

Modernizing Lottery Games to Meet Evolving Consumer Expectations



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The Lottery Industry is at a Turning Point

Lotteries have always been a source of excitement, aspiration, and social good. The dream of a better life is a powerful motivator, and lotteries provide a simple yet thrilling opportunity to turn that dream into reality. At the same time, they fund important societal causes. However, as consumer behaviors change, so too must our industry. As the competition from sports betting and iGaming is heating up, we must keep lotteries fresh, relevant, and engaging.

The modern lottery player demands more than just large jackpots. To be successful as an operator, we must address different user needs, appeal to new target groups, and create an experience that resonates with today's players. Younger generations, particularly digital natives and Gen Z players, have different expectations when it comes to entertainment. Our ability to adapt will determine the future success of the industry. Of course we don't claim to have all the answers at ZEAL. But what we do have is experience tackling these challenges. We have tested new approaches, learned from our players, and gained insights that have shaped our modernization efforts. From this we have derived insights into how we need to evolve our strategy to ensure that the lottery industry remains relevant and engaging for the next generation.

The Challenge: Lottery Must Modernize to Stay Relevant

The lottery business model is built on an incredibly strong foundation. The fundamental appeal of dreaming about a better future remains as powerful as ever. The lottery industry is also surprisingly crisis-resistant, as players dream of a better life even in times of crisis.

However, despite these advantages, we have faced serious challenges that made us rethink

the way we engage players and grow sustainably. One of the biggest challenges has been meeting the expectations of digital-first consumers. Today's players expect the same seamless, engaging experience from lottery platforms as they do from any other online service. We had to ask ourselves how we could improve our offerings to align with these modern expectations.

Another critical challenge was the need to expand our audience beyond traditional lottery players. The core lottery demographic is aging, and if we want to ensure the long-term sustainability of the industry, we must attract younger and more diverse players, including more women. At the same time, we need to do this without alienating our loyal, long-time players.

We also had to find ways to maintain engagement beyond jackpot peaks. High jackpots naturally drive excitement and participation, but what happens when there isn't a record-breaking prize on the line? How do we keep players interested and engaged even during quieter periods?

The E-Commerce Perspective

Rather than looking only at our industry for best practices, we turned to e-commerce for inspiration. In today's world, consumers expect seamless digital interactions. Whether they are shopping, booking vacation, or streaming content online,

they demand an intuitive, frictionless, and engaging experience. If we want to attract and retain modern lottery players, we need to adopt the same mindset.

One of the key areas we focused on was improving conversion rates. We examined every touchpoint of the player journey and refined the way users interact with our platform. By optimizing the user experience, we made the process of playing the lottery more seamless, intuitive, and engaging.

We also embraced personalization. The lottery experience is not one-size-fits-all, so we leveraged data to tailor content, promotions, and game recommendations based on each player's preferences and habits. This allowed us to create a more individualized experience, increasing both engagement and retention.

To support personalization at scale, we implemented automation. Highly efficient processes enable us to segment players dynamically, trigger campaigns at the right moment, and deliver targeted offers. By automating these elements, we ensure that players receive timely and relevant messages, keeping them engaged without overwhelming them. The combination of these strategies has resulted in a lottery experience that feels as dynamic and engaging as any modern digital service. As a result, we could more than double the lifetime value of our customers over the course of the last five years.

The Marketing Perspective

As we modernized our platform, we saw a fundamental shift in our player base. One of the most striking changes was the rapid growth of first-time lottery players. Many of the people engaging with our platform had never played the lottery before, demonstrating that our efforts to modernize were successfully attracting new audiences.

To continue this momentum, we had to evolve our marketing strategy. We adopted a full-funnel approach, meaning we no longer focused on converting immediate

demand. Instead, we built awareness at the top of the funnel, engaged potential players in the middle, and converted them when they were ready to play. This approach allowed us to nurture long-term relationships rather than focusing only on short-term transactions.

For first-time players, we introduced tailored messaging to make the lottery experience more accessible. Many new players are unfamiliar with lottery mechanics, so we created clear, engaging content that guided them through the process. This helped eliminate potential barriers to entry, making it easier for newcomers to participate.

By understanding and addressing the motivations of different player segments, we have been able to grow our audience sustainably while keeping our core players engaged.

Game Innovation: A New Approach to Prizes and Engagement

Modern players, particularly the next generation, are looking for more than just a big win. They want experiences that feel relevant, personal, and emotionally engaging. We needed to rethink how we structure our games to make them more aspirational and compelling.

We have innovated in a number of product categories. Some of these products are tailored to traditional lottery players, like our team player feature. It lets lottery customers play as a group and invite their friends, family or colleagues to play together. Our e-Instant game portfolio is also optimized for cross selling to lottery customers. Especially with games, it is important to look beyond the performance of a single game and understand its impact on the lifetime value of the customer. Because we have more than 8 million lottery customers whose behavior we can track, we have been able to build a broad portfolio of games and provide the right games to the right customer at the right moment. Other product innovations aim at new target audiences. Two examples are *freiheit+*, a charity lottery that is positioned as a lifestyle brand for a younger target group, and *daymade*, a UK start-up that offers smaller but more frequent prizes. Instead of cash, the customers can win experiences like travel or wellness products.

One of the most significant innovations we

introduced was our Dream House Lottery, which we launched last year. Instead of offering a standard cash prize, we created a game where players could win something deeply meaningful: a home. This shift transformed the way players perceived the lottery. Rather than just chasing a large sum of money, they were playing for a lifestyle – a dream they could visualize and connect with on an emotional level.

Beyond the prize itself, we modernized the lottery experience by integrating a charitable purpose and digital engagement. Each draw supports a different charitable organization, allowing players to see exactly how their participation is making a difference. We leverage social media to amplify this impact, turning players into active participants in something bigger than just a game.

The results are already striking. *The Dream House Lottery* has resonated emotionally, attracting many new players who had never considered playing before. It also created sustainable engagement, as players returned not just for the prize but for the meaningful experience it provided.

One of our most interesting findings during the launch of the Dream House Lottery was that classic lottery products with high jackpots are still very successful – not only with traditional players, but also with new target groups.

Conclusion: What's Next?

ZEAL's strategic approach combines e-commerce, marketing, and game innovation. This has not only expanded our player base but also unlocked new audiences and elevated engagement. By introducing fresh, dynamic ways to play, we have captured the attention of younger demographics and attracted more female players too. What is most encouraging is that the customers who first played a new game spend, eventually spend two-thirds of their budget on Traditional Lottery products, highlighting strong cross-play engagement and long-term player retention.

The future of the lottery industry is bright—but only if we continue to modernize. The world is changing rapidly, and player expectations are evolving alongside it. If we want to ensure that lotteries remain relevant and compelling, we must embrace digital transformation, personalized engagement, and purpose-driven gaming experiences.

The real question is not whether the lottery

industry needs to evolve, but how we ensure that it does so in a way that resonates with players while continuing to support good causes. At ZEAL, we are committed to that challenge. We believe that by continuously refining our approach, leveraging insights from e-commerce, and staying true to the core values of the lottery, we can create an experience that is engaging, sustainable, and impactful for generations to come.

Now, it's up to all of us in the industry to shape what comes next. By working together, embracing innovation, and keeping the player at the center of our decisions, we can build a lottery experience that meets the expectations of both today's and tomorrow's players.

About ZEAL

ZEAL is one of the most relevant players in the international lottery sector. With more than 25 years of experience in the industry, ZEAL's unique business model sets it apart from its competitors: The company's core business, for example, consists of brokering state lottery products. In addition, ZEAL also operates its own lottery products; among other things, ZEAL launched a Dream House Lottery, the first lottery of an existing property on the German market, just last year.

Through its ventures arm ZEAL Ventures, ZEAL also invests in up-and-coming founders and young companies in the online lottery sector, thereby making an important contribution to securing the future of our industry. With its Spanish subsidiary ZEAL Iberia, the company also manages the online presence of the Spanish public lottery ONCE. Another important pillar of the company is their online games business, which is not only offered to B2C customers on the German market but also a successful B2B business with renowned international partners.

About Helmut Becker

Dr. Helmut Becker has been CEO of ZEAL, the German online market leader for lotteries, since 2015. Before taking over as CEO, he had already worked as CMO (Chief Marketing Officer) for two years. Before joining ZEAL, he worked for the German career platform Xing and ebay Germany. He began his career as a consultant at McKinsey. Dr. Helmut Becker studied physics at the University of Hamburg and the University of Cambridge, where he earned his PhD. ■