

# Jack Update: Scratch Jacks for Instant

## Director's Note

For those who feared that they have missed our February newsletter, don't fret. Since February is such a short month, we thought we would just combine our February and March newsletters. Actually, we are just a bit behind. Things have been very busy here at ILR but we are eager to share the latest "Jack Poll" results with you.

Last month we talked about what happened with instant/scratch-off games over the holidays. We found that only half of lottery players who planned on buying instant games as gifts over the holidays did so. The ILR National Poll also found that the holidays are a time when younger players and women are more likely to purchase lottery tickets than usual.

[To view past newsletters, click here.](#)

With this month's national poll we wanted to scratch a little deeper into instant ticket buying behavior and see what we could find out about price points, prizes, and how lottery players actually play instant games. A number of ILR monthly readers had asked questions, either through our website or by email, on specific instant game questions that they were interested in; with this poll, we have attempted to find out for them about Joes (current players) and Jacks (lapsed and non players) and how they interact with instant games.

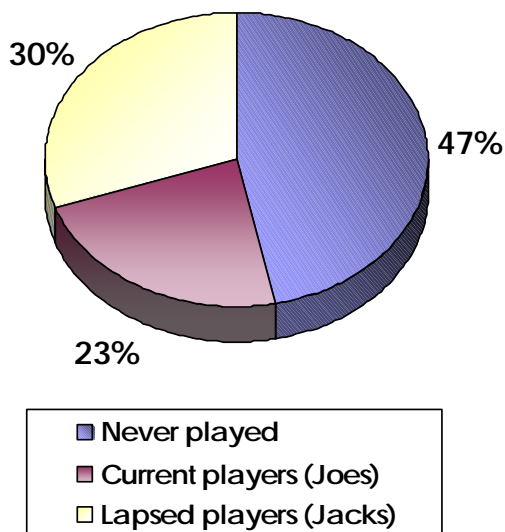
Our methodology remained the same (see website for a detailed description) and the results of the February National Poll provide relevant information to inform decision-making by lotteries and lottery vendors. As always, we sought to understand what games Joes and Jacks are buying or not buying, and more importantly...why?

What is the "Jack Poll"?

If you want to know how we conduct the national poll, click here:  
<http://www.ilresearch.com/jackpolls.html>

## An Instant United States

Half of people living in lottery jurisdictions have never played instant or scratch-off games. Of all people who have ever played instant games, fewer than half are "still playing," while the majority are lapsed instant game players who have played but say they are "no longer playing" them.

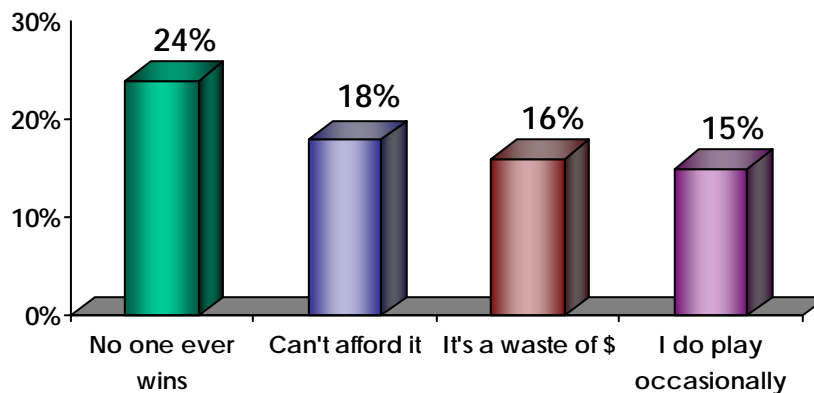


## An Instant United States (cont.)

In essence, three-fourths of the total adult population of lottery states are instant ticket “Jacks” (never played or no longer playing) and less than one-quarter are instant ticket “Joes” (currently playing).

The main reason lapsed players say that they do not play any more are financial ones, including reporting they can't afford instant tickets anymore or that, to them, it's a waste of money—and, even with significantly increased prize percentage payouts, that no one ever wins. Of course, recently in Mesopotamia, archeologists uncovered a similar survey inscribed on a tablet, which when translated read: “don't like instant papyrus tickets...never win...” so some things are both universal to the business and almost an urban legend.

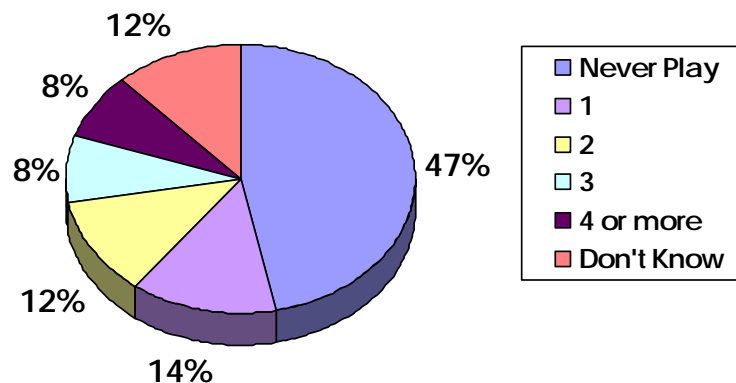
A small but not insignificant percentage also mention that they do play occasionally on a whim or when they're feeling lucky.



## Multiple Games...Multiple Purchasers?

Most current players play two to three different types of instant games.

Of all adults in lottery jurisdictions, 14% say that they usually only play one type of game, 12% play two different types of games, and only 16% play three different types of games or more (8% three games, 8% four or more games).



## Multiple Games...Multiple Purchasers? (cont.)

As we have found with most lottery games, the core playership is very small. Only 10% of the total adult population currently plays instant/scratch-off games and usually plays three or more games (5% of the adult population currently plays instant/scratch-off games and usually plays four or more games). This could be why there is such a fall off in lower price point sales upon introduction of a higher price point game. But, it is an exciting marketing and game design possibility to know how big the instant market could be.

## The Psychology of Scratch

We find in our survey that both Joes and Jacks have strong opinions about instant games, usually strongly agreeing or strongly disagreeing with a number of statements asked of them. We use this technique with a number of non-lottery clients to give them a picture of consumers' relationship with their brand/product/service. The fact that adults have such strong opinions speaks to the immediacy of the lottery to all adults, current players or not. The statements people agree with most are:

- Some instant/scratch-off games are too expensive to play regularly.
- I only play the games I am familiar with.
- There are too many different instant/scratch-off games; it's confusing to me.

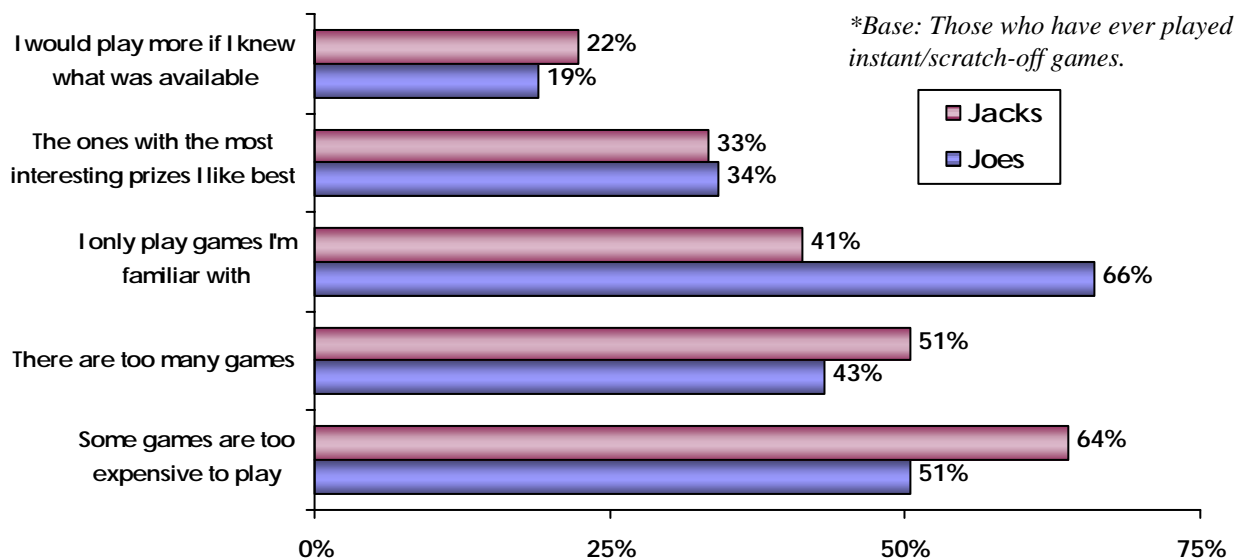
The statement people are most likely to disagree with is:

- I would play more instant/scratch-off games if I knew what was available.

The most polarizing statement, in terms of people tending to either strongly agree OR strongly disagree, is:

- The games with the most interesting prizes are the ones I like best.

**Percent Agreeing With Each Statement \***



# Implications: Is There a Niche to Scratch?

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February's ILR National Poll can be read in two ways. First, it provides insight into how small and how vulnerable the current instant/scratch-off player base is. We also see how niche-like the most popular instant game strategies are. More games, higher price points, and higher prize percentage payouts have significant potential limitations and seem to have little, if any, attraction to "Jacks" or anyone outside the core instant playership.

But, most importantly, and what ILR believes is an incredible opportunity: there is an enormous untapped market for instant ticket sales available to lotteries and lottery vendors among lapsed and non-playing adults.

February's poll is a coda to previous ILR polling, which indicated and then proved that increased gas prices would have a much larger effect on Joes than Jacks. It gives a clear indication of the potential spending power of Jacks. Holiday-themed instant games saw significant increased sales among young adults and women, two groups usually firmly represented in the Jack category. Our recent polls indicate that during the same period, holiday instant ticket sales suffered among the core group of players who, under better economic circumstances, would have bought the majority of tickets. The poll's indication that the types of prizes matter should be music to the ears of companies who specialize in branded games, innovative prizes, and seek to design scratch hits for a broad range of Joes and Jacks.

ILR specializes in knowing "Jack" and developing research tools for lotteries and lottery vendors to characterize Jack and discover the types of lottery games that would appeal to him or her. We have strategies to uncover the kinds of media or point-of-purchase messages that would motivate Jacks to play. We help lotteries make more money and profits by knowing Jack and getting a new audience to play the lottery. We all obviously know Joe...but, Joe is only 25% of the potential lottery market. Hopefully our newsletters and polls are helping all of us to don the pin we proudly wore for the Minneapolis meeting: 'WE KNOW JACK.'

Who are "Joe" and "Jack"?  
click here to find out:

<http://www.ilresearch.com/joeandjack.html>

## ILR Recommendations

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- ❖ The size of the potential market for instant sales is huge. Lotteries and vendors need to understand this potential market.
- ❖ Most adults have played instant games in the past and have stopped. We must uncover the real barriers to sales beyond the broad concerns of cost and lack of winners.
- ❖ We must also determine who is actually buying higher price point games and what these games are doing to sales.
- ❖ Develop games with a Jack prize...not Joe churn.
- ❖ Get to know Jack. We have proprietary tools to help you accomplish Jack-ology. Visit our website and give us a call.

## For Vendors Only

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- These national survey results may give you ideas on what products and marketing advice to offer lotteries to increase their sales and profits as well as helping your bottom line. The data from Christmas and the indications from this recent poll suggest a wide range of new strategies in the highly competitive instant supplier market. Our results speak loudly to the eventual exhaustion of loyal Joes as time and budgets limit their instant ticket elasticity of demand. They also indicate just how large Jack's potential is.
- These times call for a rethinking of many current accepted practices. ILR director, Michael Jones, developed a "Family of Games" scratch strategy for the Colorado lottery. This positioning aligns game themes with price points and advertising communications. While Jacks can and will buy a twenty dollar instant ticket, the ILR poll indicates that they will be more swayed by substance than churn.

A full detailed report of the past four months of data on gas prices and holiday spending, with implications, recommendations, and a breakout of residents in your state (where possible) is available for purchase.

The detailed report is available for \$1,500.  
Please allow 1-2 weeks for delivery.

**Contact us to find out more about purchasing this report.**

You may also call us at: 312-546-5925

Each month, we conduct our monthly "Jack" poll and will share this information with you. If you want to suggest a question to add to our poll, drop us an email at:  
[info@ilresearch.com](mailto:info@ilresearch.com)



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