



# Investing to Meet Evolving Player Needs



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As North American lotteries advance efforts to offer eInstant games, IGT's new development program is set to deliver more entertainment to players and more returns to lotteries, with an expanded pipeline of innovative, high-performance PlayInstantWin games.

The onset of the pandemic last year brought increased consumer desire for contactless touch-points and remote play. The accompanying rise in lottery player registrations and engagement with eInstant lottery products resulted in a dramatic 89% YOY annual growth rate for the eInstant category in the U.S.

We expect this significant growth trend to continue in FY2021 as new behaviors become established and players continue to enjoy new forms of entertainment.

Of course, revenues to lotteries and returns to beneficiaries will grow along with the number of states offering eInstant. With growth comes the need to continue evolving the eInstant product, because player acquisition and retention will rely on offering ever-more dynamic games and engaging content across all categories of play.

IGT keeps **player acquisition and retention** at the forefront of the game development process. Knowing that every player has their own preferences when it comes to games, we do extensive research and analysis to ensure

that we are serving our lottery customers by satisfying the needs of their many local player segments in the U.S. and across the globe.

In this respect, eInstant (or instant win games) are an extremely interesting product

## US eInstant Gross Gaming Revenue (GGR)



The U.S. lottery industry has seen a steady rise in new states adopting eInstant game sales since the product's 2014 introduction in Michigan and Georgia. Kentucky launched in 2016 and over the past 5 years, that list has grown to a total of eight jurisdictions — with the Rhode Island, Virginia, and Washington, D.C. lotteries being the newest.

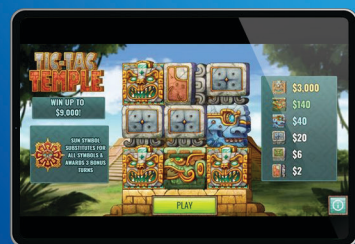
## Traditional Instant Style



## Casual Play Style



## Modern Play Style



*PlayInstantWin games in the IGT portfolio include Cash Fever and Ruby 7s (left column); Juicy Loot and Little Green Men Warp Reactor (middle column); Riches Of The Runes and Tic-Tac Temple (right column).*

concept, as they can encompass almost any game or play style. There are currently three main categories of instant win games to serve player preferences, all well-represented in IGT's eInstant portfolio, known as **PlayInstantWin games**.

- 1) **Traditional Instant Style** – Attractive to core lottery players, offering a traditional scratch-card style play experience, enhanced with additional digital features
- 2) **Casual Play Style** – Attractive to players who are seeking a longer play experience and who enjoy games like Candy Crush and solitaire.
- 3) **Modern Play Style** – Attractive to those who enjoy fast play games with non-traditional styles and mechanics, loaded with bonus features.

The new **IGT PlayInstantWin product pipeline** for the year ahead is aligned with the current market need to fulfill growing demand across these categories of eInstant play and more.

We are **ramping up our game design capabilities significantly** to develop twice as many **all-new titles** with **new play features** – and further, to build on the popularity of licenses like Wheel of Fortune® and create sequels to popular IGT titles.

## A FOCUS ON GAME IDEAS AND QUALITY EXECUTION

IGT has launched initiatives on all fronts to anticipate future demand in the eInstant category. We are approaching our game development process in a totally new and exciting way in 2021. This new investment in developing innovative, quality game content will substantially increase both the number and variety of games in our portfolio to maximize the appeal to different players and drive customer sales.

We recognize the importance of offering innovative mechanics, prize structures, and game play. We are currently innovating in the **progressive jackpot space**, which offers players the excitement of watching the top prize grow as they play, and we expect this game to be a top performer in numerous jurisdictions by the end of the year.

**Localized content** is a key element of a lottery's conversion strategy, as well as a strong revenue driver. Some of our customers' most successful launches have come from aligning their retail and digital markets. We can combine IGT's vast experience in instant tickets with all our knowledge in

instant wins to uniquely assist customers in growing the sales of omnichannel games. For example, in a current omnichannel environment, IGT PlayInstantWin game developers translated the essence of a customer's retail game to a digital format and added uniquely digital game-play features to give the state's players an omnichannel experience that represents the recognizable lottery brand. We will continue to work with customers to create localized, omnichannel eInstant content to provide players with more ways to engage with their favorite brands – whether at retail or online.

IGT already provides an extensive number of digital games adapted from retail instant tickets. For example, The Kentucky Lottery's beloved scratch ticket, Wild 8's has an IGT PlayInstantWin companion game launching in March. And Kentucky is extending its retail draw-game brand, 5 Card Cash, with a new IGT PlayInstantWin game. IGT's omnichannel approach to game development is well established and we are now scheduled to print a retail instant ticket derived from an eInstant game for a cross-channel launch in Rhode Island this year. These types of **omnichannel strategies** have already shown significant success, allowing operators to capitalize on branding and marketing synergies.





*The Kentucky Lottery is extending its retail draw-game brand, 5 Card Cash, with a new IGT PlayInstantWin game.*



*The scratch card Triple Platinum is an IGT example of a retail instant ticket derived from an elnstant game. The game will see a cross-channel launch in Rhode Island this year.*

One of the largest benefits of digital lottery is the amount of data the channel provides, giving operators the ability to analyze game performance in extensive detail. IGT possesses substantial data sets, and we perform a rigorous data analytics process to analyze each global game launch. IGT analysts use both historical data and predictive analytics to understand how each of our games performs in any given jurisdiction, looking

at sales performance, average spend, player counts, demographic segmentation, and more. We then **use the digital game data to drive our game development and customer roadmaps**. Additionally, we leverage our extensive data on retail instant game performance to guide the development of PlayInstantWin themes and game styles to meet the demands of diverse demographics and player types.

## AN APPROACH THAT IS FUTURE FORWARD, RESULTS DRIVEN

With consumers exhibiting high levels of trial and acceptance for new digital experiences during the pandemic, more lotteries are exploring entry into the digital space and using a variety of digital solutions to better serve new player needs. A diverse portfolio of eInstant products will play a central role in this effort as the convergence of retail and digital play continues.

Ultimately, IGT is working to ensure that all the PlayInstantWin games in our pipeline continue to deliver for customers across three key areas:

Players of eInstant games enjoy the ability to discover a game's secrets layer by layer as they play. They want to experience **new and more ways to win**, with multipliers, second-chance features, bonuses, progressive jackpots, and more.

Players also want games that are **more visually immersive** with appealing graphics, seasonality, animated transitions, and more winner celebration.

Finally, lottery operators want the ability to offer totally **new game mechanics and innovative game play to expand the player base and reach new demographics**. The portfolio's breadth and level of innovation will offer players exciting and interesting experiences they weren't expecting.

In addition to fulfilling these needs, we're continuing to build on our success offering customers expert advice in determining **what types of eInstant content is most likely to be successful in their jurisdiction** and streamlining the application of metrics to assist lotteries in their decision-making process.

As digital lottery advances, we look forward to working even more closely with customers to provide players with more of the games they love in the channels they prefer. ■

*Contact your IGT Account Manager to learn more.*