



Optimizing Lottery Sales Rep

Efficiency in New Jersey



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Introduction

In fiscal year (FY) 2023, the New Jersey Lottery faced flattening sales. This downturn was influenced by macroeconomic factors and a competitive landscape challenged by legalized sports betting and online casino gambling. To counteract this trend, Northstar New Jersey (NSNJ), which provides sales and marketing services to the New Jersey Lottery, introduced a strategic initiative aimed at optimizing the efforts of lottery sales representatives (LSRs or reps) by reshaping territories and leveraging IGT's Sales Wizard salesforce automation tool to grow sales. This case study explores the changes enacted, the success data from the first year of implementation, and the next steps for this initiative.

Key Takeaways

- Adjusting visit frequencies based on retailer performance and opportunity, enabled NSNJ lottery sales reps to focus their efforts where they could have the most impact, leading to increased sales and engagement.
- The flexibility and automation capabilities of IGT's Sales Wizard software were crucial in streamlining the scheduling process, allowing reps to manage their routes more effectively and respond to real-time needs.
- Initial success has led to an expansion of the program. Increasing the number of high-opportunity retailers receiving weekly visits and incorporating more retailers to ensure sustained growth and optimization of sales rep efforts.

By The Numbers

\$30M

Total sales above expectations for the final three quarters of FY24 for the New Jersey Lottery

6,700

Number of retailers selling lottery in the Garden State

67%

Percent of total lottery sales generated from the top 30 percent of retailers in New Jersey

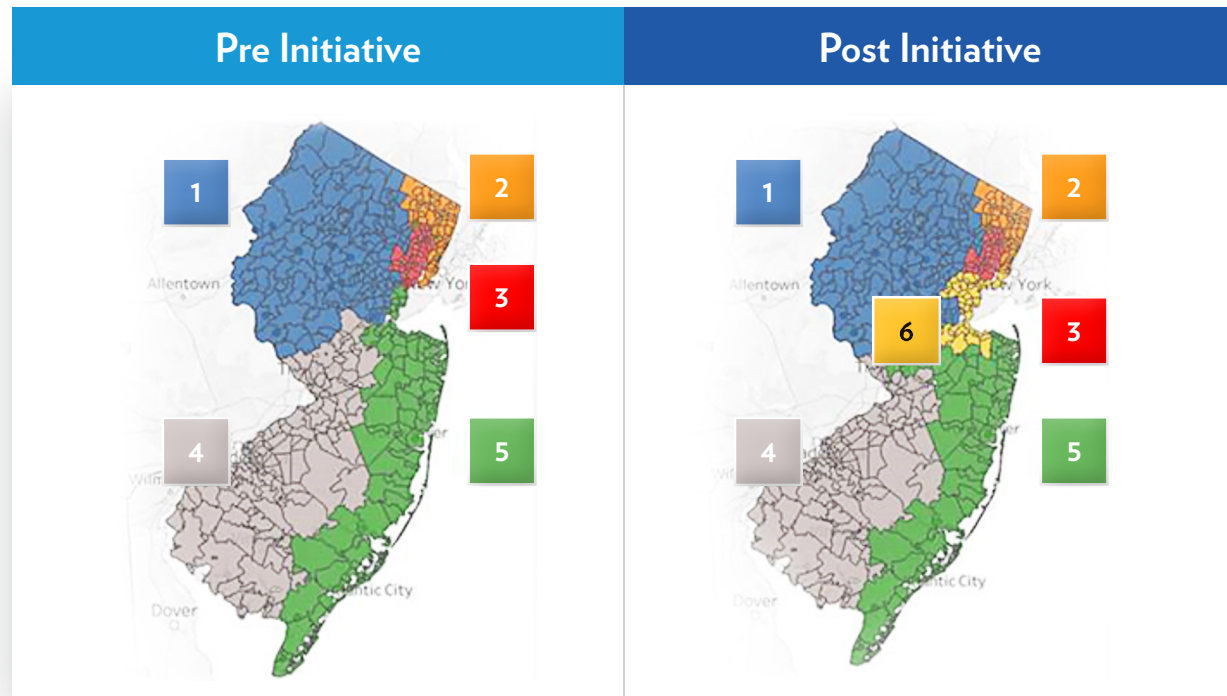
Background and Challenges

For the past several years, most of the Lottery's 6,700 retailers were visited bi-weekly by LSRs. Through research and analysis, the NSNJ sales team developed a more customized approach to servicing retailers, adjusting their routes based on engagement and opportunities.

To address this challenge, NSNJ restructured its LSR organization and visit schedules starting July 1, 2023. This new strategy employed several key changes:

Restructuring of Sales Territories

The state was newly divided into six districts, with each district managed by a supervisor overseeing 10 LSRs, compared to the previous structure with five districts and supervisors managing 12 LSRs. Each LSR was assigned approximately 90 retailers, allowing for more focused and frequent interactions with their assigned retailers.



Prioritization Based on Retailer Performance

Retailers were ranked from top to bottom based on total sales of instant games and draw-based games (excluding multi-state jackpots) and divided into deciles. The top 10% of retailers formed the first decile, the next 10% formed the second decile, and so on. **The top three deciles accounted for nearly two-thirds of total lottery sales**, while the bottom three deciles contributed only 5%. Foot traffic and store locations emerged as a key differentiator among these groups.

Enhanced Visit Frequency for High-Performing Retailers

High-performing and highly engaged retailers (25 per LSR) were identified as "Target Retailers" and received weekly visits from their LSR with a detailed plan to grow sales and enhance retailer and player experiences. This strategy ensured that lottery products remained top of mind, bins were always full, and upcoming promotions were effectively communicated. Middle-performing retailers continued with bi-weekly visits, while lower opportunity retailers received monthly visits. This tiered approach allowed LSRs to focus their efforts where they could have the most impact.

LSR Tactics to Drive Sales

As part of increased visitations, LSRs would perform services at the retailer to maximize sales growth, including double/triple facing of top-selling games, promoting winner awareness with graphics and in-store displays, inventory management to avoid out of stocks, and merchandising excellence. LSRs would also engage with the retailer's decision maker to make recommendations on how to increase sales at the location.

Action Plan for Target Retailers

 Scratch-offs	 POS	 Awareness	 Promotions
<ul style="list-style-type: none"> • Schafer Halo Displays, with multiple configurations and bin count • GlowStacks to enhance in-store new games visibility • Bin space optimization • Lottery Vending Machines (re)deployment 	<ul style="list-style-type: none"> • Retailer Makeover Program / Flagship Stores • New Playcenters • Merchandising Playbook (indoor and outdoor) • Telescopic signs 	<ul style="list-style-type: none"> • Jackpot awareness: Digital displays, including new Quick Draw Progressive sign • Winner awareness: enhanced display (winner wall kit, winner stars) 	<ul style="list-style-type: none"> • Coupon Usage • Promotional items • Partnership with dedicated Promotional reps • Website / Social media to enhance visibility • Co-op promos with retailer engagement



Example of multi-faced retailer with with Schafer Halo displays, jackpot sign above the ticket display.

As NSNJ evolves the LSR role, we recognized an opportunity to pilot a targeted approach to top performing, highly engaged retailers. There was an enhanced visit schedule combined with specific initiatives around retail execution. Due to more frequent visits, reps were able to have deeper conversations about retailers' goals and aspirations to better understand how lottery products really fit into each retailer's long-and short-term goals. With a targeted approach for visit frequency and specific executable initiatives, we have seen encouraging results for the target retailers. We are looking to expand the plan in the coming months.

John Hodor, Vice President of Sales, Northstar New Jersey



Sales Wizard Enhancements

A pivotal component of the new strategy was the implementation of new features of Sales Wizard, IGT's lottery-specific sales force automation tool, which provides lottery sales and leadership teams with data and strategic insights.

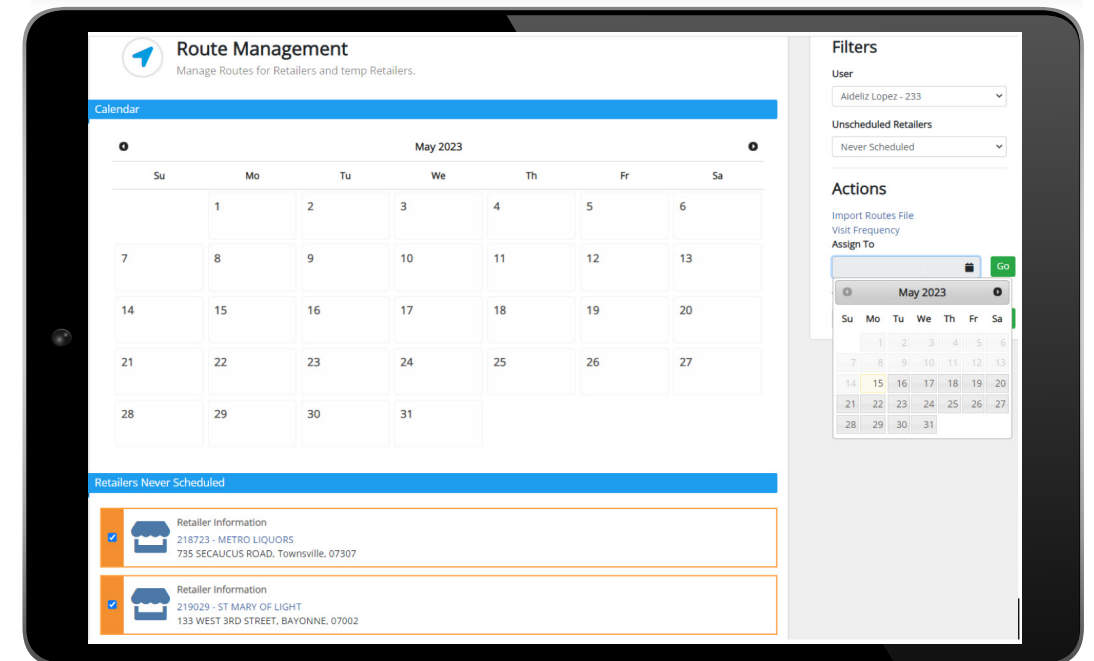
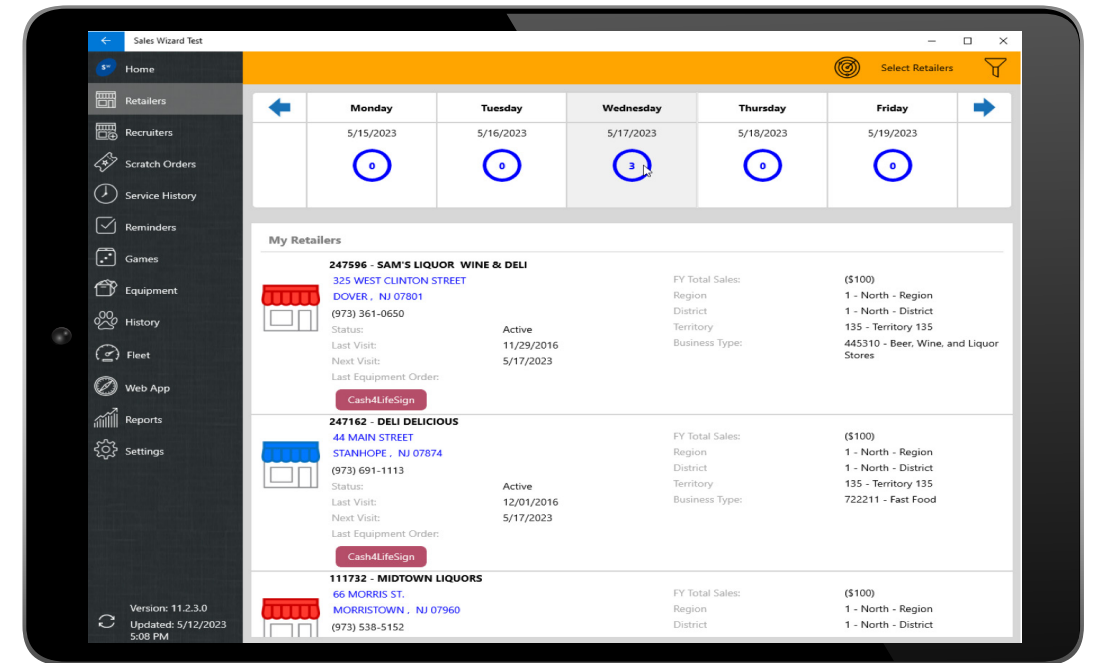
Sales Wizard revolutionized the scheduling process by allowing LSRs to customize their visit schedules based on specific calendar dates, rather than adhering to rigid, cyclical weekday intervals. This shift introduced significant flexibility in route planning, enabling reps to tailor their visits to align with dynamic retail conditions and opportunities.

For instance, an LSR might choose to visit a retailer on a Tuesday to coincide with a new game launch, and then adjust the next week's visit to Thursday to meet with the store owner.

Additionally, if an LSR spots a significant opportunity, they can modify the frequency of their visits directly in Sales Wizard, shifting from bi-weekly to weekly visits as needed to capitalize on emerging prospects. These adaptations can be managed directly by the reps or integrated into the system through pre-set routes, maximizing the effectiveness of each visit.

The retail environment is always changing; our customers' sales teams needed more flexible options for how to route their territories. New Jersey was the first jurisdiction to implement this new Sales Wizard feature. It's clear that their efforts are paying off, and they are able to create their retailer visit schedules to help them optimize and drive sales.

Danielle Davis, Product Director, Retailer Management, IGT



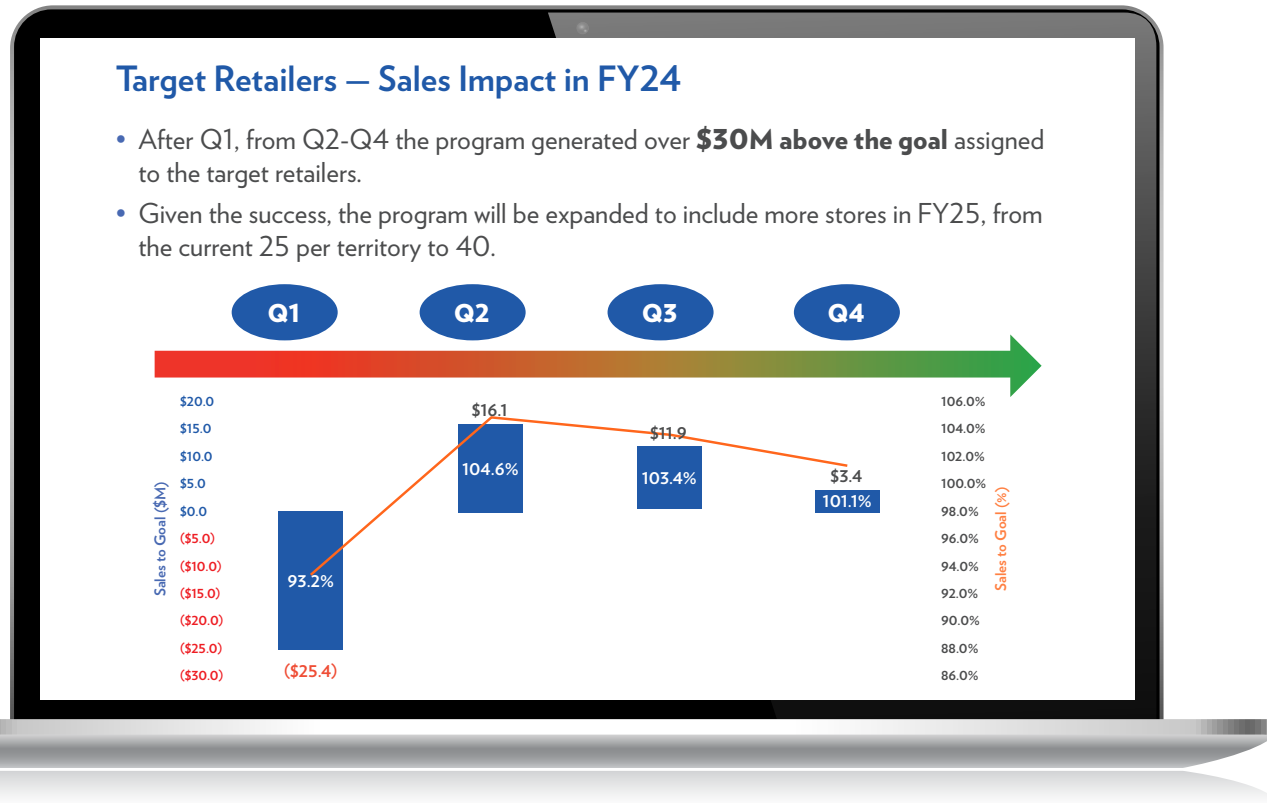
Results

The first year of implementation provided valuable insights and highlighted areas for improvement. The initial challenges included an adjustment period for both reps and retailers.

By the second quarter, the reps and retailers had adapted to the new system. Sales exceeded the goal by \$16 million (4.6% above the goal). The third quarter saw a surplus of \$11.9 million (3.4% above the goal), while the fourth quarter exceeded the target by \$3.4 million (1.1% above the goal). From Q2-Q4, the program generated over **\$30 million above the goal assigned to target retailers**.

This initiative was the perfect synergy between retail sales planning and human intelligence. Identifying high opportunity retailers based on quantitative data and advanced analytics, while involving the reps in the decision-making process to make sure to target highly engaged retailers was key in the success of the program. The flawless execution in the field, and the tools provided to the reps, including dedicated reporting and the new Sales Wizard routing feature, made the difference to drive the sales increase in these target retailers.

Emilio Regis, Sr. Manager of Analytics and Insights, Northstar New Jersey



What's Next?

NSNJ's initiative to optimize LSR visits through strategic reorganization and the use of Sales Wizard proved successful in reversing the decline in sales for target retailers. By prioritizing high-performing retailers, leveraging technology for efficient scheduling, ensuring flawless execution, and continuously refining their approach, the Lottery not only met but exceeded its sales goals in subsequent quarters for target retailers.

Starting in FY25, the number of retailers receiving weekly visits was recalibrated and increased from 25 to 40 per LSR, as the program began to incorporate retailers from deciles 4, 5, and 6, ensuring that further potential growth opportunities will not be missed.

For more information about Sales Wizard, contact **Danielle Davis** at Danielle.Davis@igt.com