

Insights and Data to Help Manage Today's Changing Consumer Environment

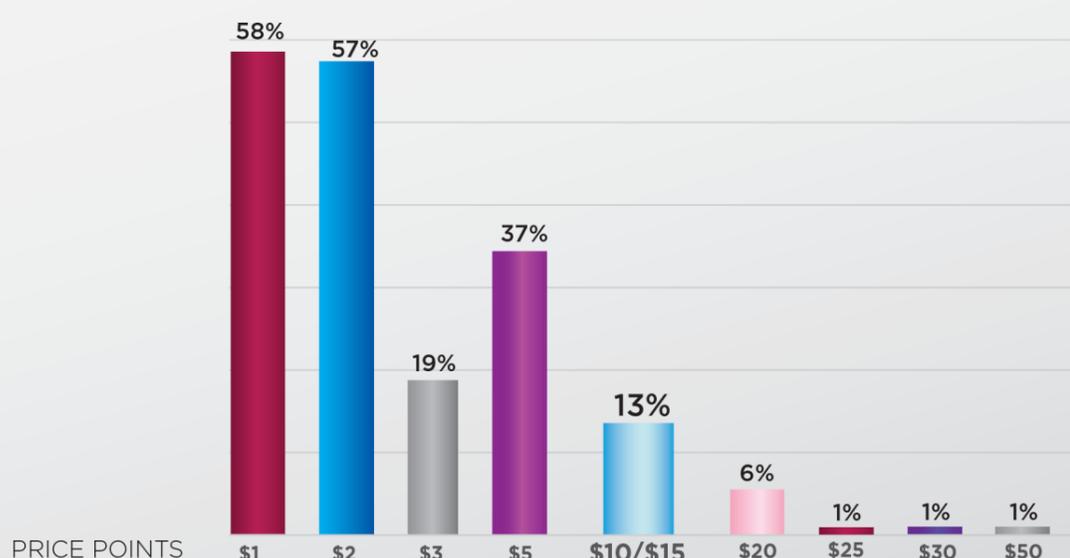
There is an old adage that 'the only constant in life is change' and it isn't difficult to apply this to our own industry. One recent example that caught our eye was the rather dramatic increase in those purchasing \$10 instant games. To be clear, there has been a migration up the price point ladder happening for some time now. But the recent pandemic seems to have accelerated this phenomenon and is especially apparent at the \$10 price point. In this issue of Data in Motion, we share some data points from our ONE™ Segmentation national player base (sample size: 4,017) that illustrate this shift in player behavior and pose some questions as to how this could impact instant game planning going forward.

Seven Year Jump

There are two charts below, one from 2014 and one from 2021. The first chart, from 2014, shows that 13% of players were buying tickets at the \$10/\$15 price points (these price points were combined for the 2014 study). The second chart, from 2021, shows this percentage almost doubling at 25% (20% at the \$10 price point and 5% at the \$15 price point).

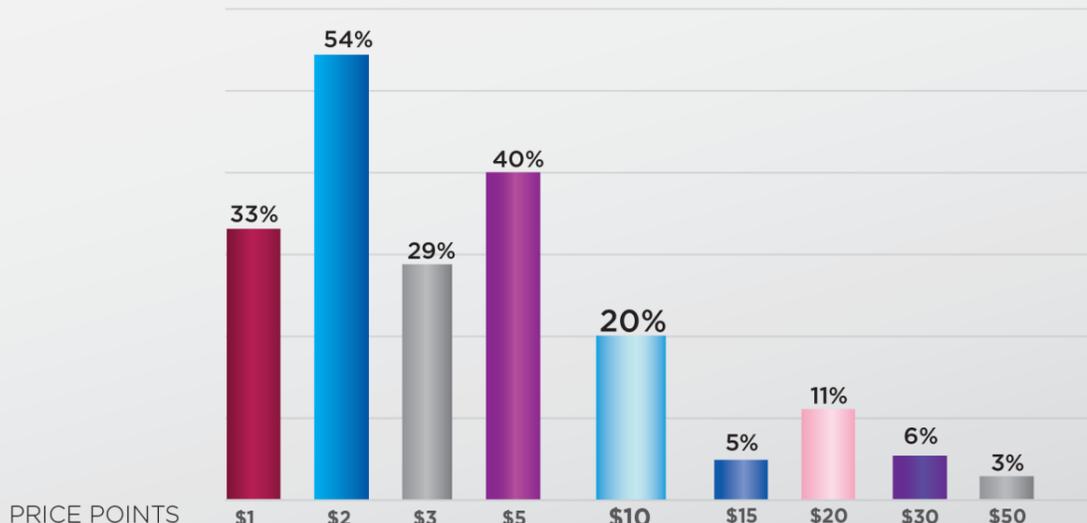
ONE™ Segmentation: 2014

When you buy instant scratch-off games, what price are the ticket(s) that you usually purchase? *Select all that apply.*



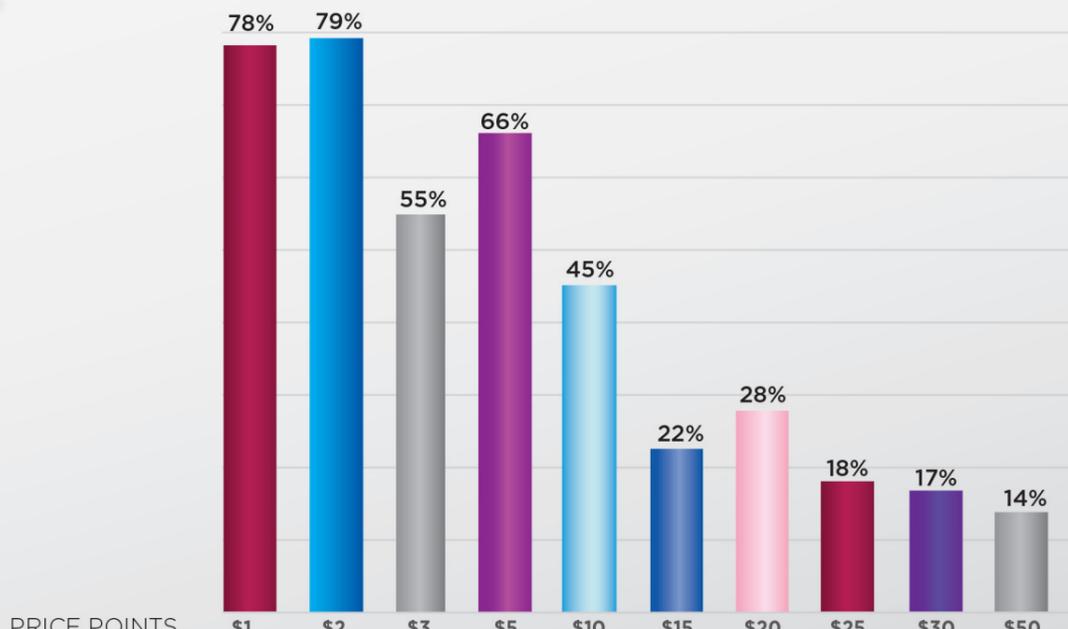
ONE™ Segmentation: 2021

When you buy instant scratch-off games, what price are the ticket(s) that you usually purchase? *Select all that apply.*



Another study from 2021 further confirms this broadened acceptance of the \$10 game. When asked what price points players are willing to purchase, almost half (45%) listed the \$10 price point as one they are open to buying:

What instant game price points are you open to purchasing?



A Change in Plans

What does this all mean in terms of instant game planning? One obvious take away is to make sure there is a sufficient number and variety of \$10 games available at retail. Players have gravitated to the \$10 price point for a reason so it would be a mistake to assume that they will be content buying two \$5 games (or the dollar-equivalent of another lower price point) in lieu of a \$10 game. And while we have seen an upward shift at all the higher price points, there is little indication that players are willing to make the leap to a \$20 game if they can't find a \$10 game they are interested in.

Final Thoughts

A more interesting question is whether the \$10 price point should still be considered a 'high' price point along with \$20, \$30, and \$50 games. It could be argued, given how 'mainstream' the price point has become, that the \$10 game should be considered more of a mid-tier price point, a spot long-held by the \$5 game. It's an important question because it affects the role this increasingly popular price point plays in a lottery's instant game portfolio and how it is positioned in the marketplace. Mid-tier games, after all, are marketed differently than high-tier games so it's worth considering just where the \$10 price point lives in your overall game mix.