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Ways to Strengthen the Lottery Entertainment Brand

Adding **Wow** to One of the World's Biggest Consumer Products

It's a new norm for gaming entertainment. Lottery games landed in the unique position of being the only form of gaming available in many jurisdictions this spring and early summer — bringing many first-time players to lottery. But for new and core players alike in a world affected by COVID, consumer habits have changed for the foreseeable future with less frequent trips to retail stores and limited convenience store stops.

Offering an accessible, inexpensive yet entertaining opportunity to win millions, instant “scratch” games are a \$53 billion product category in the U.S. The products are stimulating lottery sales across the country, with some states experiencing double-digit year-over-year instant game sales growth. Like never before, these simple games have an unprecedented opportunity to expand playership by strengthening the lottery entertainment brand.

From specialty inks and papers to unique playstyles and high-definition play symbols, design, printing and packaging options convey wealth, success, prosperity, luxury and enrichment. For the consumer, they can attract attention at retail and enhance both the play experience and the lottery's brand.

“Quality design and printing establishes the lottery's brand, but unique specialty papers, inks and features with aesthetic qualities can elevate the brand even further,” says Danielle Hodges, Senior Manager, Global Instant Product Innovation & Development for Scientific Games. Uniquely reflecting her MBA and a graphic and package design degree, Hodges' work at Scientific Games the last eight years has focused on instant game innovation.



Danielle Hodges
Senior Manager, Global Instant Product Innovation & Development for Scientific Games

Now, with less foot traffic in stores, innovating for retail products is challenging — particularly in a time of lottery budget concerns. But the highest performing lotteries have demonstrated that investing in innovation is crucial for sales performance and ultimately, for generating maximum proceeds to lottery beneficiaries.

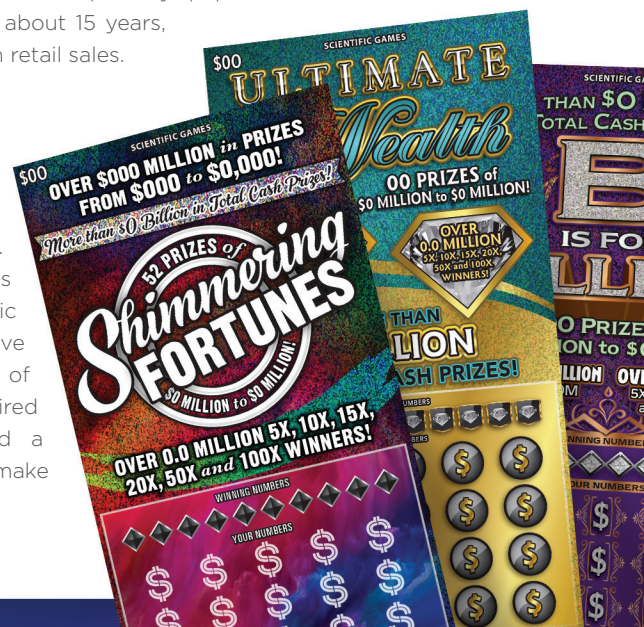
“When you're developing an instant game portfolio, all of the strategic product enhancements should work together to stimulate specific consumer segments and to drive overall sales,” Hodges explains.

Here are eight ways for lotteries to maximize this moment in time with instant products that look like million-dollar game entertainment experiences.

1. HOLOGRAPHIC

Modern uses of holographic paper stock have moved into a variety of consumer products like toothpaste packaging to give it an extra pop at retail—proving there's no better way for scratch games to shine at retail than when they're produced on holographic. This specialty paper has been used in scratch games for about 15 years, representing \$20.6 billion in retail sales.

Lately, some spectacular new holographic design trends have made their way to instant game printing presses at Scientific Games. One of these innovations is a *Sand Glitter*, a holographic pattern that's highly reflective and creates the effect of glittering sand. When paired with a wavy design and a strong game name, it can make a stunning impact in stores.



“Lotteries have traditionally used holographic just for higher price point games. Now we are seeing a new trend with holographic families of games,” says Hodges. “The added entertainment factor of the holographic \$1 and \$2 games actually creates interest and helps sell the \$5, \$10 and \$20 games.

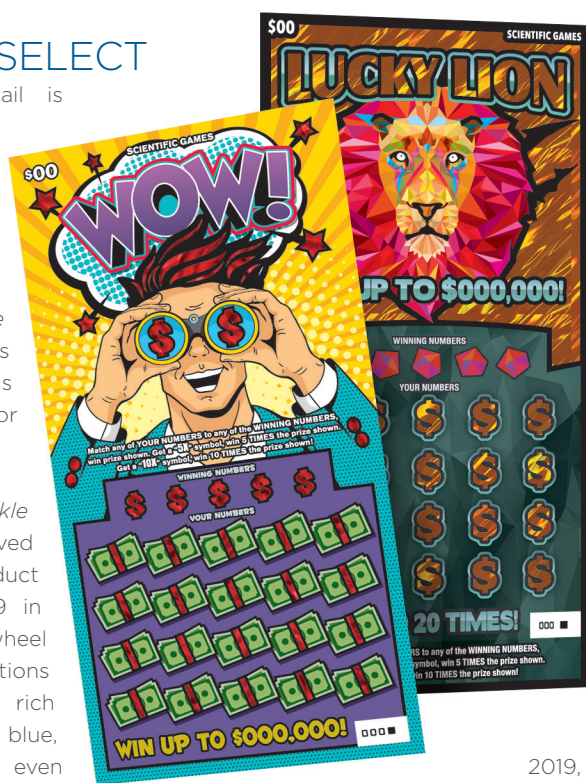
Another trend is *Linked Play Holographic*. Developed by the company at a customer’s request, it features an intuitive number match playstyle with the patented *SureMark* system – the reveal is holographic play symbols. Although holographic symbols are traditionally effective with extended play games, the new *Linked Play Holographic* approach appeals to consumers beyond the extended play segment.

When asked about holographic play spots, respondents in player research studies indicated that this was a feature that they liked, with some suggesting that it would influence future purchase decisions.

2. SPARKLE® SELECT

Added sparkle at retail is exactly what’s needed to reach consumers who may be shortening their time spent in store. Scientific Games developed *Sparkle Select* as an extension of the *Sparkle* product line to offer lotteries more than 75 combinations of colors and patterns for instant games.

A sneak peek at a *Sparkle Select* color wheel received rave reviews from product managers at NASPL 2019 in late September. The wheel spun through combinations of intriguing patterns and rich colors like magenta, Tiffany blue, purple, green, gold and even copper, offering a multitude of creative options.



of the game ticket. This product consistently tests very well with players. More recently, Scientific Games has enhanced the back of *Scratch My Back* games with a four-color process to achieve a premiere look.

“With lotteries’ ever-increasing use of promotions, social media and online/mobile play, the ability to use four colors on the back of a game makes cross-promotion much easier,” Hodges points out. “And it’s much more attractive to players.”

Scratch My Back is one of the company’s most popular product upgrades with lotteries, particularly at the \$5 price point. Recently, games at every price point as well as families of games are adding the option to offer more game entertainment with play on the back of the game. Some lotteries are combining it with other specialty options like *Sparkle*.

“The additional four-color area also serves well to help lotteries drive play from retail to online/mobile and vice versa,” says Hodges.

Since 2008, nearly 240 *Scratch My Back* games have launched, representing \$6 billion in lottery retail sales. The games—more than 60% at the \$5 price point—are commonly part of \$5 game plans.

4. LUXSHIMMER™

One of the newest strategic product enhancements for instant games is *LuxShimmer*, and the name says it all. *LuxShimmer* debuted in 2019, the latest in Scientific Games’ luxury ink collection.

“Intended to be used as a watermark similar to how watermarks are used on real currency, *LuxShimmer* is a transparent metallic ink,” she explains. “Money is the most popular image on lottery instant games, so one of our most talented game

“The New Hampshire Lottery saw it and was one of the first to use *Sparkle Select* in a game. While their game was in production, another lottery touring our manufacturing facility noticed it and immediately incorporated *Sparkle Select* into a game,” shares Hodges.

Sparkle Select offers unique enrichments for Spotlight games, as well as higher price point games and multiplier families of games.

3. SCRATCH MY BACK®

For players wanting extra game entertainment, *Scratch My Back* offers more fun and more ways to win on the back



designers added *LuxShimmer* to money-themed games—making them even more appealing in a crowded retail display.”

Currently two lotteries are in the process of producing a *LuxShimmer* family of games featuring unique U.S. President graphics.

5. MICROMOTION

“Some of the most intriguing games at retail are simple, yet they make a bigger impact with an upgrade that elevates them to ‘premier’ games,” shares Hodges.

MicroMotion is a proprietary printing technology developed to create the perception of motion through use of UV lines and a super-reflective foil substrate. The ink has been used to highlight certain images on a game so they seem to move. It’s been successfully used to launch new licensed branded games, and livening up images on established brands.

More than 40 *MicroMotion* games have been produced since 2016, all but three at the \$5 price point or higher.

The Dream Team, one of Scientific Games’ best game innovation groups, recently designed stunning families of multiplier games—specifically “mini” families at lower price points—featuring different color washes over the *MicroMotion* foil patterns. The effect makes the games stand out at retail, appealing to players looking for an extra special entertainment experience.

6. HD Games™

One product upgrade that’s made its way to most every U.S. lottery’s portfolio is *HD Games*. The games feature modern, high-definition play symbols and make any playstyle easy and fun.

The result of 10 years of research, the Scientific Games product line offers a brighter play area, appealing visual play data, premium paper and extra gloss. *HD Games* are available in red, green, blue, purple and black. The printing technology renders detailed, picturesque play symbols that have proven successful with licensed branded games and life-like pet images on everyone’s favorite *Lucky Dog* and *Lucky Cat* games.

The most popular *HD Games* applications are key number match and *VariPlay* (i.e. the pet images), which perform 14% better than other games. “We’ve also customized *HD Games* crossword products, and created some beautiful *HD Games* with *Sparkle Select* and foil,” says Hodges. “Talk about standing out at retail!”



HD Games sales performance has been interesting for the company’s data analysts to track. “After the first eight weeks is when *HD Games* performance really kicks in,” explains Hodges. “As players realize the advantage of games with high-definition symbols they return to them again and again, extending the sales curve and driving the weekly sales average significantly above other games at the same price point.”

7. FOIL

During the holidays, lotteries traditionally turn to foil stock as a strategic product enhancement, but others offer foil games year-round to convey luxury in higher price point games. And sometimes the game’s name, like *Ultimate Millions*, just lends itself perfectly to foil.

“Instant games on foil have been in the product mix for quite a while, but over the last year we’ve seen a trend of using foil on Blowout games loaded with \$50, \$100 and \$500 prizes,” observes Hodges. “Blowout games on foil really deliver a great entertainment experience.”

Hodges says foil is an intuitive choice for licensed branded games, offering game designers an opportunity to create products that deliver a bigger entertainment experience.

From a performance perspective, over the last six years \$1 foil games indexed an average of 17% higher than other \$1 games, and \$2 and \$3 foil games performed an average of 10% higher.

8. GIGANTIX®

Although over-sized *Gigantix* games are a niche product, more than 50 games have been produced in 18 jurisdictions. One of the most successful applications of these 8” x 8” (or larger) games is when a lottery introduces a new price category, garnering immediate attention at retail.

“Fans and Friends player segments are always up to try any new game, including *Gigantix*, because they can’t help but notice the products in store,” says Hodges. “But *Gigantix* is also effective in attracting less frequent players who choose a big, unique *Gigantix* game just because they don’t play often.”





To achieve continued lottery growth, adding wow factor to games is crucial to drive performance.

INVESTING IN INSTANT GAMES
Lotteries generate nearly \$100 billion annually in vital funding to beneficiary programs. As overall lottery sales begin to recover from the global health crisis, the industry faces uncertainty. Governments are reacting by cutting costs to overcome budget shortfalls. Game entertainment channels are expanding with iLottery, iGaming and sports betting in many jurisdictions. During this time, instant products continue to deliver sales, profits—and new players.

“To achieve continued lottery growth, adding wow factor to games is crucial to drive performance,” shares Hodges. “This is a crucial time to invest in the instant game entertainment experience.”

Additionally, players new to lottery discovered instant games when access to other traditional gaming products was temporarily shut down in many markets due to COVID-19.

“This is an excellent opportunity to impress these new players with the quality and excitement of lottery games while we have their attention,” says Hodges. “If the games don’t offer a great entertainment value, these players may not be here to stay.”

Surveying the specialty inks and papers, unique playstyles, high-definition play symbols, design, printing and packaging options available to lotteries, adding wow to one of the world’s biggest consumer products is worth the investment.

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