Hey, Brit!
Your eWallet Balance!
$75.00
eWallet!   Play Now!

Understanding

Multi-Channel Players

A 2024 Special Report

IGT

Introduction

Managing a lottery business can be both rewarding and challenging. Lotteries are at different stages in their ability to access or optimize all available sales channels to help generate returns for the good causes they serve, especially given the disparities in the maturity of iLottery in markets around the world and specific regulatory obstacles in some jurisdictions.

This report aims to offer a data-driven understanding of player interactions across the various lottery sales channels and support lotteries in navigating their unique challenges.

For those anticipating or preparing to launch iLottery, it shares research data to inform and shape a multi-channel strategy, as well as insights from mature iLottery markets.

For those already offering iLottery, it shares insights to refine their channel strategy to support ongoing growth.

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. The goals of the research included capturing and conveying to the industry a more detailed understanding of **multi-channel players**.

Surveying a general population of adult consumers, not morally opposed to playing lottery, in each of the seven targeted countries, the quantitative phase of the 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**.

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.

The Age Factor: Younger Adult Players Drive Digital Growth

Not unexpectedly, the research confirms a significant correlation between age and increased lottery spending in the digital channel.

Younger adult players, particularly ages 18-34, are most likely to spend more on lottery games when they have access to **both** digital and retail channels. In contrast, older players (55+) show a marked reluctance to increase their spending despite the convenience of digital platforms.

This trend underscores the importance of engaging with younger adult demographics to interest the next generation of players, maintain relevance in a competitive online gaming market, and increase revenue from iLottery sales.

Older players predominantly prefer traditional, in-person purchases from brick-and-mortar retailers. This generational divide highlights the need for lotteries to maintain robust physical retail options while simultaneously expanding iLottery offerings to cater to varying preferences.

LOTTERY

Hey, Brit!
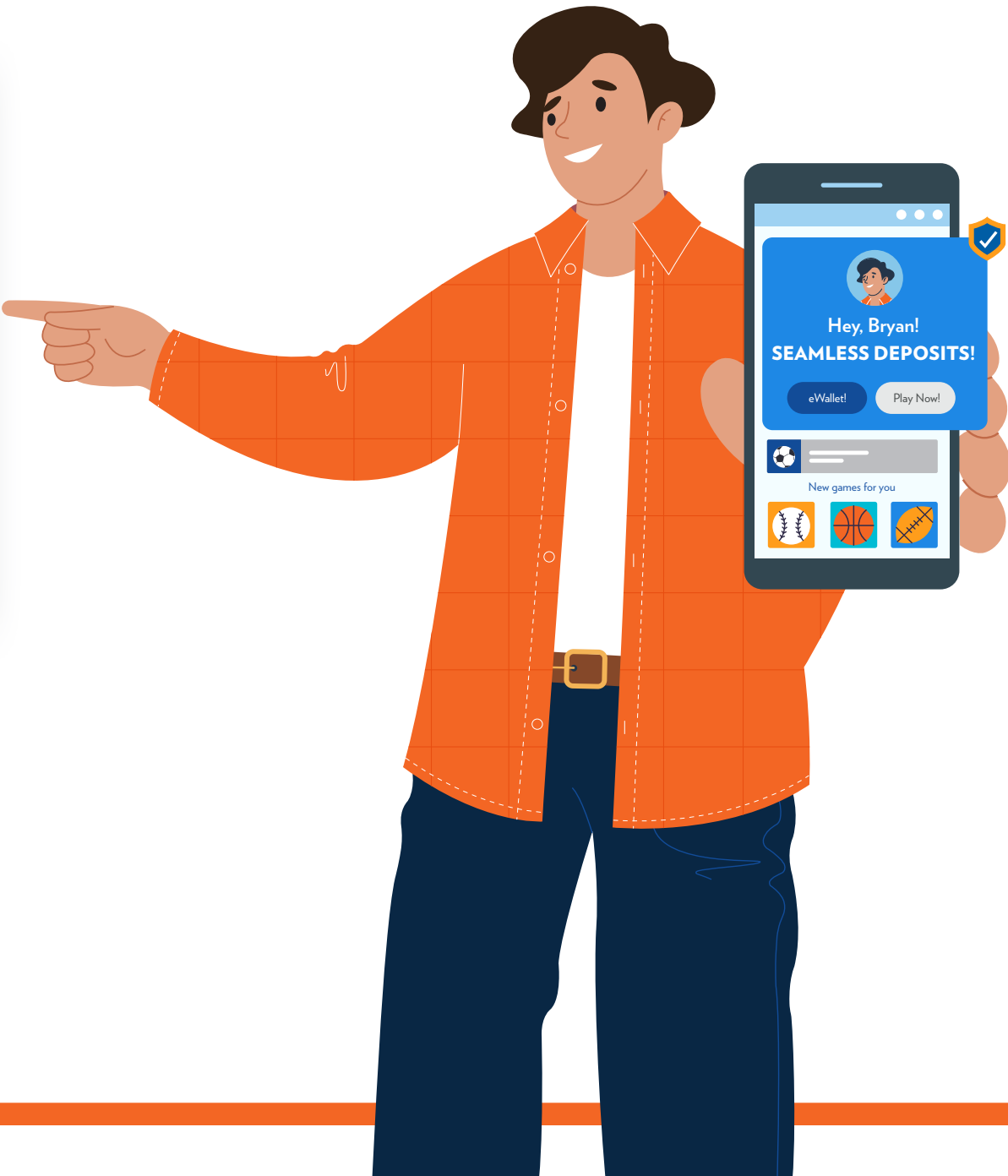Your eWallet Balance!

$75.00

eWallet!   Play Now!

New games for you

Consumers now have plenty of digital competition when it comes to spending their entertainment cash, and younger adult consumers are more likely than older demographics to access them.

iLottery Purchase Effects on Spending[1]

	18 to 34	35 to 54	55 or older
Not sure/don't remember	10	8	9
I spend/spent less	20	16	20
I spend/spent the same amount	43	52	52
I spend/spent more since I started playing iLottery	27	24	19

Source: Russell Research
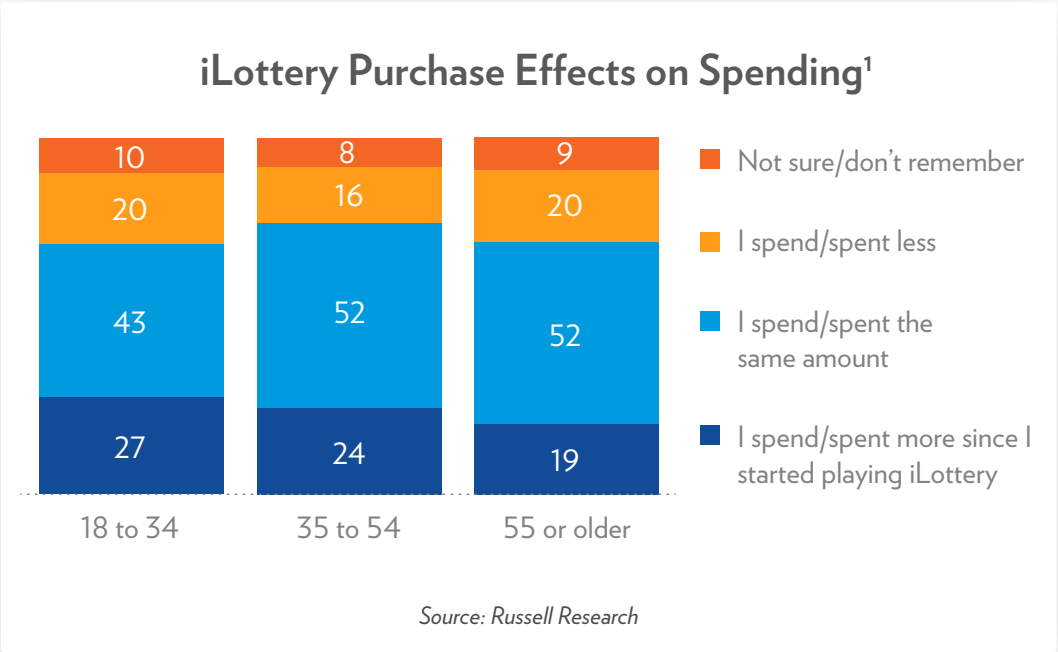
This benefit for consumers equates to a challenge for lotteries as they face growing competition. With in-app and online sports betting being a direct competitor for iLottery, there are ways lotteries can digitalize aspects of the lottery experience in preparation for when iLottery is authorized. There are also ways lotteries can integrate some of the tactics that sports betting companies have deployed, such as targeted marketing messaging and having a robust mobile app with user-friendly navigation.

[1]*You indicated that you purchase/purchased your lottery game tickets online using a website or app at least some of the time. Which of the following statements best describes how your online lottery purchases have impacted your overall spending on lottery games?*

With convenience and ease proving to be the key to unlocking a wider variety of play, providing frictionless options has been essential to multi-channel success.

Lottery Purchase and Reinvestment Tendencies Among Multi-Channel Players[1]

Source: Russell Research
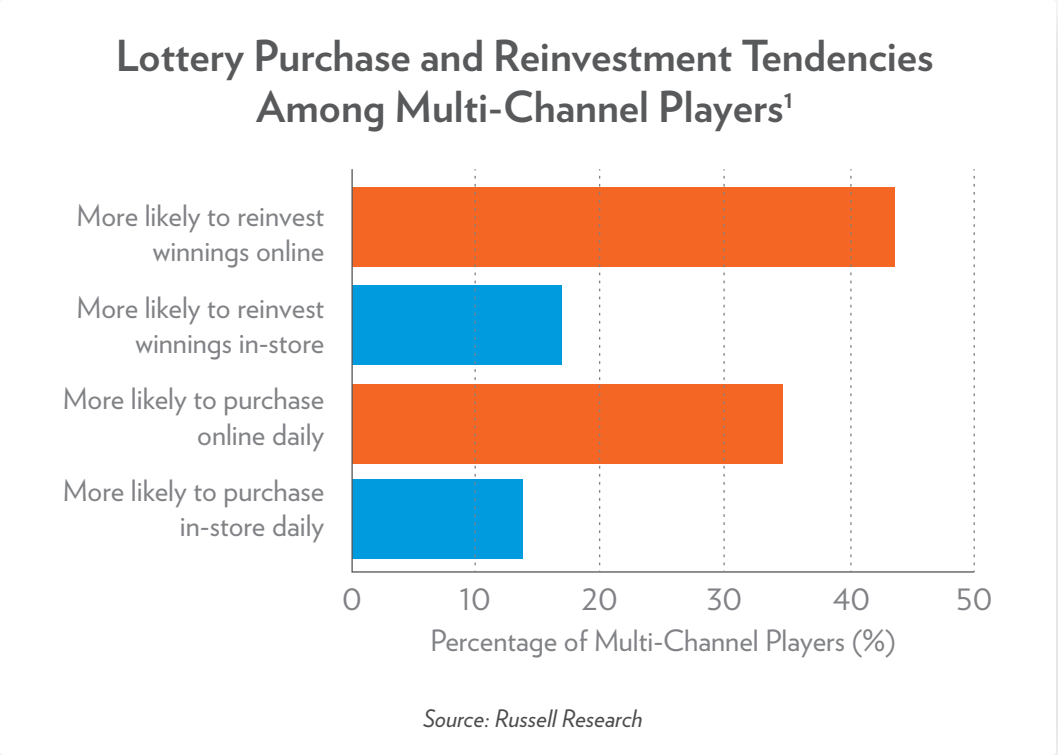
[1]*Please read each pair of statements and indicate which one you agree with more by selecting the circle that is closest to the statement you agree with. I'm more likely to purchase lottery tickets on a daily basis if purchasing them in-store/ from a vending machine OR from a website/app. I'm more likely to reinvest my winnings on more lottery tickets if purchasing them in-store/from a vending machine OR from a website/app.*
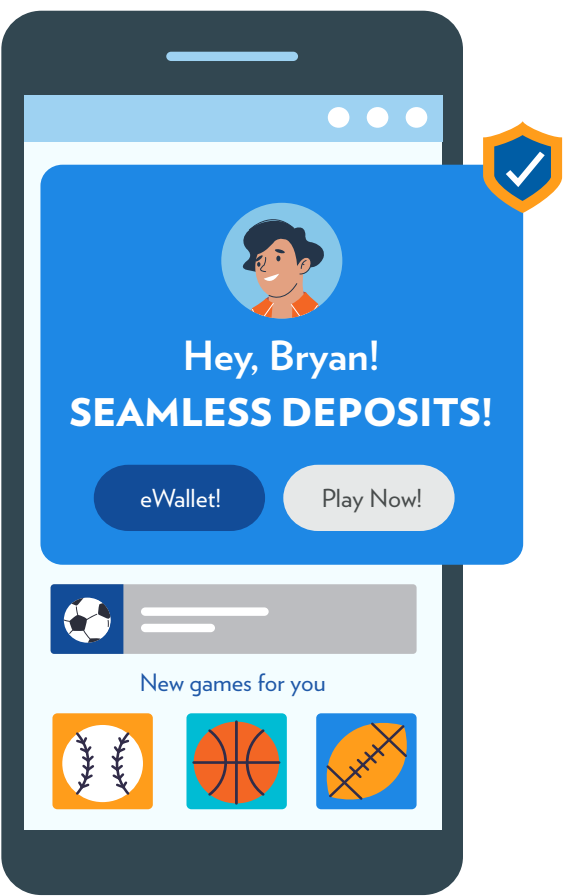
75% of sports bettors prefer to wager online,
with convenience (78%) and easy deposits (75%) being the top reasons bettors choose online/mobile sports betting.

An external survey by DriveResearch

America's Digital Spending Habits

Although iLottery has only been authorized in 15 states across the U.S. to date, respondents who play digitally tend to spend more. Remarkably, IGT's study found that **30% of Americans who played across both lottery channels reported increased spending**, surpassing figures from Canada, Spain, Italy, Australia, Czech Republic, and Finland.

This trend demonstrates a significant opportunity for U.S. lottery operators to push for expansion of their iLottery offerings and capture the untapped potential of multi-channel players.

Lottery Purchase Channels — Online Purchasing Effects on Spending[1]

| | U.S.
N=121 | Canada
N=270 | Czech Republic
N=265 | Finland
N=745 | Italy
N=156 | Spain
N=295 | Australia
N=460 |
|---|---|---|---|---|---|---|---|
| Not sure/don't remember | 3 | 6 | 14 | 11 | 8 | 8 | 7 |
| I spend/spent less | 13 | 15 | 30 | 18 | 26 | 11 | 17 |
| I spend/spent the same amount | 53 | 51 | 41 | 49 | 41 | 54 | 54 |
| I spend/spent more | 30 | 28 | 16 | 21 | 26 | 27 | 22 |
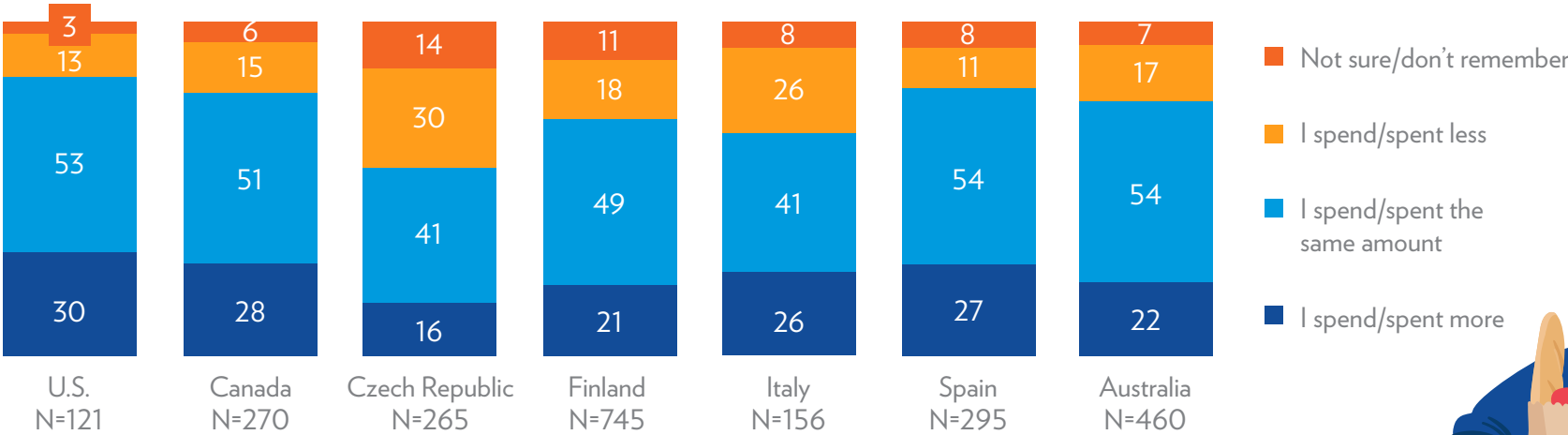
Source: Russell Research

While the U.S. iLottery market is still underdeveloped compared to the other countries surveyed, there are opportunities for lotteries to offer digitalized in-store experiences to better cater to this segment of interested, multi-channel players, In turn, this will lay the groundwork for an eventual move to lottery website or in-app play when lotteries are regulated to do so.

[1]*You indicated that you purchase/purchased your lottery game tickets online using a website or app at least some of the time. Which of the following statements best describes how your online lottery purchases have impacted your overall spending on lottery games?*

iLottery Success in Finland

Finland's iLottery market stands out as a mature example of digital lottery success. With 75% of the population well-accustomed to playing online, the challenge is no longer about raising awareness but about driving sustainable growth in an already established market.

By strategically managing channel-related challenges, such as enhancing the player experience and introducing innovative engagement tactics, Finland demonstrates how a mature iLottery market can continue to thrive.
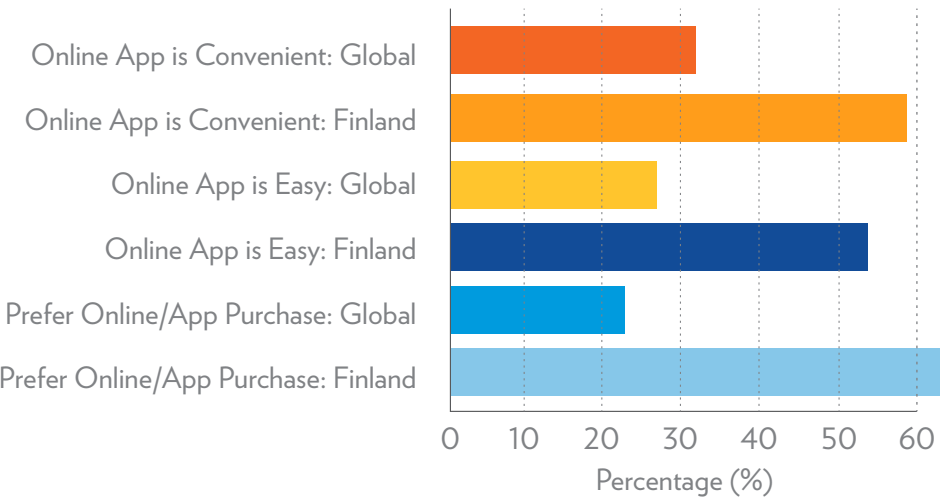
Finland

Of the seven countries included in the study, Finland boasts the highest proportion of online lottery game purchasers, with 75% of Finnish adults partaking in digital lottery. With Finland's Veikkaus Lottery having launched its iLottery platform nearly three decades ago, the market has had time to mature, instilling trust in the entertainment marketplace while the technology has continued to advance along with the platforms players have been using.

The survey showed more than 60% of respondents in Finland prefer to buy lottery tickets online or within the Lottery's app, which is much higher than the 23% of global respondents. Finland players also rated ease and convenience of the digital channels more favorably, with the majority finding that purchasing from the Lottery's app or online is more convenient than a retail offering.

Finland's Veikkaus Lottery has effectively harnessed digital technology to enhance its lottery offerings, beginning with an initial exploration phase in 1996 that focused on building a robust technological foundation. In the early 2000s, the introduction of CRM programs marked a significant strategic shift toward developing a customer base specifically for lottery management purposes. This involved offering a loyalty program that allowed players to participate in drawings without needing to make purchases, adhering to regulatory requirements. By 2010, the program evolved to include tasks that players could complete to earn points, which served as currency for non-monetary prize drawings. This inclusive approach was marketed to all players, not just those on the iLottery platform, ensuring broad appeal.

Comparison of Online/App Lottery Ticket Purchases: Finland vs Global[1]

Source: Russell Research

Additionally, Finland's advanced approach to digital payment systems facilitated seamless online interactions, setting it ahead of the U.S. and other countries' payment industries. The Lottery's proactive promotion of its online capabilities, through targeted campaigns and comprehensive player communication, contributed to the success of its iLottery offering, making all products except instant games available online and reinforcing the benefits of engaging with its iLottery platform.

[1]*Please read each pair of statements and indicate which one you agree with more: Purchasing lottery tickets in-store/from a vending machine OR from a website/app is convenient. Purchasing lottery tickets in-store/from a vending machine OR from a website/app is easy. Where do/did you most prefer to purchase your lottery game tickets? Retail Store or Online using a website or app.*

Players' purchasing behaviors and attitudes reinforce the need for lotteries to implement or refine a multi-channel strategy.

Among the study's respondents, there is general agreement that games purchased in-store or from a kiosk provide more social interaction, and that in-store/kiosk purchases are easier and more entertaining than lottery app or website purchases.

Of core lottery players, 54% felt that in-store or vending purchases provided more social interaction, compared to 11% who felt that lottery in-app or online purchases provided more social interaction.

Social Interaction in Lottery Purchasing[1]

Website/App: More Social Interaction

In-Store/Vending Machine: More Social Interaction

Percentage of Core Players (%)
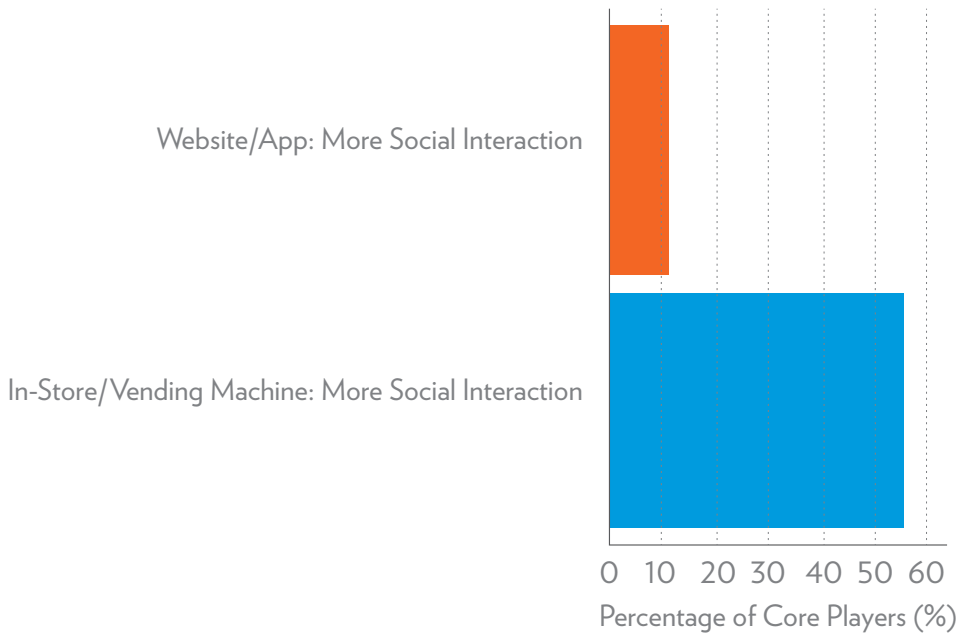
Source: Russell Research

Ease and Convenience in Lottery Purchasing[2]

Website/App Convenient: Multi-Channel

Website/App Convenient: Retail Only

In Store/Vending Convenient: Multi-Channel

In Store/Vending Convenient: Retail Only

In Store/Vending is Easy: Multi-Channel

In Store/Vending is Easy: Retail Only

Website/App is Easy: Multi-Channel

Website/App is Easy: Retail Only

Percentage of Players (%)
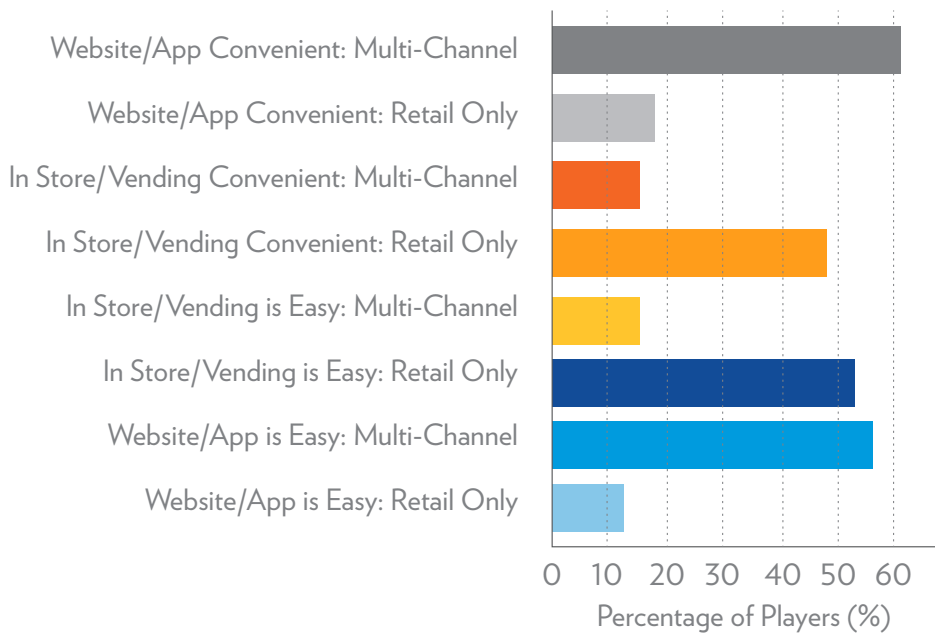
Source: Russell Research

Importantly, however, the study confirmed that far more positive perceptions toward in-app or website lottery purchases were shared by digital and multi-channel purchasers. Fifty-five percent of multi-channel players found purchasing from a lottery's website was easier than in-person, compared to just 12% of retail-only players. In other words, consumers who are already playing iLottery are much more likely to say the in-app or website purchases are easier/more convenient. This finding confirms the benefits of digitalizing aspects of the lottery journey, even if not yet regulated to sell online, as familiarity supports positive perceptions and an eventual transition to lottery app or website sales. Core players are also significantly more likely than infrequent players to perceive lottery app and website purchases positively.

[1]*Please read each pair of statements and indicate which one you agree with more: Purchasing lottery tickets in-store/ from a vending machine OR from a website/app provides more social interaction.*

[2]*Please read each pair of statements and indicate which one you agree with more: Purchasing lottery tickets in-store/ from a vending machine OR from a website/app is easy. Purchasing lottery tickets in-store/from a vending machine OR from a website/app is convenient.*

How can lotteries cater to multi-channel players?

Lotteries have an opportunity to digitalize aspects of the retail lottery journey. IGT refers to this as Connected Play. Via a set of Connected Play features built into IGT's OMNIA™ solution, players can access a lottery mobile app to register, create, and use digital playslips at retail. Furthermore, players can check their tickets, claim their winnings, enter second-chance promotions, among other convenience features right from their phones.

Eventually, when regulated to sell iLottery, **a lottery that is utilizing Connected Play is better positioned to make the transition to a multi-channel environment**, and players are **already familiar with the ease of use and convenience** of interacting with the lottery digitally.

For lotteries already selling iLottery, Connected Play gives them the complete view of their players across channels, leading to enhanced CRM capabilities – to benefit players and lotteries alike. This information can provide the lottery with valuable insights to help:

- **make more informed decisions to strengthen their game portfolios**
- **offer more tailored promotions and messaging**
- **apply modern and more cost-effective digital marketing techniques**
- **and provide players with more information and resources** to help them make informed decisions about playing, supporting responsible gaming efforts.
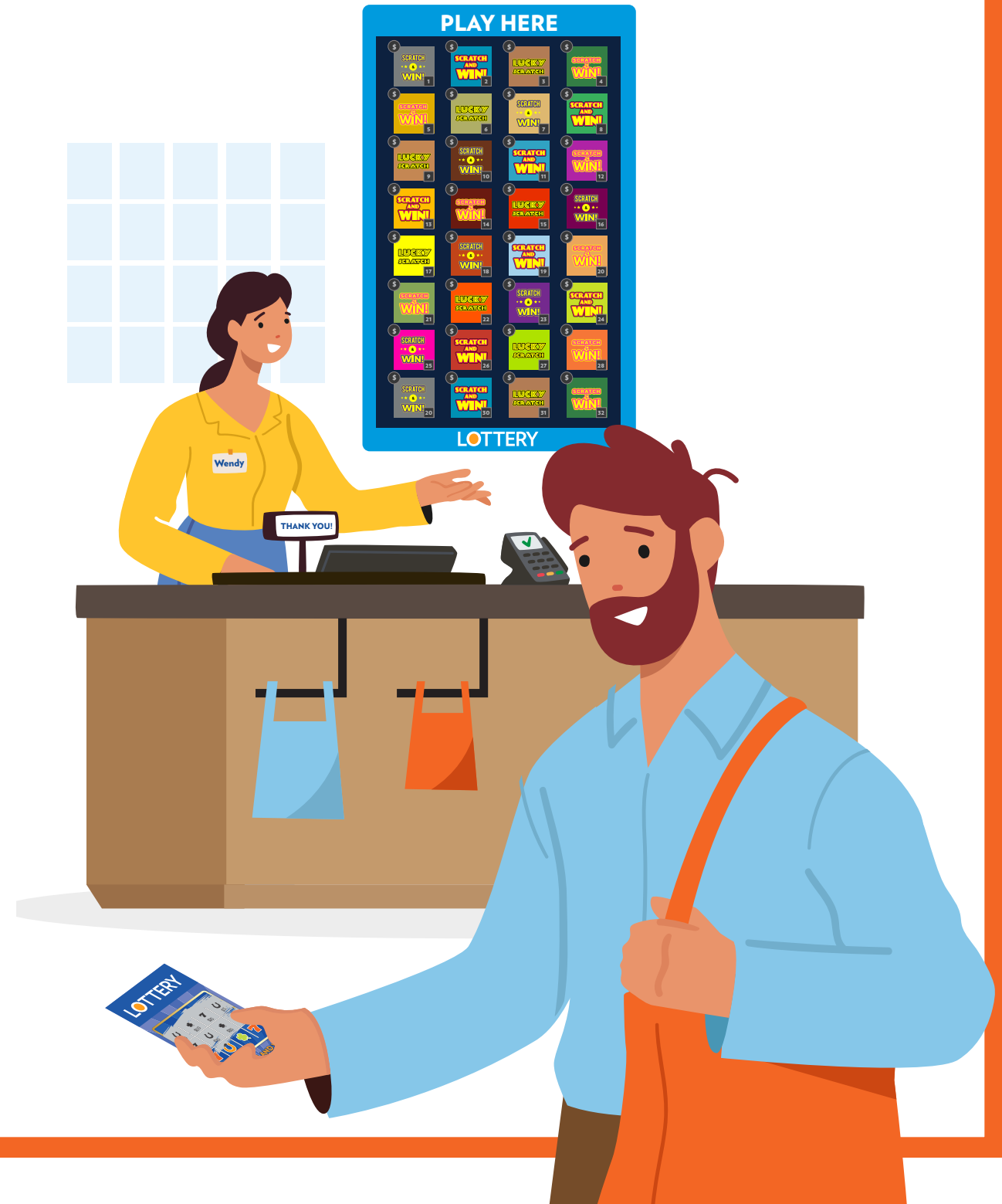
Conclusion

The data within this report suggests that multi-channel players provide significant value to the continued growth of lottery both in the United States and internationally.

The study's findings support lotteries with current and relevant information to further engage with their respective stakeholders to educate them on the benefits of digital lottery, growing sales, and increasing returns to the good causes that lotteries support.

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.