

What Drives Player Loyalty?

A Data-Driven Special Report



Introduction

As lotteries face growing competition for consumers' entertainment dollars and adapt to evolving consumer behaviors, loyalty programs offer a powerful tool for boosting engagement and driving sustainable revenue growth.

This report focuses on how lotteries can harness the power of loyalty programs, whether to launch one or enhance an existing program. By focusing on key best practices, drawn from leading organizations across various industries, the report provides actionable strategies for lotteries to strengthen player loyalty and maintain market relevance.



For lotteries with established loyalty programs, this report offers insights on refining and optimizing these programs. Key focus areas include simplifying the user experience, personalizing rewards, and integrating status and exclusivity tiers to enhance player engagement. Additionally, the report highlights ways to leverage cross-industry partnerships and introduce innovative tools to expand retail reach and streamline data collection for more effective promotions.

For lotteries without loyalty programs, the report explores the strategic benefits of launching a program. Through examples from adjacent industries, such as grocery stores and hospitality, lotteries can draw inspiration from industry leaders that incorporate data-driven insights, player segmentation, and responsible gaming practices. These recommendations provide a foundation for designing programs that resonate with today's digital-first consumers, ensuring long-term engagement and player satisfaction.

Ultimately, whether refining an existing program or building from scratch, this report underscores the value of loyalty programs in fostering deeper player relationships, creating personalized experiences, and offering an advantage in an increasingly competitive marketplace.

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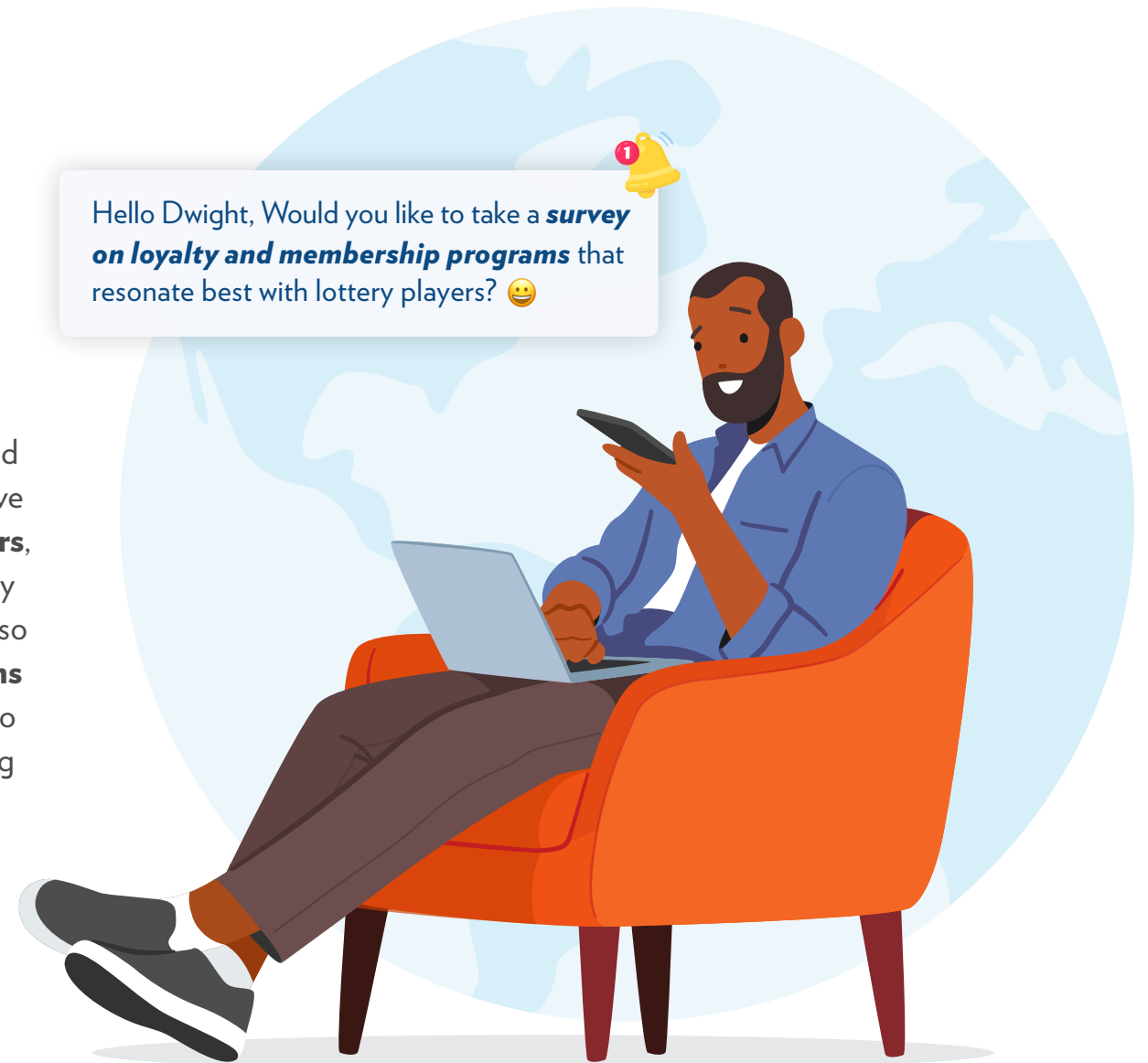
Methodology

IGT partnered with Russell Research to invest in a **global thought leadership study**, the largest study the two organizations have fielded together to date.

The study was conducted via online surveys — from February 21 to April 15, 2024, in Australia, Canada, Czech Republic, Finland, Italy, Spain, and the U.S.

Surveying a general population of adult consumers, not morally opposed to playing lottery, in each of the seven targeted countries, the quantitative research explored areas including **general lottery playership behaviors**, especially as they relate to the differences between retail-only lottery purchasers and digital/multi-channel lottery purchasers. The study also examined benefits and **perks of loyalty and membership programs that resonated best with lottery players**. The insights can help to inform lotteries' strategies for player acquisition and retention, among other applications.

Hello Dwight, Would you like to take a **survey on loyalty and membership programs** that resonate best with lottery players? 😊



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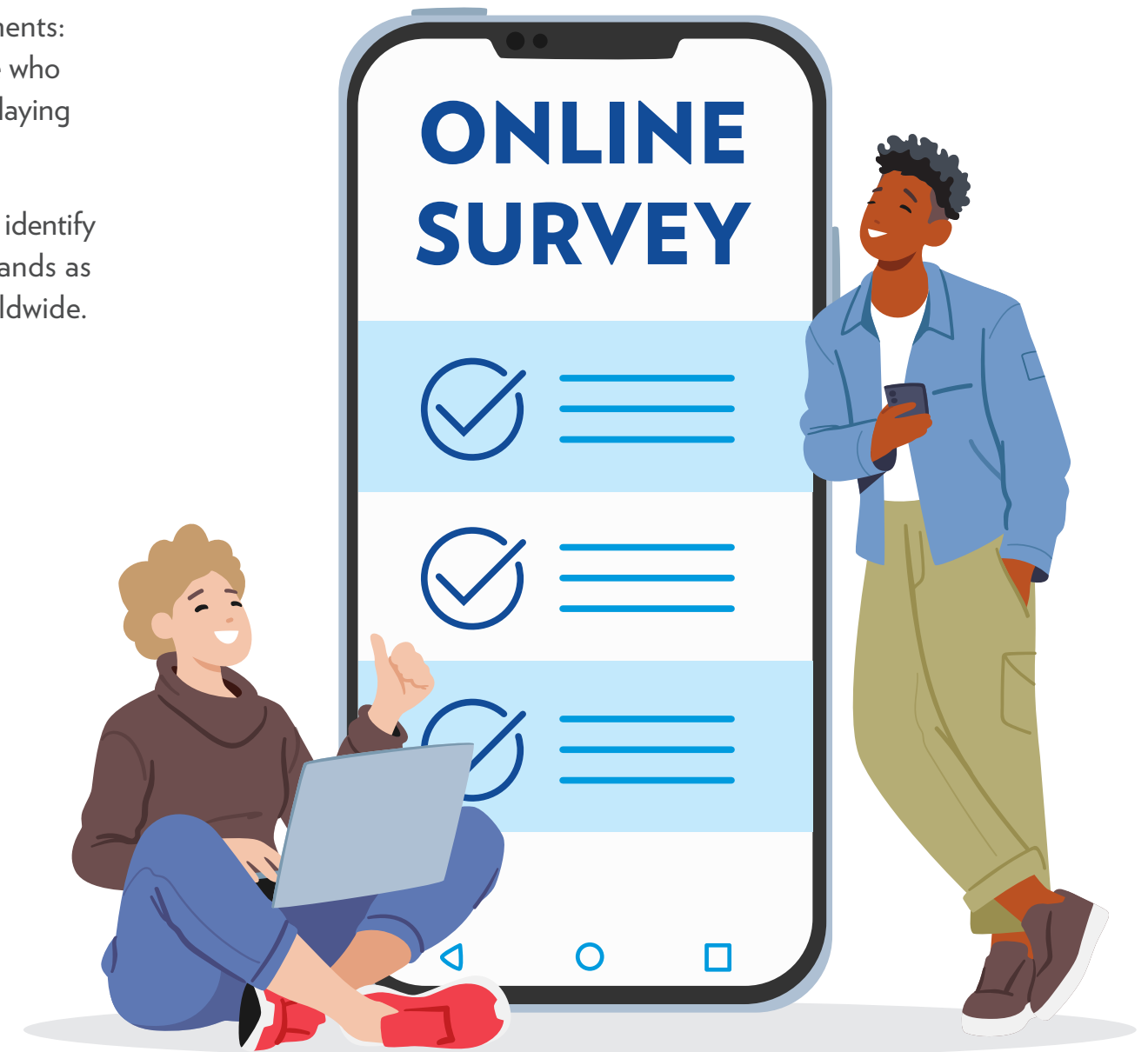
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More than 7,000 surveys were collected (approximately 1,000 in each of the seven countries), encompassing three lottery player segments: current/past-year lottery players; lapsed lottery players; and those who have never played lottery games, but would be likely to consider playing lottery games in the future.

IGT and Russell Research also executed extensive desk research to identify the best practice loyalty programs among non-lottery consumer brands as well as a complete audit of existing lottery loyalty programs worldwide. Unless otherwise mentioned, all data is sourced from this study.



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Lottery Loyalty Overview

Loyalty programs in the lottery industry vary greatly in their structure and appeal, shaped by regional market preferences and consumer behaviors.

In countries like the U.S. and Canada, where lottery loyalty programs are much less developed or non-existent, programs often focus on basic point accumulation and offerings such as VIP clubs or exclusive second chance drawings, where players get additional opportunities to win by entering non-winning tickets.

By contrast, Finland's lottery Veikkaus offers a robust loyalty program with a high participation rate of 75%, featuring diverse benefits such as cross-partner discounts, special events, and second chance drawings. The program is well-integrated through digital platforms to enhance engagement.

These variations reflect the diverse strategies employed by different markets, underlining the need for tailored approaches to maximize player engagement and loyalty.



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Loyalty Program Membership Trends

Our survey data reveals that 73% of respondents are members of at least one loyalty program. These programs span a variety of businesses, including airlines, apparel, coffee shops, credit cards, fast food restaurants, and grocery stores. Importantly, this statistic includes loyalty programs across all business types, not just lottery programs.

The high level of membership highlights the widespread adoption of loyalty programs, but participation varies significantly by region and demographic.



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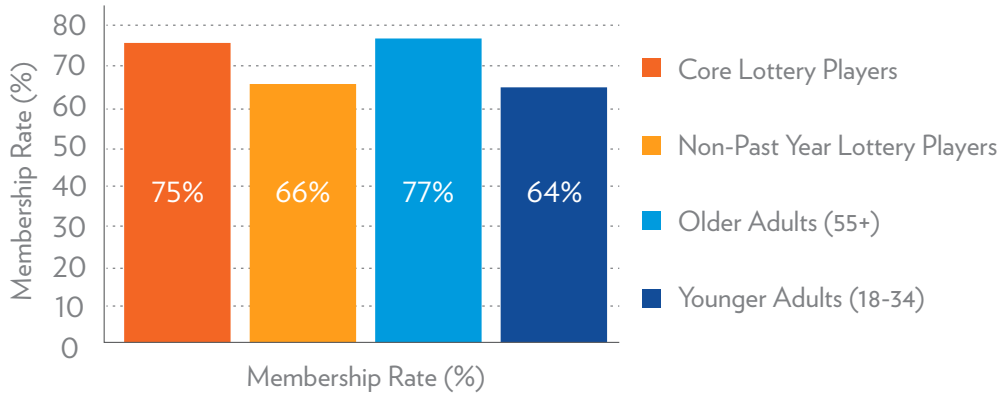
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While lottery programs have not traditionally been as prominent as grocery or other retail loyalty programs, they are gaining traction, especially in regions like Finland. As mentioned above, three-quarters of Finnish consumers in our survey are members of a lottery loyalty program, compared to just 9% of Americans and 10% of Italians. This highlights the disparity in adoption rates and the untapped potential for growth in markets where loyalty programs are less utilized.

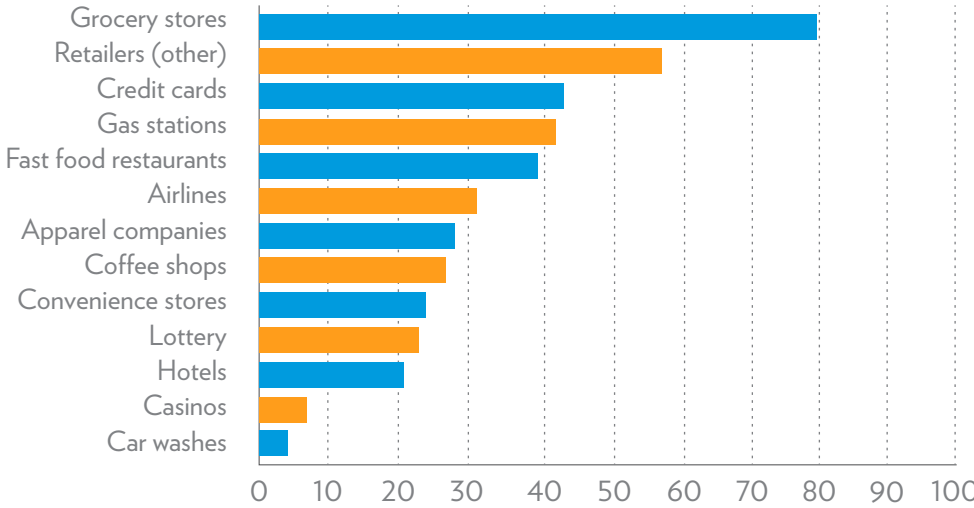
As you already know, understanding your core customers and what drives their engagement is crucial for designing successful loyalty programs. Our analysis reveals that Core Lottery Players – particularly older adults – are the most likely to participate in loyalty programs. This demographic insight could inform the development of tailored loyalty offerings that cater specifically to the preferences and behaviors of these highly engaged segments. Recognizing the lower membership rates among younger adults suggests a significant growth opportunity if programs are shaped to meet their digital-first expectations.

Member of Any Loyalty Program by Demographic



Source: Russell Research

Popularity by Sector: Loyalty Programs Consumers Belong To (%)



Source: Russell Research

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Grocery – The Pinnacle of Loyalty – It’s a Marketing Game

To understand what makes a loyalty program superior, it’s instructive to look at grocery store programs. With nearly 80% of study respondents taking part in one, they dominate consumer participation.

In the age of data-driven marketing, lotteries could take a page from these “loyalty leaders,” which have long leveraged data insights to personalize offers and streamline customer interactions.



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Kroger, for example, has positioned itself at the forefront through its subsidiary, 84.51°, a retail data science and analytics company that powers Kroger Precision Marketing (KPM). KPM translates data into insights on consumer shopping habits, delivering tailored experiences based on real-time data. For instance, KPM collaborated with Red Bull to reach new customers, helping the brand achieve a significant lift in sales through programmatic advertising and identifying when and where customers were most likely to engage with energy drinks. Similarly, Unilever applied KPM's data-driven strategies to optimize offers and generate a sales lift for two of its ice cream brands.¹



Tesco has strategically leveraged its Clubcard loyalty program to enhance customer engagement and drive business growth. By analyzing data from over 23 million Clubcard households, the UK retailer gains valuable insights into customer preferences and behaviors.

In collaboration with dunnhumby, a customer data science company, Tesco launched the Tesco Media and Insight Platform. This platform allows brands and agencies to access anonymized Clubcard data, facilitating the creation of targeted advertising campaigns that resonate with specific customer segments.²



Walmart has significantly expanded its data operations, especially through Walmart Connect, its retail media network. Walmart gathers data from millions of customers across its stores and online platforms, leveraging insights to create personalized shopping experiences. Walmart's strategy focuses on omnichannel engagement, combining in-store and online behaviors to deliver targeted promotions and loyalty-driven incentives.³

¹<https://www.krogerprecisionmarketing.com/media-hub/case-studies/how-unilever-used-retail-data-to-optimize-offers-and-drive-meaningful-kp/>

²<https://www.dunnhumby.com/tesco-media-insight-platform/>

³<https://www.walmartconnect.com/solutions>

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One of most straightforward ways to incorporate lottery data into existing loyalty programs at retail is via in-lane. A new solution that makes it easier to deploy lottery games in-lane is IGT LotteryLink™, a game-changing, plug-and-play solution that integrates directly into retailers' existing point-of-sale (POS) systems. Retailers automatically collect the associated data on lottery purchases, making it easier for retailers to create lottery marketing campaigns and tie lottery into retailers' loyalty programs.

In the future, lotteries may also want to consider adding the ability to collect retailer loyalty identification on lottery terminals, such as LVMs, and then provide the data back to retailers, real-time or batch, so they can also include Lottery purchases as part of their overall loyalty approach with their consumers – to everyone's mutual benefit.



IGT LotteryLink™, which is about the size of a smartphone, allows for lottery sales to occur at any POS with no retailer integration needed.



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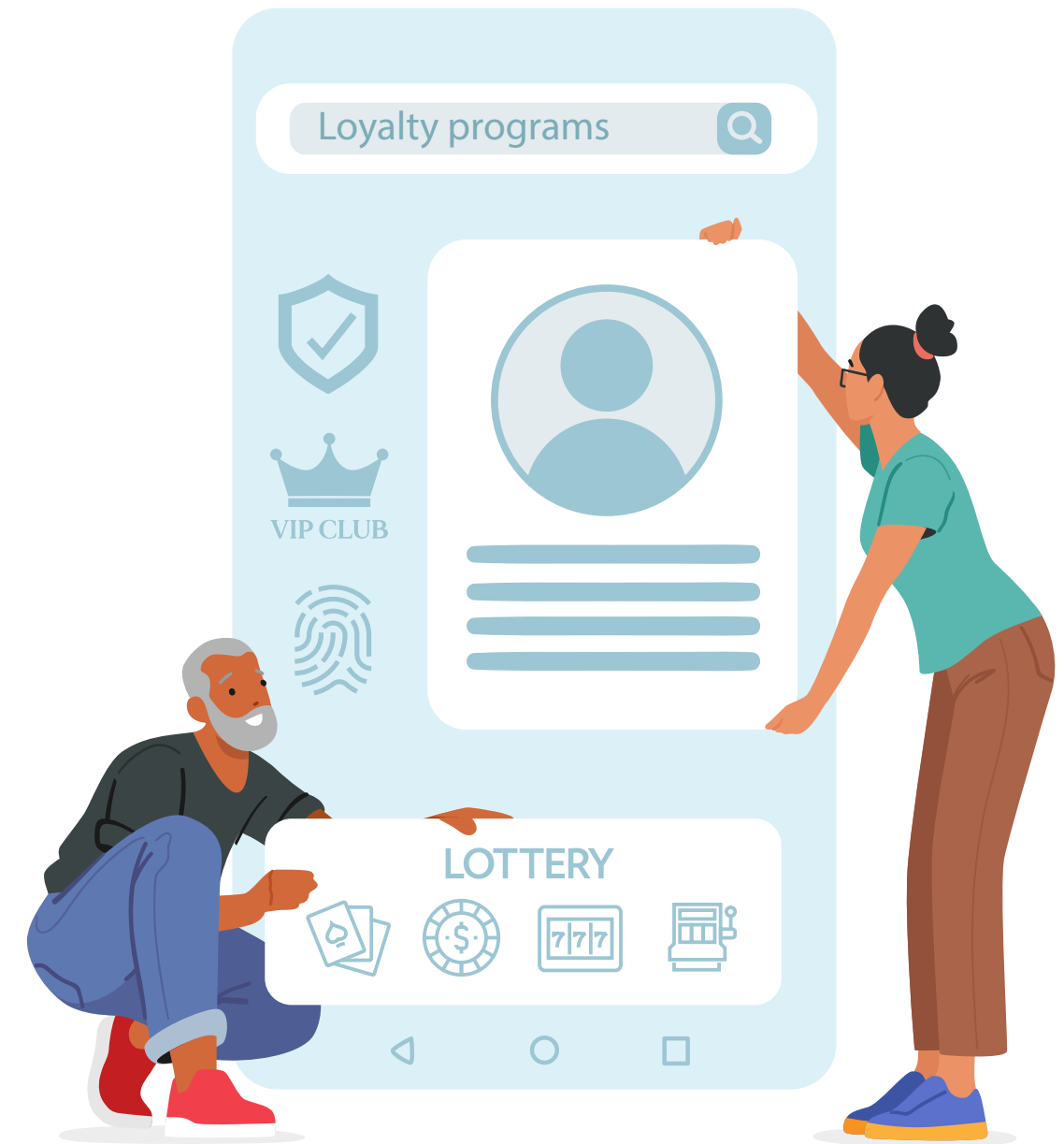
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Importance of Loyalty Program Benefits

One of the keys for lotteries looking to launch or improve their loyalty programs is understanding what motivates consumers to sign up.

Our survey ranked the most important loyalty program benefits, with simplicity emerging as the top priority.



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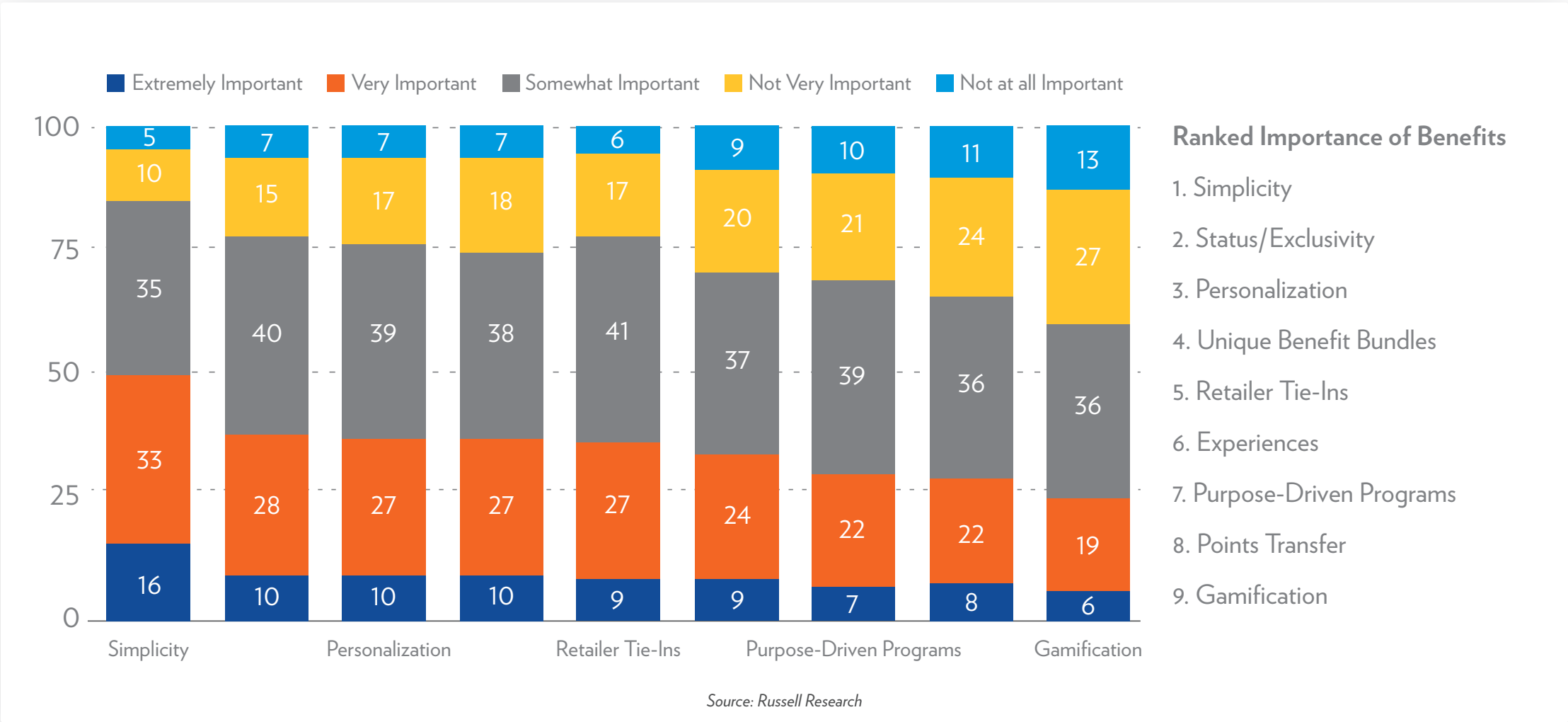
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Consumers value programs that are easy to use, with features such as mobile apps and instant rewards just for signing up.



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5. Importance of Loyalty Program Benefits	<div><h3>Simplicity</h3><p>The Starbucks Rewards program is a prime example of a user-friendly and straightforward loyalty structure. Members earn “Stars” for each purchase, which can be redeemed for free food, drinks, and merchandise. The program is integrated into the Starbucks mobile app, allowing users to easily pre-load funds, order ahead, and track rewards in real-time. The app’s seamless design and gamified structure, offering tiered rewards based on the number of Stars accumulated, make it easy for customers to understand how to earn and redeem benefits. This simplicity has made Starbucks Rewards one of the most successful loyalty programs globally, accounting for 53% of the company’s US store spend in 2022.⁴</p></div>	<div><h3>Status & Exclusivity</h3><p>Alaska Airlines’ Mileage Plan exemplifies a top-tier loyalty program, thriving on status and exclusivity. With elite tiers culminating in MVP Gold 100K, members enjoy perks like free first-class upgrades, bonus miles, priority boarding, free checked bags, and lounge access. The program also offers milestone rewards—such as flight discounts or special experiences—at key thresholds. Alaska’s emphasis on elevated experiences and its Oneworld alliance partnership further enhance the appeal, providing global benefits for frequent travelers.⁵</p></div>	<div><h3>Personalization</h3><p>Sephora’s Beauty Insider program is renowned for its highly personalized approach, which includes product recommendations based on a customer’s beauty profile and past purchases. Sephora’s digital ecosystem ensures members receive suggestions aligned with their hair, skin, and makeup preferences, creating a seamless, individualized experience that encourages more frequent shopping. Additionally, Sephora’s exclusive events, such as masterclasses and one-on-one makeovers for top-tier members, provide personalized beauty experiences that keep customers engaged.⁶</p></div>
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⁴<https://www.pymnts.com/earnings/2022/starbucks-invests-new-rewards-loyalty-members-help-inflation-proof-brand/>

⁵<https://www.alaskaair.com/content/mileage-plan/membership-benefits>

⁶<https://www.sephora.com/beauty/profile-beautyinsider>

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Experiences

The North Face's XPLR Pass program emphasizes adventure, offering members exclusive access to outdoor events such as guided hikes, gear testing, and athlete meet-and-greets. These experiences not only reward loyalty but align with The North Face's brand identity of outdoor exploration, creating an emotional connection with customers who value experiences over material rewards.⁷



Unique Benefit Bundles⁷

Amazon Prime is perhaps one of the best examples of a comprehensive bundle. For a single subscription, Amazon Prime members receive free two-day shipping, access to Prime Video, Amazon Music, Prime Reading, and more. These combined services create immense value for customers, making the Prime membership feel indispensable for regular Amazon shoppers. By providing a diverse set of benefits through one program, Amazon has set the standard for unique benefit bundles.⁸

⁷<https://www.thenorthface.com/en-us/xplrpas>

⁸<https://www.amazon.com/gp/help/customer/display.html?nodeId=G6LDPN7YJHYKH2J6>

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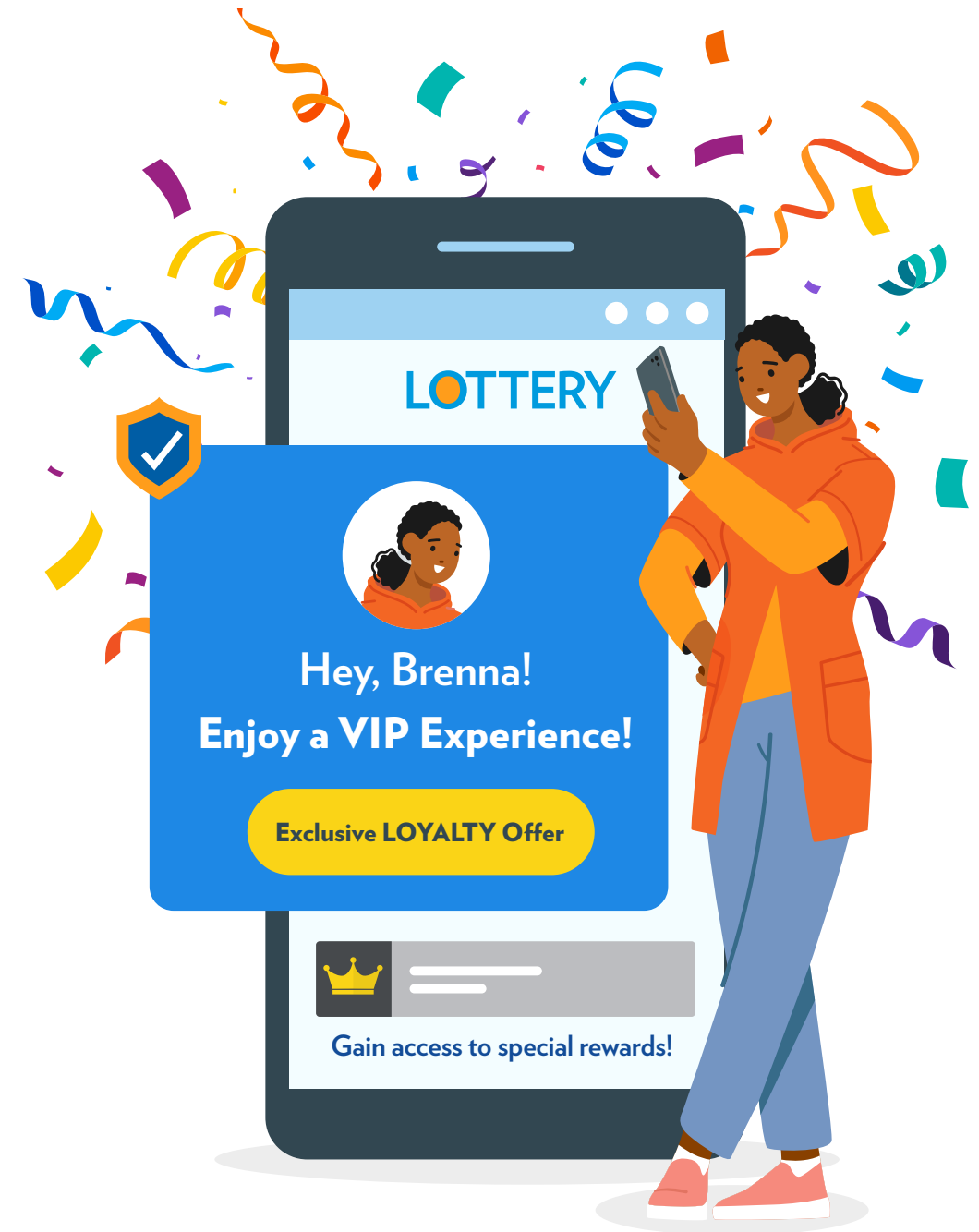
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Lotteries can develop highly engaging loyalty programs by incorporating several best-in-class features that focus on providing value, simplicity, personalization, and exclusivity. Lotteries can also develop retail marketing programs with key retail accounts that leverage a retailers existing loyalty program.

Status and exclusivity can be introduced by implementing tiered loyalty programs, where players who engage consistently or participate in positive play education or awareness activities gain access to special rewards. Lotteries could offer VIP events, exclusive draws, or special behind-the-scenes experiences for their top-tier players. This gives loyal participants recognition and rewards beyond just cash prizes, while also maintaining fairness and responsible gaming practices.

Simplicity is key to ensuring that any loyalty program is easy for all players to use. Similar to what Starbucks is doing, lotteries can, if legislatively possible, ensure their rewards system is straightforward and mobile-friendly, allowing players to easily track points, redeem rewards, and engage with the platform across multiple channels, such as in-store or online. Maintaining a clear and intuitive interface will ensure that players feel engaged without being overwhelmed by complex requirements.



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Personalization can further enhance loyalty programs by tailoring rewards and experiences based on individual player preferences. Drawing inspiration from programs like Sephora's, lotteries can offer personalized game recommendations, special offers, or second-chance opportunities that align with player behavior. This makes the program feel more relevant and engaging to each player, building stronger connections without encouraging excessive play.

By offering **experiential rewards**, lotteries can move beyond traditional cash prizes and give players access to unique experiences, such as VIP events, exclusive meet-and-greets, or trips. This taps into the growing trend of rewarding consumers with memorable experiences that foster emotional connections and long-term loyalty. These experiences can be offered at various tiers, allowing all players to enjoy rewards that go beyond the monetary.

Lastly, lotteries can introduce **bundled benefits** by partnering with retailers, travel companies, and entertainment providers. By creating a broad range of reward options that include discounts on groceries, travel packages, or event tickets, lotteries can offer a versatile and appealing program. This approach increases the value of participation and creates long-term engagement, as players benefit not only from lottery play but also from rewards they can use in other aspects of their lives.

Positive Play Consideration

Lotteries can consider designing tiered loyalty rewards that incentivize positive play, rather than just spending. For instance, players could earn points not only for tickets purchased but also for engaging in responsible gaming activities, such as setting personal limits, taking breaks, or answering responsible gaming questions. Higher tiers could reward players who consistently engage in healthy gaming practices.

Veikkaus Points is a gamified loyalty program for the active customers of Finland's Lottery, Veikkaus Oy. Veikkaus Points is used to educate players about Corporate Social Responsibility and responsible gaming topics and share knowledge about the beneficiaries of Veikkaus, its campaigns, and product launches by offering fun and entertaining "missions."

After completing missions and collecting points, players can choose to redeem small prizes such as movie tickets and coffee cups. Consumers can also choose to take part in raffles to win bigger prizes (e.g. bicycles with a Lotto design or gift cards).



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Lotteries Providing Experiential Rewards

Experiential rewards have become a key component in engaging lottery players, offering opportunities that extend far beyond the traditional ticket. Programs such as the Hoosier Lottery's myLOTTERY loyalty initiative provide players in Indiana with access to unique promotional offerings that deepen their connection with the brand. These include one-in-a-lifetime trips, exclusive VIP concert experiences, premium access to professional sports games, and even participation in high-profile events such as on-field giveaways and NASCAR® cash prize contests.

By integrating these offerings into a free loyalty program, the Hoosier Lottery enhances the player experience and keeps engagement levels high.



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Cross-Promotional Opportunities

Loyalty programs increasingly benefit from cross-promotional partnerships, offering members rewards across multiple sectors.

One notable example is the global partnership between Hard Rock International, Seminole Gaming, and Royal Caribbean International. This collaboration, announced in 2024, allows loyalty members to earn and redeem points for exclusive travel benefits across hotels, casinos, and cruises. By providing diverse rewards, brands can enhance customer retention, as members receive greater value from their loyalty.⁹

⁹<https://www.royalcaribbean.com/partnerships/hard-rock?msockid=017bb55a0de26a2a1e93a58f0c866b4a>



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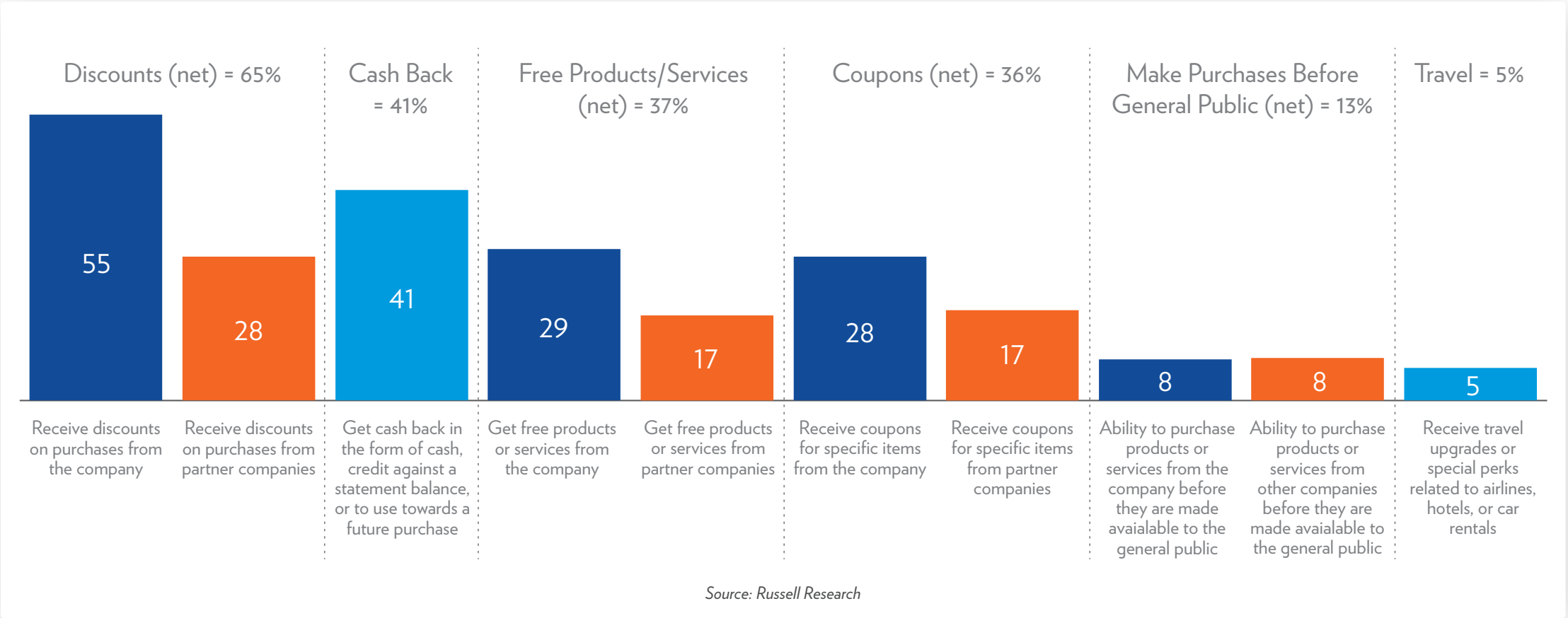
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These partnerships also align with customer preferences for unique benefit bundles, as noted earlier. By offering perks that span multiple experiences, such as vacation packages or exclusive access to concerts or sports events, loyalty programs create lasting value. For lotteries, continuing to align with high-profile brands through shared reward systems could unlock significant cross-promotional potential, mirroring strategies used by industries like travel and entertainment.

The following data highlights the types of benefits consumers value most from their preferred loyalty programs, reflecting the core motivations driving engagement.



Conclusion

To continue growing and remain competitive, lotteries are tasked with innovation. This report provides insights into loyalty programs as a growth initiative and clear, actionable recommendations to enhance the effectiveness of loyalty programs within the lottery sector.

By focusing on simplicity, personalization, and regional customization, lotteries can strengthen player loyalty, reward current core customers, increase engagement, and ultimately boost revenue. Lotteries can use these insights to pilot new initiatives, refine existing programs, and explore partnerships that could extend the reach and impact of their loyalty offerings.

About IGT

IGT (NYSE:IGT) is a global leader in gaming. We deliver entertaining and responsible gaming experiences for players across all channels and regulated segments, from Lotteries and Gaming Machines to Sports Betting and Digital. Leveraging a wealth of compelling content, substantial investment in innovation, player insights, operational expertise, and leading-edge technology, our solutions deliver unrivaled gaming experiences that engage players and drive growth. We have a well-established local presence and relationships with governments and regulators in more than 100 jurisdictions around the world, and create value by adhering to the highest standards of service, integrity, and responsibility. IGT has approximately 11,000 employees. For more information, please visit www.igt.com.

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