VIRGINIA LOTTERY

Rewarding brand loyalty



The Changing Landscape

And Protecting Share of Wallet



- Gaming expansion: proliferation of options in Virginia
- Macro economic impact: higher prices for goods & services; rise in interest rates
- Employment stability: job market uncertainty
- Entertainment outlets: restaurants, bars, concerts, sporting events, etc.

Why A Rewards Program?

Better Player Experience, Omnichannel, Acquisition, Retention and more

- **Protecting Share of Wallet**: consumers who participate in loyalty programs are 80% more likely to choose the brand over competitors.
- **Retain Existing Customers**: loyal consumers spend 67% more on average than new ones.
- **Increase Average Profit**: 5% increase in customer loyalty would increase the average profit per customer by 25%-100%.
- **Build Personal Relationships**: 66% of people will join a loyalty program if it builds an ongoing relationship.
- **Create Brand Advocates**: 86% of consumers engage with the brand they're loyal to by spreading the word. At least 92% of people trust word-of-mouth recommendations and influence up to half of all purchasing decisions.

The Time Is Right

How we evolved to a loyalty program



eXTRA chances

2nd chance!

REWARDS

Do Promotions & Loyalty Go Together?



PROMOTIONS ACHIEVE: Spikes Of Excitement
Deliver fun and engaging experiences that allow players to escape the day-to-day norm

YES!

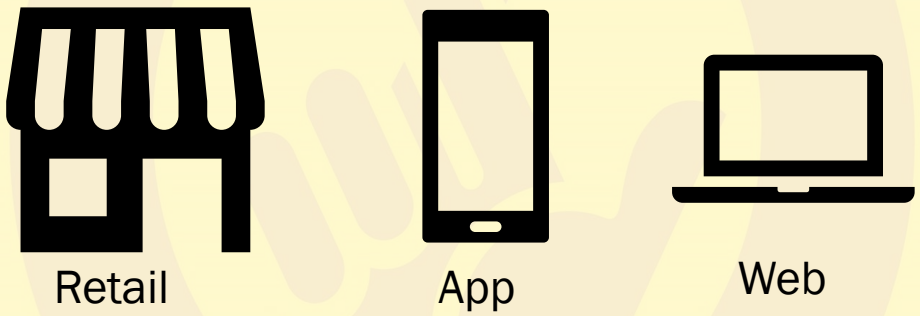
LOYALTY ACHIEVES: Long-Term Relationships
Builds relationships through well-orchestrated communications and meaningful experiences

Virginia Lottery Rewards Program

The Rewards program is an **all-inclusive, uncomplicated** and **fun** way to engage with the Virginia Lottery by **providing opportunities** for players to **imagine the possibilities** by taking a break from the everyday and **getting rewarded** in doing so!

It’s All About Our Players!

One Lottery, One Program



- All products are eligible for rewards points (winning or non-winning)
- Players can earn points automatically, when purchasing online (app or web) games
- Players can earn points for all retail games after purchasing by scanning their scratcher or draw game ticket
- Players can redeem points for free play (online or retail) and/or entry into prize drawings
- There are three tiers (will launch in the background) and be player facing 12-18 months after program launch

And It's Not Just About Spend

Players can also earn points by engaging with US!



- Signing up for a VA Lottery account or logging in for the first time (after program launches)
- Making a first-time deposit
- Downloading the app for the first time
- Opting-in for promotional emails
- Celebrating a birthday or anniversary

Keeping Players Engaged

Rolling out a phased approach

Phase 1: Launch	Phase 2: 6-12 months post launch	Phase 3: 12-18 months post launch
Transactions	Digital Punch Cards	Introduction of Tiers
Surprise & Delight	Refer a Friend	Optimization
Points Multiplier	Personalized Offers	Win Back
Engagement	Challenges	

Why Is This Important?

Rich data (behavioral and attitudinal) drives revenue

Improve Customer Experience

Acquiring a new player can cost 5x more than retaining an existing one. By retaining players in a responsible way by only 5% can increase profits from 25-95%. Customer experience and loyalty play a critical role in deploying a successful retention strategy.

Drive Omnichannel Strategy

By implementing a seamless omni channel, data-focused strategy, players will receive timely, relevant and personalized loyalty program rewards that they are interested in, which will aid in long-term retention.

Increase Player Lifetime Value (LTV)

A player's LTV is the average amount of money they will spend with the brand over time. As players become loyal, retention rates increase, referrals increase, and servicing players goes down.

Thank you

Contact us : pmilligan@valottery.com

