

UNDER 30? UNDERWHELMED!

Simon Jaworski, Executive Vice President Lottery & Gaming, Leger USA

Lotteries, through the decades, have always managed to capture the younger player at an earlier life stage. In 2022, is the player funnel narrowing?

According to Statista, by the year 2025 (so in 28 short months), the eSports marketplace will be worth \$1.86bn, and have 322.7 million ‘enthusiasts’. Right now, the global estimate for ‘Gamers’ is close to 2 billion people. If this is news to you, consult your kids, nieces, nephews and anyone in their teens or twenties how the world of entertainment looks through their eyes, or rather their screens, right now.

In June of this year (2022), Leger asked a representative audience of 1,000 Americans about their gaming habits. It may surprise some, but the #1 gaming activity among Americans is playing a ‘Scratch-off ticket’ at 38%, closely edging out playing ‘video games on a mobile device’ at 36%. Playing ‘video games on a computer’ is third at 26%, followed by ‘Lottery draw games’ (25%, 4th) and ‘console video games’ (24%, 5th).

(See Fig 1.)

Data was collected in the NFL season off season, and those claiming to have bet on sports (10%) is lower than we will probably see come this Fall (probably double that %), while Casino slots were also lower at 14%.

The Old and the Beautiful?

Based on these playership numbers, everything seems hunky dory in the Lottery world, with two of the top five popular games. However, when we start to examine gameplay by age group, the story starts to resemble more of an Emmy winning daytime soap opera.

Yes, among older age groups, 46% of 50-64 year-olds have purchased a Scratch-off in the past year, a little higher than 40-49 year-olds, which retains the status quo.

However, among older Gen Z’s and younger Millennials (18-29 year-olds), ‘mobile games’ (38%) and ‘console games’ (36%) are the two dominant gaming modes, despite the fact an impressive 30% have played a ‘Scratch-off game’. These gaming numbers are even higher for 30-39 year-olds (‘mobile’ at 44%, ‘console’ at 39%).



Competition for ‘gaming entertainment’ is at a premium right now, but not necessarily from the sources the Lottery usually consider the competitive set, i.e. Casinos and Sports Betting. Instead, the key distractions appear close to hand. Literally.

Games of our Lives.

Leger’s research asked one more question on gaming; which is the most fun gaming activity you do? Console Games (22%) and Mobile Games (22%) were the joint winners, with PC Games third with (14%) first place votes. Scratch-offs made it into 4th place with 13%, but it is the underlying disparity by age that should be of greatest concern to the state jurisdictions. For the highest playing age group (50-64 year olds), Scratch-offs are the most fun game they play! More than a quarter of this age group chose Scratch narrowly over Mobile Games (23%) in terms of fun.

The oldest age group (65+) chose ‘slot

Fig.1 Gaming Activities Done in the Past Year



– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	66	201	230	290	216
Played a Scratch-off / Instant ticket	38%	30%	33%	42%	45%	35%
Played games on your mobile device	36%	38%	44%	41%	34%	20%
Played video games on a computer	26%	29%	31%	26%	21%	24%
Played a Lottery draw game	25%	7%	28%	24%	29%	30%
Played video games on a console	24%	36%	39%	29%	13%	3%
Played Casino slots	14%	14%	15%	15%	13%	16%
Bet on sports	10%	14%	19%	8%	6%	4%
Played other Lottery games	6%	4%	12%	7%	5%	2%
Gambled online	6%	5%	12%	6%	6%	1%
Played Casino table games	6%	6%	10%	5%	4%	2%
None of the above	34%	40%	33%	26%	33%	38%

CVIEW3: Which of the following have you done in the past year?
Base: Total

Fig.2 Most Fun Gaming Activities

– By Those Who Have Played in the Past Year

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	66	201	230	290	216
Played video games on a console	22%	36%	35%	28%	9%	1%
Played games on your mobile device	22%	24%	18%	27%	23%	15%
Played video games on a computer	14%	15%	14%	8%	13%	23%
Played a Scratch-off / Instant ticket	13%	0%	5%	13%	27%	19%
Played Casino slots	11%	5%	4%	14%	12%	23%
Played a Lottery draw game	6%	3%	9%	4%	7%	10%
Bet on sports	3%	3%	6%	3%	2%	3%
Played Casino table games	3%	7%	6%	0%	2%	4%
Gambled online	3%	5%	2%	2%	4%	2%
Played other Lottery games	2%	2%	2%	2%	2%	1%

©/NINWAY MOST FUN: Please mark in order from most fun to least fun, the games you have played in the past year.

machines’ as their #1 fun game, but Scratch-offs appeared in a solid 3rd place, with 19% selecting the instant win product.

The Young and the Scratch-less

Warning. The following sentence may cause one or more Lottery directors to visit their local General Hospital.

Among 18-29 year-olds who have played Scratchers in the past year, 0% claimed that Scratch tickets were the most fun game. **(See Fig 2.)**

That’s Zero. Nada. Zilch. Zip. Diddy Squat.

So what do these younger adults find fun? Three quarters of under 30’s find the most fun in either Console games (36%), Mobile games (24%) or PC Games (15%). The common thread? Youngsters generally want three or four common factors for pleasure; something in their hand (sensory or control), for it to be easily accessible from home (comfort zone), or to be able to play whenever they want (instant gratification), or play wherever they may be (mobile). For the next age group up (30-39 year-olds), this number falls slightly, but these three gaming categories account for two-thirds of their fun. Scratch-offs, by comparison, were only chosen by 1 in every 20.

Ironically, another pseudonym for Scratch-offs is Instants, but in 2022, is this an accurate description. Physical scratchers truly offer only one of the four factors, the sensory component of holding and scratching the ticket, in comparison to the ‘gaming’ world these twentysomethings crave. Physical instants are sold at retail (not in homes), which requires effort to

purchase (non-mobile) and players cannot just purchase over and over again when they feel the urge.

Imagine having to go to a convenience store to placate your candy fix, and also download the newest version of Candy Crush, or queueing in your grocery store for John Madden...neither sounds particularly appetizing.

millions of Americans. So, doesn’t legalizing more jurisdictions to sell a product that is a sensory-driven, accessible, anytime game, and therefore ultimately more fun at least in the eyes of the consumer, seems like the logical step for U.S. state hierarchies? Which governor doesn’t want more revenue and profit?

And I know what you are thinking. What about sports betting? It covers all four of the key factors above, but only 3% of Americans who have bet on sports believe that avenue is the most fun, half the level of even Lottery draw-games. Perhaps the sports bettor sees their hand-held infatuation as more of a mental challenge than a fun activity. In Las Vegas, more than 75% of bets are placed on mobile devices within the sports books themselves, which underscores the importance of mobile and control.

All My Children

I now have two teenage boys, Ethan and Ashton, and almost everything they do is in the palm of their hand. Do I think this is going to change in due course? Probably not. They watch TV, engage with YouTubers,

Fig.3 Awareness of Mega Millions Billion Dollar Jackpot

– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	65	184	177	304	273
Yes	69%	37%	68%	70%	73%	82%
No	29%	56%	29%	29%	25%	18%
I’m not sure	2%	6%	3%	1%	2%	0%

!Q1: Did you know the Mega Millions jackpot reached \$1.02 billion dollars?
Base: Total

As the World (wide web) Turns

Amazingly these findings all bode well for lotteries with an iLottery function, who have the ability to currently sell eInstants. In the remaining 39 U.S. states, these facts should act as an impetus for driving iLottery legislation.

Generating additional state revenues that go to good causes benefits hundreds of

communicate with friends and game on their iPhones, resplendent with headphones to help their sensory environment.

The recent \$1.28bn Mega Millions jackpot was another warning sign for an industry that prides itself on being affordable fun. While 69% of Americans were aware of the second largest jackpot in history **(See Fig 3)**, this number was strongly and significantly lower among 18-29 year olds at just

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David Barden continued

tive committees and an executive task force, providing his insight and assistance to those states contemplating lottery launches. Prior to his appointment as CEO of the New Mexico Lottery, David served as the Vice President of the Arkansas Lottery where he was responsible for the initial startup, staffing, and oversight of lottery operations. David's lottery career began in 2001 with eight years at the South Carolina Education Lottery, where he served as legal counsel for the Lottery until he was promoted to Director of Marketing and Product Development. As Director, he was responsible for the lottery's online and instant games portfolio, including all marketing related activities.

From 1996 through 2001, David served as Senior Staff Attorney for the Office of the Clerk of the South Carolina Senate. He also served as Assistant Director of the largest law enforcement agency in South Carolina, the South Carolina Department of Public Safety, from 1993 until 1996, where he was responsible for the day-to-day operations of the agency which had a budget in excess of \$200 million and employed approximately 3,000 people.

David graduated with a bachelor's degree in political science from the University of South Carolina and a J.D. from the Ohio Northern School of Law. He is married and has two children.

Luca Esposito continued

Recognized for his vast knowledge of lottery and gaming technology, and of the unique needs of the state-authorized lottery and betting sector, Luca was recruited by the World Lottery Association (WLA), where he has served as Executive Director since November 2018. His deep understanding of sports betting and the issues around achieving sports integrity along with his natural leadership brought him additional responsibilities. On January 1, 2022, Luca became General Secretary of the Global Lottery Monitoring System (GLMS). He now serves both the WLA and GLMS in parallel.

Romana Girandon continued

bility and Responsible Gaming working group. In June 2021 she was elected 2nd Vice President of the Association. With EL she is helping towards a community of successful lotteries as high achieving organizations operating in the most socially responsible way. She is also the Director of the regional association of lotteries. Holding a degree in Organizational Sciences and Human Resources, Romana is a certified Supervisory Board Member by the Slovenian Directors' Association and holds an executive certificate in Circular Economy and Sustainability from the University of Cambridge. Prior to joining the Loterija Slovenije, Romana was with the American advertising agency Luna/TBWA, as a Managing Director in Slovenia. She is the recipient of several awards, with »Artemida«

Award (for contribution to the development of female management in leadership positions) being her favorite. Privately, Romana volunteers as a licensed missing persons rescuer, along with her search & rescue dog.

Drew Svitko continued

the first time, and for the 10th consecutive year has generated profit of more than \$1 billion for programs to help older Pennsylvanians. Additionally, under Drew's leadership, the Pennsylvania Lottery's online platform generated \$1 billion in iLottery sales in the first two years after launching in May 2018.

Drew is leading the way in modernizing the Pennsylvania Lottery. In 2020, the Gaming Intelligence Hot 50 celebrated Drew as one of the most innovative and inspiring people working in the betting and gaming industry. Drew also devotes time to serving the industry as the new Powerball® Product Group Chair. From 2020-2022 he served as Vice Chair of the Powerball Product Group and Chair of the MUSL Development Committee from 2019-2021.

Prior to working in the Lottery industry, Drew and his wife, Gretchen, owned and operated Subway restaurants. When he's not working or volunteering his time in other capacities, Drew enjoys spending time with his wife, three sons, and his wirehaired pointing griffon, Whiskey. Drew is also an avid reader, and his hobbies include beekeeping, cooking, hunting, and making maple syrup.

Customer Relationship Management (CRM) IN THE SPOTLIGHT continued from page 24

This is how we will continue to grow the lottery footprint at these important retailers. They are also quite advanced in their digital offerings, so lottery will need to be integrated on that platform as well. With all these pieces in place, we will be able to reach even more potential customers and continue to build our increasingly important databases.”

In Pennsylvania, Drew said the lottery's CRM programs have allowed them to keep the promises made over the past years to retailers. “When we launched iLottery, we met with our important retailer groups, such as the Pennsylvania Food Merchants Association, and promised that we would use the iLottery program to build relationships with players and drive them into stores,” he said. “And we have delivered on that. We use our iLottery data to send out coupons that can only be used at retail. When we look at

our CRM results on these types of programs, we usually see that more than 25 percent of recipients are redeeming the coupons. That demonstrates the power of CRM and how it can be used to strengthen retailer and customers relationships.”

Creating retailer advocates is high on Marcus' agenda as well. “Used correctly, the retailer network can be an incredible asset for all lotteries,” he said. “I believe that CRM is one piece of how we can continue to strengthen our retailer relationships. We control the data but we can also share it, when and where appropriate. For a non-iLottery state like Washington, how can we offer promotions and creative campaigns which will engage players and excite the retailers? I want to continue to do as much as I can online, within our regulations, and build our player-base.”

Gretchen closed the panel with a nod to the strong working relationships between vendors and lotteries. “We are fortunate in this industry to have incredibly smart marketers and technology experts who take lottery ideas and build them into programs that work for us,” she said. “Whether you are a state like Georgia or Pennsylvania that offers a robust iLottery program or a lottery that is building a strong digital footprint based around loyalty, apps and other digital programs, we all need to use as much of the data we collect as possible to make smart, informed decisions. In the end, it is all about driving revenues so we can transfer as much funding as possible to our beneficiaries. That happens through good planning and collaboration between vendors and lotteries.” ■