

# 5 Future Forward Trends

## Driving Lottery Growth

A 2024 Special Report



# Introduction

IGT continues our longstanding partnership with consumer analytics and trendspotting agency Foresight Factory to better understand consumer habits that will have the biggest impact on player behavior at lottery points-of-sale in the near-future — and to share those insights, in keeping with our commitment to drive sustainable growth for the industry and our lottery partners around the globe.

This special report dives into key areas where consumers are demanding more from brands, along with some ideas on how lottery providers and retailers might use this data to adjust their ways of marketing, selling, and promoting games in 2024. It also discusses some of the ways in which our industry, and adjacent industries across the world, have adapted their products and services around these shifts.

All data is sourced from Foresight Factory research, unless otherwise cited.

**1. Controlled Connectivity**

2. Stakeholder Customer

3. Moderation Mantra

4. Mass Exclusivity

5. Power of Live

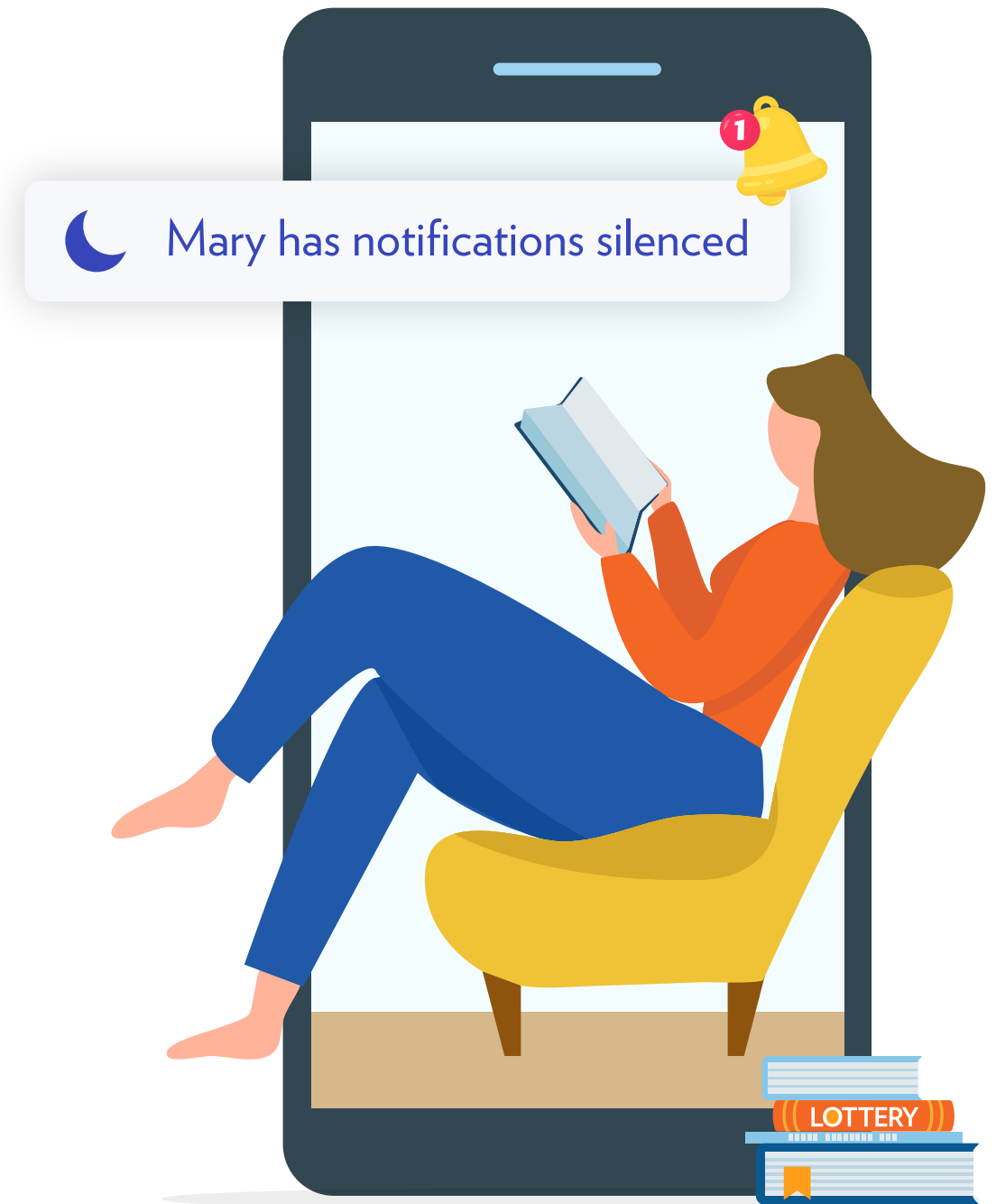
In Summary

# Controlled Connectivity

Our homes are a bustling hub of technology – smart TVs, laptops, game consoles, and more – and we are virtually always accompanied by our best digital friend, the smartphone. These devices aren't just passive tools, they engage and interact with us through suggestions and recommendations.

New devices – from smart thermostats to wearables to voice assistants – create a myriad of possibilities for consumers. They sync up with our appliances, vehicles, and everyday items, adding to the ever-expanding Internet of Things.

In this digital world, consumers – and your lottery players – find themselves walking a fine line between fascination and frustration, being surrounded by an array of gadgets but not wanting to turn them off completely. Instead of throwing their cell phones out the window, users reduce notifications and screen time. During those moments of digital respite, consumers are drawn to technology that harmoniously integrates into their lives, instead of clamoring for attention.



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Where information overload is the norm, the tasks facing brands surround timing and delivery. The future can hold a promising solution, with location-based data sharing and wearables that can understand when a consumer is in the ideal mindset (or physical place) for marketing communications. Even more so, these messages will be less generic and more bespoke, tailored specifically to the player.

The key takeaway is to try to avoid bombardment of players with an avalanche of notifications, while still providing the messages that truly matter – addressing the most salient, engaging, and appealing aspects of your lottery’s offerings.

What are companies doing?

In January 2023, Instagram announced the launch of Quiet Mode, a setting for users to minimize notifications and take time for themselves.

Consumers can customize their Quiet Mode hours so that the feature is turned on at night, while studying, during school, work, or another time of their choosing. While anyone can use Quiet Mode, Instagram will actively prompt younger users to do so once they have spent a certain amount of time on the platform late at night. Once the mode is enabled, the user won’t receive any notifications, and their status will change, sending an autoreply to anyone trying to contact them. Instagram is hoping to appeal to Gen Z consumers who want to better moderate their social media usage.



***58.6% of weekly lottery players said they receive too many messages and notifications via their cell phones at unwanted times, up from 51.3% in 2020.***

Source: Foresight Factory | Base: 32,437 online respondents aged 18+,  
Global 24 Country Average, March 2023



What is IGT doing?

In October 2023, IGT enhanced our iLottery CRM tools via a new partnership with Xtremepush that enables IGT customers to leverage real-time data and AI to deliver hyper-personalized omnichannel experiences, among many other features. These industry-leading CRM tools provide benefits to lotteries including improved player data reporting and tracking, intelligent delivery using AI, and upgraded methods of communication.

Even for lotteries without an iLottery offering, these CRM tools may be used with Connected Play, IGT’s retail-to-digital bridge, through a convenience app.

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### Connectivity Concept

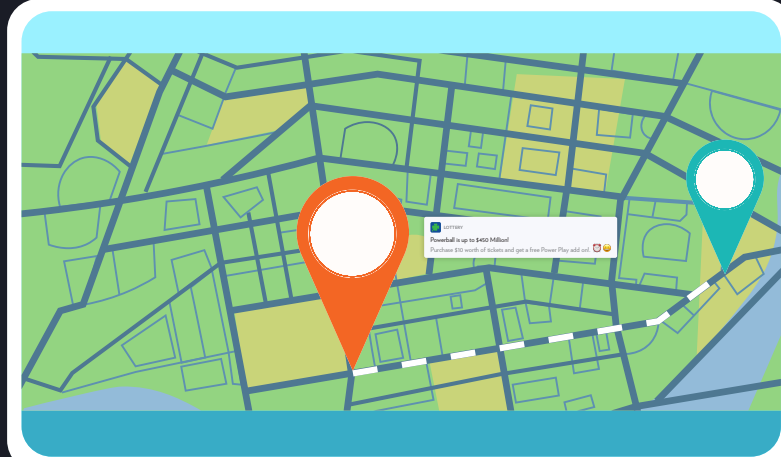
A notification could be sent to a player letting them know about a lottery promotion at a nearby store.



LOTTERY

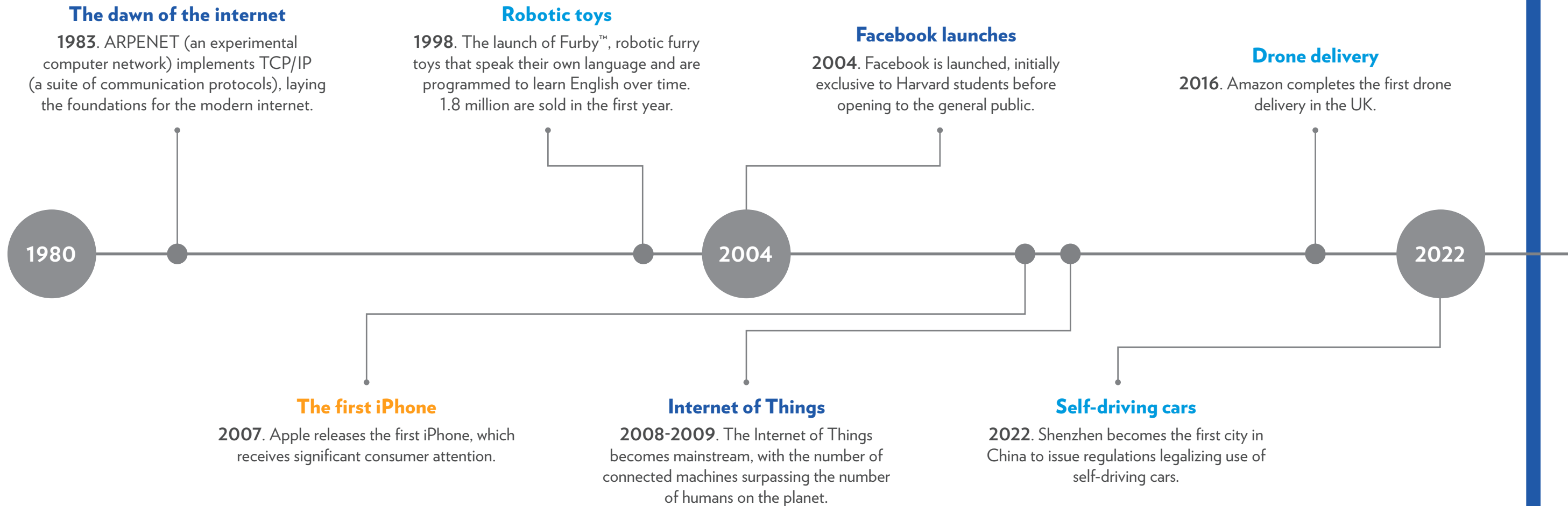
Powerball Jackpot is up to \$450 Million!

Purchase \$10 worth of tickets and get a free Power Play add on! 🕒 😊



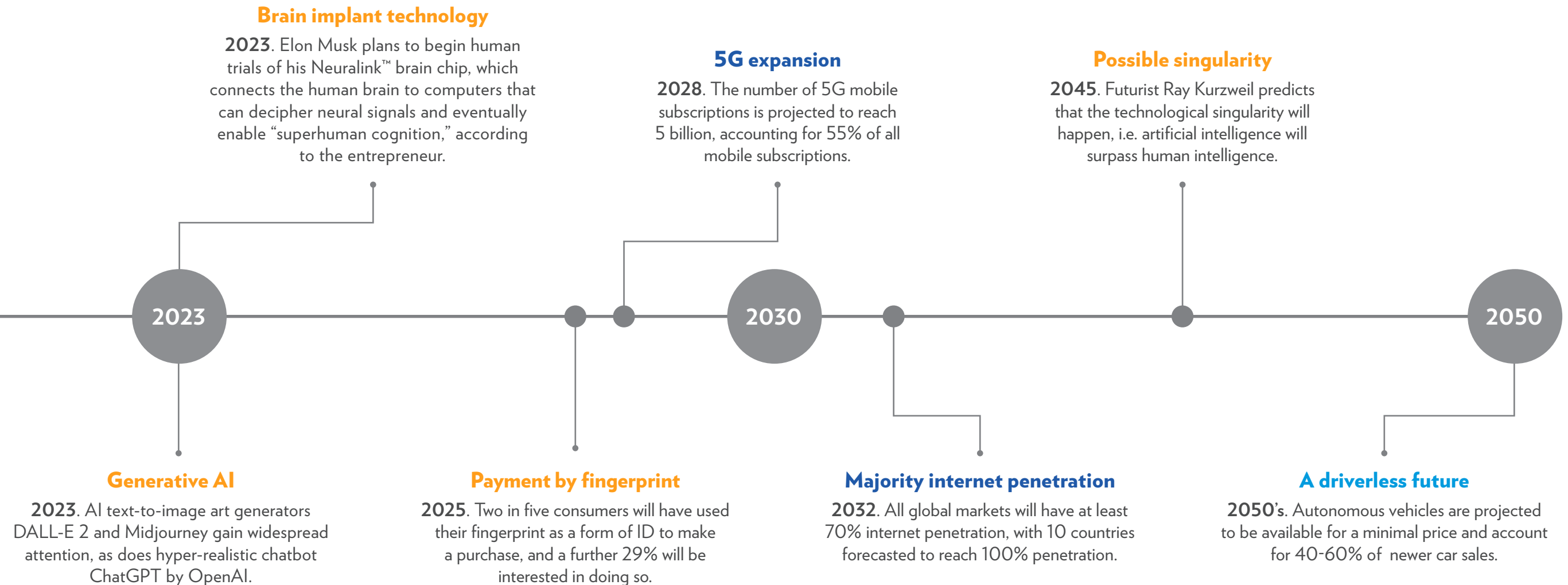
# The Evolution

Internet connectivity, new technologies, and automation are reshaping industries and consumers' digital lives. The following timeline shows how consumers' digital lives have developed over the past 40 years, along with predictions for what may be coming next.



# Key Predictions

As we look to the future, consider how players are interacting with lottery across different segments, and how these advancements could affect consumers' digital lives.



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# Stakeholder Customer

The era of passive consumption is over. Empowered consumers expect a more reciprocal relationship with the companies they do business with. Many are open to being treated like peers and collaborators or consulted as stakeholders, with the power to co-create and ultimately determine commercial offerings for themselves.

In effect, they are no longer consumers but prosumers: a **prospective consumer** involved with the design, development, or manufacturing of a product. Consumers have been given a voice – and they want their feedback to be taken seriously. Channels, including social media and review platforms, amplify the voices of everyday people. Brands can more easily follow consumer conversations and spot emerging needs, but they also should confront comments about their actions. There is an expectation among consumers that feedback – whether about brand offerings, tone, or behavior – should be respected, and that they be treated as prosumers in influencing future improvements in a brand's products or services. Meanwhile, individuals are increasingly able to directly finance their favorite campaigns, projects, and products into existence, via crowdfunding platforms and follower-funded content models.





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With this trend in mind, lotteries are tasked with having in-depth conversations and research with players, involving them in the development of new games, tailored prize offerings, or engaging with players through digital feedback integration. Some of these options can be presented with convenience in mind, via a lottery's app.

### What are companies doing?

Convié, which launched on social media in November 2022, is a beauty brand that invites customers to become members who will contribute to the product development process. Interested consumers submit an application that asks them their level of skincare and beauty knowledge, types of products they like, their usual skincare routine, trends they're interested in, and more. If accepted, members receive an invitation to co-create specific products or lines based on expressed interests and areas of expertise. When chosen, members receive samples from Convié to test and review. The brand also engages the community on social media to vote on product aspects, such as packaging and design.

Co-founders Christina Harrell and Isabelle Salas said, "We want to work with talented and like-minded micro-influencers who wouldn't have the opportunities or volumes to pursue this kind of endeavor themselves."



**63.6%**

*Weekly Lottery Players*

**54.2%**

*Non-Lottery Players*

***I would like it if my favorite brands asked  
for my ideas for new products.***

Source: Foresight Factory | Base: 32437 online respondents aged 18+,  
Global 24 Country Average, March 2023

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What are lotteries doing?

Over the past 10 years, Northstar New Jersey (NSNJ), which provides sales and marketing services for the New Jersey Lottery, has managed Game Changers — a group of thousands of dedicated and engaged lottery players — to answer questions pertaining to features and symbols of instant tickets, draw games, and promotional activities that the Lottery engages in.

A wildly popular instant game in 2023, “The Jersey Debate,” which is a debate within New Jersey about the official name of a breakfast sandwich, had a number of ticket options during the exploratory and development stage of the ticket-creation process. NSNJ turned to Game Changers to get real-time feedback on some of the elements of the game, having the design narrowed down and selected directly by players.






What is IGT doing?

IGT conducts research studies across the globe with both players and retailers. Our goals include understanding and benchmarking the success of our products and services in the field. We also test concepts and new games as part of these studies. In FY 2023, we conducted more than 375 qualitative and quantitative studies in nearly 600 markets, with over 290,000 individuals participating. These research studies are at the core of how we present our current and future offerings on both a local and global scale.

2023 IGT Marketing Insights Footprint

Research Studies During 12 Months Ending June 30, 2023

	North America	International	Total Studies
 Studies	214	164	378
 Markets/Cities	399	196	595
 Sample (Players & Retailers)	188,989	103,236	292,225

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# Moderation Mantra

Individuals increasingly perceive less healthy choices as presenting risks – to one's wallet, physical appearance, wellbeing, and/or broader social reputation.

Consumers are exploring what they view as healthier (and trendier) alternatives to unhealthy actions.

Veganism and vegetarianism are now heralded as positive lifestyle choices for both personal and planetary health. And consumers are seeking to counteract the negative impacts of digital living on not just their mental wellbeing, as we examined in Controlled Connectivity, but for physical health too.

## What are companies doing?

AB InBev, the world's largest brewer, has a section of its website dedicated to "Smart Drinking," announcing "We want every experience with beer to be a positive one. Therefore, we are working across sectors to disrupt harmful drinking."



### Screen Time

Frank, you're approaching your self-set screen time limit.

It's 72° and sunny, why not enjoy the afternoon outside? ☀️



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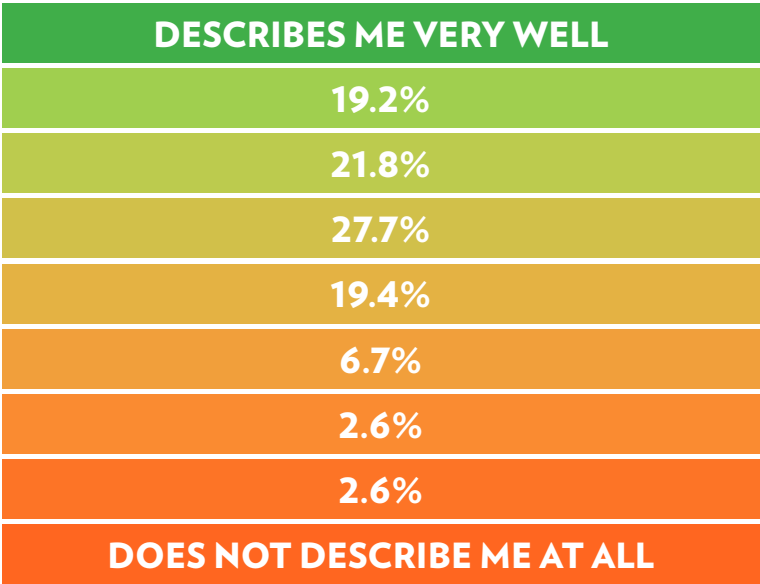
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The company’s marketing campaigns to promote Smart Drinking over the past year have been staged at venues including clubs, sporting events, and other areas where drinking may occur. With its brand Budweiser® Zero™, a non-alcoholic beer, AB InBev teamed up with Major League Baseball team Toronto Blue Jays to become “The Official Beer of Your Cut-Off Time.” Throughout the game, fans are encouraged to “sub in” the non-alcoholic alternative. When alcohol sales end at the top of the eighth inning, concessions still sell Budweiser Zero, raising awareness for Smart Drinking near the end of each game.

What can lotteries do?

As with other industries that aim to foster and promote a healthy, sustainable relationship with their product lines, lotteries may help players choose to moderate screen and gameplay time and provide assistance to limit the time spent on such activities. For instance, sending pop-up reminders that inform them when a certain amount of time has elapsed, and continuing advertising campaigns on the benefits of positive play.



Weekly lottery players when asked:  
**“I try to make sustainable choices when I purchase products and services.”**

Source: Foresight Factory | Base: 612-3879 online respondents per country aged 18+, March 2023

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# Mass Exclusivity

Managed scarcity and privileged access make consumers feel special. When customers gain exclusive or early access to experiences, products, and announcements, it can not only satisfy this need but also build brand loyalty.

However, exclusivity doesn't need to require a high-dollar price point as a barrier to entry. There are ways brands are injecting exclusivity into everyday offerings and interactions with customers. These could be specific, customized offers, private invite-only messaging groups, and specially crafted communications and deals, adding to consumer engagement.



***75.2% of weekly lottery players like it when brands provide extra benefits that are exclusive to their customers.***

Source: Foresight Factory | Base: Global 24; Audience Filter among 595-3796 online respondents per country aged 18+, March 2023



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Travel websites, such as Expedia, have used scarcity as a tool to encourage consumers to set and purchase their itineraries more quickly. With prompts reminding customers that a limited number of rooms are left at a certain price point, for example, it engages travelers to make a more immediate decision on their plans.


What can lotteries do?

Lotteries can consider providing “extra benefits,” which can be interspersed across the lottery experience to include all player demographics. This can be accomplished through extra second-chance entries doled out randomly to app users, contests hosted on various social media platforms, or engaging in-person events.

Another way that lotteries could consider utilizing this trend can be done through self-service vending machines. Adding a graphic to games in a self-service bin, showing that there are only a certain number of tickets left, can add to the excitement for players. An ancillary benefit for retailers: This information will allow them to take action on bins that are close to being out-of-stock.

! ONLY 2 TICKETS LEFT!





♥

**Downtown Hotel**  
Providence, Rhode Island

Steps away from Waterplace Park.

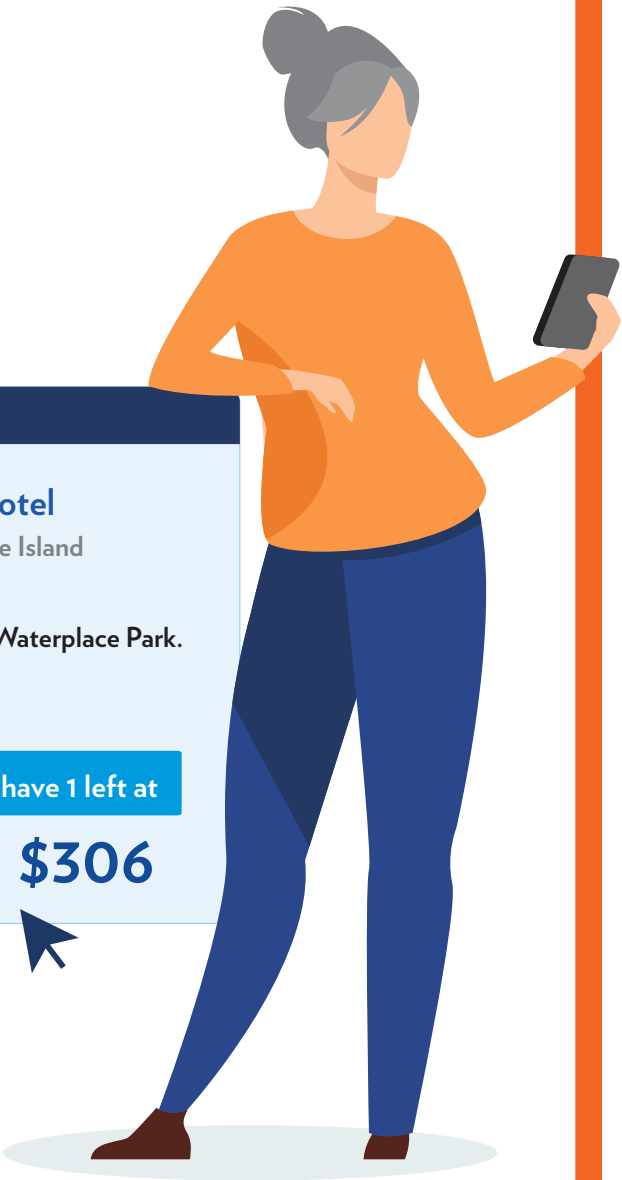
Fully refundable

9.2

Excellent  
152 reviews

We have 1 left at

**\$306**



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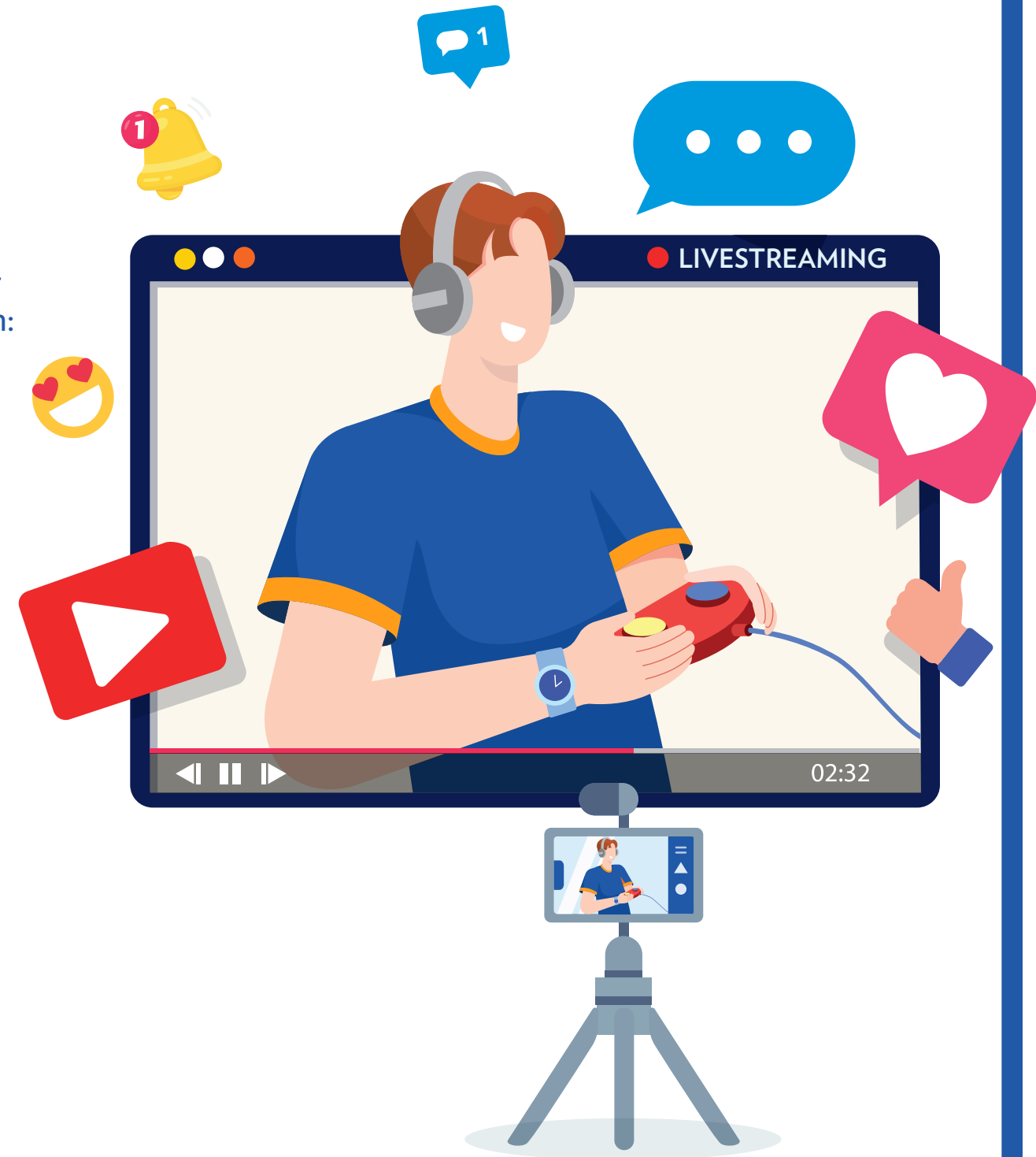
# Power of Live

Exciting and shared experiences hold greater appeal in a world where everything is convenient and on-demand. But live events no longer need to implicitly be in-person: Livestreaming offers a fresh and urgent alternative with strong appeal among consumers, specifically younger generations who are looking for real-time interaction.

## What are companies doing?

MGM Resorts launched a new policy in May 2023 expanding the permitted use of cell phones at its Las Vegas casinos, so gamblers can share their experience live on social media.

Lotteries have an opportunity to echo this approach and encourage players to submit videos of playing, winning, or other parts of the gameplay lifecycle (i.e., how players check their numbers, which could result in a more exciting reveal if the player wins) as part of a competition to win a prize. As well as engaging the participants, it provides a lottery with engaging social media content for other players to enjoy.





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What are lotteries doing?

In Italy, live broadcasts of Il Gioco del Lotto drawings in-app have grown considerably over the past few years. What started with people watching in their living rooms together has turned into watching on their phones together. The drawings have been incredibly popular, providing players the opportunity to follow along live and watch winning numbers being drawn across Italy.

What can lotteries do?

Lotteries should consider how live events and social media can be intertwined, especially given the strong data behind how often players are using these platforms: A staggering 80.5% of weekly lottery players surveyed visited YouTube in the past month, 74.3% of them accessed Facebook, 64.2% scrolled Instagram, and 51.5% were on TikTok.

This could be achieved through posting daily number drawings, second-chance events, or other lottery happenings across social media platforms in real time, via livestreaming. Leveraging social media for daily events may also increase brand awareness and player education as to the time drawings occur.



Source: Foresight Factory | Base: Audience Filter among 30119 online respondents aged 16-64, Global Average, March 2023



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### What's next?

The increase in internet-connected devices, 5G bandwidth, and technological advancements will only continue to propagate The Power of Live through the persistent growth of consumers' participation in live (and virtually live) events.

This evolution gives lotteries a greater ability to tap into livestreaming as an engaging method of communication. Being mindful of these shifts, understanding how the player base is evolving, and thinking creatively about how to engage with players can support persistent and sustainable growth for lottery in 2024 and beyond.



***59.7% of weekly lottery players watched a live video stream on apps or via the internet***

Source: Foresight Factory | Base: 4826 online respondents aged 18+, USA, March 2023

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IGT is committed to supporting sustainable growth for customers by continuing our global research and evaluation of how technology and other factors are impacting consumers and their spending habits.

With ongoing developments in the realm of Artificial Intelligence, Machine Learning, and other areas, we're keeping a close eye on potential disruptors to payment methods, biometrics, mobile app security, and other technologies. We're building these considerations into our product roadmaps and monitoring them, along with any greater macroeconomic implications for the industry.



## About IGT

IGT (NYSE:IGT) is the global leader in gaming. We deliver entertaining and responsible gaming experiences for players across all channels and regulated segments, from gaming machines and lotteries 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.

## About Foresight Factory

IGT is engaged in a long-term partnership with leading consumer analytics and trends agency Foresight Factory to assist lottery customers and enrich our own knowledge of consumer behavior as new trends emerge. Foresight Factory collects data, innovation-related insights, and qualitative insights, and uses them to predict future consumer needs and shifts in industry trends, assisting organizations such as IGT in developing leading strategies that are relevant both now and in the future. Foresight Factory collects data from 35,000 consumers in 27 countries (11 in Europe) in two waves each year. The findings underpin the group's futures analysis to reinforce credibility and certainty, and minimize risk in decision-making.

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