2024 Raleigh Conference Recap

Are Raffles Making a Comeback?

1Q24 Sales Report

This Is America

Players are "asking, wanting, and expecting" to be seen in lottery products. Should lotteries be employing more inclusive marketing practices?

Texas Goes Big on Making Lottery Easier to Sell

Everything has always been bigger in Texas. It begins with the Lone Star State's geographical area—it's the second largest state in the U.S.—and doesn't stop with how Texans like to do just about everything.

In fiscal year 2023, scratch ticket games in Texas were a $6.7 billion product. So, when it comes to retail, more Texas Lottery scratch game tickets in stock means better sales performance and ultimately, more funding for state programs benefiting education, veterans and other causes. Keeping games in stock in more than 20,000 retail locations across more than 268,000 square miles means knowing which games are selling where and when inventory needs replenishing.

Out-of-stock scratch game tickets can result in significantly lost revenue. But how can it be easier and more seamless for the Texas Lottery's retailers to sell and manage the products?

The Texas Lottery understood the assignment.

In the summer of 2023, the Texas Lottery worked with Scientific Games' retail technology experts and began rolling out the *SCiQ* retail system at select stores, ranging from major chains like Circle K, Global Partners-Timewise and YesWay to independent operators. The initiative is taking the cutting-edge lottery technology to retailers from Houston to El Paso, Dallas to Austin, San Antonio to Lubbock and small towns in between.

"We are always looking at ways to modernize lottery sales by working with our retailers. The data analytics the *SCiQ* system provides helps retailers improve their operational activities, strategic planning and fulfillment of their customers' needs," says Ryan Mindell, Executive Director of the Texas Lottery.
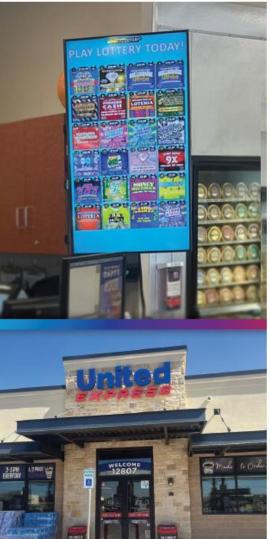
Tandy Arrant, Convenience Business Manager for United Express Texas. "Not only has it accomplished that, but it has also given United Express a very detailed look at our accounting processes for scratch game tickets down to a single ticket sale. We did not have this insight before. We were able to expand our ticket selection in most locations and our sales have improved substantially. We are very pleased with the results."

With the operational and accounting benefits of *SCiQ*, Texas Lottery retailers are more engaged and proactively marketing scratch game tickets. Retailers also benefit from the convenience of managing out-of-stocks easily using a mobile phone. And with less shrink (product theft), retailers are more open to stocking higher price point scratch game tickets, including games at the $50 and $100 price points.

"From the retailer's perspective, the lottery category is challenging. On one hand, scratch game tickets generate foot traffic and, as analytics have proven, higher overall basket value in stores. On the other hand, shift reporting, shrink and inventory control for the products can be time-consuming and difficult for store managers," says Michael Martin, VP of Retail Solutions for Scientific Games, a 20-year retail technology expert who has worked for major companies like Oracle and NCR Corporation.

Currently, retailers in 13 states—more than 350,000 facings—are achieving success utilizing *SCiQ*. In addition to making lottery games easier for retailers to sell, Martin shares that through the *SCiQ* retail ecosystem in one market, the company was able to identify nearly $200 million in additional revenue that could be captured by proactive sales representatives and retailers over a one-year period.

The *SCiQ* ecosystem is providing select Texas Lottery retailers with automated lottery scratch game ticket management, product security, and store-specific reporting on game and market basket performance, sales and inventory.

"We were very excited to incorporate *SCiQ* into our everyday business. With all the stiff competition in the C-store arena these days, we felt this new system would be a point of differentiation that would draw guests to our stores," says

This is a clear example of how the science inside retail technology is making a difference to benefit important state programs.