

INSIGHTS

Partnership Powers Growth

By [Scientific Games](#)

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SOCIOS IN PUERTO RICO

On the island of Puerto Rico, just 1,000 miles southeast of Miami in the Caribbean Sea, [Lotería Electrónica](#) is a vibrant part of the culture. Players in the U.S. territory have enjoyed numbers games since 1990 when the Lottery was authorized, followed by a variety of draw games and in 2009, colorful instant scratch games called “Instantaneos”. Beyond entertainment, the games benefit important social programs for Puerto Rico’s 3.2 million residents on the 100 miles-long by 35 miles-wide island, such as college scholarships, health, sports and recreation, and the improvement of roads and infrastructure.

Over the years, more than \$2.7 billion has been raised by the Lottery to improve the quality of life on the island. Today, Lotería Electrónica is ranked among the top 10 U.S. lotteries for per capita draw sales and has achieved the highest-performing instant

game performance in the Caribbean. And like any good success story, it took strong leadership, a strategic plan and a supplier partner that invested in the Lottery's mission—and sustainable growth.



“This is a strong partnership that began all the way back in 2005. And it’s been a true partnership, with our teams evolving together to meet the changing demands of the Puerto Rico market, overcoming natural disasters, and exceeding the expectations of players and the Lottery’s stakeholders,” said Jose Sanson, General Manager of Lottery Systems in Puerto Rico for Scientific Games.

The company and the Lottery’s teams worked together, and the results of the collaboration paid off with a 65% increase in sales and an 81% increase in profits (2005 to 2023).

Weathering Disasters

But protecting returns to Lotería Electrónica’s beneficiaries through hurricanes, earthquakes and a global pandemic has been no easy task. Scientific Games invested in its supply chain, remote data centers, staff, software, local facility upgrades and retailer terminal inventory, and customized processes and tools to keep the Lottery running in the event of retail or systems-wide outages.

Hurricane Maria, the strongest storm to hit the island in 90 years, posed a significant challenge for Lotería Electrónica and Scientific Games in 2017. Putting those established processes to the test, the teams ensured the safety of employees, continuity of operations and support for retailers in Puerto Rico.



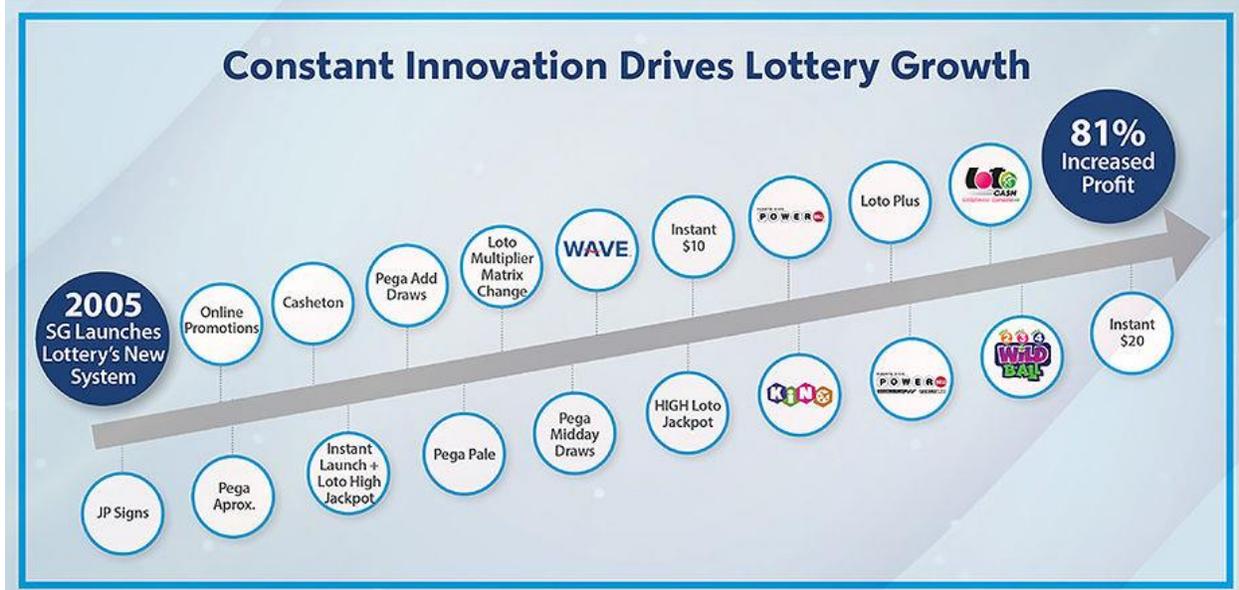
On the mainland U.S., an effort led by employees at the company's global headquarters in metro Atlanta resulted in more than 32 tons of water, food and supplies that Scientific Games airlifted and shipped to the island in addition to raising \$90,000 in donations to help the hurricane recovery. The effort earned the company an Excellence in Corporate Social Responsibility Award from the Communitas Awards.



Investing in Success

“Thanks to a number of strategic investments, Lotería Electrónica has experienced 99.99% uptime since 2005, except for the week following Hurricane Maria, making it possible to roll out a steady cadence of revenue-driving products to help increase

profits for the Lottery's good causes," shared Sanson.



In the past decade, Scientific Games invested approximately \$60 million in Lotería Electrónica, including:

- **2005** – Lottery system conversion
- **2009** – Introduced instant products and the Scientific Games Enhanced Partnership – a world-leading instant game management program
- **2012** – New retailer terminals and systems
- **2016** – New facilities and technology refresh with instant-ticket accounting
- **2019** – Lottery mobile app
- **2019** – Lottery back office and retailer relationship management software
- **2024** – New central gaming system, retailer terminals and peripherals, facilities, new games and cashless payment solution

The Lottery benefited from the company's agile system architecture, which has pioneered growth initiatives like faster systems upgrades and third-party integration. At the same time, the technology supports powerful retail point-of-sale technology and accommodates growth and expanded product offerings at volume.

Unique to Scientific Games is a single-ticket accounting program that allows Lotería Electrónica retailers to pay for instant game tickets as they are sold, similar to their experience with draw games. First in the U.S., it is now expanding to all retail sales devices including self-service terminals.



Sales Performance

Lotería Electrónica has a strong brand in Puerto Rico, offering players one of the top-performing draw game portfolios in the industry, Keno and a strong instant scratch game performance compared to other lotteries in the Central/South American and Caribbean region.



Instant Game Growth

With \$0.40 weekly per capita sales, Puerto Rico’s instant scratch games perform higher than other lotteries in the region. The second-highest among this group is the National Lotteries in Trinidad at \$0.27 – with less than two-thirds of Lotería Electrónica’s weekly per capita sales. Puerto Rico has nearly four times Trinidad’s instant game total sales and nearly 150% more than its instant game per capita sales.

Instant game sales have increased by more than \$23.5 million since single ticket accounting was implemented in 2016, representing a seven-year compound annual growth rate of more than 6%.

“This kind of performance was achieved because of the focus on every aspect of the instant game portfolio throughout the 14-year instant scratch partnership,” said Ron Miguel, VP of Sales for Scientific Games who has worked specifically on launching and growing Lotería Electrónica’s instant product sales through the *SGEP* program.

The *SGEP* program utilizes data analytics to maximize the Lottery’s instant game portfolio. The program ensures the advanced logistics used to distribute the product to retailers is an extension of the game planning and development process. A cohesive view of portfolio management and the overall lottery ecosystem continues to optimize retail sales, as demonstrated by Loteria Electrónica’s success.

“With an eye to future sustainability combined with access to the lottery industry’s largest array of games, products, technologies and services across all categories and channels, the Lottery is well-positioned for the future,” shared Miguel. “Our teams have worked closely to ensure that everything fits together so that innovation and growth continues in Puerto Rico.”

