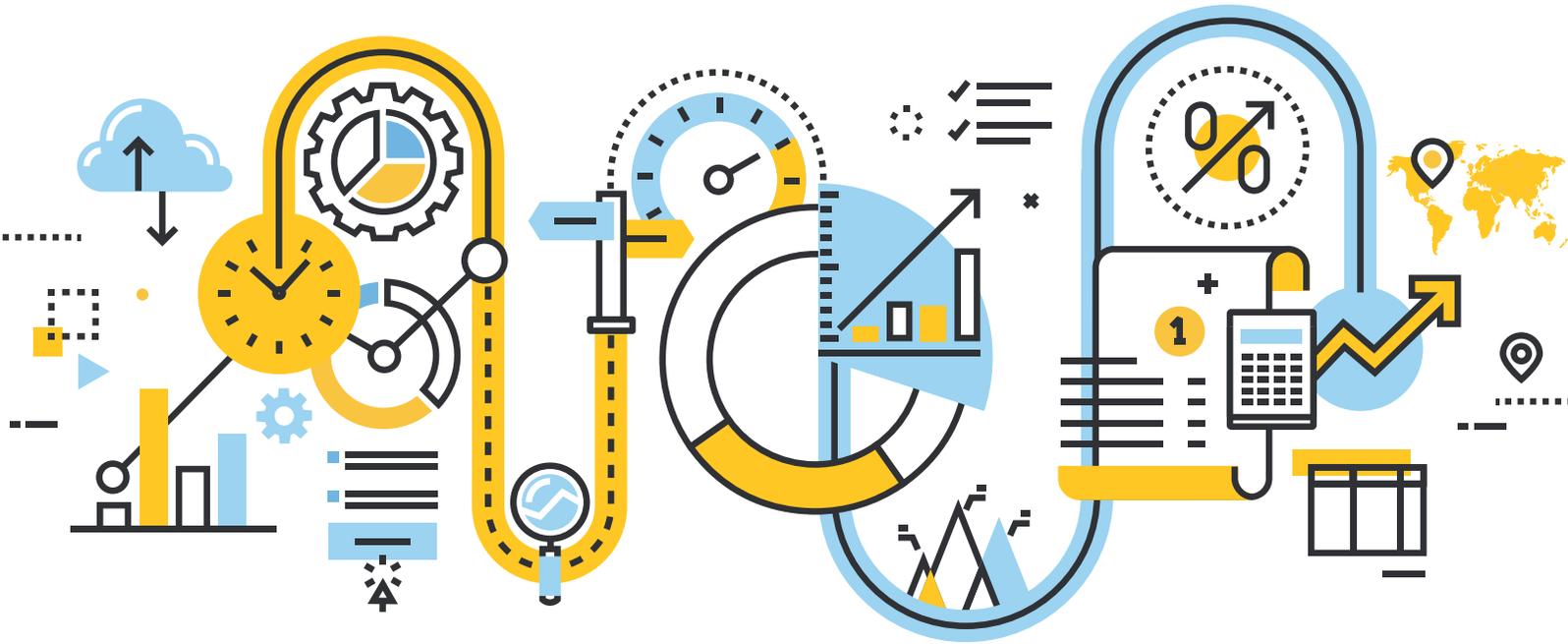


Analytics & Research

Convergence at IGT's Spring Research Exchange



In late April, 27 researchers from 14 lotteries and IGT gathered in Lakeland, Florida, at IGT's Spring Research Exchange to discuss emerging trends and ongoing challenges facing market researchers. The meeting brought together more than 297 years of lottery research experience from lotteries as far afield as Belgium to the state of Washington.

The Research Exchange meetings allow lottery research professionals from around the globe to meet and share ideas. Gerard Caro, Senior Director of Insights360, IGT's research division and organizer of the event, shared that, "The walls come down. We share information in a friendly, collaborative, non-competitive environment." According to Caro, the goals for the meetings haven't changed since the first Research Exchange in 2009:

1. Offer lottery researchers a worldwide venue to meet and expand their professional and personal networks.
2. Share and discuss research programs, methodologies, successes, and challenges.

3. Leave with new insights on how to improve market research efforts (including confidence levels, methods, and costs).
4. Get exposure to new methodologies presented by third parties.

These meetings are a key component of Insights360's services to its lottery customers. According to Caro, "Foresight into consumer behavior and retailer needs can accelerate lottery growth. Insights360 helps lottery customers harness actionable consumer and retail insights across all aspects of their businesses, enabling more efficient decision-making." The group and its partners uncover emerging trends that guide technology and game product development with the goal of keeping lottery games and the transaction experience relevant and engaging.

Each participant is asked to provide a presentation that will be of interest to their research colleagues as well as participate in multiple roundtable discussions. This year, three major themes surfaced.

The Convergence in Research and Analytics

As lotteries focus on increasing revenues in addition to growing sales, researchers are exploring new ways of analyzing sales data as well as consumer-based research. "Now more than ever, researchers have



to harness all of the resources at their disposal. That means utilizing performance intelligence tools to understand daily sales data in addition to research studies to track the opinions of players. The convergence of this information can be quite powerful,” said Caro.

Specifically, participants are combining instant sales data with market research to optimize mid-tier prize levels. Zach Hyde and Steve Schelb from the Wisconsin Lottery spoke about their \$5 Prizing Study, which found that very little growth in churn occurs between \$70 and \$100 prize levels, recommending moving prize funds between \$80 and \$100 down to the \$70 level. Mike Elwood and Jill Marshall of the Nebraska Lottery presented Prizing Study data showing that free tickets as prizes and odd prize amounts help to keep players in the game.

Attracting New Players

Attendees were also focused on understanding the expectations and motivations of younger demographics in order to attract new players. “It was clear that lotteries aren’t taking a ‘just wait’ strategy to avoid the risk of losing this demographic ‘for life’ when it comes to Millennials and Generation Y,” explained Caro. Don Feeney and Ross Carter from the Minnesota and Missouri lotteries, respectively, conducted a roundtable on “Success Stories on Researching Millennials.” Marthe Gruloos of Loterie Nationale Belgium presented on “Generation Y and Gaming,” which found young people aged 18-24 associate success in life with a “demonstration” of their expertise and their superiority over others, and not with chance. In terms of games, they will seek out strategy or brain games that enable them to compete (online) with their peers.

New Research Methodologies/ Data Visualization

As leaders in the field, the group discussed the need to test new research methodologies or “research on research” as described by Ontario Lottery & Gaming’s Leeann Wallenius. Although risky at times, the group agreed that innovative methodologies such as biometrics, eye tracking, community panels, and mobile

Map Highlighting Spring Research Exchange Attendees



2017 Market Research Exchange Lakeland, Florida attendees.

ethnographies must be tried. Among others, Laura Sofro and Paul Westerman, from the Oregon Lottery, discussed data visualization tools, such as Microsoft Power View, which make it easier for researchers to effectively communicate findings to their teams.

The Spring Research Exchange featured one keynote address. Jim Kraus of KS&R spoke about a new approach to ethnographic research, which allows research participants to respond to questions using their mobile devices by taking pictures and video, making the overall research program dramatically more honest and reflective of an individual’s unique perspective. The case study using this approach directly led to the development of an advertising campaign for the New York Lottery, translating to increased sales for Cash for Life.

Gerard Caro and Audrey Pate, Senior Manager of the Insights360 team, presented topline results of “For the Win: A Global Study of Player Motivations,” which was fielded in 10 countries with more than 8,000 adult players and non-players. Results of the study will help lottery marketers and product managers gain a deeper understanding of the primary emotions and needs states that drive non-lottery and lottery gaming.

IGT’s Research Exchange meetings have become regular events hosted in various locations. “Although we’ve hosted seven Exchanges in Rhode Island since 2009, it became challenging for lotteries from outside the U.S. to attend because of travel costs,” said Caro. The answer was to have the Research Exchange go to them, with IGT hosting the first International Market Research Exchange outside of London in October 2016.

For information on how to attend the upcoming European Research Exchange in fall 2017 or the next North American Research Exchange in 2018, please contact Gerard Caro at gerard.caro@IGT.com.

