Digital Transformation is helping disrupt a
sector often treated as untouchable by Industry,
while e-gaming is taking main stage with game
of skills, game of change remains in the realm of
traditional players. Here is a case where
technology has transformed the traditional
business model and made it a digital first

Online Lottery –
Disruption
through
Digital Transformation

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Digital Transformation – a true disruption in India Lottery Market

Lottery, a word associated as social taboo in India and for businesses, a sector often associated with fraud, tax evasion and so many things. The negative stigma associated with it is endless but people still play!! It's a cultural habit build in from centuries, ancient texts mentions it and it continues to hold a place in our tradition. Be it Diwali or any form of social gathering, we love to play bets. With changes it has evolved, from online betting, to fantasy games, to game of skills, it has taken many forms, while older versions of betting still continues.

What it meant to Govt., a dilemma, shall we ban it for larger societal benefit or regulate it, bringing in transparency and safety to players and a sizable revenue to Govt.!! Even if Centre Govt. regulates lottery thru policy framework, it's a state prerogative and is subject to manipulation/interpretation.

Can technology, empowered with a policy guidelines bring in the desired change and transform the sector?

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Let's review some key statistics to understand the sector better & its revenue impact:

Structure	Revenue	CAGR 2025-2029	User Penetration	ARPU
Sports Betting	US$ 2.19 bn	US$ 2.70 bn (5.32%)	1.1%	US$ 139.51
Casino & Casino Games	US$ 1.01 bn	US$ 1.18 bn (4.07%)	0.8%	US$ 91.91
Lottery & Bingo	US$ 4.81 bn	US$ 5.12 bn (1.6%)	4.9%	US$ 66.86

Source: Statista (https://www.statista.com/outlook/amo/gambling/sports-betting/india)

Market	Revenue	Rev to Govt.
Global	US$ 384.7 bn	US$ 93.2 bn
India	US$ 33 bn	US$ 12 bn

Pahle India Foundation (https://pahleindia.org/wp-content/uploads/2024/02/Lottery-in-india-summary-report.pdf)

Fantasy Sports – Game of Skills

❖ Markets & Data - From US$ 7.51 bn in 2024 to US$ 34.24 bn in 2031 a CAGR of 20.88%

❖ Dream11 - The Indian fantasy sports market is expected to grow rapidly, reaching INR 1,65,000 crore by FY25 from INR 34,600 crore in FY21, registering a CAGR of 38%.

"According to a report by PricewaterhouseCoopers, India has over 700 million internet users, with a significant portion of the young population actively participating in the online gaming market. The online gaming market is projected to surpass $8 billion by 2027.

Another report by NITI Aayog suggested there are more than 100 million users played online game in 2023, up from a mere 2 million in 2016."

(https://timesofindia.indiatimes.com/blogs/info-nomics/transforming-online-gaming-a-sharper-smarter-and-skill-driven-future/)

What is Digital Transformation?

Digital transformation is the process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age is digital transformation. It transcends traditional roles like sales, marketing, and customer service. Instead, digital transformation begins and ends with how you think about, and engage with, customers. (Source: SalesForce, https://www.salesforce.com/products/platform/what-is-digital-transformation/)

How you assess your organization/Industry digitization and bring in transformation through digital technology: **Digital Audit for transformation**

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	Main Activities	Current State of Digitization	Opportunities for Digitization
	List key activities for each business phase. You may add additional lines as necessary.	Select the current state of digitization for this activity from the drop-down menu.	Identify ways you can evolve this activity to the next level of digitization.
Sourcing			
Organizational Processes			
Customer Interaction			
After-Sales			

Source – e Cornell : Digitization Audit

How we helped bring in the desired transformation to the sector?

Issues with Lottery Sector: key stakeholders

1. Govt. – loss of revenue, black money, societal issue
2. Players – lack of transparency, safety, frauds
3. Network – legal hurdles, safety, operations

Lottery as a subject falls under Ministry of Home Affairs but it's a state matter to operate. Currently 12 states allow lottery to operate in their states under license agreement. Every state has their own regulations and follows the rules framed by MHA as per their interpretations. This has created huge disparity and dispute among them and litigations are being filed to claim the turf.

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How do we help them bring on same platform, under same policy framework and create a level playing field? Will a uniform, clear, transparent guidelines bring in desired change and help expand market? Can India reach US level market penetration of 53% with more transparency and player safety in lottery sector? What will help bring in these changes?

Is technology the answer?

With digital India, virtually transforming every aspect of citizens' life and brining in transformational change to our businesses; YES the answer is with in the realm of technology.

MHA started an extensive research to transform this sector and issued process guidelines to digitize the sector. It was an extensive work though the guidelines were still subject to interpretations. A progressive Govt. of Goa picked up the subject and started the process on digitizing the sector. A cross functional expert team was on the work tirelessly and formed a policy for online lottery with "Keno & Lotto" format. Game schemes were formed but technology to enable the play was a challenge, besides making the entire play a complete digital 1st experience and ensuring transparency and safety.

Govt. issued a tender to identify a suitable partner to develop tech, and help market the lottery. The tender was issued to Rhiti Sports, seeing their marketing capabilities and the work they have done in this domain. A technology partner was on boarded to make the core tech (developed by a gaming tech co, original tech tender qualifier) a real time play platform. It took over 3 months, at staggering speed, to build a consumer facing platform to enable online play. With digital (UPI etc.) transactions, a wallet and complete online server based ticket generation coupled with live draws, it brought in the much needed transparency and safety to the lottery playing.

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Habits take time to change, and to facilitate the offline lottery playing through retail outlets, we enabled a POS machine-based online play with retailer wallet to enable purchase of tickets. An instant ticket with desired numbers are generated for all the 12 draws and a message with transaction details sent to player's mobile. One can scan the ticket to see the results.

What an amazing journey of Digital Transformation to disrupt the lottery sector and transform it completely. It will take some time for market to accept the change but

Potential is huge, in terms of existing market, market expansion (new market, new players) and revenue regularization for Govt.
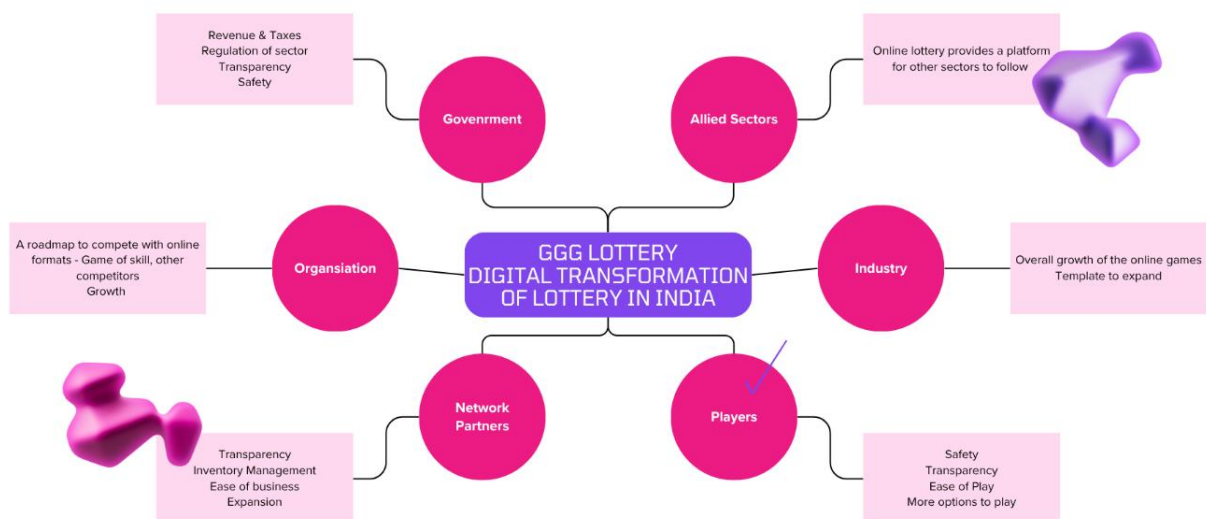
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Let's understand the digital footprint and its impact to stakeholders & business process:

Digital Transformation

Stakeholders – Government, Network (Distributors, retailers), Organization, Players

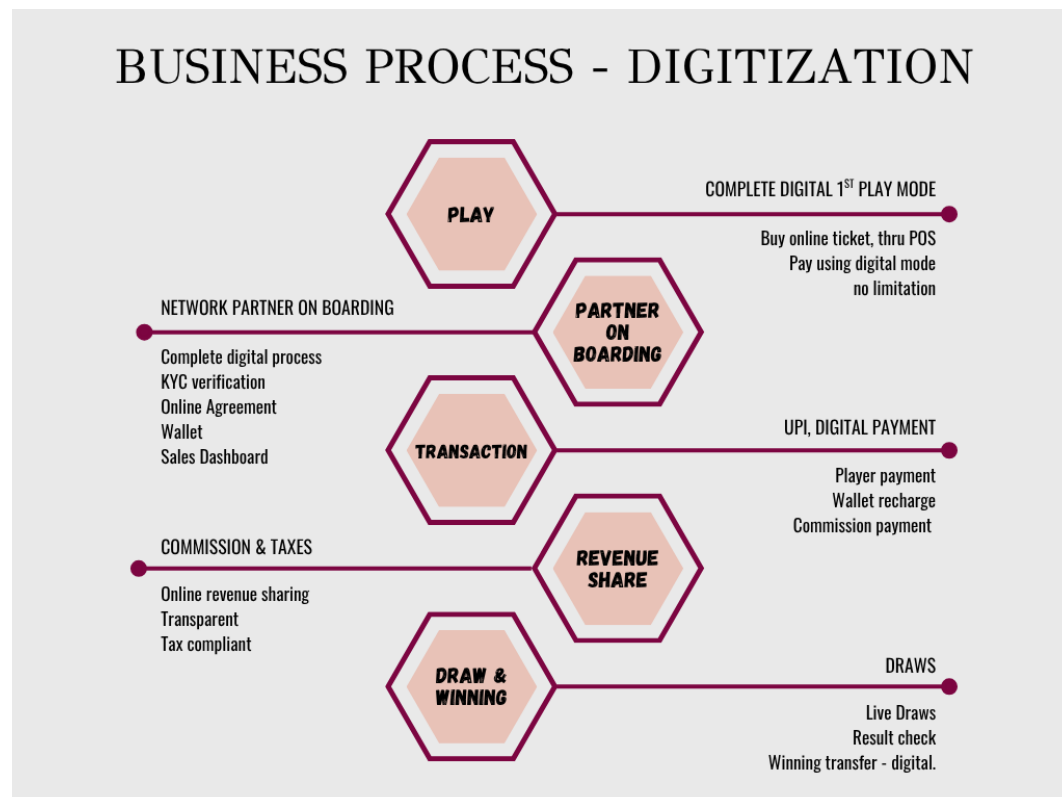DIGITAL TRANSFORMATION OF LOTTERY IN INDIA – GGG LOTTERY

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Business Process – On boarding partners (Distributors, retailers) and managing their sales data, transaction (payment), sale of ticket, inventory management, purchase of ticket, winnings, draws, revenue sharing between stakeholders

BUSINESS PROCESS - DIGITIZATION

PLAY

COMPLETE DIGITAL 1ST PLAY MODE
Buy online ticket, thru POS
Pay using digital mode
no limitation

PARTNER ON BOARDING

NETWORK PARTNER ON BOARDING
Complete digital process
KYC verification
Online Agreement
Wallet
Sales Dashboard

TRANSACTION

UPI, DIGITAL PAYMENT
Player payment
Wallet recharge
Commission payment

REVENUE SHARE

COMMISSION & TAXES
Online revenue sharing
Transparent
Tax compliant

DRAW & WINNING

DRAWS
Live Draws
Result check
Winning transfer - digital.

This is a classic case of technology used to transform a sector often untouchable by mainline organizations. The benefits it will bring in to all the stakeholders are immense and Technology sets another example of use case expansion across sectors, transforming life and businesses.

For more details and consultation, please write to vivek.patnawala@gmail.com

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