

Digital eInstants – What’s Next?



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IWG provides eInstant games to 22 NASPL/WLA-member lotteries around the world. Our access to this very broad base of iLottery operators and their players is the foundation of our knowledge on trends and developments in the sector.

For many US lotteries, instant games are their predominant product category. Therefore, as lotteries launch and/or expand their online channel, it is particularly relevant that they focus on developing their eInstant category.

Today’s eInstants are digital games where casual-style play is the primary focus. In a general sense, whereas online casino games are designed to deliver the chance to win enhanced with some interactive fun, eInstants are designed to deliver some interactive fun enhanced with the chance to win. This differing orientation is really the root of it all. Typical casino players are motivated by the thrill of staking money, and the corresponding volatility of winning and losing. On the other hand, typical lottery players are seeking

some casual entertainment, but love the idea that they might just win some money. This difference very much mirrors casino versus lottery entertainment in general.

First and foremost, data is central to decision making. Some lotteries have been evolving their data analytics capabilities over the past ten years or more. Others are still fairly young at data science. Whereas it was once novel for a lottery just to collect data about who is buying, going forward it will be equally important for lotteries to build knowledge about all aspects of how games are being played. In all cases, eInstant suppliers will be expected to continually improve the granularity of data that they collect and share back into a lottery’s data platform.

Improving the granularity of data collected will feed an increasing personalization of the eInstant play experience. Lottery is by definition a local

product, generating funds for local causes, and each lottery is expert at serving its local player base. For this reason, traditional lottery products work best when adapted to the specifications of each lottery. This is especially true for instant games. The instant games printed for each market are always custom to that market. And, more and more of our lottery customers now expect customization of eInstant games.

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Over the next few years, customization combined with data will lead to personalization. IWG foresees eInstant personalization to encompass design factors,

such as user interface and user experience, as well as prize structures, such as frequency of win and even type of prizes offered—cash vs. experiential vs. merchandise.

Data that IWG has collected across the 22 lottery markets we serve shows that, generally, lotteries are increasing the payout % of their eInstant games. We expect this trend to continue. A key reason for increasing payout % is player fairness. A typical retail instant game has a prize payout of 65% - 75%. This has proven to be optimal for a product that is purchased by players during their periodic trips to retail outlets. However, the addition of an internet channel means that games can now be purchased wherever and whenever. This results in a dramatically higher play volume, and to be fair to players, this higher play volume must be supported with a higher prize payout percentage. As a result, we are now seeing 82% - 89% as the



IWG’s Cash Expander eInstant localized for the Virginia Lottery.



IWG's Halloween Extreme game as an eInstant, alongside crossover retail version (printed by Scientific Games) for the New Hampshire Lottery.

optimal payout percentage for eInstants.

We are also observing a trend towards more frequent game launches. And, we expect the pace of new releases to continue to quicken. Instant lottery players seek out games that are casual to play. At the same time, to retain their attention, they must constantly be offered new games to play. With retail instants this might mean a roadmap of new launches on a monthly basis. In the internet world, the time dimension is much faster paced. Typically, eInstant roadmaps plan a two-week cycle between game launches for most of the year, supplemented by weekly launches during peak seasonal periods.

Going forward, we expect further convergence of online and retail game play. Crossover eInstants, meaning online games that are launched with a retail companion game, will increase in frequency. Early on, many lotteries looked to iGaming and its differences from land-based casinos as the analog on how to sell lottery online. Lotteries learned that casino players see land-based casinos and iGaming as distinctly different product categories. As a result, the industry adopted the term iLottery as their parallel to iGaming.

Today, lotteries now understand that their players do not see retail lottery and iLottery as different products, but rather as different sales channels. This means lotteries, far more than casino operators, serve players that expect there to be a direct connection between online and retail sold games. There are many ways that this will be reflected in eInstant games as they evolve. Already, this has resulted in game themes that simultaneously cross eInstants and retail instants. Also, it is now common for eInstants to support promotions that fuel retail purchases and vice versa.

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Finally, over the next few years we expect to see the addition of proven social game features including progressive prizing, virtual awards, multi-player mechanics, syndicate and group play, and more. Creating social connections and/or competitions between players will drive untapped lottery possibilities.

These games will leverage proven social mechanics that are just not as practical with traditional retail instant products. For example, this December, we will launch, for the first time, eInstant games featuring a rolling progressive jackpot top prize. The buzz of a growing top prize, as is already well established with draw games, will fuel shared excitement across eInstant players.

The pace of iLottery adoption in the US is accelerating. As a byproduct, we expect to see more innovation here in the US over the next five years, than we saw globally over the past 15 years. At the center, eInstants will continue to differentiate as a soft form of gaming, closely aligned with the casual fun expectations of our lottery players.

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IWG's Jungle Jackpots features first-of-kind progressive jackpot.