

Retailers' Sales Soar from Lottery's Modern Signage Pilot

The Virginia Lottery wanted to take a holistic look at its scratch tickets. So, when it issued its most recent scratch ticket request for proposal (RFP), the Lottery emphasized the importance of improving the retail experience for customers. The eventual winner of the bid was IGT, which agreed to include a modern signage pilot in the RFP.

This is quite a shift from precedent. In the past, lotteries might include pilots for signs in their central gaming system RFPs, but Carmanah Signs has ushered in the next era of lottery signage with digital menu boards and PlayStations. Lotteries can now advertise an entire product portfolio, including scratch tickets.

IGT, Carmanah Signs, and the Virginia Lottery agreed to a 26-week pilot. "It was a no-brainer to include Carmanah Signs in our proposal," Terri Rose, Director of Marketing, Virginia Lottery, said. "It was a great opportunity to try something very new at retail, and we've had some amazing results."

"I don't think it could have been a better synergy between the three different entities working together with quality advertising at retail. We had a perfect storm of great collaboration," Max Goldstein, Vice President Sales, Americas, Carmanah Signs, said.

The Pilot

The Lottery ordered 10 digital menu boards and 10 digital PlayStations and placed them in 17 retailers. The retailers were a mix of convenience stores, convenience-with-gas, and supermarkets. Seven stores received a digital menu board, seven stores received a digital PlayStation, and three stores received both. Several corporate accounts were also included, Kroger, Publix, and 7-Eleven, with the rest being independently-owned stores.

Carmanah Signs gave Rose and her team what she described as "the greatest tutorial in the world." They covered everything from updating the signs to business rules governing content design. For instance, when a Powerball or Mega Millions jackpot reaches \$250 million, the signs automatically start showing a full-screen alert to help promote the game.

Pilot Stores Average Year-Over-Year Sales Growth

+7%

Convenience-without-Gas
Pilot Stores

+9%

Convenience-with-Gas
Pilot Stores

+15%

Supermarket Pilots



"The flexibility of this content management platform allows us to change things quickly. And as the person who prints a lot of point-of-sale materials, I see it as an opportunity to save money on printing costs and be greener," Rose said.

Results

The Virginia Lottery sales team chose three comparable stores for each pilot retailer to test the sales lift of the pilot. The Lottery also planned to compare pilot stores against all their retailers.

"We reviewed the pilot's performance in quite a few ways, but we focused on the results against comparable stores that the lottery strategically picked prior to the start of the pilot," said Brian Janecek, Marketing Manager, IGT. "It was essential to find the right test stores and comparable stores ahead of time."

Year-over-year, the convenience-with-gas-pilots grew sales by 9%, convenience-without-gas grew 7%, and supermarkets grew nearly 15%. All three groups outperformed their comparable stores within the same trades. "Some really, really big numbers stood out to me right away," Rose said. On average, the pilot locations outperformed their comparable stores by 5% or more in \$20 scratchers, Cash 4 Life, Keno, Pick 4, Powerball, and Print 'n Play. "And we know anecdotally from our players that they liked it. It makes a huge difference when you can look above the counter and see everything you want to know about every draw game that we feature."

From a portfolio perspective, draw games were most affected by the addition of digital signs, but \$20 and \$30 scratch ticket sales also had a large sales lift.

The sign's flexibility also allowed the Lottery to advertise smaller jackpots in ways they could not before. "We added a progressive jackpot to Cash 5 and a progressive jackpot game to Print 'n Play. Those are two growing jackpot games that we previously had found difficult to advertise, but now this is one definite way we can grow awareness for these games," Janecek said.

Carmanah Signs recently did a quantitative study in North America with Leger on how digital signage impacts customers at retail. Seventy-one percent of consumers who went into a retail environment noticed digital signage. Of that, 69% said it had an impact. Of that, 11% indicated they made a purchase based on what they saw. "I think that reinforces our pilot and the positive incremental sales lift," Jason Barrs, Senior Vice President Global Sales & Business Development, Carmanah Signs, said.

Advancements in retail technology continue to march forward. The Virginia Lottery continues to evolve along with it. Rose ended: "The key to a 33-year-old Lottery is to refine, refine, refine. It's been incredibly valuable for us to have IGT and Carmanah on board to help us as we start to rethink even something simple as our PlayCenter, which we know does a lot of heavy lifting for us in a lot of ways. It has been a fascinating project to be a part of."



Lottery Retail Modernization.

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The right **content**. The right **time**. The right **place**. Auto-populate displays with **hyperlocal** content.

15 lotteries are already using Carmanah's **digital signage** technology to **increase sales** at retail.

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