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The Holistic Player Experience

PGRI Introduction:

More games, more ways to access the games ... increasing consumer options is good. Increased complexity, not so good. How do we reconcile the consumer appetite for more options, more interesting game content, more access-points ... with the desire for ease of use, familiarity, and comfortable player experience?

Our discussion with Mr. Kerastaris (at the INTRALOT booth at ICE Totally Gaming) explores INTRALOT's solution to this conundrum.

Paul Jason:

Your booth seems to be arranged to highlight the way different devices, channels, and media work together to make it easier to navigate all the different gaming categories.

Antonios Kerastaris: Digital Technology has dramatically changed not only consumer habits but also the business model in many industries. In Lotteries the application of technology makes the product more visible, more appealing, and more accessible to the consumer. It also allows the gathering of information and affects the way the consumer experiences the products and play in general.

In the pre-digital era product-development teams used to survey consumers to try to discern what the players want. Then product-development would propose ideas to technologists and manufacturing for how to create products that appeal to the players. The problem is that the desires and guidance expressed by consumers is limited to what they can imagine. In the digital era new possibilities arise in such fast pace that ideas conceived and solutions developed by engineers, scientists, and technologists can't even be imagined by consumers. Focus groups and surveys are not helpful without

presenting the ideas conceived in the lab for consumers to express their opinions.

We are now equipped with a wealth of solutions that are based on technology, new ideas for how to improve products and methods of delivery that the consumer can't even imagine. Product development is now driven by these technology-enabled solutions instead of being driven by consumer surveys and focus groups.

That's why there are lots of technological innovations in your booth (here at ICE Gaming Show in London) that are not in the market-place yet?

A. Kerastaris: Exactly. We are presenting a new world of technology-enabled products and solutions which are now being subjected to testing by the real-world market-place where consumers reside and decide.

At INTRALOT we have designed the next generation of products introducing broader technological developments that address efficiency and customization issues through modular, scalable, and parametrical technologies that offer flexibility and fast go-to-market, reduced costs, and no compromises in reliability and security.

Of course, in the end it is the consumer who decides what works and what doesn't, what is relevant and appeals to them and what doesn't. We just have to show it to them to understand it. Then we must apply systematic testing of new technology-enabled solutions to discern consumer preferences.

This is the way to build economies of scale through reliable technologies and business practices based on these technologies, either driven by sophisticated data analytics models or thin-client solutions.

But it is crucial to integrate field experience in order to deliver a product that will be appealing to the consumer. With additional guidance from the market-place, we fine-tune the solutions so that they earn broad consumer acceptance. We are showing what is technologically possible, hoping to stimulate the imagination of the consumer to think about what would be amazing to actually have. We need to show the consumer what is possible and then analyze their response. Of course, closing the loop and clarifying what is relevant to the consumer is the most crucial step of the whole process.

What are some examples of new technology that is stimulating new ideas?

A. Kerastaris: The defining characteristic of our approach is integration. What you see in our booth is a holistic approach towards creating a games-of-chance environment that enables the consumer to easily navigate through a rich portfolio of gaming options

“ Our goal is to make it easy to migrate among different gaming categories and to create a seamless player journey from mobile to desk-top to self-serve play-station to retail POS. ”

and ways to access those options. There is innovation in many of the products themselves. But the thing we are most enthusiastic about is the way we convert a complex variety of games and access-points into a user-friendly player experience that at the end of the day creates familiarity and comfort for the player. Even though technology enables the solutions, the measure of success is how it enhances the overall player experience and how it creates efficiencies for the operator. Our goal is to make it easy to migrate among different gaming categories and to create a seamless player journey from mobile to desk-top to self-serve play-station to retail POS. The distinctions between product, content, distribution, and access-devices should be invisible to the consumer. It is all one seamless customer

journey that maximizes options and access to content while minimizing complexity and confusion. The protocols, commands, and visuals should create a singular holistic environment that is comfortable to dwell in and makes the entire experience intuitive.

The player can focus on the enjoyment of the game instead of the manner and methods of navigating a complex system.

A. Kerastaris: The consumer wants lots of different things, some of which can be contradictory. Delivering the experience that meets these different needs is where technology-enabled innovation really takes over. As you point out, reconciling these different consumer impulses makes it easy for the player to enjoy the games, to focus on and embrace the playing experience in



INTRALOT iconic pavilion at ICE Totally Gaming Show in London



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a holistic way. That makes the games more exciting, and the variety of games to choose from becomes attractive to the player instead of an obstacle to enjoying the playing.

This has implications for the retailer and lottery operator as well. The holistic system that integrates seamless navigational properties right into the player experience makes everything more efficient from an operational point of view. New games can be launched, distributed, and integrated into the portfolio with much less training and lower costs.

Corporate enterprises have always been organized by functional disciplines. Nobody is an expert in everything, so people specialize. You have operations, finance, manufacturing, marketing, product development, etc. But with integration and creating a holistic world ... doesn't that create a need for somebody to have the broad overview? How does integration happen when everybody is specialized?

A. Kerastaris: The unifying factor is the player. We can all refer back to the player as being the one who drives our focus and

actions. Whether we produce something ourselves or we get it from a supplier and integrate it, producing a better product or gaming experience or interactive channel or anything we do – in the end, it's all decided by the player. We need to understand how the parts work together. But in the end, whether it is a new game, a new POS strategy, a new terminal, a new interactive initiative – the player decides what works. And unlike product development and those of us in the business of creating great player experiences, the player does not deconstruct products and experiences into component parts. We need to realize that the whole is not equal to the sum of the parts. Understanding the component parts may provide little insight into the overall holistic experience. That is why we need to fully understand the playing experience from the player point of view.

But the player experience in sports-betting is so much different from that of the Lottery.

A. Kerastaris: The game maybe different but the fundamental approach of the sports betting platform and infrastructure can be exactly the same as in Lottery in terms of the customer experience. It is a different game, a different demographic group, but the way we think about the customer journey, our relationship with the retailer, the ways to optimize the POS and messaging to produce a positive player experience ... we are dealing with the same issues for all gaming categories. In both cases, the platform must support positive messaging that resonates with the consumer from the moment they approach the store. The navigational properties must provide familiar visuals and protocols throughout the entire player journey.

Retailer motivations and priorities do, however, differ with product categories. Lottery can make up a relatively small portion of retailers' sales in non-exclusive stores. They sell other products and the ability of Lottery to bring people into the store to buy those other products goes into the calculus of the retailers' assessment of Lottery's ability to drive profits. It's important for us to realize that and leverage it to enlist greater retailer dedication to Lottery. Sports-betting shops, on the other hand, typically make 100% of their revenue from sports-betting. That's why the combination of margins and turnover must yield more than the commissions made by Lottery retailers. So the value these two sectors seek from the gaming operator is quite different.

Are you hoping that lotteries in the U.S. will be authorized to offer sports-betting in the near future?

A. Kerastaris: Of course I do hope so and to date we are closer to this possibility than we were a year ago. It would be a great new product category for Lottery. INTRALOT is uniquely positioned to help our customers launch it quickly and with minimal costs because sports-betting can be added to the same central system and delivered with the same terminals that are used for Lottery. It would be a massive addition with very little cost or effort. Through the kind of technology we've been discussing here it would be a matter of weeks for us to be able to offer reliable betting products and services through a Lottery retail network in the US with practically no additional Capex.

Sports betting is perceived as lower margin product than Lottery. How would you go about that?

A. Kerastaris: It is a lower margin but it is not low. The main difference is that in sports betting there is the element of proper risk management. The payout will vary based on the quality of the odds, while in Lottery it is pretty much fixed payout. That's a big difference that requires the proper trading experience and toolkit.

Congratulations for the appointment to provide next generation technology to the Illinois Lottery. Are there differences between this partnership and other commercial partnerships that INTRALOT has in the U.S.?

A. Kerastaris: We are very excited to have the opportunity to work with Camelot in Illinois. There is tremendous upside and we look forward to achieving that together with the Camelot Group and the Illinois Lottery. We have a lot of ideas on how to grow sales and we already have established a very good chemistry and common thinking with both the Lottery and Camelot. With Camelot we've had enormous success working together in Ireland already. I am also excited for this opportunity to demonstrate that the Private Management model can work, and should be considered by others who are looking for innovative ways to optimize performance for Lottery. We're very excited to have a chance to prove that we can do a great job in Illinois. ■