

# API – Three Powerful Letters



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The lottery industry has heard a lot about this thing called 'API' in recent months. NASPL has an initiative to develop an industry standard API with the aim of creating some uniformity in lotteries using different system vendors. But what does this all mean? And why should you care?

This article could be about what an API is, what it stands for (Application Programming Interface) and what it does. But this has been addressed in previous articles over the last year.

So instead we'll tell you how Abacus have used APIs in Europe, bringing important incremental sales to a lottery, and doing so in a way that is convenient for both the player and the large retail organisations who sell the tickets.

All you really need to know about an API is that it's a set of instructions that tells one system how to communicate with another. They are used everywhere on the internet. On Facebook, when you share a video from YouTube and it plays the video in Facebook - that's all done using an API.

So what did Abacus do? Put simply we enabled lotteries in Europe (such as The Netherlands National Lottery - Nederlandse Loterij) to sell tickets directly from the retailer's till, in-lane, using all the existing hardware including their PoS devices and printers. The retailer doesn't need a terminal, the player doesn't need to queue separately to buy a ticket at the information desk and the lottery reaches 100% of customers in that store, instead of the 5-10% of customers who typically visit a dedicated lottery terminal at the kiosk.

And the result is that players love it. They can add a ticket to their purchases at the till as part of their normal shopping experience and the transaction is quick and convenient. Retailers sell more tickets and reduce the queue at the kiosk allowing them to give customers a better shopping experience. The process is designed to fit with the customer's existing behaviour as well as the retailer's existing processes. The lottery sells more tickets appealing to a new and younger consumer and it is able to quickly expand points of purchase in a cost-effective manner. There's no new hardware to deploy in store so no additional costs for maintenance. And they are reaching new players.

We are always asked about cannibalisation, and the answer is always that it's very low. It would be wrong to think there isn't any, but

it's almost insignificant. Most importantly in-lane sales really come into their own when there are rollovers, when the occasional players participate and new players feel engaged by a large jackpot. The convenience of the purchase leads to new players and regular players buying extra lines on impulse. Some of those new impulse buyers then become regular players, adding the lottery ticket to their groceries each time they shop.

This is all managed by an API, which is the key component to this all being possible. But it is only part of the solution. A lottery who uses the NASPL standard API could just tell their system vendor to publish it and give that API to a retailer and say: "build to that". They could do that to every retailer they desire, with a separate project to connect each retailer and each retailer could develop to that API for each individual State Lottery. It sounds easy but it is much more complicated and in reading this it may instil an image of a plate of spaghetti. If it doesn't it means you're not reading it properly.

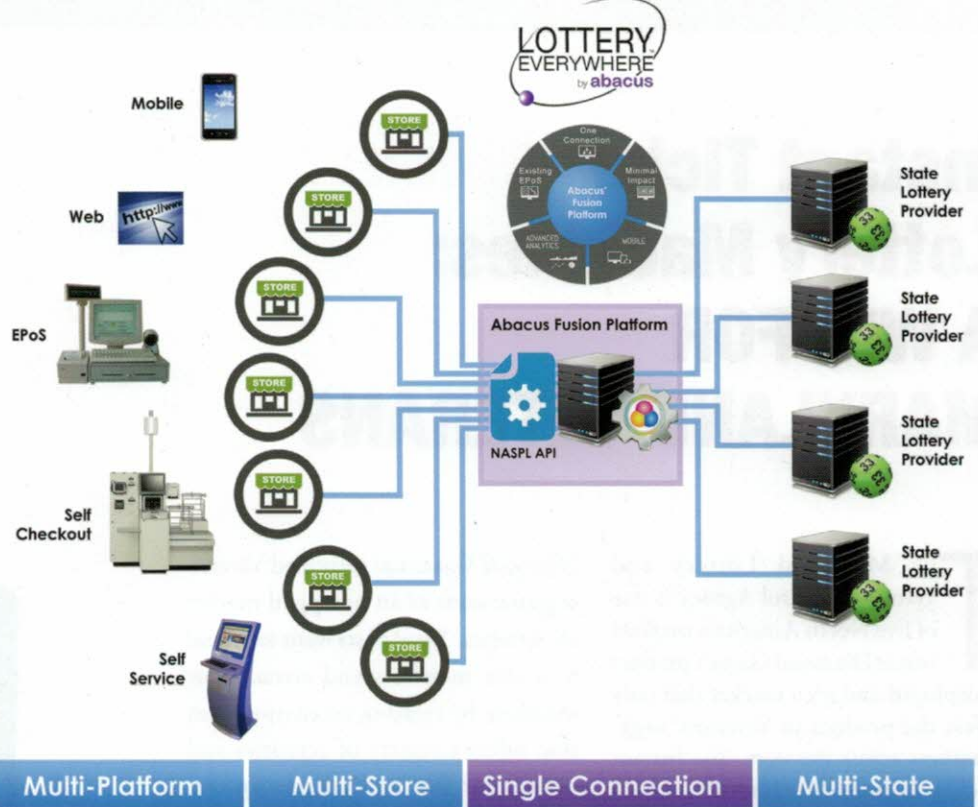
So how do we get over this complexity? Abacus could remove that image of a plate of spaghetti from your mind. Abacus connects once to the lottery system and then manages the onward connection to each retailer using the NASPL API. Similarly looking from the retailer's perspective Abacus connects to them once and manages the connections back to the various state lotteries. Think of it like your telephone at home, you have one land line that comes in, that connects to an exchange and routes your calls to or from anywhere. Abacus acts like that exchange, connecting your lottery system to any point of sale, whether that's an in-lane till, a self-checkout till, an ecommerce platform, or anything else that processes a sale. But unlike a telephone exchange the lottery approves in advance who they can talk to, so it's a closed network and most important it is highly secure.

Let's look at a very practical example, again in Holland. Nederlandse Loterij had signed an agreement with one of the largest supermarket groups in the Netherlands called Jumbo, to begin selling lottery tickets. Jumbo has almost 600 stores, with around 5,700 points of sale. The plan was to go straight for an in-lane solution because of the simplicity it offered to what would be a complex rollout under the traditional approach. There was a great PR story available too - the lottery under their Lotto brand and Jumbo were joint



sponsors of a professional cycling team who were competing in the Tour De France starting in just 8 weeks. So they asked: "What if we could get the whole Jumbo estate live and selling tickets in time for the start of the race?" Of course, we were delighted to hear that we needed to integrate to a retailer as significant in the market as Jumbo. The timescale, well eight weeks sounded tight. In the end we did it in six weeks. That's 600 stores, 5,700 points of sale, all added to the lottery sales network in just six weeks. Now to maintain a little balance here a lot of things went our way, and the retailer was fully on board and provided the required effort to achieve this, but it proves how responsive a lottery can be by using this technology. The Abacus model providing a 'Fully Managed Service' brought all the players together to enable this process to happen quickly and seamlessly.

As mentioned earlier an API really is just a set of instructions from one system telling others how to communicate with it, so this opens up all sorts of possibilities. Selling tickets for draw games is a good place to start, but why not sell Instant tickets too? If the lottery system can support ticket-by-ticket activation you can add that functionality which greatly simplifies the sales process for retailers. Why not sell a digital instant as well? You can add it to your purchases and then play as you're leaving the store. You



An Integrated Solution- The Abacus Fusion Platform

could also print a 'terminal generated instant win'. Where it's allowed why not sell tickets on ecommerce websites? They're the retailers of the future so why not bring them into the lottery sales network? You can add new games and new content aimed specifically at retailers who may not fit into the typical retail model - niche games in niche markets.

So, API, Application Programming Interface - or API, Awesome Power for Innovation? You decide. ■

(Below) Photos of hanging cards and promotional material for the in-lane solution within Jumbo Supermarket chain in Holland;

View a short video on how the in-lane solution works in store at: <https://youtu.be/mHGT2NK0e2Y> or scan the QR code

