

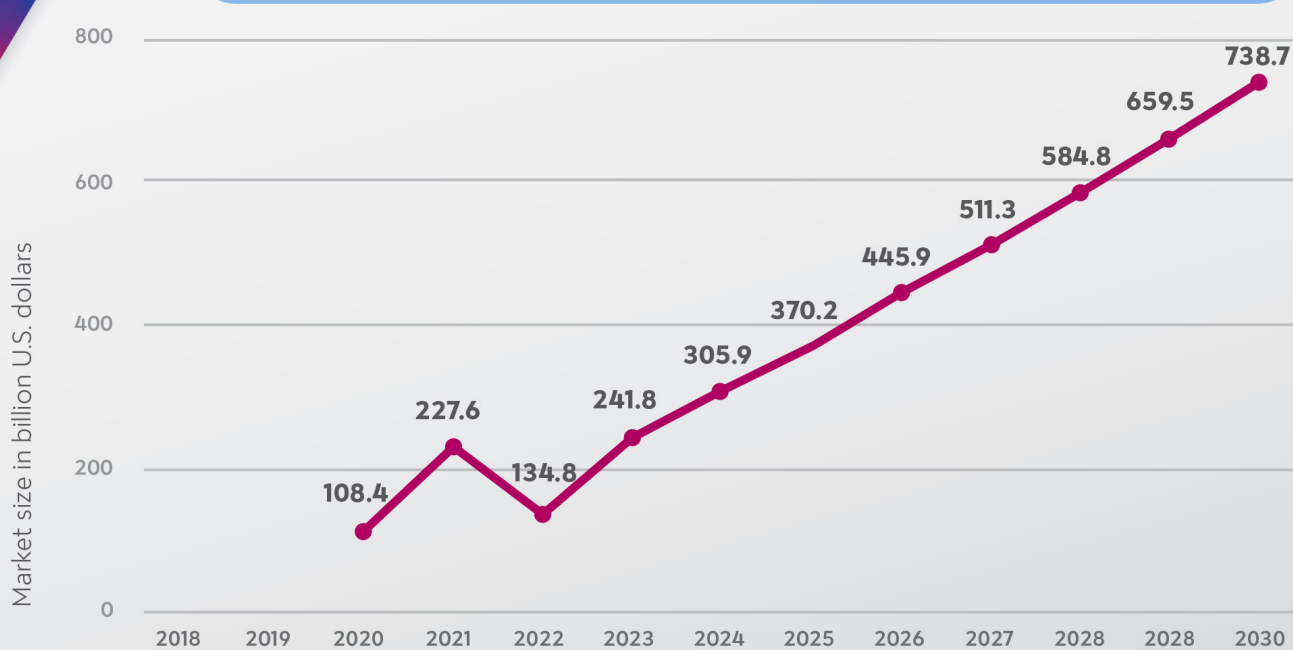
Artificial Intelligence

Artificial intelligence (AI) is at the forefront of a lot of minds these days. ChatGPT, face recognition, ads for products you've only *thought* about that show up in your social media newsfeed – AI is here and it's here to stay. In this issue of Data in Motion, we take a look at the growing market for artificial intelligence and provide some suggestions for how this incredibly powerful tool can be applied to our industry.

Exponential Growth

There are few areas of our everyday life that aren't currently being impacted by AI – healthcare, education, finance, marketing, and retail are just a few examples of industries that are using this technology to better understand the people they serve and do so more efficiently. While estimates vary depending on the source, there is absolute consensus that the market for AI is on the rise. Statista, for example, estimates that the AI market will grow from \$241.8 billion (2023) to almost \$740 billion by 2030, a compound annual growth rate of 17.3%.¹

Worldwide Artificial Intelligence Market Size, 2020 – 2023 (Statista)



AI and the Lottery Industry

There are a variety of ways that our industry can responsibly use artificial intelligence to improve efficiencies, better understand our players, and generate additional revenue for the good causes we support. For example:



Player Research and Acquisition

Incorporating AI into our analytics processes enables us to leverage existing data far more powerfully and effectively so that we can better drive player engagement and develop optimal game portfolios. Lotteries can use AI to quickly and easily filter, aggregate, and put context behind text responses in research surveys, for example, gleaning insights into player behavior to determine what game themes, prize structures, and promotional messaging will resonate most with a particular player type.



Personalized Marketing

AI can be used to send personalized messages to players based on their behaviors, like reminders to purchase tickets for their favorite game or letting them know about similar products. Lotteries can view a player's activity and send personalized, player-specific messages such as, "Nice win, Steve! Check out this new game and let us know if you like it."



Player Interaction and Services

A trained chatbot reduces lottery customer service workload and provides immediate responses to player questions such as game rules, draw dates and prize claims. It can change the way lotteries interface with players through a voice recognition "retailer" that processes transactions, provides winning numbers, cashes winning tickets, etc. AI can also provide voice-based interfaces for visually impaired players.



Responsible Gaming

An avatar that looks and sounds like a real human can be created for the sole purpose of age verification, healthy play education, personalized messages based on spending behaviors, and self-exclusion. Players may respond more positively to an AI-generated "human" than a pop-up message or text alert.

Final Word

While there are a lot of reasons to be excited about AI, there are many reasons to proceed with care and thoughtfulness. As this powerful tool becomes more accessible and more utilized by individuals and major organizations in both the public and private sectors, one concern is the potential for AI to eliminate certain types of jobs. While this is undoubtedly true and already happening in some sectors, the potential for AI to create entirely new, and potentially greater, employment opportunities in the long term is what many industry analysts, including Goldman-Sachs², predict will be the case:

"The good news is that worker displacement from automation has historically been offset by the creation of new jobs, and the emergence of new occupations following technological innovations accounts for the vast majority of long-run employment growth. The combination of significant labor cost savings, new job creation, and higher productivity for non-displaced workers raises the possibility of a productivity boom that raises economic growth substantially."

Did the wagon wheel industry take a hit when the automobile first came on the scene? Absolutely. But over time, whatever wagon wheel jobs were lost were replaced many times over with jobs in industries that were related to, or greatly improved by, the automobile. As entire industries, including our own, continue to embrace artificial intelligence, it will be interesting to see what jobs go away and what jobs are created to meet the needs and wants of today's consumer.

Sources: 1. Statista

2. From the Goldman-Sach's report "The Potentially Large Effects of Artificial Intelligence on Economic Growth," March 2023

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