Data*in*Motion

Marketing & Insights

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SG SCIENTIFIC GAMES

Insights and Data to Help Manage Today's Changing Consumer Environment

As we have shared in previous issues of Data in Motion, practically every digital product and business in the market today has experienced growth over the past few years. A survey conducted by McKinsey & Company states that "...responses to COVID-19 sped up the adoption of digital technologies by several years and many of these changes could be here for the long haul."[1]

The lottery industry is no exception to this proliferation of digital options with 12 jurisdictions now offering digital versions of traditional lottery games (e.g., draw, numbers, or instant scratch games). Eight of those 12 lotteries (GA, KY, MI, NH, PA, RI, DC, and VA) currently offer digital versions of instant scratch games, or eInstant games. In this issue of Data in Motion, we take a closer look at eInstant games, who is playing them, and their various awareness levels.

The U.S. Snapshot
In November of 2021, Scientific Games fielded the second generation of our ONE Segmentation study, which included a series of questions surrounding digital play. The findings gave us a better feel for the degree to which digital play has established itself in the lottery industry. For example, of those respondents who play games for money (U.S. population), 11% have ever played an eInstant game[2]. Of those who have played a eInstant game, 61% have played within the past six months and 60% play at least once per month. And, for those who have ever played an eInstant game, the average per occasion spend is a rather impressive $27.51.
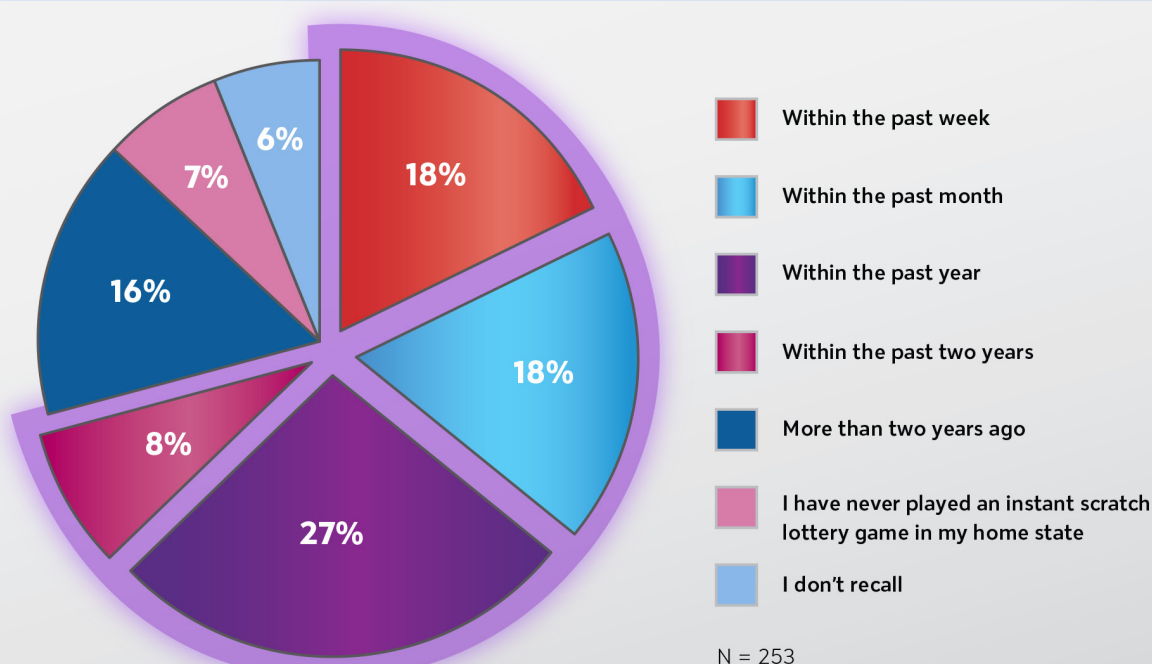
A Closer Look at Online Instant Win States
Given that the above stats are based on the U.S. population as a whole, we wondered how different those stats would be if we looked exclusively at those lotteries that offered some form of eInstant games. When we recalculated the incidence rate based on the eight states that offered eInstants, 13% of the population across those states have ever played an eInstant game, which is surprisingly close to the overall U.S. rate of play of 11%. This suggests that while online lottery play has come a long way in a very short period of time, there is still a huge opportunity to expand playership in those jurisdictions where these products are available.
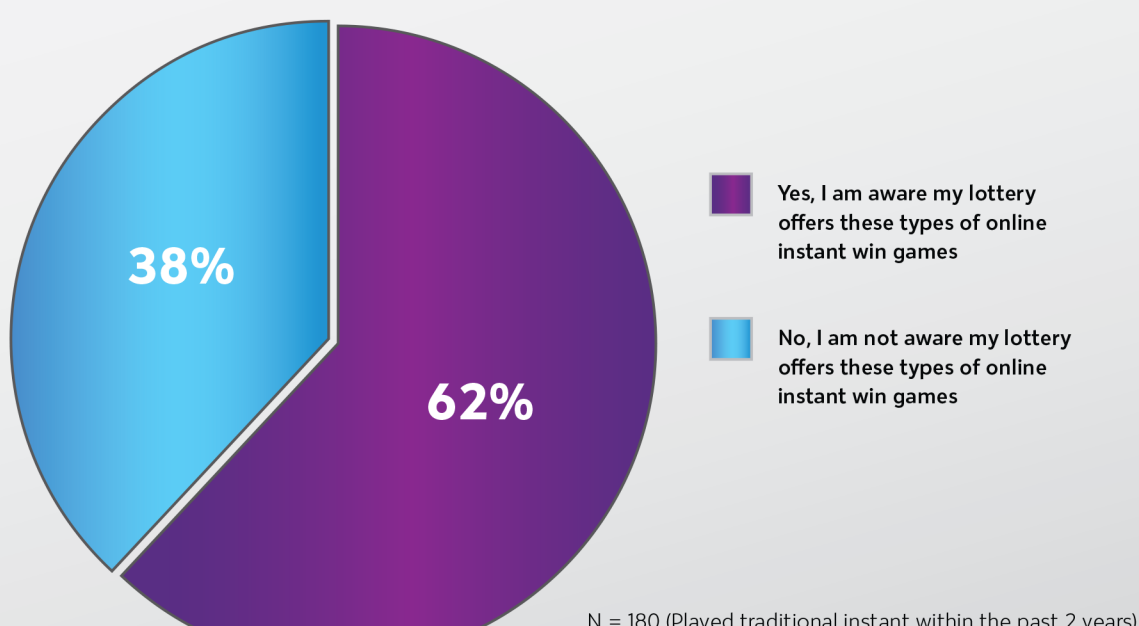
Digital Game Awareness
We also fielded a brief two-question survey to residents of those eInstant states to assess the awareness of these games among players of traditional instant scratch games. The first question we asked determined the incidence of traditional instant scratch play across those states – we found that 71% of consumers in those states have played a traditional instant scratch lottery game in the past two years.

When was the last time you played an instant scratch lottery game in your home state?

- 18% Within the past week
- 18% Within the past month
- 27% Within the past year
- 8% Within the past two years
- 16% More than two years ago
- 7% I have never played an instant scratch lottery game in my home state
- 6% I don't recall

N = 253

We then asked those 71% of players who had played a traditional scratch game within the past two years if they were aware that their lottery offered eInstant games as well. Sixty-two percent indicated that they were aware that their state offered eInstant games.

Are you aware of your State Lottery offering 'online/digital' instant win games?

- 62% Yes, I am aware my lottery offers these types of online instant win games
- 38% No, I am not aware my lottery offers these types of online instant win games

N = 180 (Played traditional instant within the past 2 years)

This is an admirable percentage given how new these games generally are and awareness should only grow as more states offer this style of gameplay. But this generally high awareness level of 62% makes the 13% ever played number cited above all the more glaring and underscores the need to effectively communicate the many benefits that eInstant games offer.

Final Word
In an effort to better understand the universe of digital lottery players – both current and potential – Scientific Games' Market Research Team recently launched a comprehensive Digital Segmentation Study. With this study, we hope to identify and understand key iLottery segments, and pinpoint ways to leverage digital experiences and expectations. Additionally, we aim to understand how best to communicate with the segments, and identify where the digital segments crossover with our traditional lottery ONE segments so that we have a more holistic view of players overall. These efforts will provide Scientific Games and our partners with actionable information that can be used to develop products and programs that are grounded in player motivations and expectations.