

Your online future needn't be a lottery

New digital gaming channels are unearthing promising routes to a brand new market for international lottery operators. Could the lottery space be ripe for its digital migration?

The convergence of many aspects of the terrestrial and digital gaming worlds continues to gather momentum as we progress through 2010, and it should come as no surprise.

We have already been witness to a radical digitalisation of the wider gaming industry in the last 15 years, creating a standalone online landscape that has blossomed in its vibrancy, innovation and resilience to wider economic tribulations. Yet, only now are the major players in the terrestrial casino space committing to migrating their businesses to the Internet, some may say belatedly, which has afforded those pioneering iGaming in their stead the advantage in terms of market share and brand recognition (alas, this is a discussion for another article).

Where the lottery market is concerned, it has the distinct advantage of timing – first mover advantage is all well and good (and, arguably, is still achievable in this space) but more important is the accurate and diligent transference of your terrestrial brand to the online sphere, vital as it is to a successful extension of your business.

SHIFTING SANDS

Today's land-based lotteries are embroiled in their most competitive fight for market share, yet the demographic they are

falling over themselves to capture is becoming very selective, almost niche in today's market terms. By this I mean that the land-based audience is getting older – the younger generation of terrestrial terminals-based players is too sparsely populated to effectively supersede the maturing target range. There is an acute need for lotteries to embrace a younger demographic and with the regeneration of bingo through its online makeover and focus on side games and community as a timely case in point, a digital future for lotteries seems ever more prudent.

Why? Today's consumer isn't just online; (s)he's online on the move and if we're being serious about extending business strategies to cater for our consumers and in turn, maintain a sustainable, scalable business, then this fact cannot be ignored.

CHANGE IS TERMINAL

In order to maximise any migration to digital channels, today's lotteries need to branch away from their 'terminals' mindset; what works on the ground will have very different results in online, mobile or interactive media. The focus has to accommodate strategies for the Internet, for mobile and Smartphones and for interactive media – all very different from traditional terminals-based concepts, indeed, all very different from each other.



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Such is the pace of change with regards to today's technology that each digital channel needs its own tailored framework, which will be a challenge, but with the right help and the right partner, it will be a challenge worth overcoming.

ADVANTAGES

By going digital you immediately open yourself up to a younger audience range, but that doesn't mean that just because you're 'online' that the average age of the footfall to your sites will drop dramatically. You need strategies in place to attract this new demographic to your site, and here again, bingo can be used as a template, of sorts. Bingo's online success didn't happen because it 'went



live' after certain smoking bans took effect; its operators and providers remoulded the way the game was offered with the inclusion of side games, tailored content and most importantly, a community.

However, we shouldn't forget that today's online bingo community isn't solely inhabited by this new, younger target range. Bingo's traditionally 'older-generation' terrestrial demographic has successfully made the shift online (contrary to certain forecasts around the time of the smoking ban in England) and we are seeing similar patterns across the Internet. Where it concerns lotteries, we are seeing those more familiar to offline

terminal points-of-sale become more confident in extending their playing habits online. What this means is that whilst the Internet provides you access to a younger target market than previously available, it does so not as a replacement of a previous and ageing demographic, but as an extension to it. The offline gaming consumer is moving online, just as the offline industry is seeking to.

Lotteries have a similar challenge to that of the bingo industry, but in a sense have a wider scope in which to work. The sense of community is of paramount importance and strategies here, and in your social media marketing techniques, could signal the make or break of your



Olafur Andri Ragnarsson, Chief Software Architect, was one of the founders of Betware along with Stefán Hrafnkelsson in 1996. From 1987 to 1990, and again 1993-1997, he worked as an operator for the Icelandic Soccer Pools, at Islenskar Getraunir. Prior to that, he was the Development Manager at Margmidlun.

Betware is a pioneer in the Internet gaming market with over 14 years' experience in developing interactive gaming solutions. Betware's platform covers the spectrum of online money gaming sector, from back end to player gaming experience. The company's game portfolio includes lottery, instants, sports betting, casino, poker and multiplayer games delivered over the Internet browsers, mobile phones and IPTV. Flexibility, modularity and openness of Betware's Technology, brings lotteries closer to their players.

site. You have the advantage to offer new sales channels – offer up-to-date interactive games, be they from the casino or sports world and make your lottery site an interactive hub that players will feel obliged to return to. In tandem with a solid community ethos, this will stand your digital lottery offering in good stead.

Like with any consumer service offering, it is imperative to know your audience, and by teaming up with the right partner that can offer you a powerful messaging system that supports targeted promotional communication with players, and provides an online platform to monitor solutions, games management, subscriptions, track transactions and vitally, player monitoring – you will get a clearer understanding of your digital consumer.

ONLINE LOTTERY?

As the title of the article suggests, extending your business online needn't be a lottery. However, that's not to say that the transition will be easy; lotteries need to do some groundwork in terms of research into the demographic, successful components within today's iGaming space and each individual digital channel via which you intend to operate.

More than anything, it is a change of mindset; don't take your 'terminals' strategy online, because it won't work. Think digitally, think practically and think ahead... iGaming is fast-moving sector – you don't want to launch via a dated entry mechanism. Choose a partner with experience in this field who can help to design the optimum strategy for your business.

By advising the extension of your business onto digital channels, we are by no means advocating the 'death of terminals-based lotteries', far from it, as with any expansion of operations, any new digital era should work in tandem with existing frameworks, just as TV won't die out from the emergence of online video, for example.

There are, in fact, circumstances where the take up of terminals-based gaming has increased following digital exposure so the whole process should be approached as complimentary rather than cannibalistic.

The future for global lotteries is vibrant and its extension to the Internet, mobile and beyond is an opportunity for operators within this space that cannot be overlooked.

The digital space is where today's consumer lives, works and plays; this is where you need to be too.