

SCIENTIFIC GAMES IS BRINGING GAME-CHANGING CRM DATA TO THE LOTTERY INDUSTRY

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Scientific Games' Steve Beason explains how in today's digitally driven world, customer relationship management (CRM) is vital to consumer industries.

CRM is everywhere, from online retailers to banking systems to hotels and resorts. Customer relationships have become even more important since the start of the COVID-19 pandemic when consumers pivoted to online purchases and new spending habits emerged.

Lotteries are recognizing the importance of CRM now more than ever with ever-increasing competition in many jurisdictions. They're looking for ways to create brand loyalty, increase player engagement and reduce churn rates.

“Adopting CRM platforms and services can have significant benefits for lotteries,” says Steve Beason, president of Digital and Sports Betting for Scientific Games. “The ability to connect with players and build omnichannel relationships based on data can help lotteries achieve their growth goals responsibly.”

Known for data-driven solutions that drive lottery performance, in 2018 Scientific Games launched an innovative CRM solution focused on driving player engagement and retention for traditional retail and digital lottery programs, including second-chance, loyalty and iLottery.

Lori Szymanski, senior manager of online marketing, is on the company’s global Digital Growth Marketing Team. These dedicated marketing professionals work with lotteries to develop CRM strategies to meet their growth goals.

DRIVING GROWTH

“Since September of 2020, our rewards program, *The Club*, has experienced significant growth, largely attributed to the implementation of a robust CRM strategy in collaboration with SG's Digital Growth Marketing Team,” shares Gracie Sloan, product manager for the Arkansas Scholarship Lottery. #

“This player-centric approach has yielded noteworthy results, with over 2.7 million additional tickets entered into our program and an increase of over \$17.7 million in retail value of tickets entered, which are directly attributable to our CRM efforts.”

Today, the company’s Digital Growth Marketing Team is serving 12 US lotteries. In fiscal year 2023, the Scientific Games CRM solution helped participating lotteries increase the total retail value of tickets entered into their loyalty and second-chance programs by 66 per cent year-over-year, with a 40 per cent YOY increase in the total number of tickets entered.

Its participating iLottery customer experienced a 65 per cent uplift YOY in total wager amount, a 61 per cent uplift in total number of deposits and a 42 per cent uplift in total deposit amounts.

In partnership with Optimove’s industry-leading CRM software, a key strength of the solution is the individualized attention each lottery receives.

“Each lottery works with their own Scientific Games CRM manager to help to create goals specifically for their lottery, which are then executed on their behalf,” Szymanski explains. “CRM marketing with Scientific Games and Optimove has given us the capability to easily segment our players to make sure that the right communications reach the right audience at the right time.”

"From pre-planning to onboarding, to post-launch strategy sessions and reporting, the Scientific Games team has been an indispensable asset to the Kentucky Lottery when it comes to CRM," says Noah Sommers, digital marketing specialist, CRM for the Kentucky Lottery. "We've seen incredible growth since go-live only 18 months ago and expect to see this trend continue with the recent integration of real-time event triggering and web/app push functionality within our Optimove instance."



CRM STRATEGIES



The level of CRM service from Scientific Games doesn't stop with planning and execution of multi-channel marketing, such as email, push notifications and soon, in-app messaging. It also includes analytical insights and data-driven optimization.

"In addition to our automation strategies, monthly content calendar creation and execution, we're here to support any ad hoc requests from the lottery, whether it's a custom monthly dashboard communication, jackpot awareness notification, or communications for new product launch," explains Szymanski.

Participating lotteries benefit from a data-driven model defining players' lifecycle stages. Lifecycle stages represent the different stages that players migrate through during their relationship with the lottery. Scientific Games' approach provides a deep

understanding of the player database and an effective means for engaging players with personalized marketing.

This high-level segmentation sets the stage to allow lotteries to customize and personalize the messages they send to players at every step of their lottery journey, whether they're new players, steadfast loyalty program members, or casual players.

"SG operates our *My Lottery Rewards* program and provides a seamless working relationship with our CRM program. [It's] is a vital tool that allows us to inform and engage current players and encourage engagement with new rewards members," says Melanie Losover, Maryland Lottery digital manager. "Using a robust CRM platform gives us the ability to set up automated emails and push notifications that can be delivered in a timely manner to specific players based on their interests and behaviors. This approach has proven very successful."

Since the CRM began in July 2020, Losover shared that the Maryland Lottery experienced a notable uptick in key performance indicators, including retail value totaling \$50,158,378, along with 16,388,748 additional tickets entered into the rewards program. These increases can be directly correlated to 21,572,321 emails sent and 19,792 push campaigns delivered to rewards members.

"The strategic initiatives and data-driven campaigns executed through our CRM have enabled us to more effectively communicate with players while also moving the needle toward our sales goal," she says.

DATA INSIGHTS

As with everything at the company, Scientific Games' approach to driving lottery performance relies on data – and lots of it. The platform allows its professional CRM managers to track the effectiveness of different marketing techniques based on customer behavior.

Szymanski says: "We're constantly A/B testing these strategies. Once testing has been fully analyzed, we follow up with comprehensive recommendations on ways to optimize those campaigns."

Scientific Games' expertise in data insights may have wide-reaching benefits for the lottery industry, even beyond its CRM customers. In early 2023, the company began working with Optimove and Meta for a groundbreaking, industry-first partnership, providing enhanced data insights for five US state lotteries.

This six-month program, known as the Digital Academy, which started in April 2023, will allow Scientific Games and the participating lotteries to develop best practices for social media marketing and optimize digital paid media spend.

Ultimately, the real winners are lotteries and their beneficiaries. Thriving second-chance, player loyalty, and iLottery programs increase overall player participation in lotteries, allowing them to generate the maximum amount of revenue for education, senior care, and the environment.

In an economy shaped by online consumer data, the importance of CRM to the lottery industry can't be ignored. With experienced lottery CRM professionals using these tools effectively, lotteries can acquire new players and keep current players connected.

"CRM is the future for lottery revenues," Beason says. "Lotteries must keep up with a fast-moving, digital consumer base across all sales channels if they want to achieve growth. Our solution allows lotteries to benefit from data-driven insights and campaigns that drive engagement across key segments."

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