

# THE FUTURE

# OF LOTTERY

## Through the Eyes of the Player



## Recent consumer trends point to strategies that lotteries can adopt now to fuel ongoing player engagement.

**T**he notion that “lottery isn’t appealing to young adults or those who are tech-savvy” may be a familiar one within our industry — yet it turns out to be a misconception.

An analysis of recent data from IGT’s longtime research partner Foresight Factory indicates that lottery players embrace technology more than they’re typically given credit for.

In fact, weekly lottery players outpace the general public in agreeing with statements such as “using voice commands on my smartphone,” “buying directly from a social media site,” and “interested in a 3D digital world where I could experience virtual activities.”

The good news is that lotteries can access the technology, tools, and data to develop tailored marketing plans for **both retail and digital** that keep their product offerings top-of-mind for consumers like these. And it’s a strategy that other fast-moving consumer goods brands are adopting.

“The finding about lottery players’ willingness to engage with technology aligns with IGT’s investment in solutions for both retail and digital that support the

experience players expect,” said **Michelle Carney, IGT Vice President Global Lottery Marketing**. “IGT’s practice of studying consumer trends and related aspects of the lottery-player experience has informed our product roadmaps for years and helped us anticipate where consumers are going. That investment has led directly to the options that customers can take advantage of today, such as IGT’s Connected Play and OMNIA™ solutions.

“We also understand from insights identified by Foresight Factory that consumers —and specifically, lottery players — have a heightened concern for their personal impact on the environment,” Carney added. “They want to affiliate with brands that can prove their product claims around sustainability, and these stats rise with younger age groups. This is another reason we invest in solutions that continue to digitalize the player and retailer experience.”

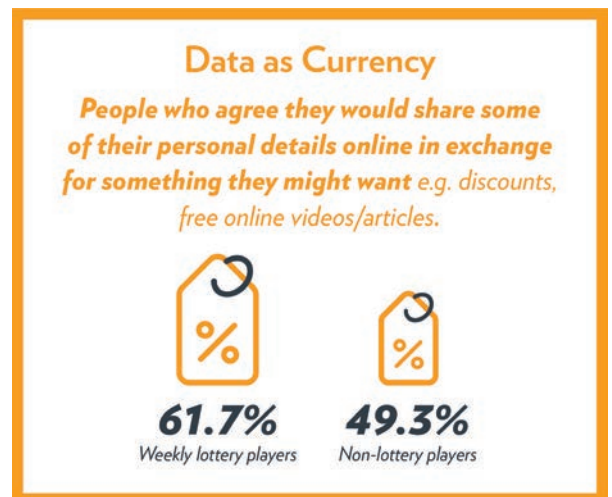
*Following are some of the consumer trends Carney discussed at PGRI’s SMART-Tech conference in Miami.*

**IGT will expand on these insights at the EL Congress in Croatia and showcase solutions that lotteries can implement now to meet players where they are.**

### Data As Currency

Consumers have come to view their data as a form of currency, which they’re willing to exchange for other things they consider valuable, such as added convenience, free content, and more.

Digitalizing the retail player journey is one major way that lotteries can participate in this value exchange.



For example, IGT's Connected Play solution makes it possible for a lottery player who light-registers with just a name and password to unlock a more convenient and consistent journey at retail. With the resulting data, lotteries can in turn enhance that player's experience with tailored recommendations, akin to Spotify and Amazon. Digitalizing the retail experience also supports the transition to digital playslips, tickets, and redeeming prizes in app, if players choose.

"These options still aren't widely available at retail, where the majority of lottery tickets are sold," noted Carney. "But by transforming the retail journey, lotteries can begin to participate in this value exchange, regardless of their ability to sell online."

## Micro Moments

Given their busy schedules, consumers are turning to services specifically designed to engage them for small bursts of time – from social media content to popular streaming channels like TikTok. The mindset and expectation is that any "micro moment" – no matter how fleeting or on-the-go – can be filled with useful and entertaining activity. "The concept of 'snacking' characterizes this kind of consumer engagement," said Carney, noting that a wide range of brands now sees the opportunity to offer consumers such micro-experiences.

For lotteries, the offer might be a quick game of Keno, a new scratch ticket, or a digital version of a game on the player's mobile device while they're waiting for their vehicle to charge at a retailer with charging points.

"Applications like this, which are just emerging in the consumer world, is why IGT developed the means for lotteries to integrate their retail and digital solutions," said Carney. "These investments enable our customers to serve rapidly changing player need and be prepared for the future."

## 360 Rewards

The evolving retail lottery journey will ultimately lead to greater opportunities for lotteries to partner with retailers to create personalized 360-degree rewards programs. "As digitalization of retail continues to be

more of a priority for all lotteries, player journeys can be segmented to encourage and provide rewards for activities such as checking a ticket or using an eWallet for purchase, swapping from using paper tickets to digital, and claiming a prize in-app," said Carney. "The industry is aware of the importance of player segmentation for future growth, and now we have a new opportunity to understand it further."



## Fact Finders

In an era of misinformation and "deep fakes," consumers want authenticity, while brands face a challenge to offer greater levels of transparency.

Campaigns that highlight the benefits to society from lottery-funded purchases have always been a differentiator, but historically it has been difficult to reinforce this messaging through mass-media campaigns.

Today, the growth of personalized communications from brands opens the door for lotteries to demonstrate their longstanding commitment to the local community through 1:1 communications. For example, where permitted by the regulatory framework, lotteries can enable in-app notifications. This personal touch can go a long way toward making players aware of the direct benefit to the local community and sustainability goals within a jurisdiction.

And just as consumers increasingly value honesty and transparency from brands, they also have greater means to quickly research the authenticity of brand claims. Lotteries are uniquely and positively positioned to demonstrate the specific ways they support local good causes, something commercial operators and gaming competitors cannot do to the same degree.

## Pretailtainment

Data from Foresight Factory indicates that consumers are extending their path-to-purchase. The term "Pretailtainment" blends the concepts of 'pre-retail' and 'entertainment' to reflect the habit of engaging with multiple touchpoints over a period of time when deciding what to buy – akin to digital window shopping.

"Lotteries can harness the fun aspects of play by emphasizing excitement while players are in the Pretailtainment phase of their purchasing journey," noted Carney.

This is another way to generate interest and personalized content, as players can learn more about lottery anywhere or anytime they have an opportunity to engage on their mobile device. It's also an opportunity to connect the personalized messaging to the lottery's website and to a broader digital marketing campaign. "We know that 78% of weekly lottery players use a virtual assistant or smart speaker as part of their shopping journey," said Carney. "Lotteries can take this into account and offer consistent messaging across all media channels." ■

For a deeper dive into these trends, download **IGT's annual Trend Report**, available at [IGT.com/2023Trends](https://www.igt.com/2023Trends).



At PGRI SMART-Tech in Miami, IGT Vice President Michelle Carney discussed current consumer trends and what lotteries can do today to fulfill player expectations.

Join IGT at the EL Congress in June for further discussion of the latest player insights around sustainability trends and what this means for lotteries and players, including the deployment of Connected Play and cloud computing.

