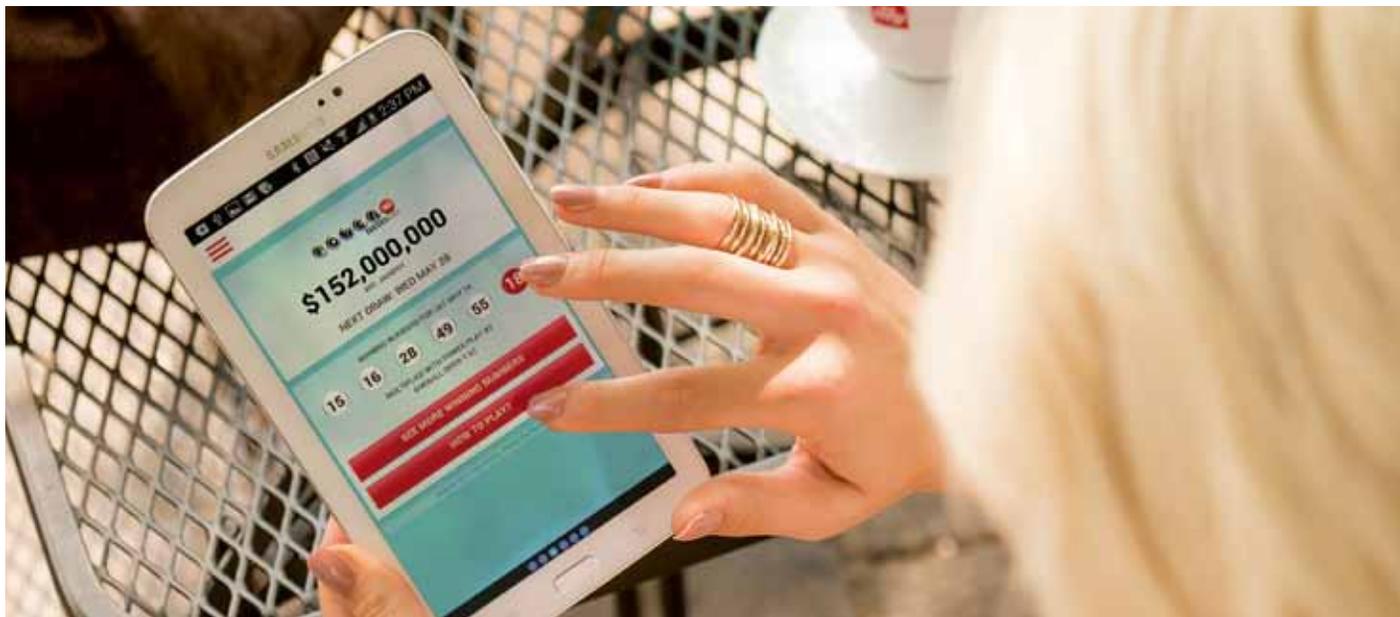


MOBILIZE YOUR LOTTERY BRAND



Modernization is critical to maintain relevance. In today's world, this means lotteries must have not only a strong retail, web, and social media presence, but a robust and compelling mobile strategy as well.

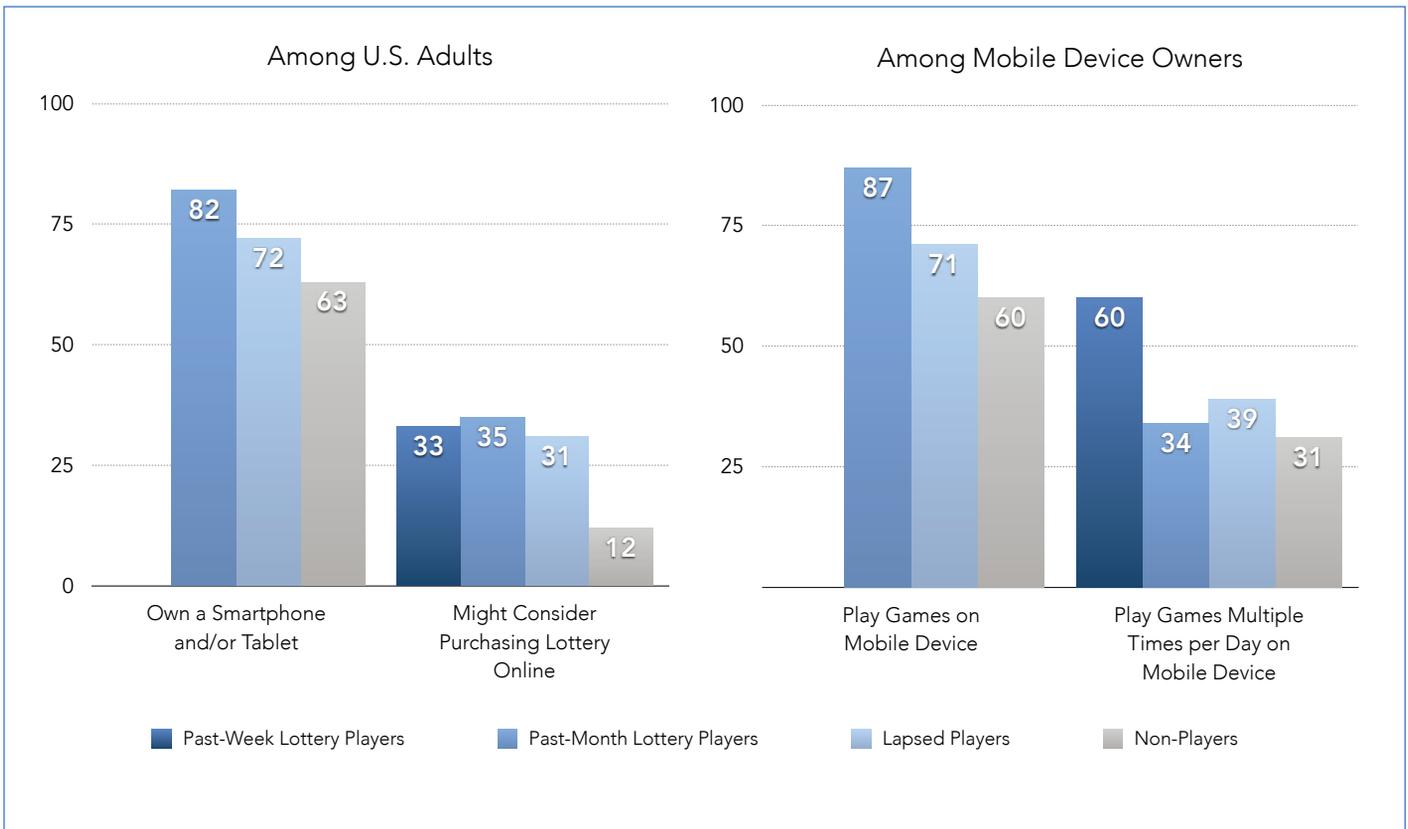
The proliferation of tablets and smartphones has dramatically altered the online landscape, to the point that the Internet is now primarily a mobile medium. A recent study on mobile use and gaming commissioned in part by GTECH and conducted by Leger, The Research Intelligence Group, confirms what is rapidly becoming apparent even to the naked eye. The vast majority (76%) of the U.S. adult population currently owns at least one mobile device – a 15% jump since 2013. Moreover, and perhaps surprisingly, lottery players are more likely to own a smartphone and/or tablet than are non-players.

In fact, the Leger study debunks many myths widely believed about the mobile category, especially as it pertains to lottery players. For instance:

- › The mobile category was once thought of being the province of the very young, but in fact:
 - » The 30–39 age group has the highest ownership of either a smartphone or a tablet and is more likely than any other group to own both devices.
 - » Nearly half of people 65 and over own a smartphone, a tablet, or both.
 - » Mobile device ownership is pervasive across gender and race.
- › Nearly 4 out of 5 smartphone/tablet owners play games on their mobile device; again the 30–39 age group leads that category (at 92%), with 40–49 and 18–29 not far behind.

	U.S Adults	18–29	30–39	40–49	50–64	65+
Own smartphone and/or tablet	76%	89%	91%	84%	67%	48%
Play games on smartphone/tablet	79%	85%	92%	87%	67%	48%

- › Mobile device ownership is even more prevalent among lottery players than among non-players.
 - » 19% more lottery monthly lottery players own a smartphone/tablet than do non-lottery players (82% vs. 63%).
 - » More than 86% of people who have bought or intend to buy lottery online have one or more mobile devices.
 - » Almost 4 out of 5 people who have purchased lottery online own both a smartphone and a tablet.
 - » Half of all those who “intend to purchase lottery online” own both devices.
- › Lottery players are more likely to play games on their mobile devices than non-lottery players.
 - » Past-week lottery players heavily over-index on playing mobile games multiple times a day (60%).
 - » Over 60% of past-month lottery players play a mobile game at least once a day.



What does all this mean for lotteries? If you do not have a robust mobile strategy, you risk missing out on opportunities both to retain the customers you now have and to grow and diversify your player base. Quite simply, mobile makes lottery more convenient, especially for new and lapsed players. Even if your lottery has no plans to sell games online, you can immediately engage mobile consumers with a convenience app, second chance promotions, play for fun games, and/or traditional lottery games with mobile components.

MAKE THE MOST OF MOBILE WITH A LOTTERY CONVENIENCE APP

New data (as of March 2014) from app analytics provider Flurry found that users spend a whopping 2 hours and 42 minutes per day on mobile devices, and that all but 23 minutes of that time is spent on mobile app (as opposed to web) usage. This suggests that consumers are opting for the ease of use, security, and focus that apps provide over larger, diffused websites. Developing a mobile app and promoting it among your players can be vital to furthering your business.

A convenience app gives your customers an abundance of lottery information – including



62% OF SMARTPHONE USERS – AND 83% OF PAST-MONTH LOTTERY PLAYERS – FIND THE IDEA OF A LOTTERY APP “VERY APPEALING” OR “SOMEWHAT APPEALING”

where to find their nearest Lottery retailer – right at their fingertips. Valuable mobile app features include:

- › Jackpot amounts and alerts
- › Winning numbers
- › Lottery retailer locator
- › Digital playslip
- › Games to Go
- › Mobile ticket checker
- › How to play guides
- › Responsible Gaming information

ADD INTERACTIVITY TO SECOND CHANCE DRAWINGS

Mobile devices and apps provide an excellent channel for second chance drawings. For the New York Lottery’s Bejeweled promotion, players simply use the Lottery’s mobile app to scan the QR code on the back of their Bejeweled ticket (a QR reader is embedded in the app) to be taken to a responsive second chance site. The New York promotion also



includes a Bejeweled play for fun game that can be played on any device and on any platform.

MOBILE GAMES & COMPONENTS

Mobile games on smartphones and tablets have clearly reshaped customer expectation for the lottery. The Leger study has provided GTECH with many insights into mobile device users' and lottery players' gaming experience and

their attitudes about online lottery games (play for fun and for sale), including which mobile game genres appeal to lottery players and some of the brand affinity and brands that might resonate with these players. Of particular note is the finding that as many as 40% of U.S. adults, nearly half of all past-month lottery players, and 60% of past-week players surveyed say they are interested in playing an online scratch game via mobile device.

Of course, you can also have a powerful mobile strategy without actually offering mobile games. Evolving your draw games portfolio to incorporate a mobile reveal, such as has been incorporated in the new Bingo To Go game (launching later in 2014), will draw consumers to your lottery's app and website and keep them coming back. Results can be seen via an animated drawing on the Lottery app; when the player scans the QR code on his or her ticket, numbers will automatically populate the player's bingo board as they are drawn!

Pundits used to speak of the mobile channel as the future of the Internet, but clearly, that future has arrived. Whatever your intentions or legislative restrictions, having an effective mobile strategy in place is one of the keys to maintaining and growing your customer base in today's mobile age.