

# THE FUTURE OF ILOTTERY: PREDICTIONS FOR 2030



Moti Malul, CEO, NeoGames

**A**s we approach 2030, the iLottery industry stands at a crossroads. Once viewed as a niche market, U.S. iLottery has reached a 2023 turnover of \$8 billion and a projected \$10.8 billion in 2024 (according to US State Lotteries & Eilers and Krejcik Gaming LLC), presenting both new opportunities and challenges for the industry. According to NeoGames CEO and iLottery, iGaming and Sports Betting expert, Moti Malul, we must ask ourselves “How will trends in the market affect the size of the industry ten years from now, based on the collective actions we take today?”

Ten years from now, lottery turnover could increase by 20-50%, depending on how slowly or urgently we act, but could also lose as much as \$30 billion to competing industries such as sports betting, retail, and iGaming, (all with significantly larger marketing budgets). To capitalize on iLottery’s impressive growth potential, the industry must act with urgency, focusing on GGR (Gross game Revenue) and owning the end-to-end player journey for both retail and online channels.

Today, American iLottery is authorized in 14 U.S. states (plus Washington D.C., for a total of 15 jurisdictions), with 85% of the revenue coming from eInstants, and 15% coming from DBGs (draw based games). Virginia, New Hampshire and Michigan are currently leading the U.S. iLottery industry in terms of per capita sales, with

North Carolina expected to join the list of top performers by 2025, if not sooner.

While the U.S. iLottery industry and its player base is certainly unique, we have much in common with these competing industries, who are all marketing to our player base via their own social and marketing channels. Our iLottery market share is further threatened by potential competitors who wish to cross sell iLottery to our own players. Potential competitors will include iGaming operators who offer instant games via their portal or courier services for lottery scratch-off tickets, and sports betting platforms who also sell (i)

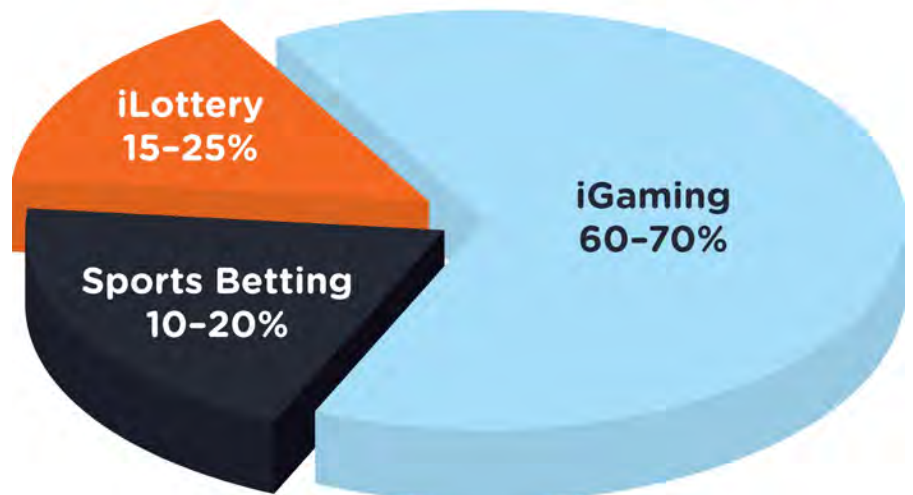
lottery products. The appetite for iLottery is evident, with the Virginia lottery—the leading per capita U.S. iLottery per capita jurisdiction—currently seeing more than 55% of sales from online, with GGR expected to approach \$400 million in 2024.

Where there's a will, there's a way, and so, if we don't meet our players' desire for online lottery play, our competitors certainly will. A prime example of this is DraftKings' recent acquisition of Jackpocket, who are now seamlessly embedding Powerball and Mega Million sales into their website (without cutting a

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## Market Projections for 2030

The Difference is \$30 Billion Dollars



Ryan said, “Take time to really understand people and their why. Spend more time listening than speaking and make sure you appreciate and respect where people are, what they’re thinking and feeling.”

Jay agreed, “Get out of your office and communicate, call some teams up out of the blue, be present when you talk to people. Ask people what’s motivating them and what’s discouraging them right now. I’m usually surprised by the answers. Even if you don’t have the remedy for their concerns, you will find that they appreciate

your willingness to listen, acknowledge their concerns, and think about how to work on improving things.

Doug offered a practical example of enabling authentic conversations. “After our annual staff survey, I meet with staff in groups but without their supervisors. You would be amazed at what people will say when their supervisor isn’t there. Amazing value comes from them feeling heard and being able to talk to me directly, and we use what they say to create actions.”

Concluding the discussion, Matt shared his commitment to “spending five good minutes each day thinking, ‘How can I engage with and thank a team member.’ Just five good minutes, and always let them know that you were thinking about them. I can personally attest to the power of that, and I’ve seen the impact it has on a team when you really understand their why and awaken that thankfulness. You’re going to be a better leader, and your team’s going to be more productive because that sense of belonging and connection will help them thrive.” ■

*Multi-Prong Approach to the Most Time-Efficient Implementation of an Online Selling Channel — continued from page 12*

and marketing perspective. We see these digital assets that we have included and developed also as tools of increasing our presence and footprint in the Romanian society. We are staying focused on one of our most important missions – that of being an actively involved actor in society. For instance, our in-house-developed platform and the partner apps include educational resources about responsible gaming practices, ensuring that players are informed and promoting a healthy approach to lottery participation. And we are constantly learning from our 3rd party app partners in ways that enhance our in-house capabilities.

We are also keeping our level of involvement in CSR actions at a peak performance as we are committed to creating a positive impact in society.

**What is the next frontier you are working on now?**

**Ionuț Valeriu Andrei:** The next step is to launch the native in-house developed App. This year I want to finish our analysis of the online casino and sports betting platform and if possible by the end of Q3 to be able to launch an RFP. We have an important duty to continuously enhance our clients’ user experience and to improve our RG policies.

Our extraordinary interaction within the EL and WLA team is as well a top priority for us and we want to contribute as much as possible to the benefit of our associations. This year we are proud to host in Bucharest EL Corporate University (ELCU) INDUCTION seminar, and we are thrilled to welcome all professionals from EL Lottery and Associate Members. ■

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deal with the lottery). We can expect that more of our competitors will follow suit, further encroaching on our own market share.

The need to address online lottery play becomes even more apparent in Les Brown’s “attention economy,” when player time and attention are considered the scarcest resources of all. This means that unless U.S. Lotteries learn to effectively capture, manage, and maintain their player’s attention by providing them with online play – they’ll fall hopelessly behind competitors who are providing these online experiences.

This includes developing innovative marketing and sales strategies to attract

and retain iLottery players and create opportunities to cross sell iGaming, sports betting, and competing products, or risk losing our player base to our competitors. Moti also believes that lotteries should not just assume that if they build it, players will come to play iLottery. If players have already churned to our competitors to buy iLottery products, it will be significantly more challenging to lure them back. Additionally, costs will exponentially increase to remarket to churned players, highlighting the need to own our players now, and cater to our U.S. customer’s desire for online Lottery play.

As we walk towards our shared future, proactive creativity and collaboration will

be key to the (i)Lottery industry’s success in 2030. By pooling our resources and sharing best practices, lotteries can effectively educate legislators and underscore iLottery’s contributions to worthy causes, to successfully combat our competitor’s growing legislative opposition. This collective approach will be essential, and we must own our players end-to-end and win their loyalty in the wake of this new competition, or ultimately risk losing our market share and our player base. ■