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The Hourglass Game

Texas Lottery has been considering a \$100 ticket for 15 years, but opted not to move forward with it until the market's needs met the perfect prize structure.

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2022 Best Instant Games Report

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INFLATION

Will it blow up the industry?



Inspire

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We're always thinking about the player experience.
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It's an instant of optimistic fun.



Licensed Brands are Crucial to Strong Player Engagement

When used effectively, brands are an authentic way to connect with players and link the retail and all-important digital experience to drive lottery revenues. However, considering and selecting licensed brands in the game portfolio can be challenging for product managers on many levels.

Kyle Rogers, VP of North American Instant Products at Scientific Games, the world's leader in the lottery licensed product category, has worked with some of the industry's biggest brands since 2004, helping create the industry's first linked instant game, DEAL OR NO DEAL in 2006. He now leads the company's strategy for North American instant products, working with lotteries to help shape their entire instant game portfolios.

In fiscal year 2021, products featuring SG licensed brands represented \$2.6 billion (USD) in lottery retail sales globally. The company's portfolio features 100+ licensed brands, the largest in the industry.

With licensed brands playing an important role in future growth, Rogers shares some of the top licensed brand trends in recent years and how to leverage brands across the retail and digital portfolio for real results.

Omnichannel Experiences

On the minds of product managers: Extending the value of a licensed property by leveraging the brand's assets to entertain players—and maximizing the lottery's investment in the brand's equity, or social value.

"We're seeing lotteries take an omnichannel, portfolio approach. They're recognizing the value in leveraging a licensed brand beyond a retail scratch game by finding opportunities to increase value across the portfolio. A good brand can extend to FastPlay and iLottery and across multiple revenue opportunities," says Rogers, who's watched wildly successful brands like Warner Bros.' WILLY WONKA connect with players, generate excitement—and significant revenue for lotteries.

With an omnichannel approach to the portfolio, a lottery can launch and cross-promote multiple games all featuring the same licensed brand at the same time to generate multiple revenue opportunities.

"The reason licensed brands do so well across channels is that they have already established equity with players," Rogers explains. "And they typically have more visual and iconic assets that set them

apart from more traditional lottery games."

Some brands that perform well at retail translate equally well to digital lottery games. For example, Hasbro brands, including MONOPOLY and SCRABBLE have natural play actions that can be replicated for a digital experience. Board games and TV game shows both easily translate because the play action already familiar to players can be replicated in a digital experience.

Rogers shared that some brands are strong enough to make the leap across channels because they have good names, good graphics and good play action.

"There are brands that deliver results in both physical and digital games because the games are just great games," he explains.

It Takes All Kinds of Brands

Without the space limitations of retail instant game retail dispensers, one branded digital game doesn't have to be a blowout or a big hit.

"THE PRICE IS RIGHT is a great example. It has mass appeal, so you can have multiple versions of digital games featuring the show's individual pricing games on sale at any time. At retail, you may choose to feature only one standout version of the brand because there just isn't physical real estate in the retail display," says Rogers.

Every licensed brand should be evaluated differently based on how they perform in a lottery portfolio. Rogers believes that brands are not about what they sell, but more about what they bring to the table for the lottery.

Does the brand bring new players? Does it bring unique promotion opportunities? Does it give the lottery something to talk about? Do retailers appreciate the brand?

But lottery product managers need to take their questions a step further. What goals do we have for the entire portfolio? Are we trying to quantitatively gain more players? Or are we just focused on increasing year-over-year revenue?



“Another great benefit of licensed games is that when placing orders, lottery retailers know the name of the game, not just the game number. This happens frequently with MONOPOLY games,” says Rogers. “Retailers appreciate the value of branded games because they’re different, they stand out in the store.”

Featured in lottery games with more than \$1.3 billion retail value in 2021 for North America alone, MONOPOLY is perennially the industry’s No. 1 selling licensed brand.

Brands Resonating Since COVID

Over the last three years, the JAMES BOND brand was a hit with players domestically and internationally, both as a linked instant game (11 states participated) as well as a non-linked game outside the US. The games’ performance grew, as anticipation for the movie premiere grew.

“In the U.S., the JAMES BOND Lottery Challenge linked game was a great success with total retail sales of over \$385 million. The event was unique in that every single participant had the opportunity to play for up to one million dollars. Players truly enjoyed the excitement of an in-person event in Las Vegas after staying at home during the pandemic,” says Rogers.

Ontario Lottery & Gaming in Canada and the Maine State Lottery both successfully launched PLINKO, a pricing game featured on the popular TV game show THE PRICE IS RIGHT. In addition to the branded instant game, there’s a ‘watch and win’ element offering players another opportunity to win a prize at retail. Ontario’s promotion also includes the chance to participate in a live Chip Drop at the Lottery’s headquarters.

Linking the Retail and Digital Experience

When it comes to linking retail and digital lottery, experiential events are making the connection for players.

“We created the first linked instant game when the DEAL OR NO DEAL TV game show came on the air, and it was an immediate sensation,” explains Rogers. “We wanted to give lotteries and their players the opportunity to be a part of this consumer phenomenon in a way that was unique and special.”

Since their inception 15 years ago, linked instant games have grown into a successful lottery product category all their own—but it’s not easy to pick the next big hit.

“To be a successful linked game, the brand has to have a certain amount of mass appeal to players. And It’s quite challenging to come up with brands that can deliver an experiential event,” says Rogers. “The brand also needs to have mass appeal to multiple lotteries. And a strong reason for lotteries to

want to participate. We try to make each linked opportunity unique.”

It’s not easy to find brands that check all of those boxes. When creating WILLY WONKA GOLDEN TICKET, Scientific Games knew the market was ready for a \$1 billion prize. The company paired this prize concept with the WILLY WONKA brand, which was well-known to casino gamers, and added the “Golden Ticket” concept.

WILLY WONKA GOLDEN TICKET became the No. 1 linked instant game in lottery history, with more than \$1 billion in retail value of games produced.

“We wanted to present an experiential event offering the possibility to win one billion dollars. WILLY WONKA GOLDEN TICKET provided that over-the-top excitement players wanted,” shares Rogers. “The same was true with the JAMES BOND Lottery Challenge. We tried to come up with a very different winners’ event, with every single participant getting the opportunity to win up to a million dollars. Players were excited and they were rooting for others because they weren’t competing against each other.”

While very few brands resonate with players around the world, he also shared that there is the potential for an international linked instant game featuring a licensed brand.

Learning from the Past

With lottery budgets tightening, product managers are choosing brands and linked game participation carefully.

“THE PRICE IS RIGHT linked game is tracking to exceed expectations and could hit the No. 2 spot by the time it wraps,” says Rogers. “This speaks to how much this TV game show brand resonates with lottery players and with lotteries.”

The first games are scheduled to launch in August 2022 with the experiential event tentatively scheduled for Fall 2023. Lucky trip prize winners will be off to Las Vegas for a chance to win up to \$50 million in the COME ON DOWN Challenge.

It’s crucial to execute an event that delivers a world-class experience to winners. But it’s just as important to bring that second-chance digital component of the game to the table to engage as many players as possible.

Rogers advises, “Digital and the experiential event work together to bring the brand to life for lotteries. As an industry innovator, we stay highly connected to how consumers want to play games, interact with brands and receive information. That means when we innovate we are doing so with a ‘phygital’ approach to meet consumers’ needs wherever and however they want.”





THE TIME IS NOW

There are **50 Million** reasons your players will love the new Linked Game!



Contact your Scientific Games representative today for more details.