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Instant Games: An Evolving Love Story

Since humans started scrawling on cave walls and chiseling on stone tablets, we’ve been telling love stories. Not only is the love story as old as human existence, it’s arguably more popular than ever. Last year’s sales of romance novels from Penguin Random House were up 50%.



So it is fitting that Chris Allen, VP of Marketing and Strategy at Scientific Games, compared the history of instant lottery games to a love story. In his 15 years at the company, he has focused on evolving product and marketing strategies, driving insights for innovation, and combining a wide variety of technology solutions to empower growth for lotteries.

“Instant games, or scratch cards, are one of lottery players’ favorite categories,” Allen said during his presentation at the EL/WLA Marketing Webinar 2022. “Consumers’ ardent feelings for instant products have only grown stronger over time, while the ways they engage with lottery products have evolved.”

Chapter 1: The Meeting

Every good love story starts with a serendipitous meeting. This story begins back in 1974 with the creation of the first secure instant game, sold by the Massachusetts Lottery and produced by Scientific Games.

Players fell in love. By 1984, the category had grown to over \$1 billion

in annual retail sales in the U.S. Fast forward to 2021 and the U.S. instant game market totaled nearly \$65 billion.

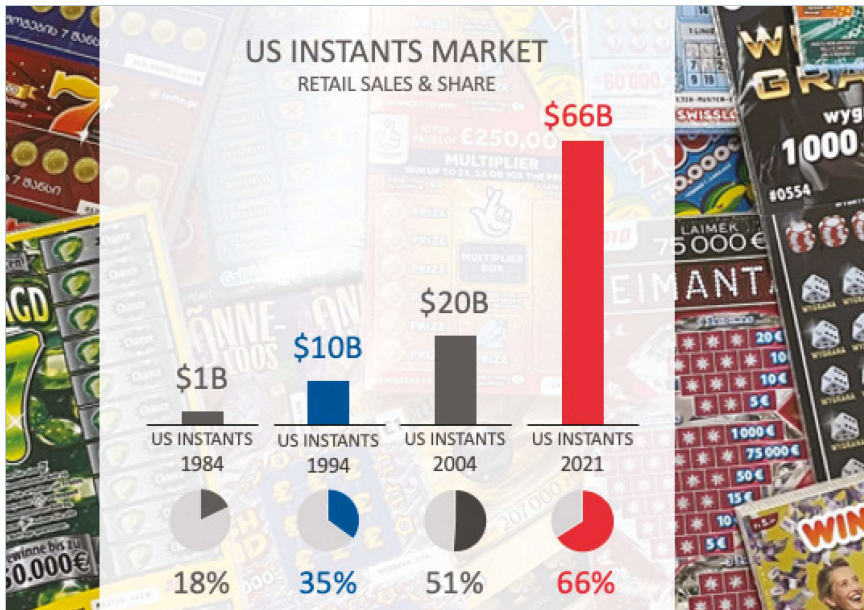
And it’s not just Americans who fell in love with instant games. Countries like France, Spain, Portugal, Italy, the UK, Turkey and many other markets have significantly grown their instant game retail sales. Globally, retail sales of instant games topped \$102 billion last year.

Chapter 2: The Journey

The heart of a love story is the journey, where the characters experience a complex—and at times difficult—path. In this story, a number of innovations have helped keep instant games in players’ hearts.

“Many developments have influenced the way we market to customers, the way we understand them, and the way we create, distribute and sell content,” Allen said.

Focusing on players over the last five decades, lotteries have debuted new price points, prizes, play mechanics and experiences. They also harnessed



new technologies to support new ways in which players buy and engage with lottery products.

Few technological changes have had more of an impact on the lottery industry than the internet and mobile phones. The proliferation of the internet has changed the way consumers behave, making it “a vital 21st Century marketing tool,” Allen said.

“While some sectors failed to adapt, the lottery industry has embraced these changes to create better experiences for players,” Allen added.

Look no further than the evolution of second-chance draws. Originally created as a top prize management program, second-chance draws have developed from a functional tombola-style top-prize win on single games to fun internet and mobile user experiences across multiple games. Second-chance draws feature promotions from instant in-store bonuses to multi-jurisdictional winner events like the THE PRICE IS RIGHT COME ON DOWN! CHALLENGE and JAMES BOND LOTTERY CHALLENGE that offer once-in-a-lifetime experiences.

“Second-chance opportunities continue to evolve,” Allen said. “Scientific Games’ promotional engines and iLottery content studios empower us to create gamified second-chance mobile experiences offering more and more value to instant game players.”

Chapter 3: The Changes

In sometimes dramatic fashion, characters’ growth in a love story is driven by change. As digital drives change everywhere, it adds value for lottery players as the industry embraces mobile and online experiences and games.

“Digital platforms create powerful player account management, which in turn allows us to move from single-game bonuses to multi-game rewards, unique individual VIP offerings, and full-blown loyalty programs with digital lottery marketplaces for players to hang out,” Allen said.

Digital continues to create new ways for lotteries to reach players, such as multi-jurisdictional live social media events on Facebook tied to instant games purchased at retail. Scientific Games’ new LOTERIA content even leverages augmented reality via mobile to play out the second-chance experience.

Change and growth in the lottery industry have gone hand-in-hand. With new developments on the horizon for instant games, the future looks promising.

Chapter 4: The Future — Happily Ever After

How do lotteries ensure players live happily ever after with instant games? According to Allen, in one word: data.

“Responsible growth comes from a closer relationship with players than ever before, with deeper insights into who they are and how they play,” Allen said. “Data creates insights, and insights create opportunities to grow.”

These insights create more diverse instant games and lottery portfolios, and of course, digital engagement with players. When it comes to making sure players stay engaged with lottery, it comes down to the three As: availability, adaptability and attractiveness.

SOURCE: La Fleur’s Almanac; Scientific Games MAP™ analytics.

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