Hungarian National Lottery Company helps its retail partner network with a network protection programme to reduce the impact of the pandemic

Szerencsejáték Zrt. has developed a bonus commission-based network protection and development action plan to assist retail partners hit by the emergency, who are expected to retain jobs and to improve service quality in exchange for the assistance. As part of the two-year action plan, the company is leaving more than 15 million euros in surplus commission already in 2020 with top small and medium sized business partners, who while being able to retain their 5000 employees are also able to top up their revenues lost as a result of the pandemic.

The loss of clients caused by the coronavirus pandemic and the reduced sports bet offering because of cancelled events has had a negative economic impact on the small and medium sized retail partner network of Szerencsejáték Zrt. and on their revenues. The suspension of sport events already resulted in a slump in the sports betting market during the first weeks of the pandemic. Beside this the curfew restrictions also led to reduced walk-in customer traffic in the shops, the decline in offline scratch-off tickets was 40-50%. Members of the partner network across the board suffered a 30% loss of revenue in total until mid-May.

Szerencsejáték Zrt. CEO, Gábor Czepek revealed that the national lottery company considers it its mission to protect its valuable commercial network and will continue to support their ideas for modernisation and dynamization despite the economic decline. Therefore – also in line with the government measures implemented in order to protect the economy - the company has developed its network protection and development action plan for 2020-2021.

The action plan is available for top SME partners, who sell the complete product offering. Businesses benefiting from the program operate a total of 2404 points of sales, generate 65% of the revenues of Szerencsejáték Zrt. and employ a total of 5 thousand people.

During the course of the action plan, SME partners will benefit from extra bonus commissions in three phases, with the higher commission rates of the initial phase serving to promote fast pace economic recovery. In exchange for joining, partners undertake keep all their employees, while maintaining higher level of sales, allowing card payment for example, introducing internet access at all points of sales and developing the in-store corporate design elements.

The 1,555-billion-euro revenue of the national lotteries last year exceeded the annual plan by 13%. The objective of Szerencsejáték Zrt. with the program is to achieve increased sales results and faster recovery in order to counter the economic decline caused by the pandemic.