



Lottaverse

Metaverse for lotteries

November 2022



Despite how new it appears; metaverse has been there with us for a long time. Blockchain has brought metaverse to a whole new dimension, unlocking the promised potentials.

The shift in consumer behavior has opened a new horizon for lotteries to apply their full inclusion model and onboard a new generation of players who prefer to buy their lucky ticket from a metaverse store. In a reality where youngsters go about their life virtually, it is mission critical for lotteries to have an outlet where this new population prefers to shop.

What does metaverse mean?

The prefix meta- denotes something that is "beyond," "more thorough," or even "transformative" (like metamorphosis). The suffix "-verse," which comes from the word "universe," designates either a particular area or sphere (like the Twitterverse) or a fictional world (like the omegaverse), a genre that divides characters into alphas, betas, and omegas. The term "metaverse" as a whole often refers to a virtual environment that exists outside of, above, or in addition to the real world.

The origin of metaverse

The term was coined in *Snow Crash*, a 1992 dystopian science fiction novel written by Neil Stevenson. In this book, the Metaverse is the sum of virtual and augmented reality centered around a super-long "Street" that humans can walk as avatars, wear virtual reality (VR) headsets, and connect to terminals. Since then, the term "metaverse" has been used to describe all sorts of initiatives focused on creating a more permanent virtual reality that invades our physical lives.

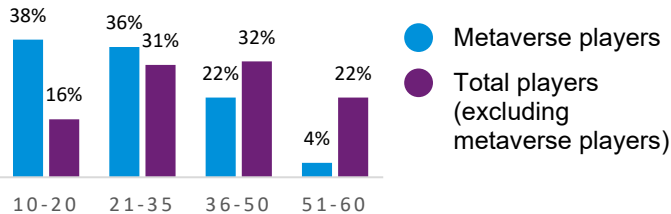
Attempts were made to create immersive virtual worlds as early as the 1960s, a pursuit powered by the international efforts of movie and video game industries. One of the most-stated examples of metaverse is *Second Life*, an alt-reality computer game created in 2003, where one plays through an avatar and could do just about anything — like build a house or get married. It was a super real world it could not get more real than that. By 2006, there had been sufficient metaverse fans to bring them in for a summit.

There have been a few rounds of metaverse hype over the years, but many of today's experts insist that for the first time ever, we have the right technology, protocols, and infrastructure to put more effort and determination and make it real. Many brands have already started using this powerful platform to expand their market reach and establish their presence in a new world coming to us. Examples include some of big names like Nike or Starbucks offering their collectibles on metaverse via Non-Fungible Tokens (NFTs) to attract new generation of customers as part of their loyalty programs.

Demographic of players

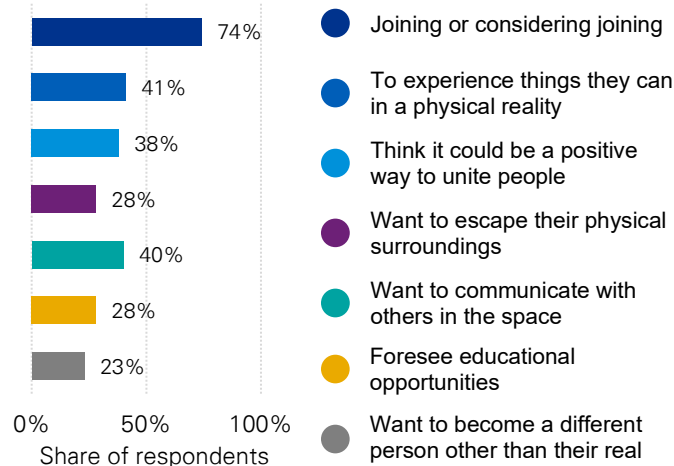
The graph below depicts a transition from the typical gamer to a metaverse player. Younger generations – Gen Z and Gen Alpha – are clearly growing up in the metaverse.

Age distribution



It's not surprising to see consumer brands and major tech companies doubling down on anything metaverse because these high-value, youthful consumers are difficult to reach through conventional marketing strategies and even on social media.

Users interest in metaverse



According to a survey published by Statista, 74% of internet users in the U.S. would join or consider joining the metaverse, whereas 41% would do it to experience things they can't do in the physical world.

The Lottoverse

It is hard to imagine that in the year 2030, not a single lottery winner would be under the age of 25. Nevertheless, there are tendencies that suggest the lack of interest in current lotteries among young generations. Only 5% of lottery players in 2019 were between the ages of 18 and 25, while 62% were 45 years of age or older. These figures demonstrate that for the lottery industry to prosper in the long run, it must draw younger consumers.

Bringing ticket sales to a virtual reality (lottoverse) where players can purchase their lucky tickets from the lottery store next to the Nike's outlet after buying their favorite Air Force 1, is one straight way to go for lotteries to expand their market to the space where Gen Z and Gen Alpha are the main occupants, and they will be the main lottery players in about a decade.

How real can it get?

Unlike most of current day use cases in metaverse that are intangible – the purchased Air Force 1 in metaverse would remain in virtuality – a lottery ticket that is purchased in metaverse has traces in real life:

- Lottery tickets bought in metaverse can still be tracked in real life and if won, the respective player will own the real money.
- The good act from playing a lottery extends its impact to real life, helping with social purposes and contributing to the local societies.

The lottoverse is one of the use cases for metaverse where the virtual instruments shape the benefits in reality.

Are you ready for metaverse?

Lottoverse is not an off-the-shelf product, neither metaverse and nor the blockchain as the underlying infrastructure. To prepare for metaverse, lottery organizers shall go through a transitional period where they adopt the new reality while keeping the break-and-mortar business model.

At Block Expert, we assist our partners to embrace blockchain by walking them through this transition and providing them with tailored recommendations and technical capabilities that will enable them to have a successful adoption of this new reality.

Our onboarding journey model that is tailored for the lottery industry includes 3 phases: Adoption, Growth, and Maturity.

As part of our approach in adoption phase, we conduct a readiness assessment on the current profile of our clients to understand if they are ready for such new technology and how they can improve to be ready for the future that is closer than ever. This will be followed by detailed roadmap and providing technical capabilities to complete the adoption phase.

What is next?

Once our clients complete their blockchain adoption and onboard to the metaverse, we will assist our clients to create strategic alliances and make growth partners on metaverse by using our growth model that provides a framework for businesses to achieve their targets in being social purpose, while enabling players to participate in the lottery games for free. Lotteries and their growth partners will generate a new, significant, and sustainable pipeline of revenue, and profits for investment and charitable redistribution as part of their social purpose program.

Contact us



Block Expert Inc.
info@bexpert.com
www.bexpert.com

2500-500 4 Ave SW
Calgary, AB T2P 2V6 Canada