

LOTTO AMERICA REACHES NEW HEIGHTS

\$1 draw game achieves record jackpot after introducing additional draw night

A smaller multi-jurisdictional draw game created quite the buzz this past fall when its advertised jackpot eclipsed the starting jackpots for both Powerball® and Mega Millions®. Lotto America® surpassed its previous jackpot record of \$22.82 million last September, before closing out the month of October with a jackpot above \$29 million. Product Group leaders credit the addition of a third weekly drawing for taking the game's jackpot growth to new heights.

Lotto America first launched in 2017 with 13 participating lotteries: Delaware, Idaho, Iowa, Kansas, Maine, Minnesota, Montana, New Mexico, North Dakota, Oklahoma, South Dakota, Tennessee, and West

Virginia. Initially, drawings were performed every Wednesday and Saturday after the winning Powerball numbers were drawn. The game has a simple premise – players pick five red ball numbers from 1 to 52 and one blue Star Ball number from 1 to 10. Players win a prize by matching one of the 9 ways to win.

The \$1 draw game quickly filled a niche in product portfolios as its debut happened just weeks after Mega Millions increased its base ticket price from \$1 to \$2. Since then, Lotto America has gained a loyal player base with its \$1 ticket price and improved jackpot odds (1 in 25.9 million), compared to the larger national games (Powerball 1 in 292.2 million, Mega Millions 1 in 302.5 million).

“Lotto America really does have a loyal following, especially in Minnesota,” said Adam Prock, Lotto America Product Group Chair and Minnesota Lottery Executive Director. “But like other rolling jackpot games, Lotto America faced jackpot stagnation challenges. With a \$2 million starting jackpot, it could be weeks before the jackpot reached an enticing level that attracted occasional players off the sidelines.”



Following the demonstrated benefits of adding a Monday drawing to the Powerball game, the Lotto America Product Group moved to expand the number of drawings to three nights a week: Monday, Wednesday, and Saturday, with the first Monday drawing taking effect on July 18, 2022. The result has been dynamic, week-over-week jackpot growth that has sent the grand prize into record territory.

Weekly sales for the 52 weeks preceding the change averaged approximately \$920,000. For the thirteen weeks immediately following the introduction of the Monday drawing, weekly sales averaged \$1,521,000 – a 65% increase. The average advertised jackpot for the period after the addition of the Monday draw has been larger than the period preceding the change, likely accounting for some portion of the sales increase.

To isolate the impact of the additional drawing, weeks with similar advertised jackpot amounts were compared. The period since the launch of the Monday draw (7/18/22 – 10/8/22) was compared to similar jackpot cycles. The first cycle being right after the game was introduced in 2017 (Cycle A, 12/27/17 – 3/10/18) and a second cycle from 2019 (Cycle B, 3/23/19 – 7/10/19). Weekly sales including the Monday drawing averaged 17.6% greater than Cycle A and 19.2% greater than Cycle B.

“There is no doubt that Lotto America is reaping the same benefits as Powerball from increasing the numbers of drawings from bi-weekly to tri-weekly,” said J. Bret Toyne, MUSL Executive Director. “Similarly, we are not seeing any evidence that the additional drawing is cannibalizing Lotto America’s multiplier feature.”



Bret Toyne, MUSL Executive Director



Adam Prock, Lotto America Product Group Chair and Minnesota Lottery Executive Director

Continued on page 37

“Taking retailer store syndicates online is an exciting initiative which delivers another element to our omni-channel strategy to align the retail and digital experience.”

Sue van der Merwe: While Australia has certainly seen inflationary pressure and rates have risen, the scale of increase has not been to the same level we have seen, for example, in the United States or in the UK.

We know lotteries have been resilient through different phases of the economic cycle. And the average ticket purchase with us is about A\$12, so we are at the lower end of the range in terms of discretionary spending.

We said when we delivered our results in August that we’ve been pleased with trading to date in the current financial year (from 1 July 2022). For example, the base (non-jackpot) games in the portfolio have been holding up well, in line with

recent volumes. And we’re pleased at how Keno has rebounded strongly now that we’ve emerged from the era of COVID lockdowns.

We have also just had a A\$160m Powerball jackpot – the largest prize offer in Australian lotteries history, which attracted significant interest and was shared by three winners.

What are some of your own priorities this year?

Sue van der Merwe: This will be the first full financial year of The Lottery Corporation as a standalone company, and we have a lot to do. Among my focuses will be executing our strategy and embedding our culture now that we’ve defined who we

want to be as an organization. I’m proud of the amazing team we have at The Lottery Corporation and I’m energized about what we can create together!

We truly are very fortunate, I believe, to work in this industry and play a role in what lotteries does across the globe in terms of the positive impact it makes. And it’s always so special to catch up with friends and colleagues from around the world and share experiences and insights.

Already this year has involved more travel than the previous two years that’s for sure! We held our Asia Pacific Lottery Association conference in Singapore in September and of course the World Lottery Summit in Vancouver was a great success in terms of sharing insights within the industry.

On a personal front I’m planning a holiday in Italy, which I’m very much looking forward to!

That’s great Sue, thank you for your time and insights.

Sue van der Merwe: It’s a pleasure Paul, thank you for the opportunity. ■

Lotto America Reaches New Heights continued from page 18

For an additional \$1 per play, players can add the All Star Bonus® multiplier feature to their Lotto America ticket. So far, the Monday drawing hasn’t negatively affected the add-on feature’s participation rates. On average, 26.4% of Lotto America purchasers included the All Star Bonus in Cycle A, compared to 25% in Cycle B. Following the launch of the Monday draw, the All Star Bonus participation rate has increased to 27.3%.

The Monday draw and the All Star Bonus

also seem to appeal to players who frequently engage in the product. As a result, the performance result of the All Star Bonus closely follows the base game results - weekly All Star Bonus sales including the Monday drawing averaged 22.4% greater than Cycle A and 29.6% greater than Cycle B.

“The Monday drawing has been a multi-faceted solution,” Toyne noted. “Lotteries are able to engage their frequent players an extra night, and the additional sales

from the Monday drawing are generating dynamic jackpot growth, which in turn, is attracting more people to the game.”

“The Lotto America Product Group has established a solid draw lineup by having Lotto America and Powerball both offered every Monday, Wednesday, and Saturday,” Prock added. “We’ve seen that a strong jackpot run in one game can cross over and lift the sales of other products. We want to promote that symbiotic relationship between Powerball and Lotto America.” ■

**Houston, have you seen
the latest issue of
Public Gaming Magazine?**

