

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

In our January 18 issue of Data in Motion, we covered a unique category of games that have grown in popularity over the past few years. These games feature three or fewer prize levels but a much greater chance of winning those prize levels versus a traditional instant scratch game. Often referred to as 'Blowout Games' or 'Limited Prize Structure Games', these games have become a favorite of both players and lotteries and boast an impressive sales record.

But Blowout Games aren't the only unique prize structure game out there. In this issue of Data in Motion we cover three other specialty prize structure games and suggest why it's important that we, as an industry, start using clear and common definitions when referring to these exciting variations of the traditional instant scratch game prize structure.

### Specialty Prize Structure Games

First, it might be useful to remind ourselves what a "traditional" instant scratch game prize structure looks like. Broadly speaking, a traditional instant scratch game prize structure has a large number of prizes at the lower end and a smaller number of prizes at the higher end, creating an inverted pyramid. For example, a traditional instant scratch game prize structure will have far more \$5 prizes than \$20 prizes and will have far more \$100 prizes than \$500 prizes. The odds for each prize level follow suit – the odds of winning a lower-level prize are always greater (i.e., better) than the odds of winning a higher-level prize.



A **Break-in-Odds Game** violates this nice, disciplined inverted pyramid shape. A Break-in-Odds Game might have far more \$200 prizes than \$50 prizes, for example, which means the odds of winning a \$200 prize is better than winning a \$50 prize, thus 'breaking-the-odds' pattern of a traditional instant scratch game's prize structure.

A **Standout Game** maintains the inverted pyramid shape of a traditional instant scratch game prize structure but has a prize level that 'stands out' by having a higher-than-average percent of winners at that level for a specific lottery (at least 1.5 standard deviations from the mean). So if the average odds of winning a \$100 prize for Lottery A is 1 in 500, a Standout Game for that lottery would offer a \$100 prize with odds of 1 in 432 or better.

It's worth noting here that a game with a Break-in-Odds prize level does not make it a Standout Game and vice versa – a Standout Game may technically offer a prize level with greater than a 1.5 standard deviation of winning, but that doesn't mean it violates the inverted pyramid shape of a traditional prize structure, which is necessary for it to be a Break-in-Odds Game.

But what happens when a game offers BOTH? What happens when a game offers a prize that has a greater than 1.5 standard deviation chance of winning AND violates the inverted pyramid shape of a traditional instant scratch game? This is what we call a **Breakout Game (BREAK-in-Odds + StandOUT)**.

### Breakout Games

Breakout Games can be an exciting addition to your instant scratch game portfolio. Different lotteries use different terms for these games such as "Loaded" or "Hit" or "Frenzy" games, but this is where definitions matter. A game called "\$500 Frenzy!", for example, is only a *true* Breakout Game if it meets the following criteria:

- The percent of \$500 winners is greater than the average for that jurisdiction by 1.5 standard deviations AND...
- ...the number of \$500 prizes violates the inverted pyramid shape of a traditional instant scratch game prize structure (more \$500 prizes than \$200 prizes, for example)

If the game's prize structure does not fit both of these criteria, it does not meet the technical definition of a Breakout Game regardless of what the game is named.

As these specialty prize structure games grow in popularity, it is vitally important that we be clear, both within our industry and with players, how these games are defined and communicated. As we noted in our January 18 issue, all of these specialty prize structure games have tremendous marketing value built right into the game. A lottery might market a game as being "Loaded with \$200 Prizes!" or "Hit \$500!" but if the odds of winning those prize levels are, in fact, no different than they are for the other games in market, players feel that disparity between what was promised and what they experienced and they remember. So if you're considering including specialty prize structure games in your product mix (and you should!), keep the above definitions in mind.

### Final Thoughts

How each lottery refers to these games when marketing to players will obviously vary. One lottery's "Hit \$500!" game is another lottery's "\$500 Frenzy!" game, and that's fine. What's important is that when a lottery markets a game along these lines that the prize structure for that game align with the messaging so that players begin to truly feel the game's unique selling proposition and see these games as the exciting alternative they are. In an upcoming issue of Data in Motion, we will use Scientific Games' MAP database to look at the sales of these specialty games and share some additional insights on how to maximize the impact they have on your bottom line.

**Do you have an idea for a future edition of Data in Motion? Is there a topic you'd like for us to cover? Click on the link below and let us know!**

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