

December 5th,
Austin TX

What Retailers Want

Examining the mind of a retailer

Razor thin profit margins at retail. 1.5%

- Achieve Break even is always on the mind
- Operating costs rise each year.
- Retailers pick categories to promote based on best return ROI.

- ***For more thoughts see November LaFleur's "Three essential Insights into Retailer Psychology"***



Examining the mind of a retailer

Friction can bring the whole ship down

- Receive instant tickets into inventory and store in a safe
- Activate tickets and place in the dispenser (Lottery tickets = CASH)
- Account for each pack 3 times per day physically and monetarily.

- Shrink and Labor never let up.



Abacus: two paths to adopt lottery

Understanding the complexity of integrating lottery into The POS, Abacus suggest 2 possible paths:

- **Physical** – automating lottery purchase through the lanes while not slowing down the lines
- **Non-physical** – using mobile and digital products but at retail



Abacus : physical path

Lottery ticket collection system

- Ticket purchases handled just like other grocery items
- Customer selects game(s) they want to purchase at the register – draw and instants
- Follow on ticket (draw) and bar code (instants) produced on receipt paper
- Customer scans the barcode at the collection dispenser and tickets are dispensed
- No slowing the queue
- Will appeal to retailers who are reluctant to sell lottery NOW



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Abacus: physical path

Collection system benefits

- Draw games at every cash register
- Collection dispenser can dispense up to 48 games using a small footprint machine
- All tickets purchased from any lane
- Tickets are reserved following purchase. No chance from more tickets to be sold than in inventory
- No Shrink, no labor, simplified accounting and reduced credit card cost
- Will appeal to retailers who are reluctant to sell lottery NOW



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Abacus: non-physical path

100% mobile digital play at retail

- No Staff handling or accounting for physical inventory required
- Using Blackhawk API or NASPL API
- Integration through Abacus gateway



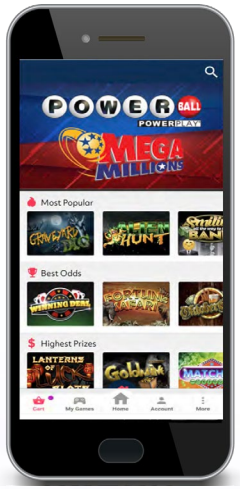
BLACKHAWK NETWORK

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Abacus: non-physical path "Mobile is the future"

100% mobile digital play at retail

Selects game on mobile device



Pay and activate In-lane via barcode scan



Customer plays their game on mobile



Customer redeems lottery prize



MOBILE AT RETAIL IS THE **FUTURE**

THANK YOU!

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