



# Colorado Ups the Ante with \$2 Lotto to Provide New Value for Players

## Key Takeaways



- 1.) To reverse downward sales trends, many states are increasing the price point of their in-state Lotto games from \$1 to \$2, and providing players with attractive value propositions in return.
- 2.) \$2 Lotto represents a refresh of a flagship Lottery product and has seen sales success in several jurisdictions including Colorado and Indiana.
- 3.) IGT's Sales Development team works with lotteries offering a \$1 Lotto game to identify opportunities for growth and potential enhancements to maximize sales and profitability.

## By The Numbers

**35.4%**

Increase in total draw game sales in Colorado in the first year after the launch of Colorado Lotto

**48.8%**

Percentage of players opting into the "Plus" added draw feature in Colorado

**8.8%**

Increase in base draw game sales, by draw, after the launch of Lotto+

## The Evolution Of In-State Lotto



A core product in many portfolios, the in-state jackpot-style lotto draw game has a long and rich history for state lotteries. Players are drawn by the chance to win a life-changing jackpot prize for a small investment, usually just \$1. For lotteries, the in-state lotto game is often a profit driver, with an efficient prize matrix and a loyal player base.

But faced with a more diverse selection of state-based and national draw games, a wide array of instant games offering better odds, and increased competition from other forms of gaming, in-state lotto games across the country have seen declining sales in recent years.

IGT's Sales Development team has partnered with several lotteries to analyze the root causes of these sales decreases and offer solutions to boost sales and overall profitability, while continuing to provide the draw game experience that players demand

### **Lotteries have implemented several successful strategies to reinvigorate in-state lotto products:**

- Moving to a higher price point
- Increasing the number of drawings per week
- Starting jackpots at a higher level
- Adding automatic multipliers for non-jackpot prizes
- Offering an add-on feature such as a second draw, increasing the overall odds of winning a prize

Published November 2020

## Enhancing The Lotto Product



IGT research has indicated that players generally support the move of Lotto games to a higher price point. Offering Lotto at \$2 instead of \$1 gives lotteries more flexibility with the prize structure of the game, shortening odds, improving subsidiary prize amounts, and increasing average jackpot win size – while still managing total payout and profitability. In exchange for a higher price point, players expect a stronger value proposition as part of the game.

A \$2 in-state Lotto product represents a complete refresh of the Lotto category, creating substantial new player value and benefits. Value-add strategies include offering players a multiplier as part of the base game. A common bonus feature in instant games, multipliers on non-jackpot prizes give players the added value they seek while not dramatically altering overall payout. Another enhancement is an add-on drawing. For the additional cost of \$1, players can opt-in to a second drawing held immediately after the main jackpot draw, playing the same numbers. The prize structure for the second draw is altered; while matching a full set of numbers does not win the jackpot, it increases the prizes at other tiers. Players have the same odds of winning as in the first draw, effectively doubling their odds of winning a prize at only half of the initial cost.

These strategies support the overall goal of attracting players with new value propositions, boosting revenue, and supporting profitability for good causes.

## Colorado Lotto+

In looking to enhance its flagship Lotto game, the Colorado Lottery opted to keep the changes simple and straightforward. The Lottery maintained its starting jackpot levels and drawing dates, while minimally altering the prize matrix to improve players odds. Working with IGT's Sales Development team, Colorado chose to instead focus the changes on the value offered to the player through the mechanics of the game.

Starting in September of 2019, the Lottery relaunched the game as Colorado Lotto+. It raised the starting price from \$1 to \$2, and in return gave players a randomly selected multiplier between 2X and 5X to apply to non-jackpot winnings. The Lottery also introduced an add-on second draw, branded "Plus," where for an additional \$1, players use their same numbers in a second draw, improving their odds of winning a prize. Small shifts in the prize structure and drawing matrix lowered the odds of winning any prize from 1 in 35 to 1 in 30



"We are extremely happy with the changes made to Lotto+ last year," said Jay Cisson, Lotto Game Product Manager at the Colorado Lottery.

"Feedback from players is they love having more ways to win. We've seen a significant increase in interest and engagement with the game."

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Published November 2020

Sales results from the new Lotto+ has been impressive. Lotto+ created a 35.4% increase in total draw sales and an average 8.8% increase in base game sales, by draw, in the first year after launching. Players chose to include the Plus feature in nearly half of the tickets purchased (48.8%).

## Expanding A Winning Strategy



IGT's Sales Development team continues to work with lotteries around the world to identify opportunities to enhance in-state lotto products to create incremental sales and increase overall profitability of these popular games. The Florida Lottery launched enhancements to its in-state Lotto game on October 8, 2020

