

Where Do Consumer Trend Lines Point in 2024?

It's hard to believe that a little more than a year ago most of the world had never heard of an AI tool called "Chat GPT" — let alone been inundated with commentary and predictions about the much wider realm of generative artificial intelligence. Yet, in less than a week, this one tool went from zero to 1 million users and dominated tech headlines throughout 2023.

That explosion of attention, seemingly out of nowhere, is just another example of how head-spinningly fast changes in the technology landscape can be, impacting consumers and, often by extension, the lottery business.

Looking ahead to spot such seismic changes on the horizon is one of the reasons why IGT continues to invest in consumer trend research, partnering with globally recognized firms such as UK-based Foresight Factory to regularly publish Special Reports such as 2024's "5 Future Forward Trends Driving Lottery Growth."

Observed **Michelle Carney, IGT Vice President Global Lottery Marketing**, "Not only do many of the learnings help to shape IGT's product plans, sharing them externally is in line with our longstanding commitment to support responsible growth for customers and the industry. Hopefully these efforts provide some ideas for lotteries' consideration or serve as a heads-up on shifts that many of us have no way of detecting from our everyday lines of sight."

5 Future Forward Trends Driving Lottery Growth

A 2024 Special Report



In fact, last year's Trend Report did discuss the larger topic of AI: Both how it can be used by lotteries as a decision-making tool, and also why lotteries need to overcome the legacy challenges that do not allow for an aggregated, single-player view — which can enable them to use AI in a responsible manner to tailor specific games, promotions, and featured content to individual players. Fast-forward one year, and the industry's discussions around AI —

prompted largely by that headline-grabbing tool — are now commonplace.

"Trends don't come out of nowhere, yet even when there's a hint or a collective sense of what the important trends might be, our aim with the Report is to help think through the ramifications specifically for lotteries and lottery consumers," noted Carney. "How will our industry uniquely be affected? And what might the opportunities be that IGT can support our customers in pursuing? We offer the Report to help shine a spotlight on the narrower aspects or points of evolution that might present new ideas for lotteries to take action."

What's Trending for 2024?

"In the current Report for 2024, two of the five trends focus on how consumer behavior and sentiment lines up to their affiliation with brands such as lottery. And how

— given AI's potential for more useful data and player customization — do people want to play, versus how they play currently," said Carney.

Read further for more about those two trends, and visit [IGT.com/2024Trends](https://www.igt.com/2024Trends) to download the full 2024 Trend Report.

Trend 1: Controlled Connectivity

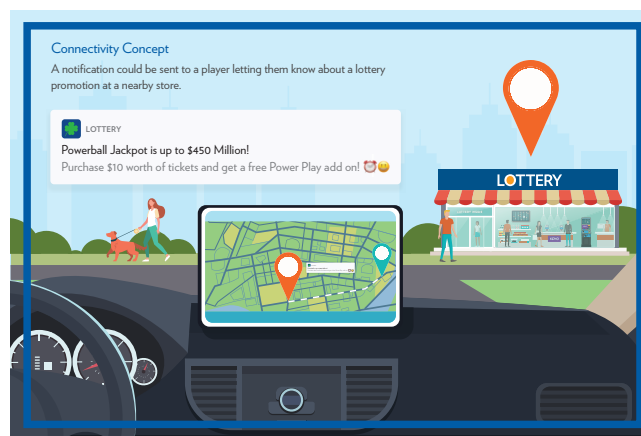
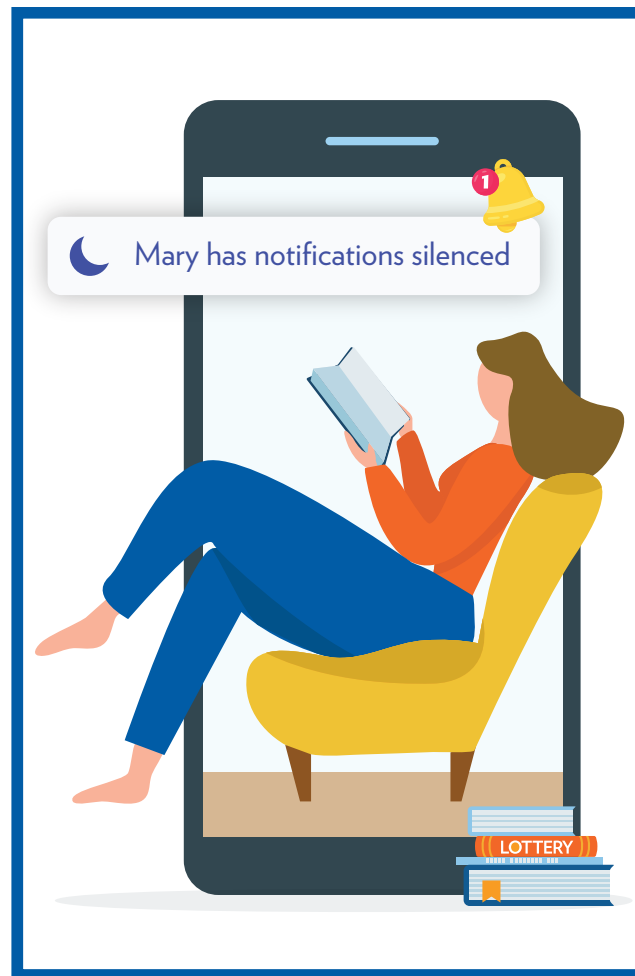
Our homes are a bustling hub of technology – smart TVs, laptops, game consoles, and more – and we are virtually always accompanied by our best digital friend, the smartphone. These devices aren't just passive tools, they engage and interact with us through suggestions and recommendations.

New devices – from smart thermostats to wearables to voice assistants – create myriad possibilities for consumers. They sync up with our appliances, vehicles, and everyday items, adding to the ever-expanding Internet of Things.

In this digital world, consumers – and lottery players – find themselves walking a fine line between fascination and frustration, being surrounded by an array of gadgets but not wanting to turn them off completely. Instead of throwing their cell phones out the window, users reduce notifications and screen time. During those moments of digital respite, consumers are drawn to technology that harmoniously integrates into their lives, instead of clamoring for attention.

Where information overload is the norm, the tasks facing brands surround timing and delivery. The future can hold a promising solution, with location-based data sharing and wearables that can understand when a consumer is in the ideal mindset (or physical place) for marketing communications. Even more so, these messages will be less generic and more bespoke, tailored specifically to the player.

The key takeaway is to try and avoid bombardment of players with an avalanche of notifications, while still providing the messages that truly matter – addressing the most salient, engaging, and appealing aspects of your lottery's offerings.



58.6% of weekly lottery players said they receive too many messages and notifications via their cell phones at unwanted times, up from 51.3% in 2020.

Source: Foresight Factory | Base: 32,437 online respondents aged 18+, Global 24 Country Average, March 2023

What are companies doing?

In January 2023, Instagram announced the launch of Quiet Mode, a setting for users to minimize notifications and take time for themselves.

Consumers can customize their Quiet Mode hours so that the feature is turned on at night, while studying, during school, work, or another time of their choosing. While anyone can use Quiet Mode, Instagram will actively prompt younger users to do so once they have spent a certain amount of time on the platform late at night. Once the mode is enabled, the user won't receive any notifications, and their status will change, sending an autoreply to anyone trying to contact them. Instagram is hoping to appeal to Gen Z consumers who want to be able to better moderate their social media usage.

What is IGT doing?

In October, IGT enhanced its iLottery CRM tools via a new partnership with Xtremepush that enables IGT customers to leverage real-time data and AI to deliver hyper-personalized omnichannel experiences, among many other features. These industry-leading CRM tools provide benefits to lotteries including improved player data reporting and tracking, intelligent delivery using AI, and upgraded methods of communication.

Even for lotteries without an iLottery offering, these CRM tools may be used with Connected Play, IGT's retail-to-digital bridge, through a convenience app.



into being, via crowdfunding platforms and follower-funded content models.

With this trend in mind, lotteries are tasked with having in-depth conversations and research with players, involving them in the development of new games, tailored prize offerings, or engaging with players through digital feedback integration. Some of these options can be presented with convenience in mind, via a lottery's app.

What are companies doing?

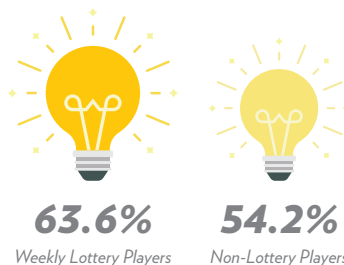
Trend 2: Stakeholder Customer

The era of passive consumption is over. Empowered consumers expect a more reciprocal relationship with the companies they do business with. Many are open to being treated like peers and collaborators or consulted as stakeholders, with the power to co-create and ultimately determine commercial offerings for themselves.

In effect, they are no longer consumers but prosumers: a prospective consumer involved with the design, manufacture, or development of a product. Consumers have been given a voice – and they want their feedback to be taken seriously. Channels, including social media and review platforms, amplify the voices of everyday people. Brands can more easily follow consumer conversations and spot emerging needs, but they also should confront comments about their actions. There is an expectation among consumers that feedback – whether about brand offerings, tone, or behavior – should be respected, and that they be treated as prosumers in influencing future improvements in a brand's products or services. Meanwhile, individuals are increasingly able to directly finance their favorite campaigns, projects, and products

Convié, which launched on social media in November 2022, is a beauty brand that invites customers to become members who will contribute to the product development process. Interested consumers submit an application that asks them their level of skincare and beauty knowledge, types of products they like, their usual skincare routine, trends they're interested in, and more. If accepted, members receive an invitation to co-create specific products or lines based on expressed interests and areas of expertise. When chosen, members receive samples from Convié to test and review. The brand also engages the community on social media to vote on product aspects, such as packaging and design.

Co-founders Christina Harrell and Isabelle Salas said: "We want to work with talented and like-minded micro-influencers who wouldn't have the opportunities or volumes to pursue this kind of endeavor themselves."



I would like it if my favorite brands asked for my ideas for new products.

Source: Foresight Factory | Base: 32437 online respondents aged 18+, Global 24 Country Average, March 2023

What are lotteries doing?

Over the past 10 years, Northstar New Jersey (NSNJ), which provides sales and marketing services for the New Jersey Lottery, has managed Game Changers – a group of thousands of dedicated and engaged lottery players – to answer questions pertaining to features and symbols of instant tickets, draw games, and promotional activities that the Lottery engages in.

A wildly popular instant game in 2023, "The Jersey Debate", which is a breakfast meat naming point of contention in the Garden State, had a number of ticket options during the exploratory and development stage of the ticket-creation process. NSNJ turned to Game Changers to get real-time feedback on some of the elements of the game, having the design narrowed down and selected directly by players.



What is IGT doing?

IGT conducts research studies across the globe with both players and retailers. The company's goals include understanding and benchmarking the success of its products and services in the field, studying retail execution and player habits, and conducting research to inform product and portfolio optimization.

IGT also test concepts and new games as part of these studies and commissions

original Thought Leadership research to inform the industry.

In the 12 months ending December 2023, IGT conducted 420 qualitative and quantitative studies in more than 660 markets, with over 300,000 individuals participating. These research studies are at the core of how the company presents its current and future offerings on both a local and global scale.

New Research Methodologies

Just as consumer trends change and evolve, so do research methodologies. IGT has stayed at the forefront in adapting its approach and matching the goals of the research to the best newly available methodologies.

Observed **Gerard Caro, IGT Senior Director Global Marketing Insights**, “In recent years we have moved to fewer in-person focus groups and more online. We’ve shared with the industry our increasing use of vox pops and mobile video testimonials, which can capture in-the-moment impressions and reactions through the players’ lens. This methodology also enables greater reach and variety of interviewees and has yielded some uniquely rich insights that weren’t possible with previous methodologies.”

The realm of AI also has its unique uses in research: “We now include AI techniques for survey development and to analyze and aggregate open-ended verbatims into meaningful insights,” Caro noted.




“These advances in IGT research will help us and our customers to stay ahead of the curve on consumer behaviors and sentiments that impact lottery,” said Michelle Carney. Expect to learn more about the advances in IGT research in the year ahead. ■

To download the full Report, “5 Future Forward Trends Driving Lottery Growth,” visit [IGT.com/2024Trends](https://www.igt.com/2024Trends).



2023 IGT Marketing Insights Footprint

Research Studies During 12 Months Ending December 31, 2023

	North America	International	Total
 Studies	279	141	420
 Markets/Cities	472	190	662
 Sample (Players & Retailers)	202,573	98,188	300,761

