

How can lotteries make it easier to give Draw Game tickets as gifts?

The New Jersey Lottery Offers Draw Games for Holiday Gift-Giving with the Holiday Sampler



Executive Summary. Lottery tickets are a popular gift to give to adults during the holiday season, but the majority of givers buy scratch tickets. The New Jersey Lottery and Northstar New Jersey worked with IGT to identify the obstacles to giving Draw Game tickets as gifts and to introduce a practical solution.

Nearly 90 percent of the New Jersey Lottery's Game Changers consumer research panel have given lottery products as gifts during the holiday season, and while 99 percent have given Instant Games, only 20 percent have given Draw Game tickets. To overcome the barriers posed by draw timing and price, the New Jersey Lottery and IGT created the Holiday Sampler gift product for the 2016 holiday season. This unique solution packages redeemable vouchers for Draw Game tickets within a greeting card, making them as easy to give as a scratch ticket.

- By the end of the six-week Holiday Sampler sales period, more than 30,000 \$10 Holiday Samplers had been sold.
- A follow-up survey showed that the Holiday Sampler was very appealing, with nearly a third of respondents purchasing the Holiday Sampler, and three quarters reporting that they gifted some or all their Holiday Sampler purchases.
- Nearly half of purchasing respondents said they tried a New Jersey Lottery game for the first time because of the Holiday Sampler.

Challenges. The idea of the Holiday Sampler started with a simple question: How can we improve players' ability to give Draw Game tickets as gifts during the holidays? Members of Game Changers, the New Jersey Lottery's consumer research panel, confirmed they had purchased lottery tickets as gifts during the holiday season (87 percent), but only 20 percent had ever given a Draw Game ticket as a gift, compared to 99 percent that had given Instant Game tickets. The research showed gift-giving consistently across age groups, presenting an opportunity for gifting of Draw Game tickets, but also presented an obstacle — gifting specific tickets for scheduled drawings. For example, if someone buys a Powerball ticket on a Sunday to give as a gift, there would only be three days to present the gift before the Wednesday drawing, which would lessen the fun and excitement of the potential prize. The New Jersey Lottery worked with IGT to find a solution that would overcome this critical time challenge.

How IGT Helped. Finding an answer to the question, "How can we make it easier to give Draw Game tickets as gifts?" led to a collaborative effort that produced a first-in-industry solution — recognized as a finalist for the Buddy Roogow Innovation Award in the Draw Game category at the NASPL annual conference in September 2017.

Initially, the lottery, in coordination with Northstar New Jersey, looked at existing solutions being tested in the market, but these carried bank transfer fees and significant costs for purchasing and distributing the cards. To overcome the barriers posed by draw timing and price, they created the Holiday Sampler: a gift card with seven pre-paid vouchers that can be redeemed for Quick Pick tickets whenever the recipient chooses, with no additional associated costs. They identified the path-to-purchase as follows:

1. A shopper enters a New Jersey Lottery retailer location and selects a holiday greeting card from a standee or counter display unit (see figure 1). The card has a non-serialized barcode on the back to be used by the clerk to scan and produce the Holiday Sampler.
2. The shopper brings the holiday card to the clerk and pays \$10 for the cost of the Holiday Sampler.
3. The clerk scans the barcode on the back of the holiday card at the lottery terminal.
4. The terminal produces seven individual Holiday Sampler vouchers, one for each of the seven games equaling the \$10 purchase price. The Quick Pick ticket vouchers included in the 2016 Holiday Sampler were: \$2 Powerball, \$2 CASH4LIFE, \$2 5 Card Cash, \$1 Mega Millions, \$1 Pick-6, \$1 Jersey Cash 5, and \$1 Frosty \$50s Fast Play.
5. The clerk hands the holiday card, the seven vouchers (see figure 2), and the receipt to the purchaser.
6. The purchaser places the Holiday Sampler vouchers into the card, creating a fun lottery gift. The recipient of the card and gifts takes the voucher(s) to any New Jersey Lottery retailer to redeem for Quick Pick ticket(s) (see figure 3).



Figure 1: The Holiday Sampler Standee



Figure 2: Holiday Card front and back

The Holiday Sampler was sold from Nov. 21, 2016 through Jan. 1, 2017, with the individual Holiday Sampler vouchers redeemable through Feb. 28, 2017. It was marketed with the holiday Instant Games campaign as part of the overall lottery gift-giving theme.

Unique point-of-sale assets were created, and the Holiday Sampler was advertised via live radio, how-to-play videos, social channels, and the New Jersey Lottery website. IGT assisted the Northstar New Jersey web team to provide printer-friendly holiday cards that included the barcode, and could be brought to a New Jersey Lottery retailer to produce the Holiday Sampler vouchers.

Results. By the end of the six-week Holiday Sampler sales period, more than 30,000 \$10 Holiday Samplers had been sold. Eighty-five percent of all individual vouchers were redeemed by Feb. 28, 2017. The Holiday Sampler was administered without a discount, though IGT built a discount option into the solution or future consideration.

A follow-up Game Changers survey showed that the Holiday Sampler was very appealing, with nearly a third of respondents purchasing the Holiday Sampler, and three-fourths reporting that they gifted some or all of their Holiday Sampler purchases. Nearly half of purchasing respondents said they tried a New Jersey Lottery game for the first time because of the Holiday Sampler.

IGT and Northstar New Jersey noted additional benefits with the Holiday Sampler, including:

- Purchasers could divide the seven vouchers into smaller gifts if they chose.
- The Holiday Sampler was offered without a discount since it was positioned as a gift.
- Players experienced new Draw Games such as 5 Card Cash and Fast Play.
- The redemption of individual vouchers could be tracked to each product.
- Shorter retention durations on purchased vouchers than required by the debit-card industry allowed for quicker financial reconciliation.



Figure 3: Holiday Sampler Voucher