



## VeriFone Solution is Winning Ticket to Uruguayan Lottery's Success

### Customer Profile

**Business focus:** Lottery services provided by Bank Technology arm

**Headquarters:** Montevideo, Uruguay

**VeriFone solution:** Omni 3750 terminal with IP communication module, Verix TCP/IP software library, operated over CDPD wireless infrastructure.

**Target market:** Retail lottery agents

Banca de Quinielas de Montevideo took charge of administering the Uruguayan lottery in 1943. It has since become the only bank in the Uruguayan capital of Montevideo that is authorized to make payments to lottery winners, centralize pertinent financial documents and act as a lottery tax retention agent for the government. Banca de Quinielas de Montevideo has 94 agents that operate the lottery; each of which works with 30 to 50 additional "subagents" or dealers. The latter include small stores, kiosks and other establishments that sell tickets to the Uruguayan public for four different lottery games: Quiniela, Quiniela Instantanea, La Tombola and 5 de Oro. About one million Uruguayan consumers play these games daily.

### Challenge

Despite significant agent, subagent and consumer participation, the manner in which the lottery was initially operated impeded its ability to yield maximum returns. The use of paper coupons with hand-written numbers caused several problems, such as difficulties in interpreting customers' lottery picks and a requirement that agents and dealers stop selling tickets a day ahead of the lottery draw to allow sufficient processing time.

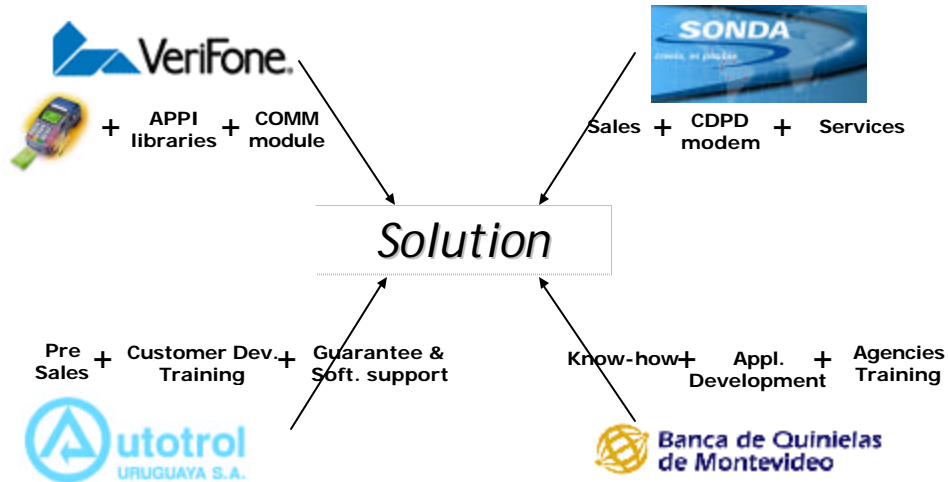
Retailers were compelled, at the close of business, to carry all game tickets they had sold that day to their respective partner agencies. Agency personnel took these tickets, along with those sold by their dealers, to Banca de Quinielas for input into its database. Only then could the tickets be processed and entered into the day's lottery draw.

Eventually, concern about adequate time management and cost issues reached a record high, translating into more frustration and inefficiency than the bank and its agents were willing to bear. In early January of 2003, VeriFone and its Uruguayan partners, the distributor Autotrol Uruguay and the project integrator Sonda Uruguay, stepped in with a solution.

## Solution

Under the umbrella of what is now called the "Montevideo Lottery Project," VeriFone began supplying the bank with its Omni 3750 all-in-one terminals. The Omni 3750 runs a full complement of IP/SSL-enabled applications, supported by VeriFone's VeriX TCP/IP library and a communications module that works with an external modem. VeriFone provided technical assistance in developing the lottery games. Plans call for the installation of approximately 1,000 Omni 3750 terminals for the project by year-end 2003.

## SOLUTION COMPONENTS



## Benefits and Results

Using the Omni 3750 terminals, bets are now automatically transmitted from dealers' stores to the bank's data processing center. This move away from manual processing rapidly generated an 80% reduction in lottery operation costs. Additionally, it has bolstered lottery-related sales and customer satisfaction levels by allowing dealers and agents to sell tickets up until a few minutes before each draw. Each business that has introduced the VeriFone technology has experienced increases in lottery participation volume and impulse ticket sales.

The technology has also improved customer service and eliminated confusion. Game tickets issued by the terminal are easy to read; neither the bank nor its members need spend time deciphering illegible tickets and resolving questions or disputes over their content.

Because the VeriX TCP/IP functionality enables the Omni 3750s to access the Internet or communicate to a host via standard TCP/IP protocol, protected by secure SSL communications, merchants significantly reduce communications costs to one-tenth of traditional dial-up costs by eliminating local phone call charges. Plus, transaction times are reduced to three seconds.

Further, the bank has seen a 100% improvement in security since teaming up with VeriFone; fraudulent activity has been rendered impossible by technology, said Federico Kereki, CIO of Banca de Quinielas de Montevideo.

Kereki added, "More than 35% of our agents are online, up from 10% in 2000 when we began an 'Internet games' project. We, and our agents, have been able to quickly reach out to the larger population of Montevideo. In short, VeriFone's products offer an excellent relationship between cost and product quality that is especially adequate for the mass rollout of our lottery and our success in the future."