

Lifting Sales Across the Portfolio with Top-Selling

iLOTTERY GAMES

Great brands, popular game mechanics and strategic promotions re-define performance

As consumers' retail and online habits change, science and art are coming together in new ways to re-define lottery sales performance. With the surging popularity of digital games in the U.S., experts are carefully designing integrated product portfolios – across retail and online – that lift sales and protect lottery profits by creating a modern game entertainment experience for players.

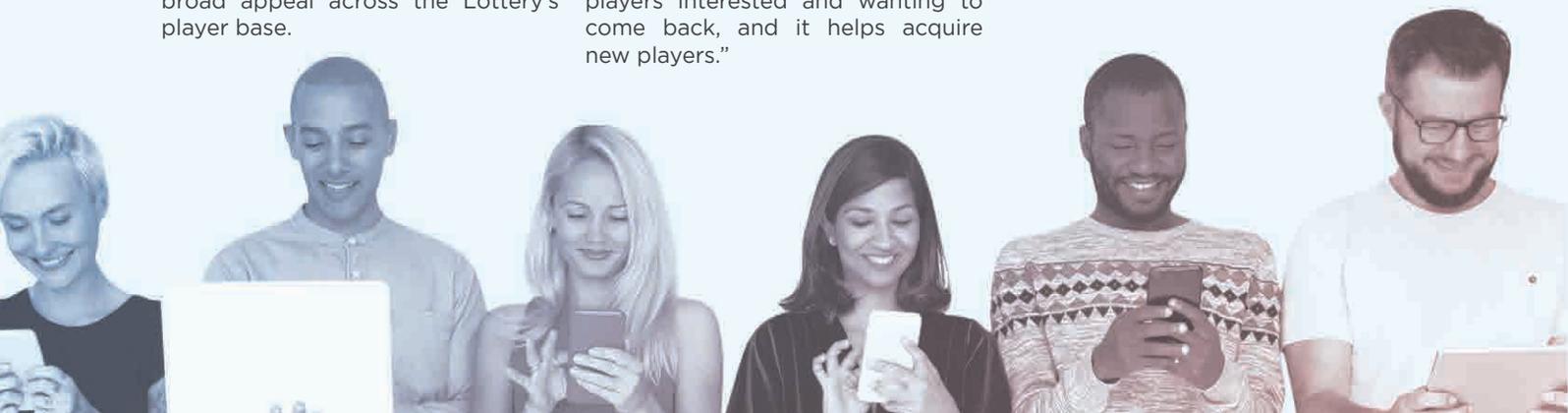
Behind the scenes, digital content specialists like Rob Darvill, Head of iLottery Content for Scientific Games, are lending their knowledge and experience to developing high-performance games with pop culture brands, finely tuned game mechanics and exciting user experiences. Darvill has worked on a highly successful iLottery program for the UK National Lottery – one of the first online/mobile programs in the industry. He's now part of the content team guiding the Pennsylvania Lottery to an unprecedented level of success in the U.S.

Building a \$1 Billion Online/Mobile Portfolio

With iLottery sales in Pennsylvania topping \$1.2 billion since the program launched in May 2018, and approaching \$1 billion in annual sales, building the right portfolio of games continues to be a powerful piece of the puzzle. Darvill and team deliver top-performing games from Scientific Games' portfolio as well as from other providers, with a variety of game mechanics to offer broad appeal across the Lottery's player base.

"To build a strong portfolio, it's all about managing it so that you have the right set of games and the right balance between branded and non-branded games, a variety of game mechanics, and seasonal games relevant to real-life events," explains Darvill. "Maintaining and updating a diverse offering with the right number of games makes all the difference. The goal is to keep players interested and wanting to come back, and it helps acquire new players."

His team works within game entertainment regulations unique to each jurisdiction to create a responsible online/mobile offering within the guidelines. Their experience and ability to bring high-quality games to market quickly has earned lotteries' trust.



Getting Real with Retailers & Cross-Promotion

Pennsylvanians are no strangers to seeking instant win experiences. The strength of the Lottery's online/mobile program has been building off its \$3 billion annual retail instant games, ranked No. 5 in the world based on per capita sales (*La Fleur's Almanac*). With a well-established network of 9,800 retailers across the state, it was important to the Lottery to make a retailer affiliate program available when online/mobile games launched.

Pennsylvania players receive exciting bonus opportunities for registering to play online, and the retailer affiliate program offers incentives for retailers to register their in-store customers for online/mobile play. Paid online affiliates, or lead generation companies, are also incentivized to sign up new players through their distribution channels.

"The foundation of any successful iLottery program is acquiring both traditional and new players and retaining them," shares Amy

Bergette, VP Digital Content Studio for Scientific Games, whose teams launched the first digital instant game in the U.S. in 2014, and have provided more than 90 lottery interactive games, 21 mobile apps, 17 player loyalty programs and other interactive products and services to U.S. lotteries since then. In Pennsylvania, her teams have implemented nearly 80 instant games.

What many don't know is that there is also a dedicated team of digital marketing experts who are highly experienced in CRM, growth marketing and retention marketing. To keep registered players engaged, they use powerful tools and technology to launch new games and deliver bonus play and promotions. Each time a new game launches, an incentive is offered.

The teams are also adept at cross-promoting games sold at retail with those sold online/mobile, wherever possible.



THE WIZARD OF OZ™

Created with a licensed brand associated with an iconic film that remains immensely popular through the decades, *THE WIZARD OF OZ* retail instant game launched multiple times in Pennsylvania with a second-chance promotion for entry through the Lottery's website and mobile app. Building on that excitement with an instant game was a natural progression.

"Because of a successful history of *THE WIZARD OF OZ* brand tied to retail instant games, it made sense to go this direction and it paid off for the Lottery," explains Bergette.

Players loved the characters and imagery from the film incorporated into the game design and symbols, such as *GLINDA* and the *RUBY SLIPPERS*.

"We have more than 100 brands in the Scientific Games portfolio and our game designers are very experienced with immersing the brand throughout the game play, both traditional and digital games," says Bergette. "Their work capturing the magic of *THE WIZARD OF OZ* brand is exceptional."

THE WIZARD OF OZ games across all channels appeal to a broad audience but they are most popular with female players. While the retail game has since ended in Pennsylvania, the digital game continues to play a key role in the Lottery's digital portfolio. It's a Match 3/Match 4 style-game featuring a 4x4 grid with more game play innovation packed in and a top prize of up to \$300,000 - significantly higher than many other instant games.

"For long-term appeal, our approach is to innovate the digital game mechanic first and then determine which brand is the best fit. We really put a great deal of thought into the gameplay, as well as the winning and non-winning experiences. We want players to enjoy the entire experience, so they return to play again and again," says Darvill.

With a total of \$34.5 million in sales since launch in June 2019, *THE WIZARD OF OZ* instant averages more than \$75,000 in wagers per day. With popularity still growing, it is one of the Pennsylvania Lottery's top 10 instant titles of 2020.



JAMES BOND 007™

With a popular retail instant game in 22 U.S. and international markets, and excitement building for the release of the 25th James Bond film, *NO TIME TO DIE*, in November, it's not surprising *JAMES BOND 007* is Scientific Games' top-performing elnstant game of 2020.

As part of the *JAMES BOND 007* linked instant game, the *JAMES BOND Lottery Challenge* second-chance promotion offers winners and their guests a five-day/four-night trip to Las Vegas in 2021 where every trip prize winner will have a chance to compete in a series of contests for the chance to win cash prizes ranging from \$1,000 up to \$1 million.

"The strong performance of the *JAMES BOND 007* games is the combination of a great entertainment brand and a great product positioning campaign," says Bergette. "For the retail instant and elnstant games, our creative teams brought the brand to life and tapped into the excitement associated with one of the most successful motion picture franchises in the world."

With more than \$33.5 million in wagers since launching in January, the *JAMES BOND 007* elnstant is a Match 3/Match 4 style-game featuring a 4x4 grid popular with men and women.

"Following the success of our *THE WIZARD OF OZ* branded elnstant, *JAMES BOND 007* was a great fit for a 4x4 grid



JAMES BOND 007



match mechanic. We continued innovating this game engine by introducing an instant multiplier and bonus game reflecting the *JAMES BOND 007* brand," says Darvill. "The premium brand gave us the opportunity to create a title with one of the higher top prizes in our portfolio, which appeals to jackpot players."

The teams incentivized retail players to play online by offering a \$10 scratch-off coupon. Likewise, the *JAMES BOND 007* retail instant game included a code to redeem online for a one-time play offer.

"Cross-promoting in both directions worked very well," he shares.



MONSTER WINS®

Scientific Games draws upon digital game content from its talented game designers in studios spanning North America, Europe and Australia. One of the company's best games, *MONSTER WINS*, was created at its NextGen studio in Sydney.



across all demographics. Nine of the game's 10 symbols are monsters and the more eyeballs the character has, the higher the multiplier.

"To demonstrate how far the *MONSTER WINS* category has progressed, it is the only game that has a 'negative drop off', meaning the game average more players and wagers after the first 30 days than during the first 30 days," adds Darvill.

The popularity of *MONSTER WINS*, another favorite among female players, has led to follow-up titles, including *MONSTER WINS AGAIN*, with more titles planned in 2021.

"Developing and building up our own brands, is something we will be focusing on going forward," he says.

generated \$99.5 million in sales since launching just under two years ago as part of the Lottery's initial elnstant offering. That's nearly 10% of all iLottery sales in the state across more than two years.

Since the program's launch, *MONSTER WINS* has also garnered more unique players than any of the elnstant game titles on the Pennsylvania iLottery website. More than one-third of all registered online/mobile players in the state have played the simple Match 3/Match 4 game that features quirky, charismatic monster imagery with appeal

RED HOT 10s

With popular *RED HOT* themed games earning their place in many lotteries' retail instant game portfolios, Scientific Games creatives tried their luck at a digital version and won. The Match 3 game with the chance to unlock 10 free games had a strong launch in Pennsylvania in June 2020 and averages \$176,000 in wagers per day.

"There are multiple ways to win in *RED HOT 10s* and the inclusion of free games gives players added value for money, while extending the chance of a win right up to the last tile reveal," explains Bergette. "We've really amassed a great range of games with play mechanics and we're very excited about this one right out of the gate."

RED HOT 10s features bold graphics, a recognizable name and it's easy to understand and play. The company also strategically timed the game's launch, which it believes is a key component in success.



MAGNIFIED MONEY

With the ever-popular money theme, *MAGNIFIED MONEY* is Scientific Games' first multi-ticket instant. Key number match is the No.1 playstyle across all retail instant games, and this digital version was larger than life. It is the No. 5 performing instant in Pennsylvania, with \$19.5 million in wagers since launching in March 2020.

"Key number match is a pure lottery game mechanic that is familiar with players and the nature of this game means players will experience regular wins. The element of choice around the number of plays — 10, 20 or 30 — gives them the ability to tailor their own game experience," explains Darvill.

The company combined its nearly 50 years of analytics, insights and experience creating physical key number match instant games with exciting digital bonus play styles. *MAGNIFIED MONEY* players can accumulate bonus wins in the Money Bonus by spinning the three coins to reveal prize values and multipliers, with a 'collect' or 'go again' outcome.

"*MAGNIFIED MONEY* is a great addition to our digital game portfolio. With a good split across a broad audience of male and female players, its appeal is growing so we have some innovative and exciting plans for additional multi-ticket games in 2021," he shares.



GRUMPY CAT®

Featuring the pop culture feline phenom, the *GRUMPY CAT* digital game launched in April 2019 along with a cross-channel retail instant and *FASTPLAY* games in July 2019. It has steadily made its way into the Top 10 instants of 2020 in Pennsylvania.

"Even if you're having an awful day, a *GRUMPY CAT* game can bring a smile to your face," says Bergette. "The licensed brand has undeniable appeal. *GRUMPY CAT* is a classic, lovable character able to express what we all wish we could say out loud sometimes. We brought it to our portfolio in 2016 and it received a lot of attention from lotteries."

GRUMPY CAT rose to rapid fame from a family's social media meme and became a viral, internationally recognized brand with

millions of followers and 1.5 million website visitors a month. The brand adds fun and the blue-eyed cat's irreverent wit to games. Another Match 3/Match 4 playstyle, the *GRUMPY CAT* instant is currently averaging \$39,000 wagers a day, with a total of \$20.2 million in sales since launching.

The creative team at Scientific Games incorporated the brand into simple, instant game play styles that would be enjoyed by core players and easily understood by new players. Beyond serving up a daily dose of fun,

"It's nice to have a brand that can cut through the clutter at retail. *GRUMPY CAT* is a fun, easy brand that appeals to anyone who loves cats, animals or really anyone with a sense of humor," she says.

Grumpy Cat®



Performance Strength

By sheer numbers, the Pennsylvania iLottery story is incredible. But there are so many careful steps that take place prior to launching games that lotteries looking to launch digital games must consider.

From analytics to play styles, licensed brands, bonusing, strategic CRM marketing tools, and land-based cross-promotion, the entire process crosses many areas of specialization.

"To build out a strong digital lottery portfolio, you can't just rely on one or two game engines. You have to think about the bigger picture and create a range of games that feature different levels of jackpots, game duration and game mechanics," advises Darvill.

The company's teams are focused on creating a portfolio of branded and non-branded games that offer choice to a broad spectrum of online/mobile players.

"Our teams know how to create games; we understand the science of games. Add a strong promotional and retail strategy, and they're golden," says Bergette.

Based on record-breaking performance in Pennsylvania across both retail and digital games, it's a strategy that works.

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