

# NEXT GENERATION TECHNOLOGY AND STRATEGIES FOR A NEW GENERATION OF ILOTTERY PLAYERS

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## ZEAL

**PGRI INTRODUCTION:** Zeal introduced online lottery in the German market almost 25 years ago and continues to be the market leader for online lotteries in Germany. As a WLA Associate Member,

ZEAL recently announced its results for the first half of 2023, with a 15 percent increase in transaction volume and a 20 percent increase in new customers. Our goal now is to bring ZEAL's success strategies, products, and services to markets in the Americas as well as other markets in Europe.

Zeal's expertise is augmented by its diverse portfolio of products, services, and the markets it serves. The ZEAL Group's business model is unique in many respects, encompassing numerous other business models in addition to the traditional lottery sector. For example, ZEAL Group has a Ventures arm for the segmented promotion of and investment in up-and-coming companies with innovative products, services, and business models for the lottery sector. These collaborations and investments augment our own internal brain-trust and resources, providing valuable insights into the gaming and lottery sectors. Furthermore, the group successfully implements the online marketing of the Spanish lottery ONCE with its subsidiary ZEAL Iberia. This experience with direct online gaming operations informs our whole approach and appreciation for the challenges facing the lottery operator. With its subsidiary ZEAL Instant Games, the group successfully develops and markets virtual slot games from the areas of Instant Win, Scratch and Slots. These verticals are merging industry-wide as lottery players expect the games to be just as entertaining as those enjoyed by other online gamers, and ZEAL strives to position its traditional lottery clients with the tools to compete for the next generation of online gamers.

Zeal games are not only sold to the company's own B2C customers, but are primarily offered to a broad B2B audience through international partnerships. Through these partnerships, ZEAL distributes its extensive portfolio worldwide, including in the Americas (OR as the case may be, in North America). Through their games offering, lottery and online gaming operators get the opportunity to tap into new player groups and markets by offering their customers a whole new range of games and play-styles.

Julian Tietz leads the virtual slot games and online games business at ZEAL as Managing Director ZEAL Instant Games. Previously, he had already been working in various positions for ZEAL's portfolio of companies since 2017 and launched the expansion of the company's online games division.

**Paul Jason:** What are the benefits of partnering with ZEAL?

**Julian Tietz:** Due to our business model and our nearly 25-year company history in the online games and lottery market, we have developed an unerring sense of the needs and demands of the market. In our dual role as a B2C provider of online games to the consumer and B2B lottery partner, we appeal to different audiences in both the online gambling and the iLottery sector. We understand the needs of our B2B customers since we must meet those same standards ourselves for our own brands and platforms.

With our thriving online games business, we are able to offer our partners the best of two worlds, namely traditional lottery and innovative, cutting-edge online games. For this reason, ZEAL not only has

expertise in slot game development, but is also dedicated to the entire range of games like scratch cards or instant win games. Our partners can thus benefit from a wide product range that is guaranteed to hold the right product for each of their different target groups. Also, if our partners have specific ideas or requests for certain products, we can apply our robust creative resources to design, develop and implement games together.

One of our primary value adds is our ability to identify and connect with new audiences that lottery operators may not otherwise be reaching with their current methods. Our mission is to help drive in incremental increases in sales by bringing in new consumer groups, engaging with players who have a wide diversity of play styles and preferences.

### **What drives creative in the development of new games?**

**J. Tietz:** In addition to classic scratch cards or instant win games, we also develop our own slot games such as Deep Dive, The Bookmaker or Treasure Volcano. The latter is especially important to us because it helps us to add our own creative influence to the growing world of slot games. This gives us complete flexibility when it comes to developing new game mechanics or addressing opportunities not yet taken up by the games sector. These competencies inform our whole approach to iLottery game development. We appreciate and respect the constraints that the lottery operator works within, we are vigilant at ensuring a very responsible approach to engaging players and building a dynamic online customer-base, and we are very good at adding entertainment value to traditional online lottery games. The best growth strategy is one that focuses on a responsible and healthy play-style that supports sustainable growth. We keep an eye on trends in the many industry categories that influence consumer attitudes and player preferences such as media, entertainment or news. Once we have identified an interesting topic, we take the next step towards designing a possible game. Of course, ZEAL also develops games from traditional slot industry themed worlds – because these tend to be the games that lottery players will like as well. Our portfolio is

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more attractive because of this mix, as it combines traditional games with a variety of pop cultural influences that shape player preferences.

In addition, ZEAL cooperates with German state lotteries, which opens up additional opportunities for our partners. Furthermore, our existing partnership network offers our partners further advantages and inspiration.

### **What are the interesting trend-lines when it comes to play-styles and preferences of online games?**

**J. Tietz:** First of all, the basic player expectations must be met. These include fast-paced gameplay, state of the art graphics and animations, innovative play styles and interesting themes and game mechanisms. It is important to master these functional areas in order to satisfy the customers and to offer them an immersive gameplay and a lot of player value. Ideally, a game gives the customer a sense of choice, control, and hope, even though it remains RNG (Random Number Generated).

In addition, players expect new features and innovations with each game. Traditional slots and lottery games work well, but new elements or even completely new game processes are always received well by customers. That's why we are constantly pushing ourselves to add new features to our games. Of course, our partners also benefit from this as it enables them to regularly offer their customers new themes and features through our games.

We should also not forget that, in addition to the fun factor, the primary player focus is on the reward, i.e. the opportunity

to win. That's why it is crucial for us to offer customers a satisfactory winning experience with each of our games. If this doesn't happen in the form of cash prizes, alternative rewards in the form of gamification elements such as achievements or experience-points can be effective to keep the player engaged and motivated.

### **What measures do ZEAL Instant Games take to acquire players and what are the methods for customer retention?**

**J. Tietz:** We believe in the approach 'speed over perfection' and want to test as many new concepts as early as possible with real customers in a live or test environment to deliver the best possible products to our partners and players.

The key to building a successful product is the iteration of design, mechanics, and user experience. Through this mechanic, we have found that some of our simplest designs turned out to be the best performing games in the German market. Being as close to the customer as possible is more important to customer retention than any bonus promotion because the gaming experience itself is really the core of ongoing customer loyalty. Crediting additional free plays is no guarantee of continued play, certainly not like an enjoyable playing experience is. That is why we are always testing and validating our games with the target audience with data collection and feedback analysis that drives the optimal insight-driven performance of our games. This ensures a more engaging and personalized experience while maximizing cost effectiveness for both ZEAL and our partners. ■