



Paradoxically, the rush to “big data” has actually made it harder for lottery marketers to make actionable decisions.

- › How do we extract valuable information from the volume of customer intelligence?
- › How do we transform information into insights?
- › How do we use these insights to meet increasingly aggressive sales goals so that we can deliver more revenue to good causes?



## THE GTECH SOLUTION

GTECH has developed a simple planning approach that focuses on the consumer experience. GTECH’s PlayerXP® process for marketing plan development integrates quantitative data with qualitative insights, enabling lottery marketers to drive brand health, purchase intent, and, most importantly, incremental revenue. It leverages “the head and the heart,” combining the rational thought process and the emotional reactions of consumers during their journey to purchase a lottery ticket. Truly understanding the steps a player takes in the purchase funnel, including barriers and drivers, helps marketers to speed a consumer’s progression through the purchase experience and to invest Lottery marketing dollars more efficiently.

PlayerXP methodology helped increase year-over-year sales in Indiana more than 11% while keeping marketing investment flat. In October 2012 the State of Indiana hired GTECH to optimize

Lottery operations and generate additional revenue for good causes. The first step in the Lottery’s transformation was a deep dive into research and analytics. The result was enough reams of paper to nearly fill 20 three-ring binders. Quarterly tracking research was used to understand player and non-player participation, frequency, and play habits. An Attitude and Usage study showed brand perceptions. Regional focus groups were conducted to assess views of the Lottery and knowledge of the beneficiary. A retail audit was fielded to track curb-to-counter impact. Sales data from Business Objects showed regional and daypart spending trends. Google analytics and Foresee results indicated the efficacy of digital marketing efforts. The amount of data seemed endless.

But instead of drowning in intelligence, the GTECH marketing team was able to synthesize the relevant actionable data into a concise and simple plan. Using the PlayerXP process, the situation became clear: Only 48% of residents (and just 20% of non-players) held a positive opinion of their Lottery; the

*Understanding sales barriers and drivers helps marketers accelerate consumers’ progression to purchase*

remainder had a neutral or even negative perception. Many Hoosiers did not believe that the Lottery was a part of their community: Only 32% of Indiana residents considered the Lottery “for people like me,” and fewer than half (47%) said



## THE NON-PLAYER PURCHASE FUNNEL

### AWARENESS

#### STATUS

- › 63% can name any Lottery game
- › 48% recall seeing advertising
- › 59% think lottery is an appropriate way to raise revenue
- › 46% unaided awareness of Powerball
- › 36% unaided awareness of Scratchers

#### GOAL

- › Create awareness that a Lottery exists in Indiana

#### INSIGHT

- › “I didn’t know we had a Lottery”

#### TACTICS

- › News stories
- › Retail POS and winner awareness
- › Events and promotions

### UNDERSTANDING

#### STATUS

- › 47% feel informed about lottery
- › 59% believe makes positive contribution
- › 48% think proceeds go to education
- › 44% believe the lottery is well-managed
- › 21% indicate that knowing where money goes would make them purchase

#### GOAL

- › Develop understanding of the Lottery’s mission, beneficiaries and games

#### INSIGHT

- › “What is it?”
- › “Where do the proceeds go?”

#### TACTICS

- › “Where the Money Goes” report
- › “How to Play” videos
- › Jackpot billboards
- › TV documentaries

- › Press coverage
- › Product brochures at retail
- › Website

that the Lottery is a “part of life in Indiana.” Clearly, there was a great opportunity to increase sales. The solution to the Hoosier Lottery’s challenge and the resulting marketing plan for the first year of operations fit on a single sheet of paper.

PlayerXP methodology breaks the consumer purchase funnel into distinct phases, or steps. Within each step, data is used to provide a situation analysis, research is synthesized to garner a consumer insight, a goal is established, and strategies and tactics are prescribed. In Indiana, Hoosiers who had never played the Lottery would need to travel through five distinct steps in order to purchase a Lottery ticket:

**AWARENESS** | Surprisingly, some citizens still don’t know a lottery exists in Indiana, and even more don’t care. Currently, only 62% can name a Hoosier Lottery game and a mere 36% recall seeing any Lottery advertising. In the Awareness phase, marketers should utilize proactive public relations to become a common topic on local newscasts. Heavy participation in events and promotions around the state will also ensure that the Lottery is a ubiquitous part of the community.

**UNDERSTANDING** | During the second step of the process, lottery marketers must begin forming both a rational and an emotional connection with the brand. This can be accomplished by creating an understanding of the Lottery’s mission and the personal impact that it has on local communities. The Hoosier Lottery successfully implemented a campaign, including a “Report to the People” in newspapers and viral videos from firefighters, to increase understanding of its cause and build relevancy within its communities.

**AFFINITY** | Now that non-players have started to understand the deeper importance of the Lottery, affinity will build as relevant products come to their attention. The top brand health

metric for determining Lottery growth is: “the Lottery is for people like me.” Identifying with the values of the Lottery and building pride in the Lottery institution are key brand health measures.

**INTENT** | Once a consumer has a positive overall impression of the brand, purchase becomes more likely as new, attractive products are introduced. During the Intent phase, the Hoosier Lottery leveraged licensed properties such as “The Walking Dead™” as well as niche-interest games like “Lucky Dog” to appeal to the personal interests of Hoosiers. Draw game innovations such as Poker Lotto and raffles also drew a new segment to the Lottery.

**PURCHASE** | Just because a consumer is attracted to a product doesn’t mean he or she will purchase it. “I forgot” and “it wasn’t convenient” are among the top barriers to playing the lottery. To overcome these objections and secure a purchase, lottery marketers must utilize radio, billboards, and mobile banners to re-engage consumers during their commutes. In-store signage, ask-for-the-sale promotions, and clerk recommendations serve to secure the purchase. Even when a lottery product has been purchased and the fifth phase of the process has been concluded, the lottery marketer’s job isn’t complete. To ensure sustained growth, we must constantly develop new games and promotions that bring new players back while incentivizing them to tell a friend about their experience.



## AFFINITY

### STATUS

- › 56% positive opinion, a 8% increase since 2012
- › 38% believe “is for people like me”
- › 32% are proud of the Lottery
- › 52% part of Indiana life
- › 53% think the lottery is fun
- › Familiarity, Scratch 82%, PB 80%

### GOAL

- › Create a positive opinion and an emotional connection to the Lottery

### INSIGHT

- › “Now that I know it’s for a good cause, I’d buy one.”
- › “There’s finally a game for me!”

### TACTICS

- › TV advertising
- › Events and promotions
- › Geo-targeted banner ads
- › Social media shares

## INTENT

### STATUS

- › Likelihood to play Scratch 30%
- › Likelihood to play PB 30%
- › 13% would like to purchase at the gas pump
- › 16% would like to purchase at Walmart
- › 39% are spending more because of product visibility at retail

### GOAL

- › Create the urge to purchase a Lottery game

### INSIGHT

- › “I should buy that...”

### TACTICS

- › Innovative draw games
- › Licensed properties for Scratchers
- › Radio advertising
- › Billboards near retailers
- › Parking lot advertising
- › Coupons
- › Word of Mouth recommendations

## PURCHASE

### STATUS

- › 3-10% purchased a lottery game for the first time in 2013

### GOAL

- › Sell a Lottery game

### INSIGHT

- › “I’ll take a...”

### TACTICS

- › In-store signage
- › On counter dispensers and disruptive merchandising
- › Ask for the Sale promotions
- › In-store events
- › Office pools
- › Positive purchase experience
- › Terminal promotion
- › Winning experiences

## GTECH CAN BE YOUR PLANNING PARTNER

Utilizing PlayerXP as its planning methodology was extremely effective for the Hoosier Lottery. In just one year, overall positive opinion increased 8 points to 56%, with a large part of the growth coming from non-players, whose positive opinion doubled from 20% to 40%. Research showed that the efforts to be more relevant had succeeded, with “for people like me” scores growing 6% and “part of life in Indiana” increasing 5%. In addition, a sense of pride in the institution was starting to blossom, with a 4% lift in “I am proud of the Hoosier Lottery” statewide and a 10% increase in the southern district. More importantly, the marketing efforts not only lifted perceptions of the Lottery, they also improved revenue in a responsible manner. Product sales increased more than 11% fiscal year to date, with new players leading the way— between 3%-10% of players say they purchased their first Lottery ticket in the last year.

PlayerXP planning methodology is just one of the approaches that GTECH offers to diagnose opportunities and drive sales and profitability growth for its lottery partners. From libraries of best practices from around the world to a comprehensive program for building innovative business plans, GTECH provides a full range of consultation services.



## HOOSIER LOTTERY KEY PERFORMANCE INDICATORS

	2012	2013	+/- Change
Overall Positive Opinion	48%	56%	+8%
(Is) for People Like Me	32%	38%	+6%
(Is) Innovative and Modern	30%	38%	+8%
I am Proud of the Hoosier Lottery	28%	32%	+4%
(Is) Fun	41%	53%	+12%
(Is) Boring	21%	12%	(- 9%)
(Is) Part of Life in Indiana	47%	52%	+5%
Markets Games Responsibly	44%	53%	+9%
Provides Entertainment Value/Dollar	39%	48%	+9%
Facebook Followers	13,468	80,158	+66,690
Klout Score (Online Social Influence)	50	71	+21

Sources: Hoosier Lottery Attitude and Usage Studies, 2012 and 2013. Sales data shown is fiscal year to date through January 1, 2014



Author Bio: Jessica Powell, Vice President of Marketing, GTECH Indiana, is a 20-year veteran of the marketing industry and expert in the gaming and hospitality categories. She has experience in every facet of the gaming category including state lotteries, Las Vegas mega-resorts, dockside and riverboat casinos, and Indian gaming properties, and has worked with notable industry leaders such as Walt Disney World Resorts, MGM Resorts International, and Cathay Pacific Airways. She is currently working on behalf of the Hoosier Lottery ensuring the product development and marketing strategies connect with new and current players. Jessica is the author of “Beyond Myopic Marketing” and “Finding Opportunity in Troubled Times” and has been quoted as an industry expert in such publications as Adweek, Advertising Age, and DMNews.

