

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

Since many of our lottery partners are busy planning their instant game lineup for the 2024 holiday season, we thought it would be a good time to share some data points from the 2023 holiday season. In this issue of Data in Motion, we provide an overview of FY23 holiday instant game sales by theme and by price point.

Holiday Game Sales by Theme

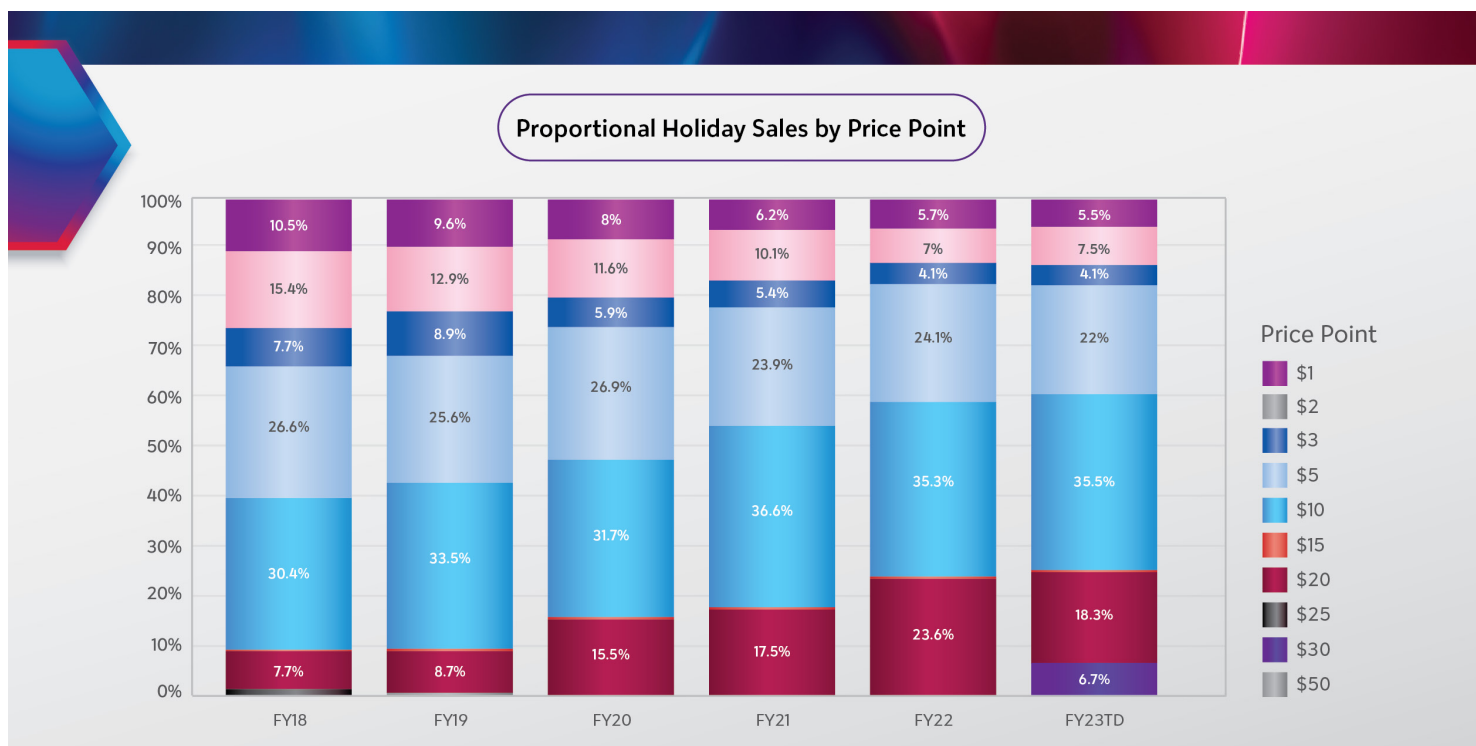
As the chart below shows, holiday game sales for FY23 were down versus FY22. As noted in previous issues of Data in Motion, the prior two fiscal years (FY21 and FY22) broke several lottery sales records, so this FY23 dip could very well be interpreted as a return to normal holiday buying patterns. As in past years, Christmas-themed games dominated, but Winter- and New Years-themed games both saw increases.



When we look at holiday game sales by price point (see chart below), there are no big surprises. Sales at the \$1 and \$3 price points slowed somewhat which is to be expected given the overall trend towards higher price points. Sales at the \$2 price point, interestingly, saw a slight increase. Sales at the \$5 price point were slightly down versus FY22 and \$10 sales were flat. Sales at the \$20 price point were also down and there were only two games launched at the \$30 price point for the FY23 holiday season.



The chart below, which shows the percentage of sales that can be attributed to each price point, paints a more interesting picture. When we look at holiday game sales by price point this way, we see that the percentage of sales by price point has remained somewhat stable over time. This is contrary to the overall instant game trend of higher price points being responsible for a larger percent of sales and suggests that moving to a high price point strategy for holiday-themed games should be done in a more considered manner. There are differences in the market for holiday games versus non-holiday games – holiday purchases skew towards lower price points and are often in addition to a player's regular instant game purchase.



Final Thoughts

So what does all this mean as you plan for the upcoming holiday season? Are you meeting the needs of less frequent players who lean towards lower price points while meeting the needs of core players with higher price point games? The average indices of lower price point holiday games are strong (124 for \$1 games and 118 at \$2 games), but could they be stronger? Are your prize structures for these lower price point games being maximized to offer the frequent, low-tier wins that players want from these games (and also nicely fit the holiday gifting strategy)?

And what about high price point holiday games? The comparatively lower indices of these games (102 average for holiday games at the \$20 and higher price points) suggest that there is a real opportunity for growth during this high-shop, high-spend season. Is the value proposition for your \$20+ holiday games on par with other, non-holiday games at the same price point? If not, it may be worth expanding the size of these holiday games to create a more exciting prize structure. This can be done with an additional pulse of non-holiday artwork that can carry the game well into 2024. The bottom line is this – as you plan for the 2024 holiday season, there is an opportunity to grow sales at every price point level. It is truly the most wonderful time of the year.