● CASE STUDY

Achieving Record Growth:

The Hoosier Lottery Model for Success

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Overview

The lottery industry is perpetually evolving, driven by consumer preferences, digital advancements, and increasing competition from alternative gaming platforms. Yet, amid these shifts, the Hoosier Lottery has been able to achieve remarkable growth by building a forward-thinking strategy centered on data analytics, portfolio optimization, and retail distribution.

KEY STRATEGIES

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"Hoosier Lottery's contracted service agreement with Brightstar Indiana has been instrumental in further driving our success. By working closely with retailers and leveraging data-driven insights, we've been able to create innovative solutions that benefit players, retailers, and the state of Indiana alike. It's this collaborative spirit that continues to fuel our growth."

Sarah M. Taylor, Executive Director, Hoosier Lottery
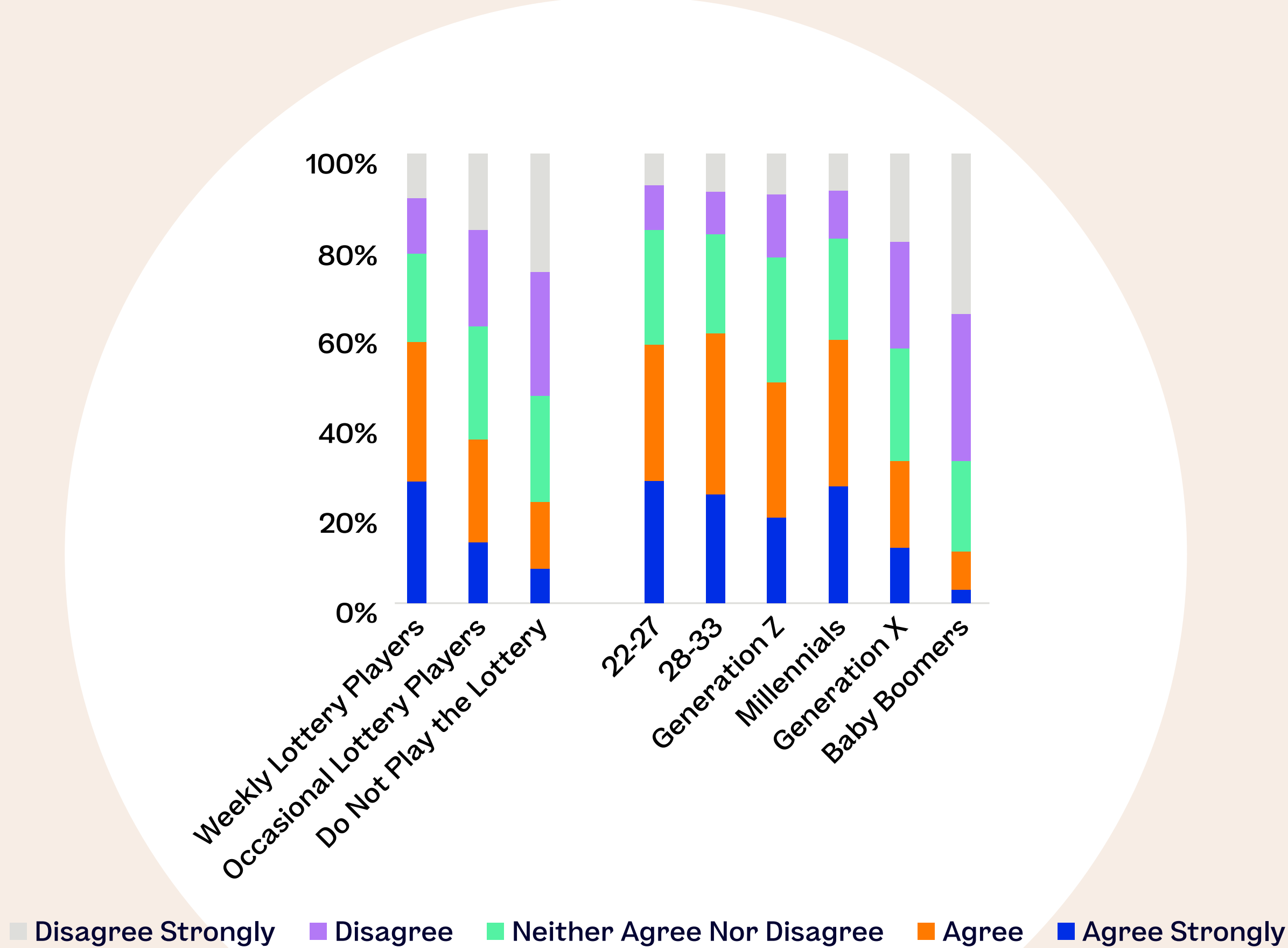
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Personalizing Player Experiences

Players seek games that resonate with their tastes, and personalization is at the heart of the Hoosier Lottery's success. Rather than offering repetitive game experiences, the lottery focused on diversification. This included creating games with distinct visual appeals, innovative themes, and engaging prize structures.

Notable innovations included reducing top-prize allocations to reinvest in middle-tier prizes and introducing loaded games with exciting reward structures. Retailers have noticed the difference, observing that cashable prize structures now drive more store traffic and additional transactions.

Survey data further justifies lottery players are willing to spend for personalization, with 58% of weekly lottery players agreeing that they would pay twice as much for a product that is personalized to their needs, compared to only 23% of non-players[1].

How strongly do you agree or disagree with the following statements?
I'm willing to pay twice as much for a product that is personalized to my needs (e.g. clothes, furniture, skincare).

Legend: Disagree Strongly | Disagree | Neither Agree Nor Disagree | Agree | Agree Strongly

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"As a partner with the Hoosier Lottery since its inception, we have grown exponentially over the years. From the beginning with only some $1 Scratch-offs and the evolved online terminal to the current $50 scratch tickets, the relationship has evolved. We currently run massive incentive programs for our consumers through our loyalty app. Our consumers love these programs. We have incentivized our staff on selling lottery, which is also very popular. We have amazing reporting that allows us to monitor vending machine sales, online sales and scratch sales at every store. Our partnership is above and beyond what it was at the inception of the Hoosier Lottery. And with that, at the end of the day, it is a win-win for all of us. The marketing agreements that we each have run very successfully and smoothly together."

Missy Holley, Category Manager & Buyer Lassus Bros. Oil, INC.

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Optimizing Product Portfolios

With a data-led approach, the Hoosier Lottery evaluated its product lineup to identify opportunities for growth. A standout example is the in-state Lotto game, Hoosier Lotto+PLUS®. In 2016, the base game price increased from $1 to $2 and proved to be the better value for consumers thanks to enhanced odds, embedded multipliers, and a $1 add-on option to use your numbers in an additional drawing. Although there was an initial reduction in playership due to pricing changes, the game rebounded strongly and contributed to portfolio stability.

Scratch-offs are another hallmark of success. By 2020, sales exceeded $1 billion annually. This achievement reflects a combination of effective prize structures, visual design, and ensuring a balanced portfolio that appeals to various player segments.

Enhancing Retail Distribution Strategies

Focusing on strategies to optimize retail presence was a key pillar of the Hoosier Lottery's success. Distribution strategies evolved significantly with a focus on self-service capabilities, corporate account expansion, and region-specific optimizations. Today, self-service ticket vending machines (LVMs) account for 19% of sales, complementing the counter-based experience.

Retailers across Indiana also benefited from detailed planograms tailored to their specific needs, ensuring that optimal mixes of games were displayed in every store. Corporate accounts now represent a major focus as their contributions account for 70% of the state's retail lottery sales.

Percentage of Retailers with Self-Service

Legend: ■ % of Network   ■ Retailers with Self-Service
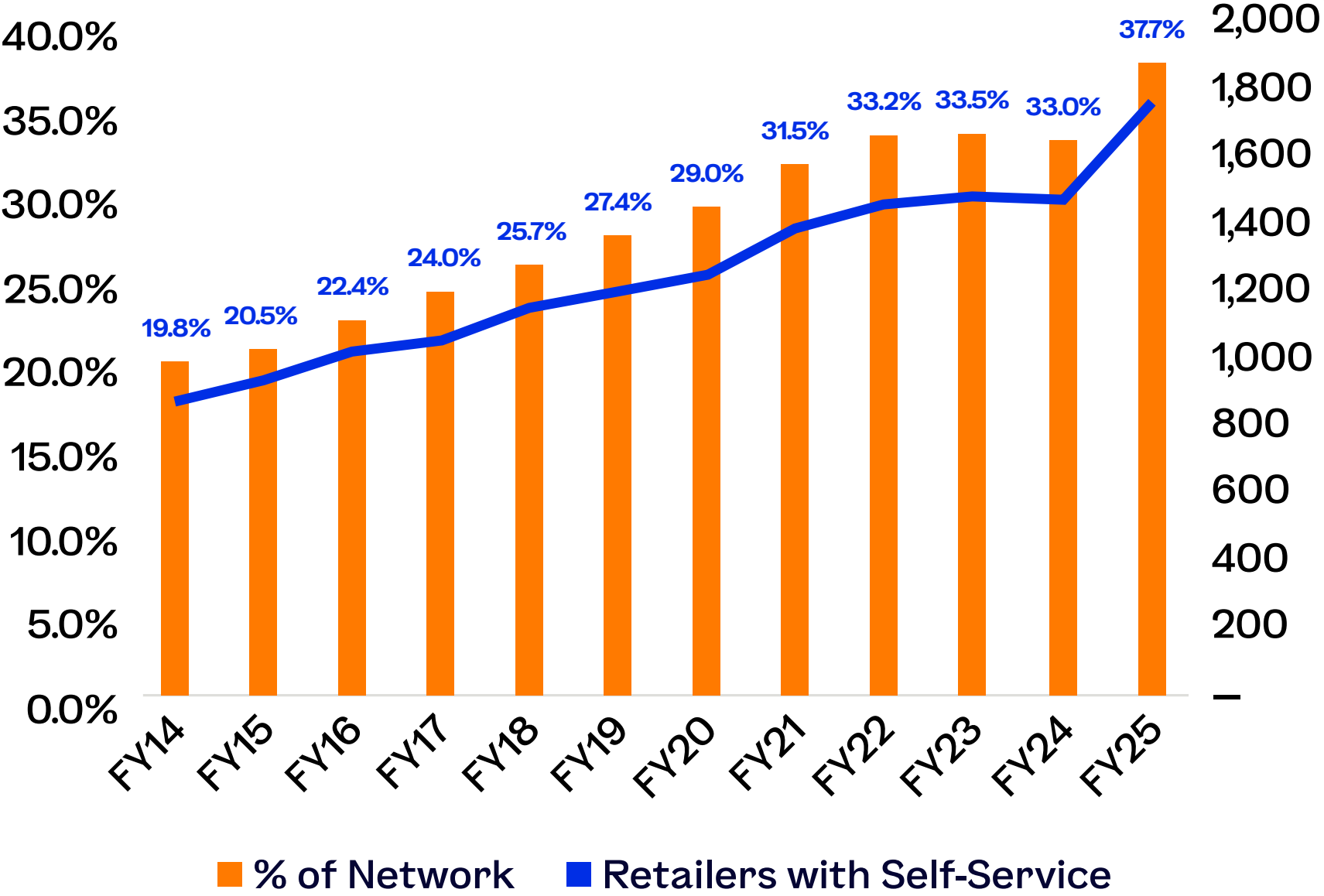
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"The partnership we have built with the team at Brightstar has been outstanding. Our business has grown exponentially by leveraging new displays to offer over one hundred scratch-offs, improved jackpot signage, and, most recently, state-of-the-art self-service equipment. We receive excellent communication and collaboration from our sales representative, as well as support from the entire leadership team."

Joe Morcos, Silver Express

"I am pleased with the business relationship that has been formed with Brightstar. The addition of the new GT28 machine along with my current Gemini has helped increase my customer base as well as overall sales. I really like the Retailer Wizard portal and all the data it has to offer. My sales representative does a stellar job keeping me informed with all things lottery."

**Vijay Patel,** Grand Food Junction

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Focusing on Fast Play

Fast Play has emerged as one of the Hoosier Lottery's most groundbreaking innovations, now generating $40 million annually. Its success is credited to a multifaceted approach using data analytics, strategic merchandising, and player-centric promotions.

Preparations for Fast Play's sustained growth included launching targeted family games and deploying limited initial marketing to gauge player interest. Building on this strong foundation, the lottery expanded its strategy with merchandising tailored to promote progressive jackpots, capturing attention at the point of sale with visually engaging materials that drive player curiosity and participation.

The Lottery also introduced Fast Play AFTS (Ask for the Sale), aligning retail engagement with tactical promotional activity while mass media campaigns are in-market. This initiative ensures retailers actively promote Fast Play games, increasing interest and boosting sales momentum during key promotional periods.

An industry milestone was reached with Brightstar's support as the lottery launched its first-ever Second Chance promotion, including all Fast Play games on sale. This groundbreaking initiative not only added an extra layer of excitement for players but also demonstrated innovative thinking in leveraging untapped opportunities within the product line.

Hoosier's Fast Play Net Sales

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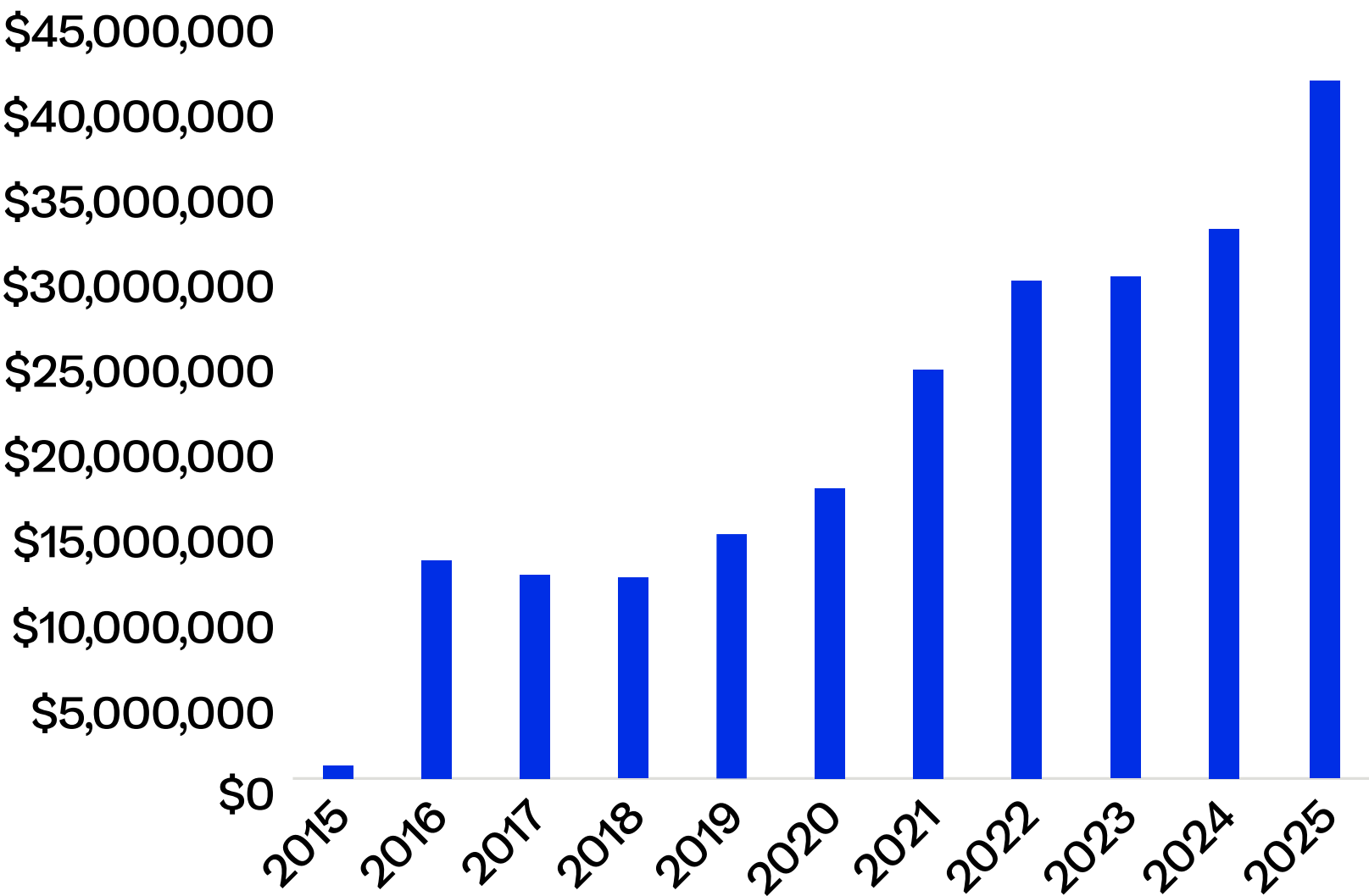
The Hoosier Lottery's focused strategies resulted in record-breaking success across multiple fronts:

RESULTS

87%
Sales Growth

lottery sales increased drastically since 2013, demonstrating effective management and innovation

Retail Network Expansion

doubling access points and combining counter and self-service solutions resulted in 33 unique games per retailer

$1Billion
Scratch-Off Sales

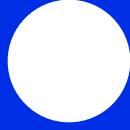FY 2020 marked this milestone, underpinned by portfolio optimization

Fast Play Revenue

the category now generates $40 million annually, with rapid adoption and retailer engagement as key drivers

19%

of total lottery sales are now attributed to self-service vending machines in Indiana

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