customers and to increase player lifetime values, giving a lottery ample and timely returns on website investment. GTECH G2 utilizes special models to identify the various customer segments, the likes and dislikes of customers, and the relative value of customers to a lottery as players.



## GTECH Digital Gaming & Sports Betting

A deeper, multifaceted understanding of a lottery's customers is a powerful competitive advantage! For the majority of lotteries, this is also the first time that players are no longer anonymous. Based on real sales data, lotteries can finally understand who is buying their tickets.

GTECH G2 works with lotteries to create a database of players that are effectively divided into different target groups based on numerous variables. These groups are tagged so that a lottery can keep track of the types of customers who respond to its different games and promotions. Using a specialized e-mail tool, these tags can be useful in sending marketing messages and promotional offers to those most likely to be receptive. One can also use these tags to make a portal more attractive to each individual customer. A lottery's website can be designed to always show its best side by appealing to the recognized interests of the target group to which the customer belongs. With assistance from GTECH G2, a lottery can effectively play to its customers' preferences and personas for maximum profitability, in much the same way that Amazon recommends other products its customers might like.

### Integrity and safety online

Lotteries have a reputation for integrity and safety. An online lottery portal needs to continue the experience that players have in the real world and that they are now coming

to expect from the world of e-commerce. GTECH G2 provides secure account management and payment processing by using industry-leading routines to vigilantly prevent cheating and chargebacks. The systems provided by GTECH G2 employ a comprehensive know-your-customer approach, facilitated by effective automated and manual security and fraud-control routines. For example, the GTECH G2 poker system is one of the few on the market to offer real-time surveillance to eradicate collusion, chip dumping, and other fraudulent activities. At all levels, GTECH G2 aims to operate according to the highest principles of responsible gaming and social responsibility. For player protection, GTECH G2 provides a range of customizable responsible gaming controls, understanding that this is of paramount importance to lotteries.

Evaluating the performance of your e-retailer or online shopfront on a regular basis is vital for continued success. Dashboard reports from GTECH G2 allow lotteries to regularly review key performance indicators so that they can more quickly adapt to changing circumstances and manage their operations pro-actively. Performance data can be accessed on a daily, weekly, or monthly basis. By using GTECH G2 tools, lotteries can view player lifetime values, churn rates and network liquidity statistics, and assess the performance of games, loyalty rewards, and bonus promotions.

### Looking to the future

The future of lotteries is definitely online and GTECH G2 is committed to helping lotteries in building not only the highest quality online shopfronts, but also in managing the complexities of running and developing an e-retailer. In the Oscar-nominated *Field of Dreams*, Kevin Costner once said, "Build it and they will come," and GTECH G2 understands not only how to build an e-retailer but actually how to make players come to the website, stay on the website, and play time and time again. By working with a partner and experts at GTECH G2, lotteries can fill their online shop!



Wayne Pickup, head of WLA sales at GTECH G2.

1 [www.internetretailer.com/2011/01/27/amazon-sales-and-profits-boom-2010](http://www.internetretailer.com/2011/01/27/amazon-sales-and-profits-boom-2010)

2 Canada Gambling Data report, 2011

3 Remote Gambling Association, 2011