



Changing the Conversation:

Connecting with the modern consumer and the next gen' players

Harold Mays

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PGRI INTRODUCTION: After being appointed to serve as Acting Director of the Illinois Lottery in Jan 2019 by the current Governor, Harold Mays was officially confirmed as Director in March 2022 by the Illinois Senate. His experience with the Lottery runs deep—before stepping into the role of Acting Director, he spent five years as Chief of Operations and Technology for the Department of the Lottery. Over the years, he has witnessed significant changes and positive impacts on the state. One clear indicator of that growth: lottery sales have surged from \$2.84 billion in FY 2020 to \$3.86 billion in FY 2024.

At the PGRI Smart-Tech Conference in Ft. Lauderdale in March, Harold delivered a keynote address on The Intersection of Sports Betting and Lottery in the U.S. Our conversation took that discussion further, exploring how lottery is increasingly intertwined with pop culture, recreation, entertainment, and other games-of-chance; and more specifically, how this evolving landscape is reshaping lottery's role in players' lives.

Paul Jason: Some state lotteries that introduced iLottery have seen exceptionally high growth rates. Is there an ideal target growth rate for iLottery?

Harold Mays: I can't speak for other states, but there are different ways to measure financial results. One is top-line sales revenue, which reflects total sales. Then there's Gross Gaming Revenue (GGR), which is what's left after prize money is paid out.

In the iLottery space, some states measure their iLottery growth using topline sales. If you have e-instants, those numbers can be astronomical compared to traditional

products. Others may only consider adding iLottery GGR to topline sales if they have e-instants. Everyone is different so everyone's growth target can be different. What may be an ideal target for one may be different for another.

So while iLottery GGR may show strong growth, it won't be as high as the growth in top-line iLottery revenue. Since most of us tend to think in terms of sales revenue, what percentage of your total sales comes from iLottery?

H. Mays: This year we are hovering around 19% of our total sales coming from iLottery, and we only sell draw games,



no eInstants. We really lean into making sure people are aware that our games are available online and that it's easy and convenient to play online.

Wow. That's higher than I thought it would be, considering it's only draw-games.

H. Mays: Let's look at our history. Illinois was the first state to sell single tickets online back in 2012. In the beginning, we were only allowed to sell three draw-games online - Mega Millions, Powerball and Lotto. Our other draw-games could only be sold via a subscription online. That changed in 2019. Over the past twelve years, Illinois' iLottery category has experienced double-digit growth in nearly every year since 2012.

The growth in other iLottery states is driven more by eInstants, isn't it?

H. Mays: I don't know if I would make that generalization because every state

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has a different mix of online games, but yes, there are a number of states where e-instants figure prominently in their growth. Illinois is a bit of an outlier given we only sell draw games, but I believe we do that more than any other lottery.

That's fantastic. It must be nice for the players to avoid the long lines when the jackpots get big.

H. Mays: Giving players the option to buy lottery tickets online has been a huge driver of sales, especially when jackpots get big. Jackpot runs aren't just important for the revenue they generate—they also expand our player base by attracting new and casual players. And when Mega Millions and Powerball jackpots roll up, iLottery revenues see a major spike.

I think of our iLottery program in two phases: pre-2019 and post-2019. In the first half of our history, our compound annual growth rate (CAGR) was well over 30%, and that was just from selling Mega Millions, Powerball, Lotto, and subscriptions for our other games.

Then, in 2019, we expanded iLottery to include all of our draw-based games—adding Pick 3, Pick 4, Lucky Day Lotto, and later Fast Play in 2022, alongside Mega Millions, Powerball, and Lotto. This expansion increased our sales by 50% the first year. Then came the pandemic which changed the world in countless ways, and for us, it helped significantly accelerate iLottery growth. The introduction of Fast Play online was a game changer as well. Our CAGR jumped from around 36% before 2019 to 64% in the five years since.

What are the plans and strategies for growing the lottery over the next three years?

H. Mays: That's the question we tackle every day. The marketplace is evolving, and so are the pathways to success. But some of the old rules still hold true. For

example, we're committed to growing our retail presence because we believe there's still headroom to grow our retail base. One of our key initiatives right now is to increase our number of retailers by 10% over the next year.

The key to continued growth—in both retail and digital—is executing concrete initiatives with measurable results. One way we're doing that is by expanding into new types of retail spaces we haven't tapped before, like social clubs, bars, and restaurants. To support that effort, we're launching a brand-new draw game that we believe will be a game-changer for these establishments.

It's such an interesting idea to try to make a game that would be tailored to the play styles and preferences of the patrons of a certain type of venue.

H. Mays: Exactly! These venues will bring a more social element to the playing experience. The game should be something players can enjoy while they're hanging out, whether they're interacting with friends or just relaxing.

Since people will want quick results, we designed this new game with a faster play style, featuring multiple drawings per hour. That way, players can experience the excitement together in real time—hopefully with some wins to celebrate. It also opens up a new kind of conversation with our players, one we haven't been able to have before.

It sounds like you feel that retail continues to be rich with opportunity to innovate?

H. Mays: Absolutely. We're always looking at every aspect of the business for opportunities to innovate. And while there's certainly room for more creativity in game design, the number of variables is limited—so there's only so much we can do to fundamentally change the lottery game itself.

We've been working with familiar game styles and mechanics that have been around for awhile — exploring ways to modernize them; updating classic concepts for today's consumers or tailoring them for different player groups. The question is: how can we refresh a product and use it as a platform to spark a new and different conversation with players?

Take Cash Pop, for example—you could argue that draw games like it have been around forever. Nothing new there, right? It was built on a concept players already knew, but IGT put a new spin on it, reintroducing it in a way that created a completely different player experience and conversation.

So innovation does not have to mean some cosmic reinvention of the lottery playing experience. It can be about creatively revisiting things that have worked in the past.

H. Mays: Figuring out what players want might seem challenging, but at its core, it's pretty simple—they want to be entertained, and they want a chance to win. The key is to engage them in ways that resonate with them today. Just like in every other aspect of life, what was once old can become new again. Some concepts that worked years ago can be refreshed and modernized with small tweaks to the look, feel, or mechanics to appeal to today's players.

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That said, player, expectations, and the ways players interact with us have changed significantly over the past five to ten years. So, we need to evolve—not just in how we design games, but in how we engage and communicate with our audience. However, the fundamental desire to have fun and experience the thrill of a potential life-changing win hasn't changed.

While there may be limits to how much we can alter the structure of a lottery game, there's huge potential in reimagining the overall player journey. By modernizing successful past games and refreshing the way we connect with players, we open up a broad landscape of opportunities for innovation.

How does the idea that "what used to be old is now new" apply to retail?

H. Mays: We see retail as a space with enormous potential for innovation. Consumer lifestyles and shopping behaviors are evolving, which is driving changes in retail itself. Since retailers are the face of the Lottery to consumers, we need to think about how we can help them optimize efficiency and profitability. The more we understand their needs and meet their expectations, the more engaged they'll be with Lottery. There's always room for improvement in how we support our retail partners, and we see that as an ongoing opportunity. Evolving, modernizing, and innovating our retail strategies is a top priority.

As mentioned, we're highly focused on expanding into new non-traditional retail venues, in addition to strengthening our traditional retail footprint. Lottery has been around for 50 years, so we've likely had conversations with many of the obvious traditional lottery retailers. But the world has changed—society, the economy, and consumer habits have all evolved. New retailers have emerged, and we need to revisit familiar territory while also building bridges to new distribution channels. By helping our retail partners evolve successfully, we can carve out a bigger role for Lottery and attract new consumer groups. Just look at how much convenience stores have changed in the past few years—change brings opportunity, and it allows us to reshape our value proposition to align with retailers' new priorities.

The same principles apply to the digital space. While it has already been a strong driver of growth, we're pushing even harder to expand our digital presence. Of course, we'd love to go beyond draw games. The Fast Play category, for example, has taken off, prompting us to rethink our portfolio and optimize exposure for more forward-leaning games and play styles.

Our mobile app is already one of the highest-rated lottery apps on both the Apple App Store and Google Play. But there's always room to enhance and refresh the UX. Even though players love it now, we're constantly looking for ways to make it even better.

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How do these concepts of continuous improvement apply to promotional strategies?

H. Mays: Like everything else, the way we connect with our audience is evolving fast. We have a strong digital promotions program and leverage our CRM (Customer Relationship Management) platform to better understand what players want. That insight helps us engage with them more effectively online.

It's an ongoing, iterative process—we're constantly testing what works, seeing how players respond to promotions, and analyzing whether that leads to better engagement and more registrations. Alongside that, we'll continue running email promotions to keep players informed and engaged.

We regularly update players on our latest activities and offerings. From sweepstakes to secondary prizes and cross-promotions, we're always looking for ways to add extra value. Whether it's a second-chance draw or another opportunity to win, we explore every option to try to make our games exciting and help ensure players see value.

Should we think of other game categories like sports betting and casino gambling as competition?

H. Mays: Not too long ago, like many others, I believed lottery players largely stayed in their own lane. Sure, they may go to a casino or horse racetrack occasionally, but lottery was their game of choice. But that's starting to change a little. With gaming, and especially sports betting, becoming so widely available, we're seeing more and more overlap.

We are working hard to responsibly grow our market share. A few years ago, we thought about competition in terms of the share of the discretionary entertainment dollar—competing with things like candy

and movie tickets. That's still relevant, but we're also focused on the share of the gaming dollar. The good news is that the overall gaming market has expanded significantly over the past five years. And it's not just existing players spending more—it's entirely new consumer groups entering the space.

When I think about competition, it pushes us to be the best lottery we can be because we are the only lottery that operates in IL. We need to keep doing what we've always done well while constantly improving. We have to refresh our game portfolio and introduce new products because today's consumers have more choices than ever and can easily shift their attention and loyalty. We know casinos and sports betting operators are actively working to attract lottery players to their offerings, and online casinos will be an even bigger challenge if they get approved in IL.

That's why we need to understand what our players want—how they like to engage with games. Take sports betting, for example. What's the appeal? Is it the fast pace? The timely results? The thrill of watching a game unfold in real-time? If

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that's what drives engagement, then we need to think about what we offer that delivers a similar kind of excitement; and how we might integrate the appeal of spectator sports into the lottery-playing experience.

I think we all need to look at the sports betting phenomenon that way. What is this telling us? What are players signaling with their choices? What are some of the warning signs to heed as we continue to focus on responsible play? It's clear they're expressing what they want and where they're willing to spend their money. What can we do to be part of that conversation in a responsible way? Lottery and sports are very different. We are not trying to sell sports to compete, we are trying to understand the consumer better to sell lottery products.

What are your priorities as president of NASPL?

H. Mays: I always smile when I think about everything NASPL has accomplished over the past 20 years, and I'm truly honored to contribute to its mission in the role of President this year. One of my main goals is simple—don't mess anything up! NASPL has a strong foundation, and my priority is to preserve that continuity and ensure we keep delivering value to our members.

Cindy Polzin did a fantastic job as NASPL president, and one of her key initiatives was launching a mentorship program for new lottery directors. This program provides new directors with a network of experienced mentors to share insights and guidance, and it has received tremendous support. Many directors come from outside the lottery industry, so having access to mentorship is incredibly valuable. I want to make sure NASPL continues to grow and strengthen this program.

NASPL has always been in a unique position to support the collective interests of state lotteries, and my goal is to help David Gale and the NASPL team continue the great work they've been doing for years in that area.

One of the biggest lessons we learned during COVID was that there are multiple ways to engage with our members and stakeholders. When in-person meetings weren't possible, we adapted by shifting to virtual conferences and information-sharing. Now that we've resumed in-person meetings, seminars, and trade shows, I still see great value in continuing virtual engagement. Video meetings

and online seminars allow us to reach more people, making it easier for members to stay connected without having to travel across the country.

For example, we're working on new ways to package and present important topics—like responsible gaming or Request for Proposal (RFP) processes—in virtual seminar formats. That way, members can access valuable information without the time and expense of in-person travel.

Another priority for me is strengthening NASPL's engagement with the World Lottery Association (WLA) and other regional lottery associations around the world. There's so much we can learn from both our differences and the common challenges we all face. A great example of this collaboration was the recent Responsible Gaming Conference in Atlanta, which NASPL co-hosted with WLA and the Georgia Lottery. Attendees came from all over the world, and the insights shared were incredibly valuable. Seeing how Responsible Gaming is approached in different countries broadens our understanding and gives us fresh perspectives on how to address these universal issues. Strengthening these global connections is something I'm passionate about and will continue to prioritize.

Finally, we recently launched a new NASPL website last year with a more user-friendly interface to enhance member engagement. We're also expanding our resource bank, conducting more industry surveys, and tackling key challenges to better support our members. Improving communication about and access to these resources and continuing to build on NASPL's infrastructure will be essential moving forward.

I know the regional associations around the world want very much to engage more with NASPL. It is great that you are encouraging that.

H. Mays: Rebecca Paul's impact on this industry—especially in helping to shape the role of regional associations—has been a game changer. Among many things, she has been instrumental in fostering stronger engagement with our colleagues around the world. Thanks to her leadership, we're in a much better place when it comes to global collaboration.

I hope we continue to build on that progress and push even harder to strengthen the rela-

tionship between North American lotteries and our sister organizations around the world. There's so much we can learn from each other, and deepening those connections will only make our industry stronger.

Lastly, congratulations for the 50th anniversary of the Illinois Lottery. It was amazing to see how you leveraged that into a wildly successful 360 degree marketing event.

H. Mays: Last year's 50th anniversary was a 6-month long celebration that involved a cross-functional team from every part of the organization. It was definitely a team effort. We had events and promotions across the state involving players and retailers. We wanted it to be the talk of the town everywhere we went, and we succeeded. It was incredible to see so much enthusiasm. Now, we're focused on carrying forward as much of that momentum and excitement about the lottery as possible as we begin another 50 years of success.

Looking ahead into the future, I believe we're at a critical inflection point in the industry. We're evolving from a traditional monopoly-based model with a core player base skewing older, to a landscape where players have more gaming options than ever before and is skewing younger. That shift makes it essential for us to understand lottery's role within the broader games-of-chance ecosystem.

Consumer expectations are changing rapidly, shaped by pop culture and new forms of entertainment. The rise of sports betting is just one example of how gaming is intersecting with mainstream culture in ways we've never seen before. I believe this will be an ongoing trend—one that will continue to connect lottery, entertainment, and the larger gaming industry in ways we need to pay attention to.

The challenge now is twofold: we must acknowledge and embrace the disruption we are seeing in order to understand it enough to position state lotteries for long-term, sustainable growth. The next few years will be pivotal in shaping the future of lotteries. If we're proactive, innovative, and willing to adapt, I have no doubt that we'll continue to thrive in this evolving landscape.

It's an exciting time for our industry, and I can't wait to see what's next. ■