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In many respects, there is little historical precedence to the COVID-19 crisis we are experiencing today. In spite of that, I think it is necessary to understand our current stage of macro-economic-technological evolution in an historical context. In the Information Age of the last quarter of the 20th century, we all became experts at gathering and disseminating information. Information was digitized, setting the stage for Digital Transformation, the age we are in now wherein data and information are effectively organized and harnessed to add concrete value to decision-making processes. In this Age of Digital Transformation, the full capabilities of digitization are being deployed to impart truly transformational impacts on how we shop, how we produce and consume things, and how we improve our lives. The digitization of the Information Age is to Digital Transformation as Machine

Learning is to Artificial Intelligence or Big

Zooming into the Age of Digital Transformation

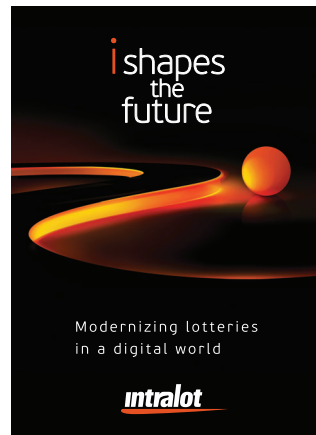
The “new normal” is not so different than it was going to be already, with or without the pandemic crisis. Trends towards the new normal were already marching forward. The health and lock-down crisis has just accelerated our adoption of technology and the mass-market embrace of Digital Transformation.

Data is to business intelligence. It is the raw material, the technological tools we need to transform the player experience and the industry. Technology and operational excellence are the enablers, the tools that enable the transformation. But it is the value that is added to the player experience and to the effectiveness of the operators that matters.

One phenomenon of technological evolution is that these big historical stages become shorter and shorter. By any measure, the age of Industrialization lasted well over a hundred years. We are still in the early stages of the Digital Transformation age and can expect it to take longer to run its course than the Information Age because its purpose is so much more ambitious. The pandemic crisis is, though, radically accelerating the

process of moving from the early-adopter stage to mass-market acceptance. For instance, you mentioned, Paul, that

you had not even heard of Zoom until a few weeks ago; and that you don't think of yourself as an early adopter of new technology. And yet now you love Zoom and are comfortable with it. Chances are that you likely would have adopted video-conferencing technology sometime in the future even if this crisis had not happened.



The crisis just caused you to leapfrog into the future and start using it now. Other examples of this: Lots of people had not ordered groceries online before and started in the past few weeks because they wanted to avoid going to public places like grocery stores. They too would have adopted the online ordering behaviour at some point in the future even if this crisis had not happened. The number of people using the self-serve lane in grocery stores was increasing before the crisis and would almost certainly have continued to increase regardless of the crisis. But these behaviours are now being adopted much more quickly than they would have been had there been no COVID-19. As an industry, we need to recognize this reality and be prepared to move faster than we ever have before.

Social Distancing will be a more prominent part of our mind-set going forward. That is a direct result of the pandemic crisis and would not have been a part of the “new normal.” But let's deconstruct the specific impacts of the crisis and this new thing we call “social distancing”. How exactly does the desire for social distancing manifest itself in behaviours and the products that enable those behaviours? I would say that nothing has really changed – the products we need for social distancing are already available, we just need to be ready to deploy them. Self-serve gaming kiosks and in-lane checkout, cashless currency and paperless ticket technologies are just some of the products that enable social distancing. Those products and behavioural trends were already picking up steam before the crisis and would have continued into the future with or without the pandemic. Again, the crisis is accelerating the mass-market adoption of these behaviours, and that is a critical difference and impact. I think we – retailers, lottery operators, and technology partners – should work hard to be ready to meet the

increased demand for rapid deployment of new products, new games, new technologies and we need to innovate in the “process engineering” space. Since the technologies already exist, we should be quite capable of fast-tracking the deployment of the products and services that will smooth the pathway for rapid mass-market adoption. Most importantly, though, is for our clients to know that we are here to support them and their own agenda and in their own timeline. INTRALOT's only agenda is to best serve our clients. The top priority is the physical health of everyone along with a return to economic stability for everyone.

Describe some of the characteristics of Digital Transformation.

Technological innovation all starts with the player. It was six or seven years ago that we framed our player-centric mission as being to create the Universal Player Experience. That preceded the global transition from multi-channel marketing over to omni-channel marketing. Now, it's no longer about marketing through channels of distribution and communications media. The Universal Player Experience is achieved with a full integration of the technological tools so that the player thinks of it as a singular user-interface that enables everything he wants to accomplish. The integrated player experience enables a seamless migration across all distribution channels, communications media, and game categories. The technological platforms and player-interface become integrated so they all feel like one universal player experience. In-store gaming kiosks, TVM's, the shopper's

Mobile phone, the retailer's in-store digital platform, the lottery's website and iLottery platform and the customer-facing functionality are all connected and integrated to make it one singularly fabulous and intuitive player experience.

The Information Age was about the capture and broadcasting of information. Digital Transformation is about the conversion of massive amounts of data into useful, actionable business intelligence. It will inform and transform the whole process of developing games and promotions while enhancing the whole player experience.

Think about the way Amazon focuses on delivering more value. A collateral impact of the COVID-19 crisis and its aftermath is that retailers, lotteries, and lotteries' technology partners will have a similarly sharper focus on that simple but profound objective. We all still want to minimize risk and optimize the ROI on capital investment. But we now have a crystal-clear understanding that holding onto status quo methods of operation guarantees that we will fall behind our competitors and the trending expectations of the consumer. Doing that clearly represents the highest risk and lowest ROI. Let's work together to build the future that will excite and engage our stakeholders and players.

