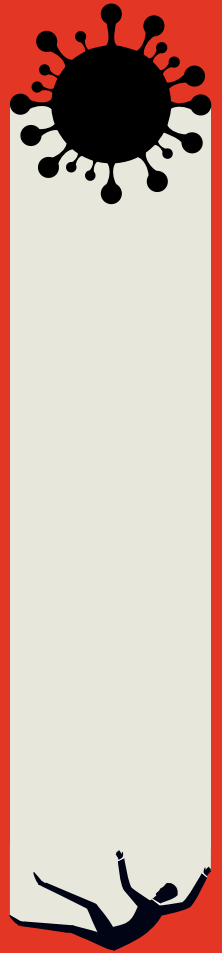




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Crises Precipitate Change

INTRALOT, Inc. CEO Byron Boothe: What's Ahead?

INTRALOT, Inc. CEO Byron Boothe believes that in crisis, new opportunities arise. He described INTRALOT's priorities as three-fold: "1) Focus on opportunities to help our partners overcome these difficult times by proposing meaningful promotions and actions that will be easy to implement and have positive ROI in the short-term. 2) Be transparent not just to the lottery players but also the retailers. We can assure system business continuity as well as call center/field support amid difficult constraints. 3) Embrace the long view. Stay focused on the horizon, anticipate new business models that are likely to emerge and spark innovation that will define our future."

Boothe believes that INTRALOT is coming out of this experience stronger. "We are also more ready to explore, embrace and further grow our digital capabilities such as iLottery, online subscriptions and touchless payment methods to name a few," he stressed.

INTRALOT's aggressive U.S. market growth plans include launching sports betting and iLottery in new and existing jurisdictions. In addition, Boothe predicts further growth of Fast Play games with new play styles and new price points.

"We're also looking forward to a number of potential RFPs related to i or e-lottery as well as a couple of traditional ones" said Boothe.

But there are still so many unknowns. The lottery industry has been forced to change as a result of the COVID-19 and risk of a second wave.

"These are unprecedented times not just for the U.S. but for the whole world," stressed Boothe. "At INTRALOT, we are closely monitoring sales as well as the number of terminals reporting sales on the field. Most retail businesses were heavily affected because of the limited foot traffic and temporary closures. Obviously that affected lottery sales as a whole and especially monitor sales since most social establishments weren't accepting patrons at their premises and only offered take out and delivery. Similarly, our sports betting offering experienced a slow start due to the postponement and cancellation of

most sporting events here but around the world as well."

But as states reopened, Boothe said lottery sales were getting back to normal. Sales in the fourth quarter of fiscal 2020 were very promising and trending upwards. INTRALOT invests a great deal in crisis preparedness and its teams have developed business continuity plans to respond to incidents such as COVID-19.

"As we have seen, every day brings more information. The more change we confront, the more important it is to understand and adjust to what may seem like a new normal. We remain focused on our people, our customers, and our communities. Together, we will get through this and grow stronger," he added.

Biggest Opportunities

Boothe identified three key areas for growth: iLottery sales, in-lane sales and sports betting.

He is confident that more U.S. lotteries will be launching iLottery programs in fiscal 2021.

"The pandemic has proved to the U.S. lottery industry that iLottery counterbalanced the effects of retail closures throughout the nation. I still believe that traditional brick & mortar stores are and will be the backbone of our business but we need to find ways to future proof our industry and mitigate risks," said Boothe.

"Even if iLottery is not legal in most jurisdictions today, legislators are more willing to hear now. At INTRALOT, we are working with our partners to explain to legislators the benefits our such solutions, ensure security and high standards of quality of services and propose business models that benefit the state," he added.

In addition, INTRALOT is working on solutions that allow lotteries to offer different payment methods. allowing customers to not only make money transactions online but also include the retail network and allow for transactions to happen offline.

"For the real success of such a solution, we believe that it is crucial to

include the retailers with offering them commission and affiliate schemes," he stressed.

Boothe is bullish on the forecast for sports betting revenue in fiscal 2021 now that the professional sports leagues are beginning to play again. He said virtual sports and/or eSports offered great opportunities during the shutdown of professional sports leagues.

Finally, in-lane sales are a big focus for U.S. lotteries. "In-lane allows lotteries to enter previously untapped retail environments and build new relationships. As we recover from the COVID-19 Pandemic, and see consumer behaviors change, we are realizing the increasing importance of a solution that enables players to make their lottery purchases conveniently in-lane, eliminating the need for a second stop at the customer service area," said Boothe.

INTRALOT is pursuing several projects with partners. It also offers its own in-lane solution.

"INTRALOT has been working with different vendors in the industry to pilot different in-lane solutions," said Boothe. "Most recently though, INTRALOT worked with the Idaho Lottery to launch a pilot in-lane solution in Ridley's Family Market locations with our smallest footprint terminal called Proton. The Proton is an all-in-one terminal that eliminates the retailer POS integration, which drastically decreases the time to market. INTRALOT is proud to be the first vendor with a currently selling, fully terminal based, in-lane solution in the United States!"



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