intralot

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INTRALOT

Modernization that Focuses on the Player Experience

PGRI Introduction: Lottery is making huge strides towards meeting the needs of the modern consumer. There is the focus on integrating Mobile into the retail playing experience, on applying best-practices from outside the lottery industry, on innovating at Retail, on creating the seamless player journey amidst the evolution towards the omni-channel model, on innovating game content and business processes … on so many fronts! For all of these efforts, INTRALOT's strategies remain focused on optimizing the lottery playing experience and journey as well as offering operators flexibility through open and modular central systems that are fully vetted for stability and security.

Socrates Kokkalis has risen through the ranks at INTRALOT in rapid fashion. Joining INTRALOT in 2007, he has served in the Commercial Division, then at INTRALOT Interactive as Business Development Manager, and in 2014 was appointed to his current position to lead the product and services portfolio evolution, and position INTRALOT's clients for long-term sustainable success in the digital era.

Paul Jason: *INTRALOT focuses on the government-lottery and sports-betting player. What do you see as the main challenges in these areas?*

Socrates Kokkalis: Government Lottery and Sports Betting are strongly regulated business sectors with special characteristics such as dedication of profits to public benefit, which means there is an extended sphere of stakeholders. At the same time there are special require-

ments for responsible gaming, while in the distribution channel there has been a focus on customer-facing POS. For many years, INTRALOT has been particularly well positioned to serve the Retail environment. The challenge now clearly is to re-invent Retail in the digital era of endless connectivity and, most importantly, to integrate the Mobile channel to offer a more entertaining, interactive, and engaging playing experience.

Even in markets where lottery products are available for purchase online, the lottery player seems to prefer to play at retail. Will the migration of lottery transactions to online accelerate, or will lottery players continue to prefer playing at their local retail store?

S. Kokkalis: For sure there is a growing market for online, but Retail has some unique advantages that we can leverage by evolving it to the digital era. Lottery players will always enjoy the experience of walking into a store, interacting with people, looking at the products, touching the products, and playing the lottery.

The internet has become indispensable to everything we do. As a medium for communications, for getting information, for connecting with friends, and for connecting with Lottery. From our perspective, our focus is on the internet as the medium to drive player engagement.

INTRALOT has been at the forefront of digitizing the player experience at Retail. What are the new frontiers to be developed in the digital shopping/player experience?

S. Kokkalis: Integrating Mobile into the in-store lottery playing experience is

The player may have spent no small amount of time looking at the tickets, deciding what to play and going through various stages of the journey towards purchase. But if the transaction remains anonymous with no online interaction, the operator and the retailer are left with no insight into the player's behavior and motivations other than the purchase of a lottery ticket.

The Mobile channel provides critical analytics that help us evolve the game and design more personalized experiences for the player while forming a basis for loyalty and engagement.

S. Kokkalis: Digital apps that enhance the user experience are still in their infancy. There is so much potential for Mobile to transform the entire lottery-playing experience, and INTRALOT is going full-speed ahead with products and services to drive player engagement and lottery sales.

Mobile is the device that brings digital functionality into the store. It provides the conduit to deliver Responsible Gaming messaging, tools for the players to manage their accounts, and CRM tools for Lottery to manage its relationship

a top priority. That involves the collaboration of the lottery operator, their technology partner, and the retailer. The benefits for working together to enable the consumer to apply Mobile functionality to the shopping experience are significant.

On the one hand, the player who is Mobile-connected is an engaged player and his experience through interactive features is more entertaining. As an industry, we should be constantly enhancing the value of Mobile lottery apps and functionality to make it worthwhile for the player to engage with lottery.

On the other hand, the benefit to the operator and the retailer is the insight gained into player behavior. Data-analytics begins with capturing the data. The registered player who uses her Mobile is giving us that data with every click-through. None of this information is captured when the player buys a lottery ticket at the store. This is very important in markets like the US where the player can buy lottery products in a non-dedicated Retail shop like a convenience store, in which the retailers do not focus on learning about their player.

At the World Lottery Summit in Singapore.

What is in the pipeline for enhancing the in-store player experience, particularly as it relates to integrating Mobile into the in-store shopping experience?

with the player. Elimination of paper products will transform the entire process and cost-structure that involves delivery and inventories of paper products. We are also working on enhancing security against fraud and offer POS's the opportunity to focus more on attracting attention, and engaging the consumer, than on stocking bundles of paper products.

For INTRALOT, our content management flagship products and novel CRM systems are at the heart of our strategies

to digitize the Retail environment and draw all the advantages offered by inter-activity through the Mobile channel. To enhance loyalty and player experience at the same time.

How can we drive higher levels of player registration?

S. Kokkalis: Frankly, the challenge is not so much about how to drive higher levels of registration, especially with the younger generation. The challenge is how to retain the engagement of the reg-istered players.

Isn't it the case that the younger generation is much more willing to provide informa-tion online?

S. Kokkalis: They are not only willing to share information online, they want to engage in the online world. Online has become a vital social hub for everyone, and even more for the younger gen-eration. Registering online is something very normal and casual for the younger people. But what is critical is feeling safe that the information is used only for the purpose it is provided for. That they have a transparent interface to select what they want to receive. The digital consumer is quite smart and educated when it comes to sharing info online. They should feel that their privacy is not at risk and that financial information is processed though reliable, secure systems.

Your product roadmap focuses on a custom-er driven player journey. But how about the technology that drives your relationship with the operator client?

S. Kokkalis: INTRALOT has tradi-tionally been at the heart of the transac-tion engine of the lottery at times when a limited number of content verticals were available and closed, proprietary systems were the only option. But times have changed and we are now pleased to be able to support the client's need to integrate additional verticals, game con-tent, or technological solutions from the very best partners available.

So we invested in creating our new platforms in a modular way, restoring full power to the operator to pick what they think is the best product for them or the best supplier.

Integrating the third-party verticals or technology solutions must be executed flawlessly, providing the mission-critical levels of security, integrity, and system stability that this industry depends upon.

> **Stability and security of an open modular system are the most critical aspects to guarantee business continuity and growth.**
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> **—S. Kokkalis**

Stability and security of an open mod-ular system are the most critical aspects to guarantee business continuity and growth. Especially since the majority of our clients' revenues are dedicated to so-cial benefit causes and business disrup-tion has important implications for the society. Therefore, as technological pro-vider, we want to be fully accountable to our client and responsibility for successful integration of third party products should rest with us, the technology supplier, so that our client feels safe with their choic-es. The power lies solely with the operator but our job is to guide their choices.

INTRALOT operates in 55 jurisdic-tions around the world. Our services take a wide variety of forms, from pro-viding game content to central server and technological and communications infrastructure, retailer support services, and all combinations of these activities including that of operator where we are responsible for everything. Integrating third-party partners, and ensuring the integrity of the end-to-end performance

is a vital part of the business and truly one of INTRALOT's core competencies.

Does it get confusing for the players to see a game or product or promotion on their Mobile and then play the game at retail or explain to the retailer what the Lottery is promoting on the Mobile? Or vice-versa?

S. Kokkalis: It just needs to be a top priority to present a consistent face to the player so that they can easily navigate from one channel to another. The user interface must be simple, intuitive and coherent. There needs to be a coherent player-journey that enables the players to migrate from the store POS over to their Mobile and desktop and back again.

INTRALOT's goal is to not only make that player-journey a process that is easy, but to make it entertaining. We want to drive the omni-channel mode of interac-tion by making it fun for the players. We believe there is huge potential for Lottery to reinvent the whole player experience by thinking of it as a broad player ecosystem that includes much more than the pur-chase of a lottery ticket. Make everything fun and entertaining, from the point at which the thought of lottery is stimulated by an ad or store POS through every step of interaction with Lottery on all the dif-ferent consumer touch-points.

In designing this process we also need to bring in the retailer and engage them in promoting and using the tools and ad-vantages of the mobile and digital chan-nel in general.

There are other challenges in the industry, for example the jackpot fatigue. How does your strategy address such problems?

S. Kokkalis: I guess the answer lies again with making the game more en-tertaining and by increasing engage-ment through the interactive elements, especially to address the interests of the younger generation by adding some skill into the process. Overall, I think that the Lottery world and the interactive world need to get closer and learn from each other in order to evolve.

But I think the jackpot attraction has to do a lot with the size of the jackpot. Multi-jurisdictional draws will most likely increase the size of the jackpots and make the game more attractive. There are some issues on which the industry needs to work together with the regulators to find the right answers.

How might lottery games change and evolve?

S. Kokkalis: The way games are constructed and delivered will be transformed by data-analytics. Presently, play-styles and preferences are defined into very broad categories. Those categories will become narrower and narrower, the games designed to appeal to smaller and smaller market segments of player preferences. Lottery is presently a mass-market product. The future will see the products customized to appeal to the unique preferences of the individual. The entire way we do business and interact with the consumer will become more personalized. The combination of Mobile engagement, data-analytics, and collaboration with our retail partners will transform the lottery player experience.

How unique or different is Lottery from other sectors? To what extent can 'best-practices' that are being applied in other industries be applied to the Lottery sector?

S. Kokkalis: There are many aspects of the lottery industry that vary greatly across geographical regions and from one jurisdiction to another. Differences in gaming cultures, regulatory frameworks, distributional methods, etc., abound. And certainly there are differ-ences in the ways that lotteries are organized operationally to divide tasks and business processes between the operator, the commercial and technology partners, local businesses, retailers, and so on. In that sense, the business process must be managed on a local level, applying practices that are customized to address the specific and unique circumstance of the local environment.

But localization does not rule out the universal technological features or marketing aspects that derive from best-practice analysis from our own or from other industries.

Lottery can and should be looking outside its own industry to see how 'best-practices' are being applied, in the FMCG sector for example. INTRALOT has already adopted many of the 'best-practices' that have worked so well to modernize the Telecom industry. The technological sophistication and innovation applied in Telecom gives us a blueprint for the direction in which our industry can evolve. The manner and methods of creating massive consumer adoption of new devices and services in such a short period of time is also something we can learn from. In fact, we feel that this must be done for Lottery to retain the loyalty of the consumer who is coming to expect the highest standards and newest prod-ucts because that is what they are being given by other industry sectors.

A modular central system that we discussed earlier provides a great advantage in supplying a universal but flexible core system that is tested for stability, efficiency and, most critically, security on which to integrate softer parts that offer the localized and personalized aspects of the offering crafted to the needs and preferences of the operators. A modular central system can also prioritize factors that have to do with culture, game tradition, and other evidence from the market analysis.

What is your opinion on API and how it can be applied to facilitate development of new games and technologies and enhance efficiencies?

S. Kokkalis: Application programming interface is part of the open modular system approach. Lotteries may still feel they are monopolies but they do face competition and they should follow the trends of the broader sector and focus on offering competitive, attractive, and entertaining products. Certainly there is a need for a much broader set of options today and APIs can address these needs and be instrumental towards personalizing the player experience.

So how would you like to summarize your main message?

S. Kokkalis: I would say that our goal is to give the power to the operator to integrate best-of-breed solutions onto a single reference point in a controlled, organized and reliable way that will provide stability and security. At the same time the content and its delivery have to be entertaining and interactive in order to make the product attractive while allowing us to generate data that will feed our analytics tools to constantly improve and evolve our offering.

From a marketing point of view, our central strategy is to offer to the operator the toolset to know their players. From a technology point of view, it is to guarantee flexibility and evolution through modular, stable and secure platforms. ∎

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