



# ***Driving Retail Innovation***

***Steve Lucas - Sales Director***

***UK National Lottery***



# Understanding is key to innovation and driving Sales growth

UK



**More Demanding Consumers**



**Major Planning Restrictions**



**Huge Market Polarisation**



**Growing Retail Power**



# Huge polarisation towards multiples

<b>UK Segment</b>	<b>Segment sales £'s billion</b>	<b>Sector share food &amp; grocery sales</b>	<b>Number Of Stores</b>	<b>Segment share of stores</b>
<b>Supermarkets and superstores</b>	<b>£89.2bn</b>	<b>72.2%</b>	<b>6,401</b>	<b>6.2%</b>
Convenience retailing	£24.9bn	20.2%	51,526	50.3%
Traditional retail and developing convenience	£7.8bn	6.3%	44,584	43.5%
Non - store / home shopping	£1.6bn	1.3%	N/A	N/A
<b>Total food and grocery</b>	<b>£123.5bn</b>		<b>102,511</b>	



# Lottery not seen as important by UK multiples

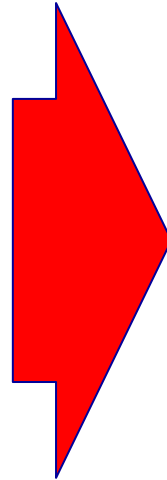
## 'Big box' Stores

**TESCO**



**Sainsbury's**  
*Try something new today*

**ASDA**  
part of the **WAL-MART** family



- \* loss-making or zero £'s
- \* increases congestion
- \* “..necessary evil..”

## Convenience Stores

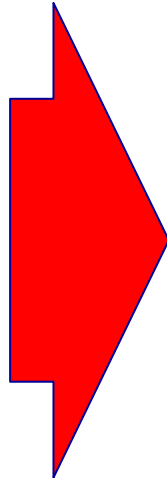
**WOOLWORTHS**

**TM Retail**

**SPAR**



**WHSmith**



- \* unaware of any value
- \* invisible on retailer P&L
- \* would consider de-list



# Retailers increasingly **not** engaged





# Critically, neither were our players



We had to change  
our approach



# We evolved our retail strategy

1. Define, prove & make relevant lottery value
2. Make selling lottery easier for retailers
3. Evolve Sales team role & approach

Licence 1

Licence 2

1994

1997

2002

2005

**Lottery  
Launch**

*Operations  
&  
Logistics*

**Driving  
Regulation**

*Compliance  
&  
Policemen*

**Review &  
Re-launch**

*Customer  
&  
Sales Focus*

**Embed  
Behaviour**

*Customer  
&  
Sales Focus*

**One initiative achieved  
all three !!**



# Fast Pay launched in July 2005

**Sales team  
role  
changed**

**135,000  
Tesco staff  
trained**

**2 Years  
I.T.  
Programme**



**>1,000  
stores in 6  
weeks on  
25,000 tills**



# Process was innovative... ...but had to be simple





# Tesco main board were delighted



**“Selling lottery tickets through our tills is the single biggest supplier initiative in Tesco this year”**

Tim Mason – Marketing Director, Tesco Stores plc



**“Camelot have shown the rest what can be achieved through working in partnership with Tesco”**

Colin Holmes – Convenience Director, Tesco Stores plc



So delighted they created a TV ad





# Fast Pay sales have grown steadily since launch

- £7m Sales each week
- £463m total Sales since launch
- 2 million weekly players
- 9 million Fast Pay cards distributed
- 26,000 retailers accepting

**October  
2007**

**July  
2005**



Source: Tesco & Camelot Sales data, draw-based games only, played via Fast Pay card since launch July 2005



# We're developing a range of different solutions

## OPTION 1



**Retailer  
EPoS  
requires new  
bespoke  
Fast Pay  
model**

## OPTION 2



**Modify  
Tesco  
solution**

## OPTION 3



**Develop  
bolt-on with  
EPoS  
provider**

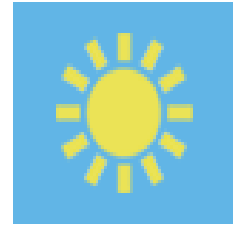
## OPTION 4



**Develop new  
integrated  
system with  
EPoS  
provider**

# In summary

UK



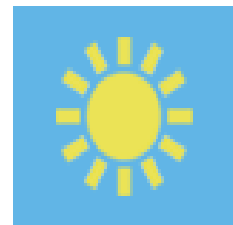
**Constantly strive to better understand**



**Evolved our retail strategy**



**Successfully launched Fast Pay**



**Innovation is key to growth**



**Thank You**