August 14, 2024

Price Point Role Testing Research

Representatives from Scientific Games' Research, Analytics, and Marketing Teams recently attended NASPL's Professional Development Seminar (PDS) in Omaha, Nebraska. At the seminar, Rob Thompson, Director of Business Intelligence, and Angela Saviano, Director, Marketing, gave a presentation titled *$1 & $2 Instant Scratch Games Landscape & Role Testing Research*. In this issue of Data in Motion, we share some a few key points from their presentation and the importance that role testing research plays in managing a healthy instant scratch game portfolio across *all* price points.

Lower Price Point Games and the Roles They Play

Over the past five years, the $1 price point has seen a 23% decline in game launches and a 38% decline in weekly per capita sales. Despite these declines, research has made it clear that lower priced instant scratch games still satisfy specific needs for certain players. The graphic below distills extensive research and analytics down to the various roles that $1 and $2 games fill for players.

Since players tell us that these games fill specific needs and wants, eliminating lower price point games altogether could be a mistake. So how can we, as an industry, better position these games for success going forward? Let's take a look.

Role Testing Research

In order to better understand the role that each price point (not just lower price points) holds in the minds of players, Scientific Games undertook an extensive research project with the following objectives in mind:

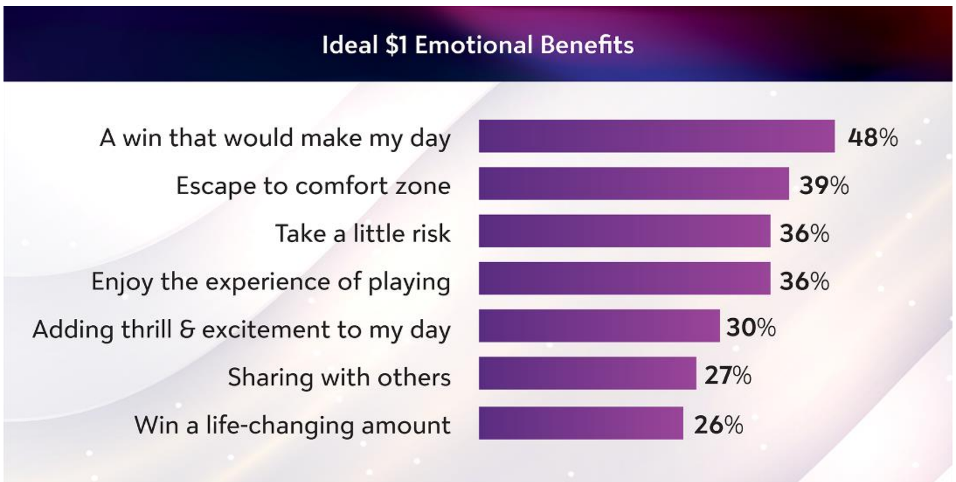
- Explore the idea that different price points satisfy one or more specific needs of the consumer
- Better understand the role of each price point in order to create games that strengthen playership
- Expand our understanding of the interdependencies between price points to create a holistic and valued product line.

Through this nationally representative, quantitative and qualitative research effort, we listened to what players said they want in terms of play experience and attributes when purchasing lottery games. We then layered on critical prize tier and callout testing focused on the importance of different win amounts at different price points. Finally, we asked how to best communicate these different value propositions in the most meaningful way.

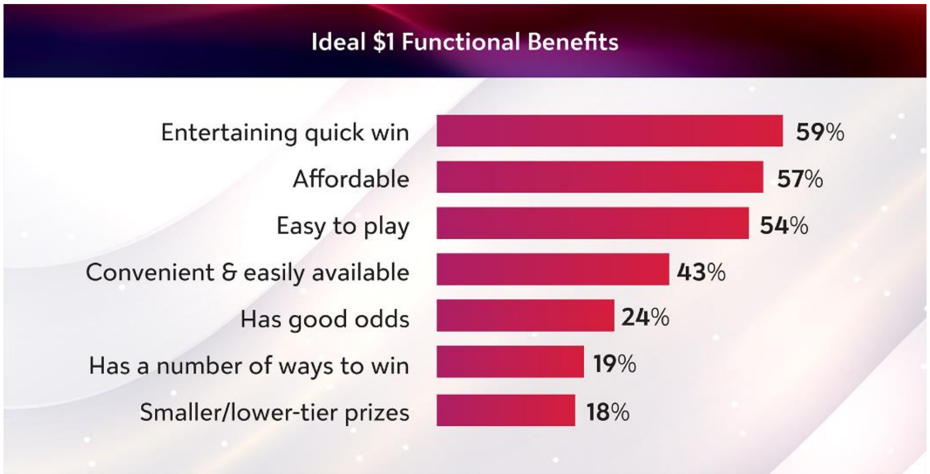
The results of this research will help our industry build games that fill the roles for each price point based on what players say they want. Using ticket art, point-of-sale, and advertising, the findings will also enable lotteries to effectively communicate the various value propositions of different games to create the most effective portfolio.

A Few Examples of Our $1 Findings

We asked respondents, "*What kind of experience were you ideally looking for when you purchased your last lottery ticket?*". The top responses given for what people were looking for in a $1 game are shown below:



We also asked, "*What functional benefits were you ideally looking for*?". These answers translate to the more tangible aspects of game elements and lottery play such as a quick win, affordable, and easy to play. The top answers for the $1 price point are shown below:



In summary, core $1 players are looking for *familiar games* that are part of their *normal routine*. They want to stay in their comfort zone while having a temporary escape in their day.

For those players who indicated that a $1 game was the “main” driver of their most recent lottery purchase, we asked what other games they purchased during that same visit. Not surprisingly, of those that bought an additional game, most of them – 21% – bought $2 games. The $5 price point was purchased the second most at 9%. However, it is critical to point out that a rather larger majority – 63% – said that they did not buy any games *other* than the $1 price point.

We also asked these same players about their favorite attributes, specific to $1 games. The top responses for *playstyles* and *themes* are shown below:

Final Word

The *national study* we've outlined above for the *$1 price point* should be considered on a *state-specific level* to evaluate prize structures, attributes, and roles across *all price points*. At Scientific Games, we've taken on this endeavor, and we look forward to sharing our findings on critical prize tiers, impactful callouts, and attribute testing across additional price points in the near future.

For more information on next steps on how to design a research study that aligns with Scientific Games' national benchmarks, please contact your SG Account Team or drop Tim Menzia an email.

Source: *Understanding the Role of Price Points*, Scientific Games, 2023 n = 1,865

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