

Data in Motion

December 18, 2024

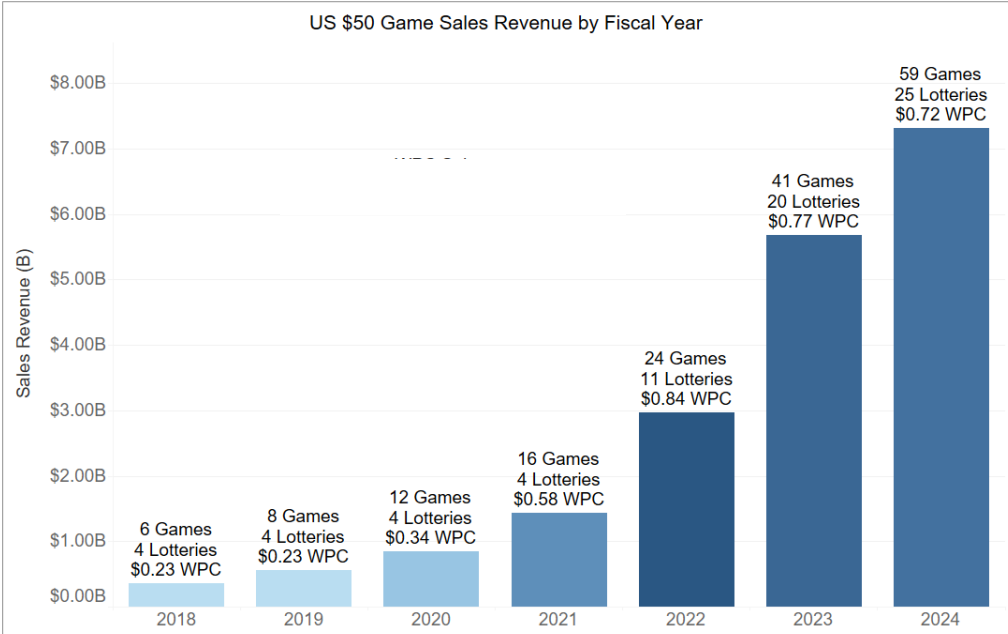
\$50 Price Point Update (U.S. Market)

In 2018, there were six \$50 instant scratch games in market launched by four different U.S. lotteries. Just six years later (FY24), there were 59 \$50 games in market launched by 25 different lotteries. As this price point becomes more established, it's clear that this product line needs to be differentiated from other higher price point games to maintain player interest, maximize sales, and drive additional revenues to good causes. In this issue of Data in Motion, we provide an update on the \$50 price point and share some best practices for ensuring its success as part of a lottery's overall instant scratch game portfolio.

A Growing Phenomenon

Even just comparing FY23 to FY24, we see how excitement around the \$50 price point is growing. Sales of the \$50 price point grew by \$1.6 billion in FY24, and 19 more games were launched than the previous year. Market share rose from 9% to 12%. Five new lotteries launched \$50 games in FY24.

The seven-year view (FY18 – FY24) drives home how both lotteries and players are embracing this exciting price point. As the chart below shows, average per capita sales of the \$50 category grew from \$0.23 to \$0.72 over this time period, an increase of 213%!



Best Practices

In working with our lottery partners on this important price point over the past several years, we have established several best practices based on numerous research studies and extensive analyses of the top-performing \$50 games introduced over the last five fiscal years. These best practices include:

Best chance to win \$100 and \$500

Offering the best chance to win these important prize tiers is critical to the success of a \$50 game, especially for lotteries launching the price point for the first time. As lotteries begin offering multiple \$50 games, this tactic becomes more of a challenge, but you can then transition to prize structures that offer attractive odds at these prize levels.

\$100 minimum win

Games at the \$50 price point should offer \$100 as the lowest-tier prize. In research, players indicated that a breakeven prize at the \$50 price point is not appealing. In fact, players stated that they are willing to have a game with poorer overall odds if that game offers significantly better odds at meaningful prize levels (e.g., \$100 and \$500).

Big games, high payout

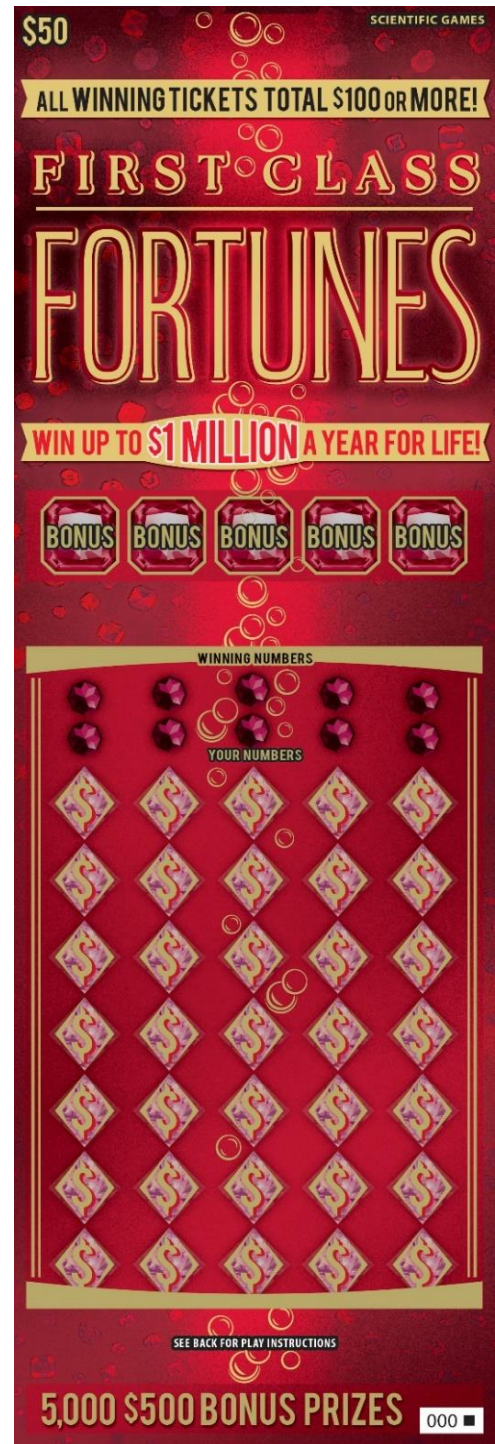
Games at the \$50 price point should have a payout of at least 80% and have an order quantity that enables robust, differentiated prize structures.

High top prize

Games at the \$50 price point should feature a large top prize. However, it is essential to properly balance a prize structure to ensure that offering a large top prize does not adversely affect the game's ability to deliver great chances to win \$100 or \$500 prizes.

Make it different

The callouts, design, and prize structures for \$50 games should be uniquely different from other higher price point games in market. When designing a \$50 game, utilize Strategic Product Enhancements such



as specialty inks, substrates, and printing enhancements to highlight those elements that differentiate the game from other premium games in the market. Be sure to align ticket callouts and all advertising with prize structure elements.

Get the word out

At a minimum, leverage loyalty clubs, in-store point of sale/digital content displays, retailer incentives, social media, and lottery websites to generate awareness.

Make it available

Games at the \$50 price point benefit from a broad distribution strategy.

From Go-to-Market to Maintenance

When the \$50 price point started gaining traction some years ago, Scientific Games developed a Go-to-Market strategy for our lottery partners. That strategy homed in on player acceptance of the \$50 price point in general, what players wanted from a \$50 game (e.g., great chance to win \$100 and \$500, etc.), and how best to differentiate the \$50 game from other games in the overall product portfolio. For those lotteries that have yet to launch a \$50 game, these parameters are still a great place to start.

Now that many lotteries have launched a \$50 game, we are moving to a Maintenance strategy. This means paying close attention to how our lottery partners differentiate their \$50 product, not only from their other higher price point games but from previously launched \$50 games. Having multiple \$50 games in market offering the same prize structure and prizes misses an opportunity to keep players engaged and drive revenue. Now is also an excellent time to gather player feedback on previously launched \$50 games and use that feedback to refine any elements that might optimize the performance of future games at this price point.

Final Word

We are excited about the growth of the \$50 price point and its ability to positively impact sales and GGR. We will continue to monitor the category from both an individual product-line perspective as well as how it fits within a lottery's overall instant scratch game portfolio. Be on the lookout for another update in a future edition of Data in Motion.

Source: *Infuse*, Scientific Games' Business Intelligence Platform

Infuse™ is a trademark of Scientific Games, LLC. © 2024. All rights reserved.

Contributor: Susan Rolfs

Editor: John Paul Candler

Design: Sarah Schroeder

We are excited to announce several changes to our popular Data in Motion newsletter. Starting with our next issue on January 22, Data in Motion will be distributed monthly. It will also now come from Scientific Games Marketing & Insights. Tim Menzia will always play an integral role in Data in Motion, but this change reflects the contribution that many others have in delivering actionable, data-driven content to your inbox.

We would like to wish our readers a very merry holiday season and look forward to a successful and meaningful 2025.