

PGRI PUBLIC GAMING INTERNATIONAL

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- Change Agents and Technological Innovation—Meet Security and Integrity
- The Future of iGaming under President Donald Trump and Attorney General Jeff Sessions
- IGT: Top 5 Challenges Facing the Lottery Industry

FEATURED INTERVIEWS



Debbie Alford



Antonios Kerastaris



Jim Kennedy



Lorne Weil



Norm Lingle



Lifting the Harmful, Failing Federal Ban on Sports Betting will Increase Consumer Safety and Protect State Sovereignty



intralot

Antonios KERASTARIS

Chief Executive Officer, INTRALOT Group

Modernizing lotteries by digitizing the playing experience will usher in a golden era of growth.

PGRI Introduction: INTRALOT presented at ICE Totally Gaming 2017 the full version of its new CRM system under the brand name Pulse, showcasing benefits to Lotteries, Retailers, and Players alike. INTRALOT's CRM combined with its Content Management System offers the springboard for modernizing Lotteries, driving stronger player engagement and guiding Lottery game offerings via extensive analytics processing capabilities. INTRALOT demonstrated the full Player experience on the ICE floor by introducing the Player Card that allows seamless and uniform access to the entire product journey. Antonios Kerastaris discussed the new "All About the Player" product strategy with PGRI ...

Paul Jason: *Having an effective Customer Relationship Program (CRM) program would seem to be essential to everything.*

Antonios Kerastaris: It is all about capturing and managing information, and turning that into business intelligence that enables the operator and retailer to deliver more value to the consumer. That is what the CRM does. The entire industry is being driven by the need to integrate a consumer-focus, the demand side of the equation, with operations and retailing which are the supply side of meeting that demand. And consumer expectations going forward are going to be much different than they are today. Success will be determined by our ability to harvest information and convert it into value for the consumer. We talk about big-data and

data-analytics. All that will be driven by an effective CRM system.

To what extent does CRM require a registered player base?

A. Kerastaris: CRM program is actually the key to building that registered player base. At INTRALOT we believe that the CRM should drive all actors of the gaming ecosystem—from retailers, employees and sales representatives, to registered, and unregistered players. So, you don't want to wait to have a fully registered player base to implement a CRM program. Of course, the registered player is engaged in a dynamic interactive relationship that is far more productive for operator, retailer, and player alike. Building that registered player base is certainly

the goal, but CRM delivers value to the entire gaming ecosystem anyway.

How does CRM integrate with the larger platform that serves a broad spectrum of business objectives?

A. Kerastaris: INTRALOT's platforms all work together as a mutually reinforcing network of functionality and user experience. We start with the CRM platform that supports all different game categories, serves all different player groups, and connects game categories and players through all different media and channels. All gaming platforms are linked together so that the user experience is easy and seamless. Sports betting, lottery, interactive games, iLottery are all connected to the same CRM, Player Account Management system, and content platforms, all working across the board. You can access the same content through a Mobile device, through a desktop personal computer in your home, through a screen or self-service terminal in a store, or gaming kiosk at an entertainment venue or betting shop. At the end of the day it's the same game, the same customer and consistent user experience regardless of the venue or medium or device. And it's not just about iGaming and iLottery. In a market like the U.S., where most states do not allow online gaming right

now, operators still want to implement a robust CRM platform that engages the player in the kind of interactive relationship that is the basis for ongoing growth.

CRM is also a vital tool to support an effective Responsible Gaming agenda. By managing that activity, knowing which games they are playing more, where they are making or losing money, when and where they play—the player takes control of their gaming activity. That is the first step towards taking responsibility. The next step is to self-limit and apply other self-regulating tools which CRM offers. CRM also enables the two-way dialogue that allows the operator to assist with messaging and other tools to promote Responsible Gaming. Putting “Problem Gambling Help Hotline” numbers on tickets, vending machines, and advertisements is not a bad thing to do, but it really is not adequate. CRM is truly the mission-critical component to an effective RG program.

What about the consumer who does not want to provide the information that registration requires? Is there a way to receive the benefits of the player card without registering?

A. Kerastaris: The registered player enjoys the benefit of more control over their play and their account. And the operator captures more data that helps them produce and deliver a better product. But the player card can be purchased with a unique number instead of a name and personal information, much like an e-wallet or pre-paid mobile telephony subscription card. Even in this case, when players are not fully registered but are uniquely identified in the system, they can enjoy the benefits of quick and easy access to the games, participating at the same time to promotional activities, when the regulation allows it. In parallel, the operators are capturing useful information about player habits and preferences that they can use for personalizing the offerings the next time the player uses the card. Different technology options will bring different results in different markets. As I often say technology is just the enabler. The market is what drives the business and we need to closely monitor it and respond timely and effectively.



The customer-facing component of the platform also captures data that helps the operations side of the business as well.

A. Kerastaris: The Player Account Management system is the player-centric component that helps integrate the experience. On the operations side, the platform turns data into useful business intelligence that enables the operator to manage operations for optimal performance, and thereby maximize value to the consumer. Everything is linked together so that the best games are delivered to the right players at the right time. For instance, as a content management platform, it enables the operator to change the games in the self-service terminal. The operator can view which games are most popular per customer segment, adjust accordingly, and refresh the selection as they wish. It is all done easily, quickly, seamlessly. If you have thirty games in the machine and only five or six are delivering superior results, the operator would want to experiment with the other twenty-five games to narrow the selection down. Having the right assortment of games will absolutely produce a better aggregate performance for the terminal. Optimizing terminal performance is, of course, a vital objective for the retailer and operator. And reducing the number of games the consumer does not want to play enhances the player experience.

Today, operators may feel that the current system of changing games less frequently is meeting the needs of the market-place. That is changing and we need to adapt to rising consumer and retailer expectations.

The lottery player's card is genius.

A. Kerastaris: The player's card makes it so easy for the players to access their account and play whatever games they want on whatever device or user-interface they choose. By removing all the steps of logging in and entering account numbers and such, it delivers a far more enjoyable player experience. Some people may wonder if players want a player card. That's like asking if travelers want a frequent flyer account. Of course they do. The operator just needs to deliver value and make the player card interesting to appeal to the consumer. The modern consumer expects to have the tools to maximize ease of use and convenience, to be rewarded for loyalty, and that is the purpose of the player card.

The player's card not only enhances the playing experience. It is linked to a Player Account Management platform that enables the player to manage all the interactions, recording what games are played, where they are played, the history of all transactions, etc. More importantly, this information forms the basis for the CRM program to deliver personalized offerings to the player, including promotions, bonuses, new games, communication and content, as well as the way you eventually develop your product.

INTRALOT has pioneered the digitization of the retail shopping experience and the integration of the Mobile player experience. Going forward, what is INTRALOT doing to enhance the digital shopping experience?



A. Kerastaris: We think of Lottery as a social experience. Lottery is not a casino where the focus is squarely on winning money and competing. Lottery is about dreaming, about thinking of the future. And it's about sharing those dreams with others. Just being with others as we imagine our lives as a lottery winner enhances the experience of playing the lottery. Retail outlets of the lottery world are social environments where people interact and talk and commune.

The wonderful thing is that Lottery fits perfectly into the way Retail is evolving to meet the needs of its customers. Retailers are looking for ways that they can deliver more value and differentiate their value proposition from online merchants. The physical environment that brings people together is obviously one of those ways. Retailers know they need to enhance the social experience for their customers. The service of providing a venue for the consumer to just come into a store to buy stuff is no longer an adequate value proposition. If that's all they do, the consumer may as well shop online. Retailers, and the brands they carry, are working together to transform the in-store shopping experience so that the consumer wants to come into the store because it is fun, even entertaining. They are integrating Mobile and digital technology into the in-store shopping experience to appeal to the modern consumer. They are looking for ways to increase dwell time, the time that people spend in stores, because that tends to increase the size of the consumer's basket. Instead of rushing in and spending as little time as possible to buy the one or two items that they need, retailers want to create

an environment that urges the customer to enjoy the experience of being in their store. Playing the lottery aligns perfectly with that goal. The consumer desire for a more enjoyable shopping experience represents an incredible opportunity for Lottery to position itself as a leader in this revolution of retailing.

Unlike almost all other brands and CPGs that retailers sell, Lottery has intrinsically fun and entertaining value. As a game that people love to play, it is the perfect product to help retailers accomplish their goal of enhancing the in-store shopping experience. Reshaping Lottery to be a leading brand in the retail environment of the future will require an investment, but the ROI will make it be quite rewarding.

Investing in the digitization of retail merchandising is absolutely necessary for Lottery to remain relevant and build a sustainable business. That is why INTRALOT has invested a lot of money towards the objective of digitizing the lottery playing experience and enhancing the whole in-store shopping experience. Technology is enabling Retail to become a place where people want to spend more time and interact with others. As a fun social experience, playing the lottery is the perfect fit for the modern retailers who are creating an engaging social environment for their customers.

What are some next-generation ways to create that wonderful in-store shopping experience that attracts the modern consumer?

A. Kerastaris: Self-service terminals are morphing into exciting play-stations that engage the consumer. We believe self-service terminals are the key to dramatically expand-

ing the retail footprint, making lottery accessible to new consumer groups, and driving growth in the industry through expansion of the distribution network. They do not only reduce the burden on retail clerks who sell lottery products. Self-service terminals enable the consumer to think about and enjoy the play experience without being rushed to conclude their purchase at the check-out counter. And think of all the venues, like bars and restaurants, where the primary reason for the customer to be there is not lottery, and where the patron would enjoy a recreational diversion. These are venues with patrons who otherwise would not likely have played the lottery. INTRALOT is investing heavily in the development of next-generation self-service terminals to meet that demand.

What other trends are guiding your approach towards resource allocation and focus?

A. Kerastaris: INTRALOT invests heavily in research. One of our goals is to clarify the differences between markets drawing from our experience as operators. Gaming cultures, consumer behavior, regulations, public policy objectives all vary throughout the world. Our goal is to improve performance and results by understanding those differences and delivering a more customizable set of solutions to our clients, after shaping multiple different player profiles. I believe there is a huge opportunity to drive growth by fine-tuning strategies to align with the needs of each individual market.

And as we have been discussing, the potential for CRM and data-analytics to transform everything from product development to promotional and retailing strategy to everything else we do ... is limitless. The industry has always dealt with aggregate data and trends—try to figure out what works and do more of that. Identify what games sell and do more of them, and what games don't sell and do less of them. Data-analytics based on more detailed information opens up a whole new world of possibilities to improve performance and results.

The business of government-gaming is indeed poised to enter a golden era capitalizing on its modernization. As an industry, we just need to recognize the potential and invest in our future. ■