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Arizona Lottery
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Gary Grief
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Drew Svitko
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Subscriptions
United States: \$145 USD
Canada & Mexico: \$160 USD
All other countries: \$225 USD
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Public Gaming International Magazine
Published six times a year and distributed to readers all around the world. Electronic version is e-mailed and is also available on our news website: PublicGaming.com

July/August 2022
Volume 51, Issue 4
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Public Gaming Research Institute
cISSN: 1042-1912

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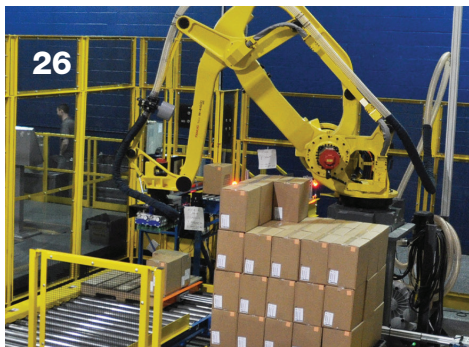
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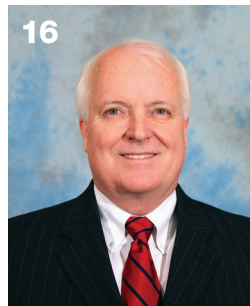


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From the Publisher

What a joy it was to see our European friends at European Lotteries Association (EL) Industry Days conference in Wiesbaden, Germany. Congratulations to **Hansjörg Höltkemeier** (CEO Berlin Lottery), **Dr. Heinz-Georg Sundermann** (CEO Lotto Hessen), and **Arjan van't Veer**, executive director of EL, and Level 1 partners **IGT** and **Scientific Games** for producing a most fabulous event. No trade-show, just great keynote speakers and world-class presentations to address the timeliest of issues in this time of extreme disruption. We may have thought the rate of change was breakneck before the pandemic. It may not feel this way exactly, but we will look back on this time, right now as we hope to begin the transformation into a post-pandemic world (I know the timelines on even that aren't clear yet) and appreciate the auspicious inflection point we occupy at this very point in time. That's my take-away from Industry Days. I know it's a cliché, but the choices we make and the actions we take will have more dramatic upside, and potential downside, impact than ever.

Of course, let's focus on the upside! PGRI conferences try to capture the zeitgeist, the essential ideas that are catalyzing forward momentum in our industry. The content focus is guided by lottery directors and their technology partners. Who better to lead a discussion that looks at how the competitive landscape has changed over the last five years than **Drew Svitko** (who operates in hyper-competitive Pennsylvania). Drew's expert panel explored the implications of the head-to-head competition we find ourselves in with other games-of-chance options like sports-betting, casino gambling, online casino-style eGaming, and unfortunately, an increase in online and off-line illegal gaming options.

Retail Modernization is a perennial topic that continues to be mission-critical to our industry. **Gary Grief** agreed to moderate but only if his panel could context it as a call-to-action. The pre-pandemic rate of

modernization will not serve us well in a post-pandemic environment of much more rapid change.

And a shout-out to my friend **Jim Acton** who edits and writes many of the great features in PGRI Magazine, including this month's executive summaries of PGRI conference panel discussions – Thank you Jim!

The **Multi-State Lottery Association (MUSL)** has never been more energized with positive expectations and forward momentum. We look forward to an exciting future as **David Barden** and **Drew Svitko** assume the roles of president of MUSL and chair of the Powerball® Group respectively.

Thank you, **Simon Jaworski**, for converting research and survey-driven data into meaningful insights. Simon, who contributes three or four articles a year, signs-off with "Trust me I'm a researcher." Well, I trust Simon to stretch to help us glean meaning from the data and turn research into relevant business intelligence. Research is a science and practitioners like Simon are keen to avoid impinging on the objective facts with interpretation which, sorta by definition, is subjective. Years ago, I asked Simon to take the next step and help us understand the underlying implications of data and consumer survey results. Actually, I begged and he relented. Of course, he does not prescribe an action plan. But he does frame some interesting questions and endeavor to answer the question that I pose to him "What does this mean for Lottery?"

In this article, Simon provides the metrics to compare the consumer awareness of, and trust in, different consumer-facing brands; to see how Lottery's flagship brands measure up, and fully appreciate the incredible assets owned by government lottery. This topic was recently addressed by **Gregg Edgar** and panel of experts at PGRI Smart-Tech in April. And we will be drilling down further at our next event (Lottery Expo NYC end of August). The executive summary of that panel discussion introduces us to the idea that there is lots of headroom to leverage the value of these brands to increase reach,

impact, sales, and ultimately funding for Lottery's beneficiaries. One of the strategic directions is to develop relationships with other mega-brands like the NFL, and media personalities like Ryan Seacrest. In order to come to equitable agreements, though, we need our partners to accord proper valuation of the brand equity that Powerball and Mega Millions brings to the table. Simon's research reveals, for instance, that as huge as brand NFL is, Powerball and Mega Millions are almost its equal in brand awareness, and actually higher in brand trust. These data-points are quite relevant to the goal of striking a deal that fairly allocates costs and profits in a collaborative relationship.

And a special thanks to editorial contributors **Scientific Games** and **IGT**. I appreciate our partnership, the leadership you provide this industry, and the brain-trust you share with our readership.

We're getting back to normal when it comes to Fall conferences. PGRI Lottery Expo NYC will be held a little early this year to allow some time before we head up to Canada for the **World Lottery Summit Vancouver**, October 16-20. The WLS is a bi-annual event, moving to a fabulous location on a different continent every two years. They had to skip 2020, so the last one was in 2018 in Buenos Aires. (2016 in Singapore; 2014 Rome; and 2012 in Montreal). The World Lottery Association collaborates with the regional association (this year that is NASPL in North America) to produce the biggest conference/trade show in the industry. We hope to see you all there! But first, we hope you will come to **PGRI Lottery Expo NYC on August 30 to September 1**. Keep up with conference updates on PGRI's news website **PublicGaming.com**.

Paul Jason, Publisher
Public Gaming International Magazine



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COMPETITION WITHIN THE GAMES-OF-CHANCE INDUSTRY

With more than 30 U.S. states offering gambling of some type – casinos, sports betting, mobile gaming, the lottery industry today faces competition unlike any other time in its history. How should lottery executives respond to the ongoing expansion of gambling options? Do we now think of ourselves as being in head-to-head competition with these other games-of-chance options – with players spreading a similar spend across more and more gaming categories? Or are multiple gaming options bringing new players into the marketplace and creating new potential lottery customers? How do we defend against the threats and optimize the opportunities represented by this new competitive landscape?

These type of issues and questions were tackled by experts with front-row seats to the changing nature of the gaming marketplace, and how it is impacting lottery. Moderating the panel titled “Competition Within the Games-Of-Chance Industry” was

Drew Svitko, Executive Director, Pennsylvania Lottery. Drew was joined by:

Derek Levesque, Director of Product Management & Business Development, IGT

Lynne Roiter, Secretary General of the World Lottery Association, formerly President and Chief Executive Officer, Loto-Québec

Matt Strawn, Chief Executive Officer, Iowa Lottery

Lorne Weil, Executive Chairman, Inspired Entertainment

Drew kicked off the session by recounting what has taken place in the Commonwealth of Pennsylvania over the past two decades. The



Pennsylvania Lottery has been dealing with the issue of increasing competition since 2004 when casinos were legalized. The first retail sportsbook opened in November 2018 and online sports betting launched in May 2019. Sportsbooks in the state recorded their first month of \$100 million in handle in August 2019.

“This is an interesting topic,” said Drew. “We take competition seriously at the Pennsylvania Lottery. We operate in a competitive gaming environment, with

164 land-based casinos, and more on the way. Pennsylvania has more slot machines in those casinos than there are in Atlantic City. Pennsylvania has legalized sports gaming which the lottery does not run. The casinos also sell online, so we have iGaming offered throughout the Commonwealth. And we also have an estimated 60,000 illegal skill machines in the marketplace. So it’s a crowded gaming market to say the least. Not to mention, all of the other natural competition that we have for those discretionary entertainment dollars.”

“So I’ll ask the panelists a question I wrestle with every day, ‘How much do we have to worry about losing lottery customers?’ Player acquisition is one thing but what about attrition? How much do we have to actually worry about losing players to the other gaming categories?”

Industry veteran and Inspired Entertainment CEO **Lorne Weil** took the first shot. Lorne

has been involved with all forms of gambling from horse racing to traditional lottery to virtual sports



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It started with in-lane, but is now so much more



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FOCUSING ON THE BRAND – LOTTERIES, GAMES AND MISSION OF SERVICE TO SOCIETY



Arizona Lottery Executive Director **Gregg Edgar** knows something about brands. Prior to joining the lottery industry, Gregg spent more than 20 years as a marketing and communications strategist, working with U.S. and international companies to build and expand their brands. In addition to his work as Executive Director, Gregg has been a member of MUSL's Marketing & Promotions Committee for a number of years. So moderating a panel focused on the brand of lottery – from games to beneficiaries – was “on brand” for Gregg.

Joining Gregg were industry experts with their own wealth of experience in branding:

Brad Cummings, Founder & Chief Executive Officer, EQL Games

Stephen Durrell, Executive Director, Kansas Lottery

Ryan Mindell, Lottery Operations Director, Texas Lottery

Brian Rocky, Director, Nebraska Lottery

Gregg began by recounting the recent work of his MUSL committee to expand the reach and impact of the Powerball brand. The group has been meeting with potential partners for more than a year and the results have been interesting.



“When we’ve been in corporate board rooms talking about lottery and how we operate, it becomes obvious that our message of ‘giving back’ still has room to grow,” he said. “In jurisdictions where the word ‘education’ is in the name, people might know that the lottery supports education. But they are stunned at just how much revenue the Lottery actually generates for education. Increasing that awareness is something we need to continue to focus on.

Lottery’s role of service to society is a unique gem that we need to use more in our discussions with our corporate partners, our players, and our retailers.

“Our committee has been quite actively looking at some big initiatives to help build the Powerball brand,” he said. “Of course, the Powerball First Millionaire of the Year promotion is now in its fourth year and our collaboration with the New Year’s Rockin’ Eve program has been very successful. We’ve been in discussions with the NFL and NASCAR as well as consumer product brands like Pepsi. But beyond that, we are also looking at how we can continue to adapt in a changing consumer environment. How are we approaching our brands and conveying our brand message to our many constituents?”

Brad Cummings of EQL Games said it is the uniqueness of lottery and our offerings that needs to be communicated.



“The consumer is now faced with more gaming options than ever. What separates lottery from everything else is the incredible reach of its network of retailers,” he said. “We should leverage that competitive advantage to even better effect – look for new ways to deliver more product, service, and an always improving POS player experience. When EQL is creating games, we always keep the retail reach in mind – making sure the content is interesting, understandable, and fun for the retail player. We have such a unique channel to connect with our players and we should always be stretching to help our retail partners separate our offerings from our competitors.”

For **Ryan Mindell** in Texas, advertising budget cuts have made it challenging for the lottery to communicate with its players. But with challenges



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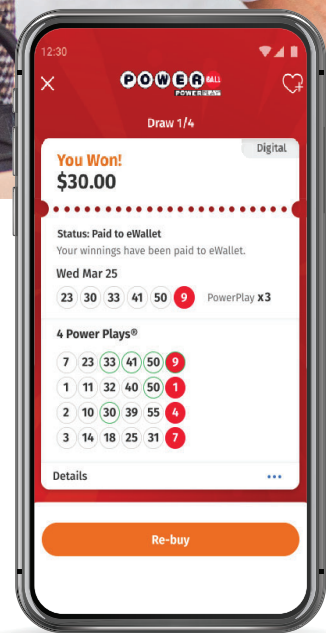


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IS LOTTERY READY FOR THE CHANGES AT RETAIL?

Forced to change by unplanned and unexpected outside forces over the past two-plus years, the retail industry successfully emerged from the pandemic by adapting to the needs of its customers. Increased health precautions, curbside pickup, home delivery, touchless checkout – these are just some of the initiatives that were created and/or grew to help solve the issues faced at retail.

How has lottery kept pace with these changes? Did the industry modernize and change the way it conducts business to match its retail partners? And going forward, what are we doing to make sure that lottery stays aligned with its retailers and doesn't get pushed aside by other consumer product sectors that are driving progress and innovation at retail?

Delving into these and other critical issues was a panel led by

Gary Grief, Executive Director of the Texas Lottery. Gary was joined by:

Michelle Carney, Vice President Global Lottery Marketing, IGT

Maxwell Goldstein, Vice President Sales - Americas, Carmanah Signs

Michael Martin, Vice President, Retail

Solutions, Scientific Games

John McCormack, Vice President, Operations, Intralot, Inc.

Ryan Mindell, Lottery Operations Director, Texas Lottery

Terry Presta, Head of Business – North America, Abacus Solutions



Gary started the session by noting that consumer behavior has changed greatly since March of 2020, often guided by decisions made by retailers. "We now have technologies that reduce or completely eliminate our physical exposure to others in the retail setting," he said. "Contact-less activities such as food and grocery delivery have exploded in popularity. Traditional convenience store lottery retailers have started to pick up the pace and offer alternative means for purchase and modernize on other fronts as well.

"But are we evolving along with our retail partners? We know we must incorporate initiatives such as in-lane purchasing, self-checkout and ticket-by-ticket activation of scratch tickets at the checkout counter. And the retail and digital landscapes are continuing to merge. The question is, 'How will the retail environment be different in the future; and what retail trends from the pandemic will remain and which will fade?'"

Michelle Carney

of IGT kicked things off. "While most retail experts acknowledge that the future is an all-digital experience at retail, until that day arrives, the at-retail experience will continue to evolve," she said. "Merchants are installing solutions like interactive signage, smart price tags, and remote checkout systems, all to enable consumers to have more autonomous shopping experiences. You can now use your mobile device in-store to purchase items and cashless payment is a critical initiative for the lottery industry. The acceleration of technology will certainly impact the consumer shopping experience and how players interact with lottery."



John McCormack of

INTRALOT also sees the growth in self-service options as key to lottery's future. "The one-size-fits-all lottery terminal is being phased out and will



not even exist in the near future,” he said. “Larger retailers, like Walmart, have dictated the parameters for their own self-service terminals and different venues warrant different terminal solutions. A sports-centric venue might not want the same self-service terminal that works for a traditional mom-and-pop retail establishment. While I agree with the importance of cashless payment options, I also think the method for paying at self-service terminals will expand to include payment apps and other technology. Seamless payment transaction is critical to lottery sustainability.”

For **Michael Martin** of Scientific Games, the future is personalization and using data to give consumers exactly what they want. “The player research and retail analytics available to Scientific Games customers is being used to improve their players’ at-retail experience,” he said. “iLottery is far



behind most other industries. Look at Uber, Amazon. They use every piece of data to personalize their interactions and improve the experience for their customers. We have to bring this same business intelligence to lottery, using data to deliver a more personalized player experience. The airline industry is another example we should look to. You use your phone to buy your ticket, get your boarding pass, then see the traffic you’ll encounter on the way to the airport, check in for your flight, and, finally, use your mobile device to board the plane. This works because of the connectivity of devices and systems being

“We can’t maintain the status quo and continue to do business the same way and expect to continue with record-breaking results.”

processed together. It’s where the lottery retail evolution needs to be, and where we are focused on innovation and continuing our ecosystem.”

CHALLENGES AT RETAIL

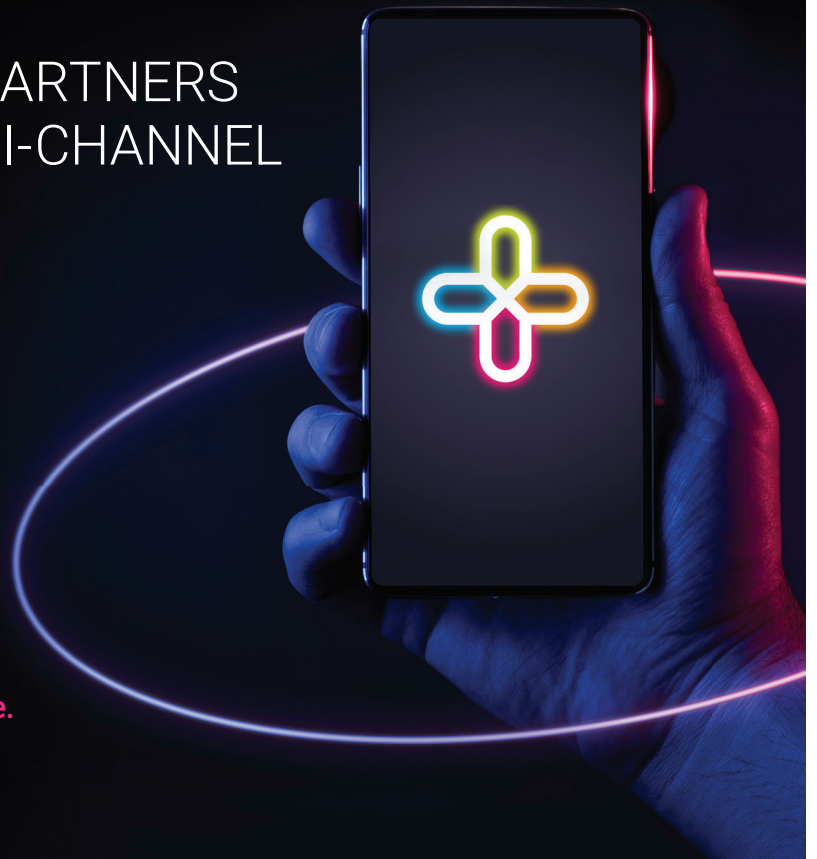
Gary pointed out that some of the issues facing retail are not just the natural evolution of consumer habits, but disruptions brought on by the pandemic, namely the lack of workers. The worker shortage certainly makes the need for technology advancements even more pressing. For more insight into the implications of these changes for the lottery business, Gary turned to vendors who work in the retail trenches every day, honing the technology solutions

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PROGRESSIVE PRODUCT MANAGEMENT

David Barden and Drew Svitko Step into New Leadership Roles at MUSL

New Mexico Lottery CEO **David Barden** and Pennsylvania Lottery Executive Director **Drew Svitko** are MUSL's newest Board President and Powerball Product Group Chair, respectively. The two lottery veterans, elected by the Association's 38-member Board of Directors, started their new roles on July 1.

The leadership transition comes nearly one year after the organization implemented several changes to its premier product, Powerball®, which included adding a third weekly drawing on Monday nights and Double Play®, an add-on feature now offered by 14 lotteries with the Montana Lottery becoming the latest to join on July 18. Both officers agreed that their predecessors, Hoosier Lottery Executive Director **Sarah M. Taylor** and former Missouri Lottery Executive Director **May Scheve Reardon**, left MUSL with a solid foundation in place. Barden and Svitko plan to carry forward with that type of progressive product management in mind.

"For a sizeable organization with diverse members, MUSL has shown it can execute big changes for the long-term health of its products," Svitko said.

"Progressive product management doesn't mean you stop when you've had a good year," added Barden. "We're reviewing our portfolios, assessing whether our products are relevant, and ensuring that we have the games our players want."

The MUSL Board of Directors has continually identified the development of new products as a top priority in its Strategic Plan. Svitko, who previously served as Chair of MUSL's Development Committee, said there has been a significant focus on researching game categories for potential growth combined with listening to member input.

"The Development Committee, now led by Puerto Rico Lottery Director **Armando Perez Cruz**, is making tremendous strides on creating new game content for MUSL members, including work toward a multi-state progressive fast-play game," Svitko said. "We've done enough homework on product portfolios across jurisdictions to

know where the opportunities lie."

MUSL's infrastructure supports the rollout of new products – both in terms of draw services and technology. Over the last year, the organization has expanded its draw services with daily Lucky for Life® drawings, tri-weekly Powerball and Double Play drawings, and most recently on July 18 with Lotto America®, which added a third weekly drawing on Monday nights.

MUSL is also debuting a new online game management system, called FLEX, that will modernize how lotteries and vendors report sales and winner data to the Association as part of the draw process. A primary benefit for product development will be the ability to quickly program new games and changes to existing games. MUSL is currently implementing a phased transition of lotteries and vendors to the new FLEX system with completion expected later this year.

Barden and Svitko also emphasized the importance of strengthening dialogue between MUSL and the Mega Millions Consortium. Both noted that communication between the two organizations is critical for strategic planning in the national games category.

"The more input we have from the Mega Millions Consortium, the better we can schedule product changes and promotions," said Barden. "We feel this collaboration benefits all U.S. lotteries that have Powerball and Mega Millions® in their portfolios."

Both leaders see online sales as a huge opportunity to inject further growth into the national games category. Currently, Pennsylvania is one of the U.S. lottery jurisdictions that offers iLottery wagering. Svitko said there is some urgency for U.S. lotteries to add online sales to



their distribution channels, "As other gaming products become more entrenched in the digital marketplace, it will become more difficult for lotteries to acquire customers. It would be ideal if MUSL could help states get in the position to sell online. In the long run, it will help Powerball."

Svitko added that lotteries face even wider competition for discretionary entertainment dollars – outside of gaming. With players able to shop and interact with brands on-demand through their smartphones, it only makes sense for lotteries to meet them on their mobile devices, a sentiment echoed by Barden. "One of our biggest obligations to players is to make it easier for them to purchase our products. We must be able to reach players through the convenience of their smartphones."

The two officers made multiple references to MUSL's Strategic Plan when talking about the Association's future endeavors. They termed it the "playbook" that has the support and approval from MUSL's Board of Directors. Moving forward, Barden hopes to build consensus among MUSL's 38-member lotteries by fostering a transparent environment.

"All members will continue to have the opportunity to attend any meetings – we're an open book," said Barden. "I think that will strengthen our ties. We want to be a strong, unified Association as we undertake these initiatives to be a reliable revenue source for our beneficiaries." ■



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PLAY ON

When the realities of life are challenging, consumers want moments of light relief from their everyday routine. New insights reveal that lottery remains one of their bright spots.

Two years after the onset of the COVID crisis, consumers face rapidly rising prices and renewed economic uncertainty. However, there is evidence to suggest that small, entertaining indulgences like lottery play remain important to people in challenging times.

This insight was among many findings and observations that IGT shared in a recent keynote presentation at the European Lotteries (EL) Industry Days in Germany.

The latest installment in IGT's multi-year **Players Project** series, the live event welcomed behavioral scientist Owain Service, who joined IGT's Srinu Nedururi, Vice President Global iLottery, to lift the lid on consumers' current attitudes and sentiments toward lottery.

"The freedoms that consumers expected to enjoy after the end of the pandemic have been replaced by new fears as they feel the economic squeeze and have to stretch their budgets further to accommodate rising prices," said Nedururi. "But recent research by IGT and our partners at global trend-spotting agency Foresight Factory has uncovered some perhaps surprisingly good news for the industry."



New Research

In a new wave of Foresight Factory research, 25% of U.S. consumers strongly agreed it is still important to treat themselves to small indulgences even when their discretionary income is lower than usual. This figure rose to 32% for weekly lottery players in the U.S., up from 30% in a pre-pandemic research wave. Among EU consumers, 24% strongly agreed, and this figure rose to 26% among weekly lottery players, up from 21% in a pre-pandemic research wave.

In fact, the research found that careworn consumers say their need to indulge in light relief as a break from their daily routines becomes even more pronounced when cutbacks must be made elsewhere in their lives, such as delaying major expenditures.

During previous downturns, Foresight Factory has found that consumers looked to what they term as “entertainment” and “fantasy” for the means of giving themselves these breaks. This aligned with the current wave of research, which found the sentiment to be true for 66% of U.S. consumers. The figure rises to 71% among weekly U.S. lottery players. The sentiment was also found to be true for 54% of European consumers, rising to 58% among weekly lottery players.

In Their Own Words

The live discussion featured video highlights from recent player interviews undertaken by IGT to further understand how current circumstances are affecting people’s choices and decision-making when it comes to lottery.

In these Vox Pop (“voice of the people”) interviews—research conducted in May 2022—lottery players in seven European markets and the U.S. were asked about topics including:

- How their world has changed since the onset of COVID in 2020
- How they feel today about entertainment such as casino games, sports betting, playing lottery, and playing other games like bingo
- Why they engage in these types of entertainment
- Whether there has been an impact on their purchasing and spending decisions for lottery and other forms of gaming
- What advice they have for lotteries around game and entertainment value to earn more of their attention and participation

Recruited based on their play behaviors (participants had to have played lottery online and played at least one other game such as casino or bingo within the past year), respondents answered in their own words, frequently referring to playing lottery as fun, entertaining, and mood boosting. For example:

“Playing the lottery is a kind of tradition for me. It’s fun, it’s something that brings joy. I have a break from the here and now and I start thinking about what I could do if I won.” - Player in U.K.

“I love playing the lottery. It’s something that I can do for a lot of fun to take my mind off the everyday routine.” - Player in U.S.

“It’s a kind of tradition, and it’s entertainment. I do it for fun to have a quick break from daily tasks. I play to win money of course, but I don’t spend much on it. It’s just fun, something that could bring you some extra money.” - Player in Czech Republic

“I think my motivation is always to have fun. A small break from reality, time to dream of big and small wins, and what to do with the money when I finally win. I think my motivation has always been the same, and it hasn’t changed since the pandemic.” - Player in France

“My motivation is to try my luck and relax, to take a break and have some fun.” - Player in U.S.

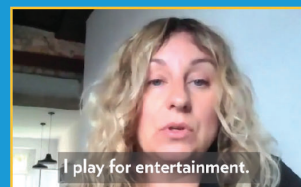
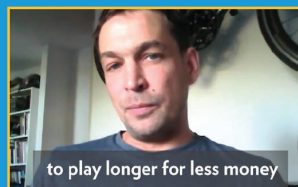
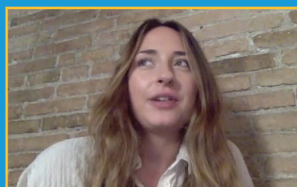
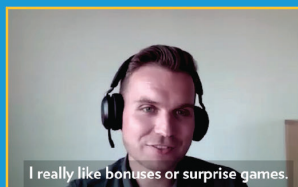
Many noted that they were still leaving room in their budget for lottery, due to the fun and enjoyment they got from this form of play. Several also made mention of the appeal of elstants and online play:

“Online quick instant games are less time consuming, and you can play them anytime really. It’s something that could boost your mood.” - Player in Italy

“I’m not changing the amount of money that I spend on buying tickets for the lottery or anything. It’s still the same for now, anyway. I’m not sure about the future, but for the present, it hasn’t changed just yet.” -Player in U.K.

“Prices for almost everything went up and I think I spent more money than before the pandemic. I still keep playing the lottery, but I have noticed that I choose more affordable instant games more often now.” -Player in Czech Republic

VOX POPS PLAYERS



Swapping, Not Stopping

Guest expert Owain Service, CEO of CogCo, joined Nedunuri on stage to interpret the players' words through the lens of behavioral science.

In his professional work, Service has studied what motivates people to do everything from paying their taxes on time to getting vaccinated during the pandemic. He explained how people respond to challenging circumstances, and how this affects their choices and decision making.

Service noted that behavioral scientists who've studied lottery game designs have found that while people's focus tends to be drawn more to the size of a prize than a complex cost/benefit analysis of the payout, it is smaller, more regular rewards that sustain player engagement over time.

"But what's especially compelling about lotteries, from a psychological perspective, is the variability of the reward. Humans find these rewards, delivered apparently at random, much more compelling than rewards that get unlocked at regular, pre-set intervals." This was reinforced in the Vox Pop interviews as players talked about why instant games "are like surprises," and how they "really like unexpected bonuses."

Behavioral scientists are deeply interested in human routines. When pandemic-related restrictions were introduced, they studied how daily routines were interrupted, and are doing so again now that those restrictions are tapering off.

"What's interesting is that when routines get disrupted, we often end up developing new practices," said Service. "We start buying our shopping online for the first time, for example. And we find that people are much more willing to try new things when these disruptive moments change our existing practices."

Service believes the same tendency will apply in these current, changeable times. "One thing that I think previous recessions have taught us is that people will still be seeking out little treats during economic downturns. But behavioral science teaches us that most people think about choices in relative, not absolute terms. A Nespresso pod, for example, is an expensive way to make coffee relative to a bag of ground



Joining IGT's Players Project Live! event at EL Industry Days was **Owain Service, CEO of the company CogCo** (at left, on stage with **Sridhar Nedunuri, IGT Vice President Global iLottery**). Service specializes in the application of behavioral science research. An Honorary Professor of Behavioral Science at Warwick University in the UK, he also co-founded the UK Government's Nudge Unit, which applies behavioral science to a wide range of public policy areas.

coffee. But it's really cheap compared to going to a big-name coffee shop."

He emphasized that when consumers are thinking about whether to buy a lottery ticket or card, it's not just a calculation about the absolute cost of that ticket, be it \$1 or \$10. It's about what kind of value they derive relative to alternatives. As one of the players in the Vox Pop interviews expressed, this didn't mean stopping play of instant games. It just meant switching to one that the player felt was relatively more affordable.

Across the board, the insights from Players

Project Live are potentially encouraging for the industry as lotteries navigate the current economic climate. ■

*Given these findings, what opportunities present themselves to lotteries to attract, engage, and retain players? **A companion article by IGT's Sridhar Nedunuri in this issue of PGRI looks at how lotteries can give players the entertainment value they seek today**, as well as the characteristics of a high-engagement game portfolio to win players' attention. To check out IGT's iLottery Showcase, visit: [igtlottery.com](https://www.igtlottery.com)*

KEY TAKEAWAYS

- Since the beginning of the pandemic, consumers have increasingly wanted to reward themselves in small ways, even when larger expenditures must be curtailed
- Consumers continue to engage in light entertainment such as lottery to get a break from their daily routine, treat themselves, and bring fun and optimism to their day
- They look forward to easy, "bite-sized" forms of fun that fit into their budget
- Players may swap to a lower-priced game as an alternative, but they'll do that rather than stop playing lottery games
- Players want entertainment and value for their money via interesting games with fun features and bonus play, which make them feel like they have gotten some kind of win each time they play

also comes opportunities. “As our budget has been cut, we’ve had to get more agile and quick to market, and learn how to optimize social media and digital channels,” he said. “One thing that has happened over the past two-plus years is that we’ve witnessed firsthand how many of our players see lottery as entertainment versus gambling. We all believed this to be the case but our pandemic sales have shown this to be true. There were a lot more eyes on us during the pandemic when we were the only gambling option. Fortunately, a large number of those new players have stayed, and so our ongoing sales numbers have been positively impacted.”

In Nebraska, **Brian**

Rockey said they try to balance their traditional game advertising and promotions with communications and brand messaging

centered on beneficiaries. “We’ve always put a fair amount of effort into advertising our beneficiaries, but we stepped it up in the last couple of years, doing a dedicated outdoor campaign and some direct mail,” said Brian. “I also think it’s critical to communicate the positive impact of Lottery to our beneficiaries. We do beneficiary briefings every fall where we sit down and explain our business decisions and explain what we do to maximize our profits. The response to these briefings has been very positive. They understand how the revenue flows and why we make certain decisions. We now have strong beneficiary partners who help spread our message.”

Stephen Durrell said

that in Kansas, they have seen both sides of the beneficiary message.

The result has been to offer a variety of branding messages. “We have

many different beneficiaries, so to communicate to all of them would be problematic,” he said. “We used to offer beneficiary-specific



“Let’s reach out to engage these mega-brands in mutually supportive collaborations.”

tickets but players thought the payouts were lower on those tickets and sales lagged.

So now we use social media to get out our beneficiary messages and that has worked well and kept our social media director busy. The great thing about active social media channels is that you can get your message directly to players and answer questions quickly. And in terms of branding, we can offer quick-to-market promotions that engage and retain players. Our promotions with the University of Kansas and Kansas State University have been incredibly popular, where winners can fly with the teams to road games or win great seats at home games. These types of promotions help spread the word that the lottery brand is fun and relevant.”

As someone whose company and products have evolved over the past ten years, Brad said it is critical to stay tethered to both players and lottery colleagues. “I try to focus on where our lottery players are migrating to – is it themed games, sports betting, casino games, etc.,” he said. “When you put your feet in the shoes of players, it makes it easier to craft content they want. You have then created a brand and brand-related content that answers their needs. At the same time, business moves forward more effectively when you also stay connected with colleagues who are experiencing the same pressures as you. If we can be less transactional about our work and more collaborative, I think we can all move forward with our own particular business agendas. In the end, this will best serve our players and all Lottery stakeholders.”

PORTFOLIOS ARE KEY

Much of the popularity of lottery lies in the diversity of its game portfolios, the mix of huge jackpot draw games with games that create lots of winners, and instant games with a wide range of prize options. Well-known brands like Powerball have helped propel the lottery industry into the same top-of-mind status as companies like Coke and Apple. Keeping that status, preserving

that brand value, is key to the future of lottery.

“From the Powerball level, as we look at marketing, promotions, and brand development, we need to use the power of our brand to control the lottery narrative,” said Gregg. “When you sell 2.2 billion tickets across the country, that is incredible reach. How are we using this reach to positively impact the other games in the portfolio and the other components to the brand? Is there a ‘halo effect’ that can lift other games?”

Ryan said that for the Texas Lottery, they are always looking for opportunities to tweak games and provide players with engaging games and promotions. “The change to three-days-a-week for Powerball was well received by our players and so we also changed our Lotto Texas to three days,” he said. “Increasing the time these games are in the market has been a huge success for both these games. And on the scratch ticket side, it’s all about the higher price points. Our best-selling price point is \$10. We now offer a \$100 scratch ticket with a \$20 million top prize. Players have asked for these higher price point tickets and our sales show that they support this move. When you listen to your players, they typically reward you with increased revenue.”

Nebraska is keeping it local as they spread the word on lottery to attract new players. “From a brand perspective, we increased the number of partnerships we undertake with the state to spread the lottery word as widely as possible,” he said. “Last year was the 100th anniversary of our state park system so we sponsored a scratch game with them and gave away ‘glamping’ trips. It was very popular, one of our best-selling \$5 games ever, so we’re going to do another one in the coming year. We support the tourism industry. We’re doing a companion program this year with the Nebraska History Foundation. And then we’re making plans for a promotion with the statewide blood bank to promote Lucky for Life. Working with our beneficiaries to understand

Continued on page 39

CAPITALIZING ON THE INCREDIBLE BRAND AWARENESS OF POWERBALL® AND MEGA MILLIONS®

Simon Jaworski, Executive Vice President Lottery & Gaming, Leger USA

Are we undervaluing our key Lottery brands, whilst missing out on more fun and winners?

If you were a sports bettor, you'd probably wager that with the billions of dollars spent on advertising sports betting brands over the past five years, those self-same sports betting brands would have greater recognition among Americans than other, more 'traditional' gaming sector brands.

And you'd be wrong!

Powerball and Mega Millions have high brand awareness

In Leger's most recent poll of 1,000 Americans in late June 2022, the major sports (NFL, NBA) come out on top at 83% awareness, with Nintendo (82%) and Sony/PlayStation (80%) sandwiching ESPN (81%). However, the 6th highest gaming brand for awareness is actually **Powerball**® at 76%. Powerball. Our Powerball... higher than Xbox, MLB (is it still America's past-time?) and another very familiar brand, **Mega Millions**®, which comes in at a very respectable 71% awareness.

And then there is a rather sizeable gap, some may say of chasm proportions, to Caesar's (58%), and the two big spending brands in sports betting, DraftKings (51%) and FanDuel (44%) in terms of awareness.

When looking at Scratch players levels, brand awareness is up across the board. NFL is 91%, Powerball and Mega Millions are both at 87%, and Draft Kings is 64%.

Powerball has a similar level of trust as the NFL

Leger's research then asked those familiar with each brand, how trustworthy they find these brands. Here the console/gaming brands rose above the competition, with Sony/PlayStation, Nintendo and Steam all hitting 44% for being extremely or moderately trustworthy, followed by EA (electronic



Arts). MLB and Mega Millions come in fourth and fifth at 40% each. Powerball is next with a similar level of trust as the NFL. The four lowest 'trust' scores can be attributed to the sports betting quartet of DraftKings, Caesars, Bet MGM and FanDuel, all 30% or below.

So what does this mean for the Lottery industry? Ultimately, Lottery brands currently have a competitive advantage over the sports betting sector, in terms of both awareness and level of trust. Despite this, as more states open the doors to both sports betting and gaming online, these big threats to traditional lottery revenues will no doubt grow.

'Home' and 'Fun' go 'hand in hand'

Two more factors play into the equation. How 'fun' an activity is certainly correlates to a player's mood and openness to repeat playing. Of all the 'gaming' types, we asked players to rank the games that they consider 'most fun'. Overall, there was a tie for 1st place with 22% saying 'video games on a console (PlayStation, Nintendo, Xbox, etc)' and 22% stating 'mobile device games'. 'Video games on a PC' (14%) came in 3rd, with Scratch Tickets a solid 4th with 12%.

However, as you may imagine, loyalty among past year players of the key gaming sectors is rife.

Leger

Among past year Scratch players, Scratch is #1 for fun (21%), with Mobile Device Games 2nd at 19%.

Among past year Lottery Draw game players, Scratch is #1 for fun (21%), Console Video Games are 2nd with 16%, and Lottery Draw Games 3rd at 14%.

Past year Sports Bettors prefer Console Video Games for fun (24%) over Sports Betting which is 2nd at 16%. Finally, past year Casino players have the strongest preference for fun of any segment, with 36% stating Casino slots as their most fun game, followed by Mobile Device Games 2nd at 16%.

So what does this mean for Lottery?

At first glance, offering Scratch games on a mobile device seems a logical step. The same can be said for online Casino platforms offering slots in the player's hand. For Draw Games, perhaps the question is how can we make the games as fun as Scratch, Video Console or Mobile Device gaming?

So, does 'having fun' correlate with 'winning'?

Yes, there appears to be a strong link between the two. At a national (total sample) level, Scratch tickets are #1 for best chance of winning (33%), followed by Mobile Device Games (30%). There is then a cavernous gap to Sports Betting (12%) and Casino Slots (11%) for American's perceptions of winning.

As you can imagine, recent players of the various games have a more biased view of winning for "their" games. 41% of Scratch players feel Instants give you the best chance of winning; among Sports Bettors 43% feel it's the best chance to win and Casino players feel Slots (27%) gives them the best chance to win.

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Focused

On You.

From best in class entertainment options to trailblazing retail and digital solutions, we care about the details that deliver revenues to the good causes and beneficiaries of our lottery partners.



throughout his storied career. “While it’s critical that we address this issue, we should stay mindful of one important factor in our favor: our retail network,” he said. “It’s such an incredible asset and strength that we enjoy over all potential competitors. While there are 1,000 plus casinos in North America, there are more than 200,000 lottery retailers. Given this powerful size advantage, we have seen cases where casinos are coming to the lottery and looking for ways to partner together on initiatives that expand their distributional reach. They know we are sitting on this powerful asset. A partnership is also an effective way for us to also expand distribution and get lottery products in front of potential new players and introduce them to our games. New players who came to Lottery by way of casinos can perhaps be driven to our retailers, creating a winning situation for both sides. Casinos are not going away so why not see how we can partner with them?”

As Iowa Lottery Director for more than three years, **Matt Strawn** has seen mobile sports betting added to casino gaming, and this competition is squarely on his radar screen. “In Iowa, we don’t have the same tools as other lotteries,” he said.

“We don’t have iLottery, we don’t have keno, we don’t have Rapid Draw - we have a very traditional lottery portfolio. With a dramatic proliferation in our market of sports betting, we have many challenges facing us, not to mention the impact of inflation. But what we can do is use our retailer network to make sure our products are as available as possible, use in-lane solutions to bring lottery to where players are paying for their purchases. We’re working with companies like Abacus on different initiatives to increase our visibility, starting with Mega Millions and Powerball. As I say to my team, we need to control what we can control and if the Iowa policymakers decide we should add other products to our portfolio, we will be ready to go toe-to-toe with the other gaming options.”

Canada is a few years ahead of the United States in offering the full range of gaming options nationwide, with each individual province overseeing the entire portfolio of

gaming options. In both her roles with Loto Quebec and the World Lottery Association, **Lynn Roiter** has seen the impact of growing competition on lotteries as well as how lotteries have responded. The question for Lynn is how that competition is impacting lotteries and their players.

“We know that polling shows that anywhere from 70-80% of the adult population in Canada and the United States have bought at least one ticket in the past year,” she said. “So we know that a large share of our adult population accepts the lottery. This might mean that the lottery is creating players for our competitors and not vice versa. My experience is that it is a small niche of players who only play at casinos but those are the people we can attract to lottery and grow our player base. Most likely, it will be the industry’s instant tickets that attract these players because of the fast action involved. At the same time, let’s focus on our infrequent lottery players and how we can get them more involved. When the pandemic forced all forms of gaming except lottery to close, we saw an incredible increase in sales of instant tickets. People either discovered or re-discovered instant tickets. It was a reminder that we do have products that are interesting to people and allow us to compete with other forms of gambling.”

Derek Levesque

said that the increase in gaming options has had a two-fold impact – younger players are entering the market and more player data is now available. IGT is working on initiatives that help lotteries maximize both.

“The increase in younger adult players in the overall gaming industry is directly tied to the accessibility of the products, particularly

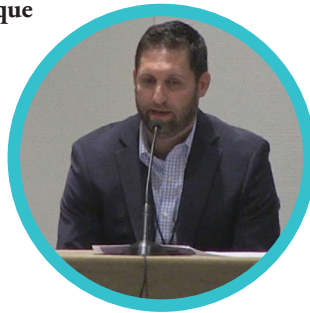
sports betting,” he said. “When you look back at sports betting, the last time PGRI had a conference (Nashville in October), 50% of wagers were placed in retail and 50% were on digital. Last month 88% of sports betting wagers in the United States were online. So the accessibility of the product to the younger demographics and the proliferation of payment methods is impacting that market, including the lottery industry. It’s both a challenge and an opportunity for us to examine what we’re doing and take a look at the value propositions for players in both channels. Turning to the casino industry for comparisons, I don’t think a lottery will be sending their VIP players private jets any time soon. But I do think there’s an opportunity for us to take a much closer look at the loyalty programs and other tools and strategies being applied in other gaming sectors to attract and retain players. We could learn from their experience and modify and adapt those best practices to our lottery sector.

“One opportunity we have that’s not necessarily the same in the iGaming or sports betting market is that we have very specific data points for our players, and we know how we can reach those players in marketing with bonusing and promotions and things like that,” he added. “Where the iGaming market often uses blanket strategies that they utilize globally, we can take a much more customized approach to really speak to those specific players that we’re looking to acquire and retain. As soon as those players opt-in to loyalty, iLottery programs, or any of the programs that offer us digitally acquired data points and insights, we need to leverage that data to ensure we’re doing the right things to retain them for the long term.”

ALL EYES ON SPORTS

Much of the recent attention in the gambling world has been on sports betting, as more states add in-person and mobile betting opportunities. This creates a few important questions: Where does the increased sports betting money come from? Does sports betting threaten to peel off some of the discretionary spend that is now allocated to lottery?

Lynn said there are no simple answers.



“At Loto Quebec, we have worked hard at underscoring that we are the only legal operation for all of our player’s betting needs, with the hopes of showing players that we offer a secure location for their bets,” she said. “I believe our message has been heard and has helped reduce the spending through illegal operations. Once they join us, we want to focus on retention and, if possible, growing their spend in a responsible manner. Since in Canada the lottery oversees all forms of gambling, it’s easier for us to provide cross-market programs. If U.S. lotteries are able to work with casinos and sports betting operations, they should explore possible opportunities to partner with these entities.”

Having seen many gaming trends come and go during his many decades in the lottery and gambling industries, Lorne has a “big picture” view towards how the lottery is impacted by outside factors such as sports gaming. “Let’s look at the poker boom of 15-20 years ago,” he said. “Just like we’re seeing with sports betting, everyone was talking about poker as the number of poker players was growing quickly. But then the majority of players realized that 95% of the money was won by five percent of the players, and the money started drying up. Same thing happened with fantasy sports with that same 95%-5% imbalance. And this will eventually happen with sports betting. One key message for the lottery industry is that in addition to having easy access to our products via the extensive retail network, our players are not susceptible to five percent of players winning 95% of the money. That is a critical message and I believe it will outlive what is taking place in sports betting, just like it outlived poker and fantasy sports.”

Matt concurred and added, “It’s important for us to make sure we maintain a level of relevancy with sports bettors as they’re kicking the lottery tires and realizing that perhaps sports betting isn’t a long-term place for their entertainment dollars. So do we build a moat around our players and hope no one poaches them or do we drop the bridge and take a more offensive posture? In Iowa, the lottery is partnering with our sports outlets to provide unique opportunities that may attract sports fans to lottery. At the same time, we have other threats, particularly on the budget front. Because of the marketing spend from sports betting operators, our costs have risen dramatically,

not just in our sponsorships but with our sports talk radio stations and our traditional television advertising. Year-over-year, we’re about 16% ahead on costs and I think a lot of that is attributable to tighter inventory because of all the sports betting ads. It’s just another issue that we must navigate.”

SHAPING PUBLIC OPINION

Aside from the retailer network, lottery has additional advantages over other forms of gambling, including its role as service to society and providing funds for good causes. Messaging these advantages is key to taking on the competition.

“While the lottery prize-payout is lower than iGaming, which often offers payouts of more than 90%, lotteries have strong margins,” said Lorne. “You have to wonder about the sustainability of a business that has operating costs on top of payouts over 90%. Where are your profits coming from? iGaming is closer to lottery than sports betting, and iGaming is where the better money is for operators. For lotteries, the best bet is to tell our players that we have fun games and good payouts and make sure that policymakers know that our profits, and therefore the funding for good causes, are far greater than sports betting.”

Drew agreed and said that the Pennsylvania Lottery is fortunate to have a very popular beneficiary. “We have the benefit of having a really solid well-known brand and a beneficiary that most people support,” he said. “The Pennsylvania Lottery funds benefits for older Pennsylvanians, and I always remind our team and our stakeholders that our mission is critical. ‘Benefiting Older Pennsylvanians Every Day’ isn’t just a tagline, it’s why we do what we do. And so, the more we reinforce our beneficiary I find the more support we get. It also doesn’t hurt that older Pennsylvanians happen to be an active, engaged voting bloc. We know policymakers listen when they speak.”

Lynne built on Drew’s point. “We know our competition employs some of the best lobbyists, and lotteries can’t have lobbyists, at least not paid lobbyists,” she said. “But we all have the beneficiaries who are voters and that means they have power to advocate for lotteries. If you can get the groups of people that you’re helping out to be more outspoken in their advocacy to underscore the importance of the lottery, it’s much better than us

saying it. And in that sense, I don’t know that we engage the support of our beneficiaries as well as we should. As Drew noted, politicians everywhere in the world listen to or take heed of the voter. Politicians also listen to constituents like the beneficiaries supported by lottery.”

Matt pointed out that driving home the local angle is key. “I like to tell my team that we are not The Lottery, we are the IOWA Lottery,” he said. “That means something to every single Iowan across the state. It means something to the Iowa Veteran’s Trust Fund and those other causes that we support. In March, we returned \$8 million to the state compared to \$1 million from sports wagers. Those are the types of details that help our cause among our constituents and policymakers. They all can see the amount of money returned to the state and good causes from the various gaming entities, and those returns are led by the lottery.”

FIGHTING FOR MARKET SHARE

Drew pointed out that between states not having iLottery and other states fighting illegal game machines, lotteries have a lot on their plates. “I hear from my colleagues all across the country who are having the conversation with their policy makers about iLottery that retailers continue to be concerned about the potential impact on their business,” he said. “However, all the states with iLottery know that iLottery only helps retail. And many states, including Pennsylvania, are battling illegal gaming machines that are proliferating throughout the state. There are a lot of battles on many fronts.”

Derek said vendors like IGT are trying the best they can to help lotteries through some of these headwinds. “It can be frustrating,” he said. “There are 18 states that allow online sports betting, but only about half that many states with iLottery. I’m hopeful that sports betting will now open the door for iLottery in a lot of states. There’s a much bigger opportunity for states to generate income from launching iLottery than sports betting. Both sports betting and iLottery utilize similar payment methods and feature some crossover between customers. I do see hope that iLottery growth will now benefit from sports betting being legalized in so many jurisdictions.”

Continued on page 39

50 Years of Science

Built Into Every Game

They've been described as giant spaceships. Six-foot high rolls of paper stock weighing up to 2,000 pounds go in one end, traveling at high speed as layer by layer of coatings are applied—ultimately exiting as vibrant rolls of scratch games, each roll with a retail value of \$1 million to \$10 million. Sold by 112 lotteries in 47 countries, Scientific Games' instant products represent 70% of instant game retail sales globally.



The production process begins long before the rolls of paper ever hit the press, and it continues long after the forklift ferries the colorful tickets to the company's complex packaging and prize balancing process. It's a modern technology sight to behold. And it's sometimes hard to fathom the sheer magnitude of this \$118 billion global consumer product.

Behind the scenes, visitors to Scientific Games' five instant game production facilities around the world are rare. They are escorted by security at all times, no photos or video recordings are permitted (unless it's a highly-controlled customer tour or for educational use), and most tour participants leave with a sense of awe.

While tens of thousands of tickets are produced every minute, the security, pre and post-production processes and state-of-the-art

printing technologies have been refined over nearly five decades. Within the precisely produced rolls of tickets, millions of dollars in prizes await lucky players.

Instant Game Production

Scientific Games' global scale and the unparalleled agility of its operations keep instant games moving through the design, production and retail distribution pipeline, navigating supply chain and workforce challenges that may threaten lottery inventories and beneficiary funding.

Producing up to 53 billion secure, accurate instant game tickets globally—beginning with the basic raw materials of paper and ink—is a truly remarkable undertaking. The end products represent a complex blend of art and sciences—design,

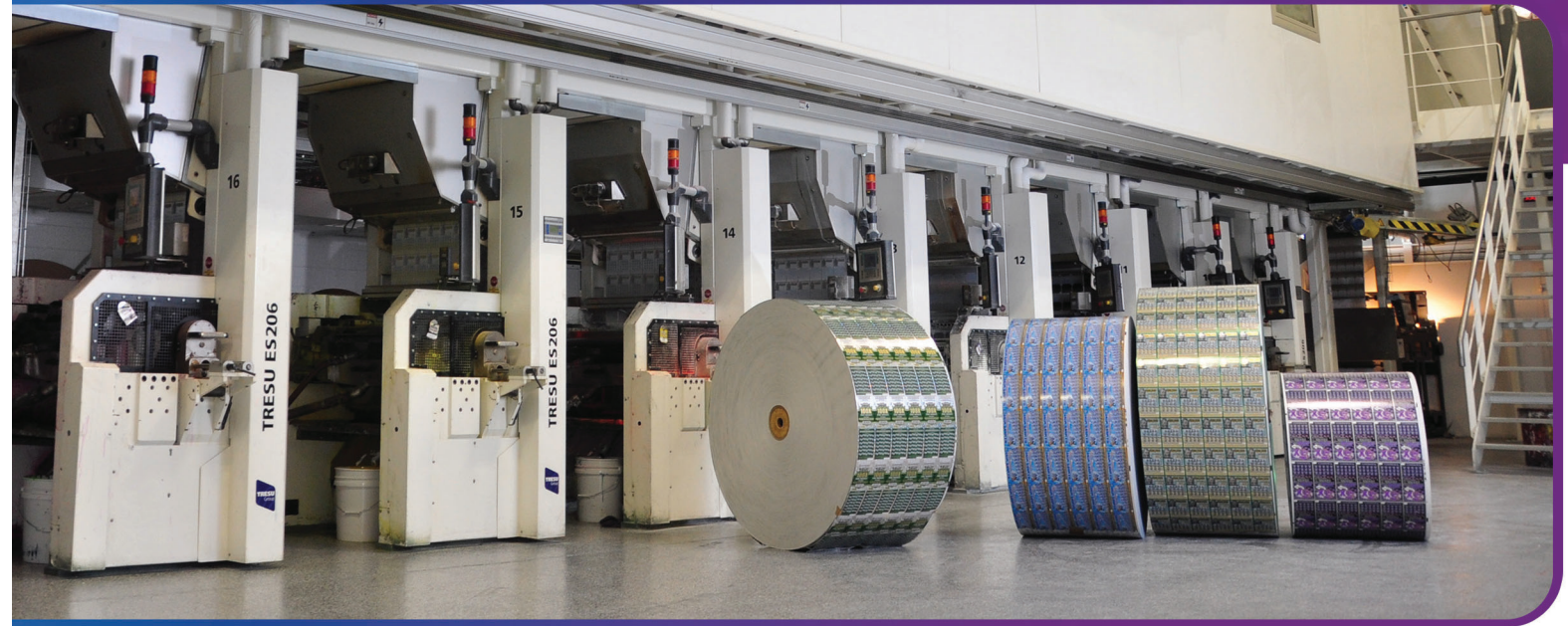
chemistry, mathematics, engineering, computer science, product marketing and management, robotics, and logistics. And it's all meticulously aligned to customer contracts and the governing laws in each lottery's jurisdiction.

While most of the Scientific Games production processes are proprietary, 14 primary steps take place before each uniquely coded ticket arrives at the retailer.

The company is leading the way for use of sustainably-sourced and recyclable paper, water-based inks and environmentally conscious instant game production processes for energy use and waste-to-landfill.

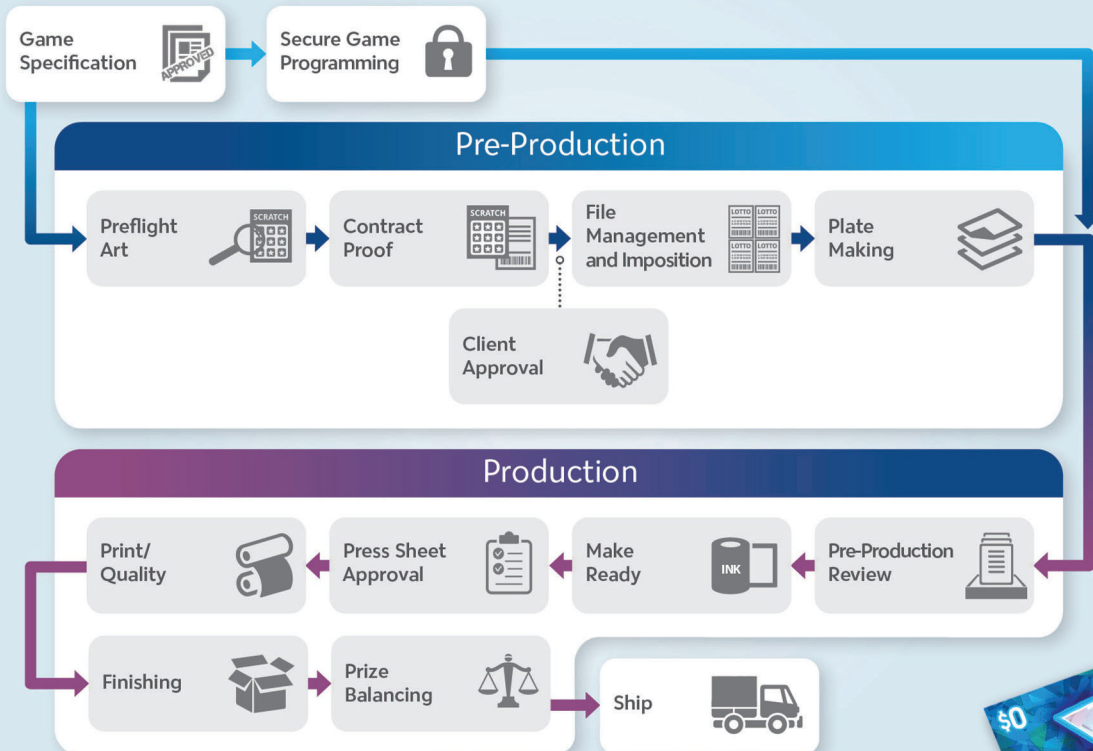


Behind the Scenes of the World's Largest Instant Game Operations



SG Instant Game Production

14 Primary Steps



Game Programming

Programming every game—the data that determines where all the prizes are—takes a global team of industry veterans and experts, including game developers, auditors, mathematicians, security experts, and managers. Most team members have 15+ years of experience, and operations run 24/7 in the U.S., UK, Canada, and Chile to ensure support at all times.

The global team routinely delivers 10-15 accurate, highly secure, quality games per day. The programming process has positioned Scientific Games as the leading instant game provider in the world. The process is ISO 27001 certified to meet an international set of standards that require documented policies and procedures for 133 separate security controls, and it is controlled by proprietary Scientific Games automation systems that ensure all required procedures are followed.

From the first ticket to the last, the company's systems produce games that are confidential and display a unified integration of the prize structure and game parameters.

1. Game Software Development

Programmers create game development software to the lottery's game specifications. The software then creates all play symbols, numbers, letters, and barcodes unique to each individual ticket.

Next, independent audit programmers develop audit software that verifies every ticket number, every validation number, every play symbol, and every barcode—the individual ticket's game data—fully respects the rules in the game's 'working papers'. This includes verification of the game's play mechanics, symbol set and positioning, prize structure, rules, and parameters.

As a final step, a separate team of Scientific Games internal and external auditors test and give final approval of the game's software by reviewing reports, inspecting ticket images, testing ticket data, and using any other evidence necessary to prove adherence to all game data requirements in the working papers.

2. Game Data Production

Custom applications and security systems control the production of the game's live data. Automated applications transfer the final, approved version of the game software to the production system, and a separate suite of applications initiates and monitors the game's data production from beginning to end. The systems work together so that the data is secure and 100% confidential.

- No person can view, copy, edit, delete, transfer or in any way manipulate the game data file.
- Only authorized personnel can initiate the game production data creation cycle.
- Only the approved software can create the game data.
- All game data is fully encrypted as it is created.
- Game data is securely transferred to the press imaging systems.
- Production reports are securely stored.

No one knows where the winning tickets are until a game is purchased and scratched to reveal the prizes. Scientific Games uses complex, highly secure processes and technologies that ensure the integrity of the game. This is proven millions of times every day as players play instant games all around the world.



Security

There is an extraordinary amount of quality and security practices involved in the company's instant game production process—from audits to game design and programming, to secure bar codes and scratch-off coatings on the physical game ticket, as well as the secure distribution of lottery games. This takes place from the moment the games are designed, programmed and produced, to the moment they are distributed in the lottery's retail network and placed on sale to the moment they are validated for a prize.

Multiple and overlapping layers of security systems protect the integrity of each and every game, including state-of-the-art firewalls, networks and other security appliances and applications. At the core of these protected layers of security systems, game data is fully encrypted using highly advanced encryption systems. All of the company's systems are subject to ongoing and independent scrutiny from expert auditors who assess security on behalf of lotteries.

Prizes are distributed in a game as randomly as possible. Patented Key Dual Security technology protects games by requiring separate 'keys' from multiple and independent parties for each game. Two keys, one created by Scientific Games, and one created by the lottery, are needed to produce valid game data. The keys control the game's random number generator which controls the shuffling of winning and non-winning tickets in the game.

The result is an unpredictable and unbiased mixture of winning and non-winning tickets. Add in the random distribution of packs from warehouses, and the millions of instant game wins around the world are random events occurring every minute of every day.

As the company that created the world's first secure instant game, Scientific Games continually develops new systems and tools that improve the security, accuracy, and efficiency of the game development process.

Pre-Production

The prepress function ensures that the final game to be delivered accurately matches the original art approved by the lottery and represented by the ticket proof. A simulated ticket—the contract proof—represents the final printed product in its most detailed, color accurate form using the industry's most realistic proof generation technology.



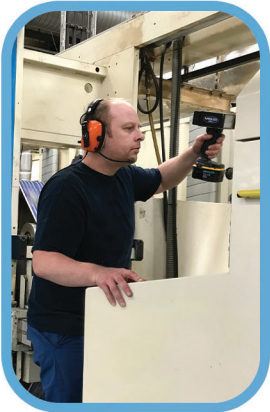
Because millions of tickets will be created from the plate files, Scientific Games' proofing technicians review every set of blueline proofs before the game can be plated for the press. The technicians are considered an audit team for the entire prepress process—from artwork, through working paper development, to plate file completion. They check that the game specifications were produced, and confirm that every aspect of the tickets is correct.

Games Production

Each press, or 'printing system', is an engineering marvel of technologies, integrating sophisticated imaging systems, custom designed drying and curing units, inspection cameras, and data capture systems—all managed by expert print professionals. Offering exceptional reliability, flexibility, and capacity, each printing system has specialized capabilities that produce diverse game designs, ticket sizes, finishes, and play styles.

Once all of the internal and customer approvals are complete, actual live ticket production begins. Each system processes up to 1,000 feet of paper per minute and produces up to one million 2" x 4" tickets per hour.

As paper unwinds from the gigantic roll, it begins the process of moving through up to 21 separate print units on the press—which means it's able to handle even the most complex of games. Each unit applies a different layer or ink color on the paper.



The back of the ticket is printed, and then multiple security layers are laid down, beginning with a lower opaque black security coating that provides good adherence to the paperboard and prevents light penetration. Next, a white or tinted security primer is applied over the black coating to create a secure, image-receptive play area. The ticket is now ready to receive the game data.

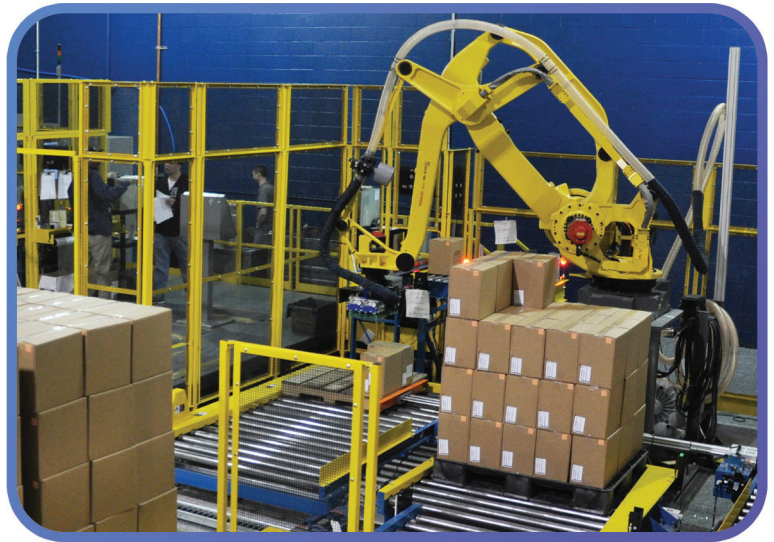
With nine presses operating worldwide, Scientific Games' global teams work together, sharing knowledge and best practices that benefit instant game customers on six continents. At the forefront of developing the most advanced technology used in the industry today, the company continues to invest millions of dollars into instant game production, most recently increasing global production capacity by 20% with a technology expansion of the UK facility.

Shipping

At Scientific Games, the shipping department is an extension of the finishing process, responsible for the final preparation of each game so that it is received by the lottery's distribution center in good condition and ready for distribution to its retail network. Each step in the process cannot occur until the previous one has been completed in this order:

- Prize balancing, final carton labeling and stacking
- Banding and wrapping
- Final audit
- Truck loading and shipping

Controlled by the company's shipping system, a module of the overall packaging system, each step in the process is performed by trained personnel using specialized equipment and is closely monitored by managers and security.



Finished pallets of tickets are tightly stretch-wrapped from bottom to top to protect the contents and provide tamper evidence should someone try to open a carton during transit to the distribution center.

SG Instant Games Global Impact



112 Lotteries



10 Presses



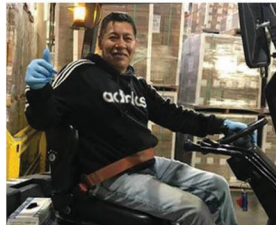
5 Production Facilities

70% of Global Retail Sales

47 Countries



53+ Billion Annual Capacity



19 of Top 20 Lotteries
(per capita sales 2021)



#1 World's Largest Creator, Producer
and Manager of Instant Games



Pallets are then loaded onto trucks with no other deliverables on board and per the customer profile specifications. Required shipment documents are detailed within the customer profile. Also included with every game are inventory and validation files, sent via secure transfer. These files identify all good packs within the game and allow for distribution and system transactions.

Before closing and sealing the trailer doors, shipping personnel photograph the interior of the loaded trailer. The truck is then locked and sealed.

The lottery is notified when the delivery truck leaves the Scientific Games production facility. Shipment notification is sent to the distribution center and the lottery, providing data for the game, expected arrival date and seal numbers used for the truck.

Game Innovation & Portfolio Management

With a collaborative, total portfolio management approach, the company's products are designed and produced to entertain players and drive maximum profits for lotteries of all sizes, including 19 of the Top 20 performing instant game lotteries worldwide (based on per capita retail sales).

Production capacity allows teams to conduct press trials of new products and materials that keep instant games relevant to consumers. The company's innovation teams of designers, prize structure specialists, market analysts, programmers, chemists, and technologists continuously improve and invigorate instant games to provide the newest and most entertaining lottery experiences for players around the world.

When it comes to instant games, it's no surprise lotteries choose Scientific Games.

that will attract new players and keep lottery sales strong.

Maxwell Goldstein

of Carmanah Signs said that staffing issues are a key factor driving the need for technology that provides players with automated lottery product information. “With about 70% of lottery sales taking place at convenience stores, and those stores having some of the highest employee turnover in the retail industry, lotteries face both a challenge and an opportunity in how they reach and engage their players,” he said. “Carmanah’s solution is to provide high-visibility advertising, such as Digital Menu Boards, Digital PlayStations, and small footprint screens at the point-of-sale. This technology enables lotteries to attract and engage all levels of players – from lapsed or light players to core players. Technology replaces the need to ask a clerk for information while also speeding up the checkout.”



“Traditional retailers are picking up the pace of technology adoption, and there is a need to keep lottery products on a level playing field with other impulse purchases,” says Goldstein. “Advanced digital experiences will assist retailers in serving their customers and will be particularly beneficial for lottery.”

Terry Presta of Abacus said the competitive pressure has never been greater for lotteries, as casinos have continued to grow and offer competing products and content that are starting to erode some of lottery’s player base. “What casinos do much better than lottery is provide winning opportunities and understandable models,” he said. “The casinos take your money and a percentage goes to winnings and a percentage goes to the casino. For the lottery, we keep about 40% of the money wagered and it goes to the retailer, lottery expenses and good causes. Lottery can offer higher payouts and that will drive sales but that doesn’t work for all lotteries. We also need to focus on using our technology to



compete with the casinos and sportsbooks that are taking our players and revenue. These challenges are being addressed and vendors, such as Abacus, have solutions that will help lotteries secure their positions with players.”

Gary turned to his Texas colleague, **Ryan Mindell**, to further expound on how lotteries are working through the retail issues. “The last two years have changed the expectations of our customers,” he said. “If we’re not going to meet those expectations then we’re going to start to fade away. Convenience stores are already exploring ways to create an in-store shopping experience with no clerks. It’s one thing for a large grocery store to provide self-serve check-out. But for a convenience store to explore that level of automation should be a wakeup call for lottery because I don’t think we’re ready to meet those customer and retailer expectations today. It doesn’t mean that we can’t get ready. We just need to start having those conversations.”

“I think retailers are going to impose higher expectations on all their suppliers, including lottery, to bring more to the table. They are under pressure to modernize and they expect us to help them adapt and change,” he said. “I had a meeting with a retailer recently in which we tried everything we could to get an in-lane pilot for scratch tickets. And at the end of the day, we could not make it happen because we weren’t connected to their point-of-sale and so they couldn’t track those sales like they track other sales. It was a nonstarter. It doesn’t matter what liabilities we were willing to accept, what terms, or what business processes we were willing to change. That one piece meant that we couldn’t get there.”

LOCATION, LOCATION, LOCATION

Gary turned the conversation to the physical lottery location and how lottery is presented to consumers. “In a recent study, almost 50% of consumers

said they would rather use self-service checkout in stores than checkout with a live person,” he said. “And that number is even more pronounced for Gen Z and Millennials. The question for lottery is

‘how do we handle this need for change?’ It seems like an opportunity for us to gain new customers but how do we execute on this new situation?”

Max said we only need to look to other countries as a guide. “In the U.K, Ireland and Canada,

lotteries are actively promoting self-service checkout,” he said.

“Carmanah has been working with many lotteries on this because self-service must be accompanied by clear signage that explains the offer and how to purchase your tickets. The big box stores in the U.S. are starting to explore lottery self-service checkout and once someone like Walmart has moved in that direction, you’ll see others follow. In reality, this is how we’re going to stay relevant to a new generation of players.”

Michelle said that while lottery certainly needs to evolve with the changing nature of retail, it is not as simple as just making the products available at a self-service checkout. “We really need to look at the accounting side of our business as well as the business model in general,” Michelle said. “Things like ticket-by-ticket activation and in-lane sales are not easily accountable with our current systems. Tying into the retailer POS has taken many years to get right. Many of these technologies are works in progress, as retailers continue to change their business models.

“In terms of the consumer and the player experience, we need to always talk about mobile, because it is probably the most critical part of the consumer experience,” she said. “Even if you’re not an iLottery state, there is so much that can be done through mobile in terms of player communication and promotions. You can provide content via a lottery app while the player is in the store. Let them know about jackpots. Today’s technology allows for many forms of player engagement, and we need to take advantage of what is available.”

Continued on page 50



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Creating a Winning eInstant Player Experience

In a presentation at the recent European Lottery Industry Days in Germany, IGT's Srinu Nedunuri, Vice President Global iLottery, shared video clips of recent player interviews and recommendations on how to create a winning eInstant player experience.

Some clear themes emerged from the players, who offered insights in their own words on various topics, including what attracts them to an eInstant game and how they like to win. Players said they play for fun and entertainment, are attracted to catchy game titles, colorful graphics, and love bonus games and winning surprises. Some reported that they like the chance to win bigger prizes, and others like to win more frequently as they play.

Given the diverse player segments, each lottery needs a balanced portfolio that includes a variety of games.

With its data-driven game design and portfolio management approach, IGT understands what games resonate with the different player segments. The company partners with lotteries to utilize game performance data and IGT's eInstant formula for success to develop games and recommend the right game portfolios. The formula highlights the different eInstant parameters lotteries can use to optimize player experiences, deliver fun and entertaining games, and ultimately maximize revenues for good causes.

There are four main independent levers to pull, based on a lottery's player base and jurisdiction:

Portfolio Diversity

Variety is "the spice of life" in an eInstant portfolio. Lotteries must understand which games will gain and retain their player segments in order to offer diverse play styles, mechanics, and themes that appeal to their wide audience.

From game performance data, IGT found that a fast-paced game appeals to both young adult players and traditional retail players alike, however, the game-mechanic appeal differs slightly. For example, younger adult players tend to gravitate toward the newer play styles like a tumble mechanic or jackpot progressive, whereas number match games appeal to a traditional retail player.

"I'm attracted by cool graphics and bonus games so if the game offers a bonus game I'm in."

- French Player

Longer play styles also interest both demographics, but different themes are engaging to different players. A crossword or bingo mechanic attracts a traditional retail player, whereas a younger adult player may try a casual play-style game with a quirkier theme, such as a game featuring emojis. Incorporating a range of entertaining themes is also important to achieve that balance.

Nedunuri noted, "New online players may be uncertain about digital content. Offering familiar brands from a trusted lottery encourages players to register and deposit. Omnichannel content that is available at both retail and online builds digital credibility." For example, the brand affinity of the Georgia Lottery Corporation's scratch ticket, Jumbo Bucks, remains strong. Today, 45% of Diggi Games

(eInstant) players try the digital Jumbo Bucks eInstant within 30 days—even though it is not a recent game.

Incorporating familiar brands like IGT's globally recognized proprietary brand, Cleopatra, and popular licensed-content brands like Wheel of Fortune are tactics to create a diverse portfolio, along with seasonal content. Seasonal content is a nice surprise for players, and when a lottery increases game-launch cadence, they can accommodate content with a shorter shelf life.

Player Experience Optimization

A French lottery player remarked, "I'm attracted by cool graphics and bonus games, so if the game offers a bonus game, I'm in." Creating that immersive player experience and random rewards, as mentioned by behavioral scientist Owain Service during the keynote presentation, is key to retention. "As humans, we are likely to disengage if we never see any reward," said Service. "We find these rewards, delivered randomly, much more compelling."

A way to meet this need is by incorporating surprise factors like instant wins, multipliers, free turns, and entertaining bonus rounds into a lottery's game portfolio. Nedunuri remarked, "Each game we design has elements of surprise plus elevated animations, graphics, and sounds. In our multi-ticket game, Pirates and Planks, animated characters literally shake in their boots as they walk the plank into a pool of circling sharks. Prize Potions, our latest reactor eInstant, realized the highest week-one sales ever in Georgia and Kentucky. It features a wizard that celebrates player wins and offers several ways to win, including a 'choose your adventure'-style bonus. It is games like these that engage players on a higher level."

Prize Structure Optimization

Players are drawn to play because of the games and brands, however, what retains this diverse group of players are the prize structures. Players like to win differently: Some enjoy the idea of winning a smaller, more frequent prize, while others will play for the jackpot. Optimizing prize structures is the third parameter that drives player experience and engagement.

For those who enjoy smaller wins, lotteries can include games with a casual play style, lower volatility, and a lower top prize. A “I hope to win the big prize one day” player enjoys a game with a faster play style, higher volatility, and a higher top prize. Match the right prize structure with the right playstyle and game theme to optimize overall portfolio performance.

Price Points

Again, no two players are alike. Provide players a choice on how they want to play – lower price points offer play value for less, while a higher price point translates into the chance for a larger win. Every game needs a variety of price points and, through analysis, a lottery can determine the right mix and default price point for their market and player segments.

IGT’s eInstant Formula for Success



When a lottery only offers a single price point in a game, it only presents a game that appeals to a particular player segment. “For example, if you have 50 games in your portfolio and a particular player only plays \$2 games, they filter in the lobby and only find seven with that single price point – limiting their choice,” said Nedunuri. On the other hand, with expanded, multiple price points, that same player could filter on \$2 games and find all 50 games to play. Multiple price points expand the universe of available games and enhance the player experience with the ability to easily move from price point to price point within a game.

The second constant is game analysis. Player behaviors evolve over time. IGT and the lottery must continuously monitor game performance and use that data for game development and customer portfolio planning.

As noted by Naïké Van Hulle, Business & Product Management Instant, Loterie Nationale of Belgium (LNB), who manages eInstants planning for LNB’s iLottery program, “Our players have enjoyed our eInstant games since 2017. Today, our game library has nearly doubled, and we are delighted to offer a variety of game styles that appeal to a wide range of players. IGT works very closely with us to analyze game performance, make game recommendations, and deliver quality, relevant content.

“With IGT helping shape our roadmap, our mix includes casual games as well as games with adjusted play styles that increased our sales 100% year-over-year from April 2021 to 2022. We look forward to launching more games with IGT.”

IGT uses key performance indicators to understand how often a game is played and parlays the data into the development of new content. The company continues to raise the bar and is committed to developing top-performing content following Responsible Gaming principles as well as partnering with customers to provide players a winning experience. ■

To learn more about IGT’s eInstant library or to watch LNB’s video, visit [IGTiLottery.com](https://www.IGTiLottery.com) or contact your Account Manager.



Srinji Nedunuri, IGT Vice President Global iLottery, offers recommendations to the European Lottery Industry Days’ audience on how to create a winning eInstant player experience.

Putting It All Together

The four levers can be used together or separately. However, the following are two constant parameters throughout this process: Responsible Gaming and game analysis. Responsible game design is paramount and at the forefront of all IGT game development. IGT follows principles to ensure games are straightforward with a clear design, name, and symbol hierarchy plus include configurable game speeds that meet lottery requirements.

KEEPING THE BALANCE IN A CHANGING WORLD

IGT's 15th annual Sustainability Report reveals the many ways sustainable thinking has become engrained in the company's culture and operations.

One historic home in San Francisco's Presidio national park has an illuminating story to tell about how a global organization can integrate a sustainable mindset.

Constructed in the nineteenth century, the wood-frame building on Funston Avenue has been repurposed as the new headquarters for IGT's PlayDigital business unit—chosen purposefully to create the sense of a home base for the widely dispersed global team.

Interior spaces have been set up with dedicated areas and equipment to facilitate an ever-changing mix of virtual and in-person collaboration, making it a common centering point, even for those who live and work far from the Bay Area.

"We're spread across the globe, and we wanted a space that can make all of us feel like part of something—part of a family," said Enrico Drago, IGT CEO Digital & Betting. "We're translating this concept to a company house, a space that allows us to be more collaborative and creative."

Staff from around the world are invited to populate the walls with photographs and artworks representing their communities, themselves, and how they interact with



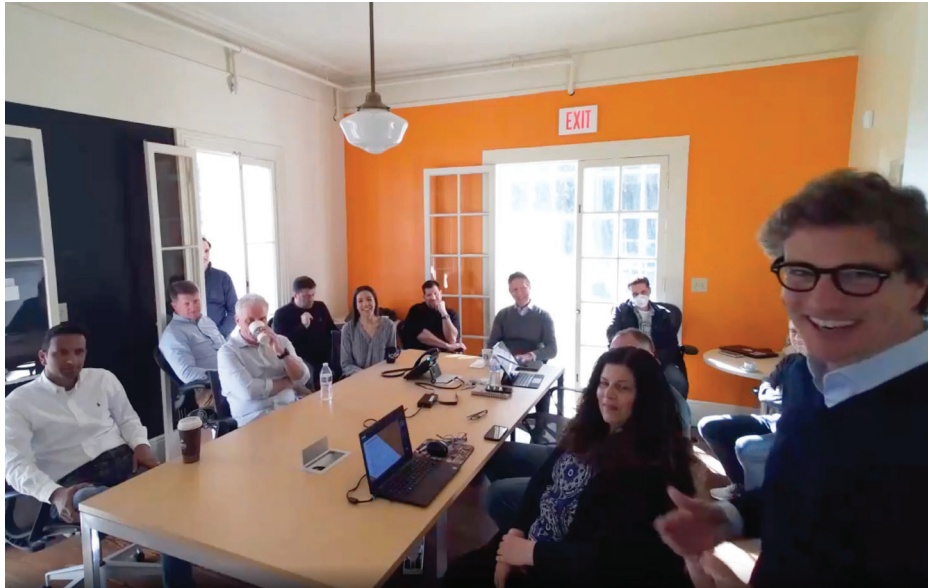
Putting the Fun in Funston Ave. "We're making this our own house, for all of us," said Enrico Drago, IGT CEO Digital & Betting, discussing the PlayDigital business unit's new headquarters. The historic structure in San Francisco's Presidio has been repurposed with hot-desk zones and common areas to encourage collaboration, flexibility, inclusion, and work-life balance.

IGT PlayDigital, fostering familiarity and belonging among a diverse group.

Importantly, the PlayDigital team did not renovate the historical structure. "We are adapting ourselves to the space and not

the opposite," said Drago. In place of air conditioning, cooling will be handled "just as nature does," he noted, via Pacific Ocean breezes and mist.

Local team members have the flexibility



to work part of their schedule remotely, supporting work-life balance—a practice now in use among many other IGT business units and geographies. And employees who aren't commuting on a given day are reducing the use of carbon-producing fuels and other resources.

For the PlayDigital team, the differences between the new headquarters and its former HQ in a downtown commercial office space reflect an openness to look beyond the way things have always been done in order to anticipate and meet evolving needs.

A SUSTAINABLE MINDSET

In its longstanding commitment to provide sustainable business solutions for customers, IGT is applying this mindset to a wide range of initiatives as the company delivers diverse and expansive product offerings across three global business segments.

PlayDigital took occupancy of the new headquarters in 2022, but IGT's global teams were involved in scores of other forward-looking initiatives over the past year.

As detailed in IGT's recently released 15th annual Sustainability Report, which covers 2021, these wide-ranging efforts are centered on four key priorities:

Advancing Responsibility, Fostering Sustainable Operations, Valuing and Protecting Our People, and Supporting Our Communities.

The company's progress and achievements are also tracked according to how they align with and support the nine **United Nations Sustainable Development Goals** that IGT has adopted.

Across the range of focused initiatives and programs, the drive to innovate underpins the company's commitment to provide best-in-class service through a diverse workforce and unrivalled knowledge of the global gaming market.

Highlights from the new report include:

- **Science Based Targets Initiative** IGT joined the Science Based Targets initiative (SBTi), which drives climate action among businesses worldwide. Through this commitment, IGT officially pledges to set targets to reduce greenhouse-gas emissions, contributing to low-carbon emissions and furthering the company's environmental, social, and governance (ESG) impact.
- **Responsible Gaming Policy** Top-down support has resulted in the creation of IGT's robust Responsible Gaming (RG) program, which is woven into the fabric of core corporate business functions. A new Responsible Gaming Policy, released in 2021, was created to transparently inform all relevant stakeholders about IGT's worldwide programs and solutions, and to meet or exceed requirements as well as comply with regulations on Responsible Gaming in all jurisdictions in which the company operates.
- **RG Recertification** In today's unprecedented times, IGT remains committed to Responsible Gaming by balancing growth with social responsibility. The World Lotteries Association (WLA), one of the world's



most demanding responsible gaming frameworks, recognized IGT's efforts with recertification in 2021.

- Human Rights Policy** The company proudly released its first Human Rights Policy Statement, which outlines IGT's belief that promoting and living by sustainable principles begins with respecting the basic rights to which all human beings are entitled.

IGT recognizes that, as a global organization, it is responsible for promoting human rights and contributing to meaningful change around the world. ■



To learn much more about IGT's strategic Sustainability goals and activities, read the full report, "Ahead of the Game," by visiting [IGT.com/sustainabilityreport](https://www.igt.com/sustainabilityreport)

SUSTAINABILITY WORKING GROUPS	COMMUNITY ENGAGEMENT	The Community Engagement working group promotes education programs in communities where IGT is present, contributing to the development of adequate livelihood opportunities for people living within low-income communities, ensuring equal access to opportunities, and encouraging local economic development.
	COMMITMENT TO DIVERSITY	The Commitment to Diversity working group is focused on embedding diversity, equity and inclusion into people and business processes and ensuring that IGT's people are not subject to discrimination, harassment of any kind, including sexual harassment, bullying or any other form of violence in the workplace. The group is also committed to ensuring equitable access to opportunities for all people at IGT including women, people of color, LGBTQ+ people, people with disabilities and more. In addition, the working group is focused on sustaining an inclusive organizational culture that values and prioritizes nurturing a sense of belonging by supporting the diverse contributions, presence and perspectives of all of our people
	HUMAN CAPITAL DEVELOPMENT	The goals of the Human Capital Development working group include the promotion of a full and productive employment, the administration of quality education, and skills development. The group is also tasked with promoting partnerships with local universities or schools through school recruitment campaigns, and providing access to internship programs, funding, scholarships, or grants.
	RESPECT FOR HUMAN RIGHTS	The Respect for Human Rights working group is aimed at strengthening IGT's commitment to protecting human rights within the Company thus minimizing the risk of human rights violation. The group is also responsible for promoting actions to support the rights of vulnerable groups and raise awareness among employees about human rights practices.
	SUSTAINABLE PROCUREMENT	The Sustainable Procurement working group is focused on the protection of the environment and human rights along the supply chain of the organization. The working group is responsible for promoting measures to minimize the risk of environmental and human rights violations related to its suppliers' operations worldwide. These measures include environmental compliance, undocumented and child labor, slavery and human trafficking, working conditions, discrimination, freedom of association, and underpaid, forced or bonded labor.
	WELLNESS AT WORK	The Wellness at Work working group is aimed at ensuring the health and safety of all people in the workplace, and developing a corporate culture that promotes physical and mental health, and overall organizational well-being.
	ENVIRONMENT CARE	The Environment Care working group joins the fight against climate change by improving the efficiency of operations through the mitigation of pollution generated by air emissions and use of hazardous chemicals, and the more efficient use of natural resources.

IGT's longstanding commitment to sustainability was further advanced in early 2021 by the establishment of the IGT Sustainability Steering Committee (SSC). Among many objectives, the SSC aims to increase communication on sustainability practices by sharing best practices at a global and local level. At the operating level, seven sub-working groups (shown), each made up of representatives of different departments, are responsible for analyzing sustainability initiatives and defining an action plan.

“I also think the most important thing we can do going forward is to continue to understand our players better,” he added. “The ability to now have data points on players where we’ve almost been blind for so long allows us to offer much more targeted and strategic innovation. We can build content and games for the types of players that we want to retain long term. Our keys are understanding our players and continuing to get to know exactly what they’re looking for. This will provide us with the ability to market, promote and overall retain those players at higher levels.”

Matt said everything comes back to the retail network. “We’ve seen over and over again, and not just in gaming but in many, many industries such that it’s almost becoming a cliché by now, but the omni-channel strategy is critical,” he said. “The organizations and companies that embrace this approach tend to consistently outperform either those that are only retail or those that are only online. The lottery industry needs to take full advantage of the opportunities that the omni-channel approach presents in terms

of the online reinforcing and helping the retail network thrive. Help the policy makers understand the importance of iLottery not just for the sake of iLottery itself but for the eventual synergy that it will create with the retail network. Show them the numbers from the lotteries now offering iLottery. This is an area where we need to concentrate.”

Lynne emphasized that lotteries must take advantage of their place in the gaming hierarchy. “We know that our industry started as a monopoly and as other forms of gaming have proliferated, that monopoly status has been challenged,” she said. “But lottery is still the best-known form of gaming in most states. Illegal gaming will always exist because it’s difficult to totally eradicate it. But lottery is such an attractive form of gaming – good payouts, strongly regulated – that the demand for our products will always exist. We have beaten back all forms of competition before and we’ll continue to do it.”

Looking back on his career in the industry, Lorne said that lotteries should be heartened by how they have survived through many

forms of competition. But that doesn’t mean lotteries shouldn’t be constantly looking for ways to innovate.

“It’s interesting because our games are essentially the same games we were selling fifty years ago,” he said. “We need to understand that you would be hard pressed to think of any industry that has grown the way the lottery industry has grown in fifty years that effectively is selling the same products. I rack my brains trying to think of another one and I can’t. So there’s something incredibly enduring about lottery and something incredibly ingrained in the psyche and the behavior of people who buy our products. I can assure you that if fifty years from now the products are the same instant tickets and the same Pick 6 and the same daily numbers as lottery offered fifty years ago, the industry is not going to be as successful as it is and will certainly cede market share to our competitors. At the end of the day, innovation should be our primary focus as it is key to building sustainable growth and a long-term successful future.” ■

Focusing on the Brand continued from page 21

us and working to ingratiate ourselves with our neighbors and the different organizations has helped a lot.”

POWER OF BRANDS

With four executives from MUSL-member states, the panel’s discussions inevitably turned to Powerball and its retail reach. “Not only are our products in hundreds of thousands of retailers across the country, but we also have the best-known brand in gaming – Powerball,” Gregg said. “As a group, we are starting to understand better how we can utilize that game more. From the conversations we’re having on the licensing side with private sector businesses, we are getting a view of what they value and therefore what we can offer those other brands. We’re an entertainment brand and we need to work with partners who are also in the entertainment business, among others.”

Stephen agreed and said there are past examples the lottery can model after. “For years, Hallmark made cards and now they have a huge Christmas ornament business and operate three cable channels,” he said.

“I’ve used the LEGO example as well.

Growing up, they were just bricks you used to build things. Now they have movies and TV shows. For Powerball, we used to have a game show but now we’re involved with some very interesting marketing and promotional ideas. That is how you stay relevant. You evolve and take your brand where your potential customers will see you in a different light.”

As the panel’s singular representative from the private sector, Brad’s experience building EQL Games has not been that different than the work to build the lottery and Powerball brands. “I started as a horseracing company and then was able to build relationships with leagues, such as MLB, NBA, and the NHL,” he said. “What is surprising is that working with the large sports leagues has been much easier than working with the horseracing entities. Horseracing doesn’t understand its brand. They have 50 different people who you work with to get 50 different licenses for 50 different racetracks. That is why horseracing is where it is and why the other leagues are much more popular. At Major League Baseball, I work with three people to get everything taken care of.

“The bottom line is that lotteries should never fear engaging with brands that might seem to be more powerful than us,” he said. “Those mega-brands might actually be the ones who recognize the reach, impact, and value of our own lottery brands and end up being the ones who work with us in an effective way. They have the resources and the high-level vision which put them into this elevated position. Let’s reach out to engage them in mutually supportive collaborations. No brand should be considered too big or powerful to gain from a relationship with Brand Lottery.”

Gregg wrapped up the panel with a shout out to his fellow MUSL Committee chairs and members, and their work to expand the Powerball brand. “It’s been almost six years since we kicked off a strategic planning process to build on the primary pillars that have been in place,” he said. “Our MUSL leadership and staff in Iowa has masterfully managed our efforts, including strengthening the committee structure. It’s not one or two people that have ownership of this strategic plan and (MUSL Executive Director) Bret (Toyne) and his team have worked hard to keep our discussions moving forward.” ■

SMART-TECH | MIAMI 2022



1. Tom Markert, Sue Dooley 2. iLottery Panel Discussion 3. Michael Martin 4. Brian Rockey 5. Bret Toyne 6. Stephen Durrell
 7. Pat Lantz, Charles Phillips, Shannon Underwood, Sue Dooley, Bret Toyne, Barb Niccum 8. Paul Jason, Chris Shaban 9. John McCormack 10. Stephen Durrell
 11. Ryan Mindell 12. Matt Isaac 13. Brad Cummings 14. Lori Denton 15. Sean Athey 16. Paul Jason 17. Audrey Hepburn 18. Brad Cummings
 19. Rebecca Swindle 20. Susan Jason, Christa Redmond 21. John McCormack 22. Pat McHugh 23. Charlie Scannella, Angela Wong

SMART-TECH | MIAMI 2022



1. Lynne Roiter 2. Jennifer Seymour 3. Sue Dooley, Paul Jason 4. Maxwell Goldstein 5. Terry Presta 7. Gary Grief 8. Angela Wong, Kevin Kaminski, Caitlin Cookson
 9. Matt Strawn 10. May Scheve Reardon 11. Rob Wesley 12. Beth Bresnahan, Kelley-Jaye Cleland 13. Reception 14. Mike Purcell 15. Ryan Mindell
 16. Matt Strawn 17. Norm Lingle 18. Terry Presta 19. Jeanna King, Rose Hudson, Tracey Cohen, Cherie Norman 20. Competition Panel Discussion
 21. Jeanna King 22. Brooks Pierce 23. Jason Lisiecki

SMART-TECH | MIAMI 2022



1. Derek Levesque 2. Michelle Carney 3. Reception 4. Gregg Edgar 5. Bret Toyne 6. iLottery Panel Discussion 7. Ryan Petit-Frere
 8. Maxwell Goldstein, Samandra Drewry, Adam Caughill 9. Mindy Toyne 10. Rebecca Paul 11. Rob Wesley 12. Sarah Taylor, Jeff Schweig
 13. Marty Zuniga, Nancy Rollins 14. Paul Jason 15. Lorne Weil 16. Mindy Toyne, Adam Barry 17. Susan Jason 18. Jeanna King, Michelle Carney
 19. Pete Ramsey, Ryan Petit-Frere 20. WILL Panel Discussion 21. Richard Bateson

SMART-TECH | MIAMI 2022



1. Charlie Scannella, Lorne Weil 2. Chris Shaban, Charlie Scannella, Michael Pollock 3. Charlie Scannella 4. Peter Sullivan 5. Kelly Gee 6. Gregg Edgar
 7. Adam Barry 8. Lorne Weil, Rebecca Paul, Brooks Pierce 9. No caption 10. Shannon DeHaven 11. Keith Cash 12. Stephanie Weyant 13. MUSL Panel Discussion
 14. Nicole Jordan, Beth Bresnahan, Khalid Jones 15. Pete Ramsey 16. Mary Harville, Amy Drooker
 17. Paul Jason 18. Tracey Cohen, Jennifer Welshons 19. Rebecca Paul 20. Bret Toyne 21. Rebecca Paul

SMART-TECH | MIAMI 2022



1. Karen Harris, Rodney Wilson 3. Stephanie Weyant 4. Armando Perez Cruz 5. Kelly Gee 6. Drew Svitko 7. Peter Sullivan 9. Lynne Roiter, Jennifer Westbury
 10. Steve Hickson, Rhydian Fisher 11. Sarah Taylor 12. Rebecca Paul 13. iLottery Panel Discussion 15. Jennifer Welshons, Tracey Cohen, Jeff Schweig
 16. Gregg Edgar, Armando Perez Cruz 17. Kelly Gee, Mary Harville, Rebecca Paul 18. Andrew Crowe 19. May Scheve Reardon 20. Rick Perrone
 21. Beth Bresnahan and Stephen Richardson 22. Gregg Edgar, Armando Perez Cruz 23. Sarah Taylor 24. Drew Svitko

PGRI Lottery Industry Lifetime Achievement Award:

Sue Dooley, Director of Draws and Promotions, MUSL (Multi-State Lottery Association)



1. Sue and Steve Dooley 2. Bret Toyne, Vernon Kirk, Sue Dooley, Gary Grief 3. Sue Dooley 4. Bret Toyne, Sue Dooley 5. Sue Dooley
6. Pat Lantz, Charles Phillips, Shannon Underwood, Sue Dooley, Bret Toyne, Barb Niccum

PULSE of the Industry



These news stories comprise a very small fraction of the gaming and lottery news stories posted every day to PublicGaming.com. Too, these stories are the highly edited short versions. You can visit our news website PublicGaming.com and access all of its departments for free, including search to read the full version of the articles. Sign up for our free e-newsletter by sending your e-mail address to sjason@publicgaming.com.

NORTH AMERICAN NEWS

Multi-State Lottery Association Board and Product Group Officers Elected for Fiscal Year 2023

MUSL Board of Directors:

President – David Barden (NM); Vice
President – Cindy Polzin (WI)

Secretary – Matt Strawn (IA)

Powerball Product Group: Chair – Drew Svitko
(PA); Vice Chair – Tom Seaver (CO)

Lotto America Product Group: Chair Adam
Prock (MN) and Vice Chair Matt Strawn (IA)

Kelly Gee Officially Appointed as Executive Director of Virginia Lottery

“It is my honor to welcome our newest civil servants and board members to the administration as we continue our efforts to make Virginia the best place to live, work, and raise a family. I am excited for our team to grow in expertise and aptitude as we conquer the most pressing challenges in Virginia that these coalitions of qualified individuals will serve to address,” said Governor Glenn Youngkin.



Powerball First Millionaire of the Year® to be presented in a special drawing

broadcast live on “Dick Clark’s New Year’s
Rockin’ Eve with Ryan Seacrest 2023

For the first time since 2019, players will
return to New York City to participate in the
promotion in person. The Powerball First Mil-

lionaire of the Year winner will be announced
from the set of the Powerball New Year’s Eve
party just after midnight in Times Square.

Lotto America® to Launch Third Weekly Drawing on Monday Nights

New Day to Play Starting July 18, 2022

Launched in 2017, Lotto America is available
for purchase in 13 U.S. lottery jurisdictions.

Licensing multiple private-sector operators, Ontario’s regulatory framework for iGaming is the first of its kind in Canada, and not everyone is happy with it

Pennsylvania Lottery Modernization Efforts Ensure A Profitable Future



Some modernization efforts of the Pennsylvania
Lottery will be led by its longtime partner,
Scientific Games. The company recently agreed
to a new 10-year contract with the PA Lottery
to provide instant tickets and gaming systems
technology. A secondary partner, Pollard
Banknote Limited, will also provide some
instant tickets. The modernization efforts from
the Pennsylvania Lottery will also lead to an
increase in the games that are available online.

International Game Technology PLC Announces Completion of Acquisi- tion of iSoftBet

IGT Debuts Cobalt 27 VLTs in Canada via Manitoba Liquor and Lotteries Corporation Agreement

IGT Inks 10-Year Agreement with Kansas Lottery to Enhance Elec- tronic Gaming System



INSPIRED LIVE WITH iLOTTERY Loto-Québec launches the first of many Inspired digital lottery titles



IWG and Pennsylvania Lottery Launch Evergreen elnstant



Steve Beason Joins Scientific Games Exec Team as President, Digital Lottery and Sports Betting

Saskatchewan Selects British Columbia Lottery’s PlayNow online gaming platform As Vendor For New Online Gaming Site

Jumbo Interactive closes acquisi- tion of Stride Management

Missouri Lottery’s Longest Serving Director, May Scheve Reardon, Resigns after Legislature Reduces Advertising Budget To \$1

Missouri's longest-serving lottery director has held the position for more than 13 years. Her announcement came during a meeting of the Missouri Lottery Commission, in which she and lottery staff outlined the effects of budget cuts to the agency's advertising and promotion budget. Because of their one dollar budget, large advertising contracts had to be cancelled. Reardon won't officially step down until a new executive director is approved, so she can help that person with the details of the job.

Lottery.Com Inc. Announces Executive Changes

\$12M Settlement Reached with Zynga in Social Casino Illegal Gambling Litigation Brought By Washington State

Amazon slows down its focus on growth

SPORTS BETTING AND CASINO GAMBLING

New York's mobile sports betting brings in \$302M in tax revenue in first six months, more than any other state

Legal online sports betting went live on Jan. 8, and thanks to New York's high 51% tax rate, which is tied with New Hampshire for the highest in the country, it didn't take long for The Empire State to set the new tax revenue record. New York and New Hampshire join Delaware and Rhode Island as the only states that tax sports betting operators on at least half of their earnings. "In less than half a year, New York has become a leader among states in implementing successful gaming policies, with hundreds of millions of dollars going to important programs that will improve the lives of all New Yorkers," NY Governor Hochul said in a news release. "I am committed to upholding responsible and effective gaming policies that will move the industry forward and continue to drive our state's economic growth."

Comparing New York to New Jersey sports betting, New York set the \$267 million record in five months while New Jersey, which has a 13% tax rate, has yet to reach that number after five years, generating \$229 million in tax revenue since legal online sports betting went live in June 2018.

Louisiana gambling, sports betting numbers continue downward trend in May

Tribal Gaming Casinos to add sports betting in Washington State

Colville Gaming, which runs three 12 Tribes Colville Casinos in Central Washington, announced last week that it has signed a deal with slot machine, software maker and gaming specialist IGT to provide sports betting at the tribes' casinos.

Commercial operators fighting with Tribal casinos over the rights for sports-betting in California

Californians in November will vote on a pair of dueling initiatives to legalize sports betting, with voters deciding whether or not to authorize sports betting in California and if so, whether to award the franchise to Tribal Gaming interests or commercial sports-betting operators.

Michigan internet gaming and sports betting operators report 38% increase from May of 2021

Cruise ship lines Carnival Cruise Line, Holland America Line and Princess Cruises are adding sports betting options for passengers

Consistent Online Casino Play Has Pennsylvania on Pace For \$1.3B iGaming Year

The \$113.3 million in revenue reported by Pennsylvania's 18 iCasinos in May was not a record — they collected nearly \$5 million more in March — but it highlighted the stability now common for this integral part of the state's gaming industry.

Virginia's first casino has opened for business

The Bristol Casino will be open 24/7, offering 870 slots, 21 tables, and a sportsbook. A line of customers wrapped around the building as they waited for Friday's grand opening.

Cincinnati Bengals First Pro Team to Apply for Ohio Sports Betting License

The Cincinnati Bengals is one of eight major professional sports franchises eligible to apply for a license through the law the state legislature passed late last year. Muirfield Village Golf Club, which hosts the PGA Tour's Memorial Tournament, and Mid-Ohio Sports Car Course, which hosts a NASCAR race, are also eligible to apply, as are the state's four casinos and seven racinos. All those entities can apply for both online sports betting licenses as well

as the Type B licenses for in-person sportsbooks. In addition to the Bengals, FanDuel and Fanatics applied on Friday to run a retail sportsbook for a proprietor.

States like Ohio are implementing sports betting once they see the success of neighboring states

Ohio Legislature Passes bill to Update Sports Betting Tax Structure

This change comes in preparation for Ohio's online sports betting launch on Jan. 1, 2023. This will benefit the sportsbooks as well as the bettors — all parties will save a little money thanks to the state's legislative efforts.

Esports Betting And Casinos – Intertwined More Than Ever

There may seem to be no connection between esports and casinos, but a rising number of casinos are embracing competitive gaming.

Virginia lawmakers close sports gambling loophole that was limiting tax revenue

Historical Horse Racing (HHR) Gaming Handle Rises in Kentucky

Live Thoroughbred racing is among Kentucky's signature industries, but it is historical horse racing gaming that is leading wagering in the state. HHR gaming devices have grown in popularity as the devices have evolved to more closely resemble modern slot machines.

WORLD NEWS

FDJ expands into the commercial sector, acquiring a payment services company for the general public and for merchants

FDJ announces that it has entered into exclusive negotiations with Aleda, with a view to acquiring this specialist in point-of-sale collection and payment solutions.

This planned acquisition is part of the development strategy for FDJ's Payment and Services business and reinforces the Group's commitment to supporting merchants by offering them value-added services to help them manage and development of their points of sale.

Spanish Gaming Revenue Down as Sports Betting Takes a Hit

Belgium's Gaming Revenue Slides as 20 Percent Of Gamblers Use Illegal Platforms

Netherlands to heavily limit online gambling advertising from 2023

Abacus and Nederlandse Loterij integrated CRM systems

Abacus Solutions International (Abacus) and Nederlandse Loterij, The National Lottery in The Netherlands have completed a project to provide a tighter integration between the two companies' CRM platforms. Nederlandse Loterij utilise Salesforce as a CRM business tool to drive and configure their various lottery retail business systems, one of which is their in-lane program provided by Abacus.

NeoGames Completes Tender Offer of Aspire Global, a leading B2B iGaming technology solutions provider to online sports betting and casino operators.

NeoGames Announces Landmark Agreement with Intralot do Brasil to Launch iLottery and Online Sports Betting

OpenBet Sports Betting Technology Powers Czech Lottery Company SAZKA a.s.' Sportsbook Arm, Sazkabet

The Las Vegas-based, leading cross-platform global game company Light & Wonder, Inc. announced that its Sports Betting business ("OpenBet") has successfully delivered its full turnkey platform to SAZKA a.s. and its Czech-facing sportsbook brand, Sazkabet. Sazkabet has entrusted OpenBet to power the next generation of its online and mobile sportsbook offering as part of a new agreement.

How The Metaverse Will Change iGaming And Gambling Forever: Will gamblers still want to go to a real casino when the metaverse hits its stride?

Online Gambling To Exceed \$1 Trillion in 2022

Based out of Chineham, England, Juniper Research Limited is a forecasting and consultancy firm for digital technology markets. In the past few years, they have noticed that an increased uptake in digital products, paired with positive regulatory changes concerning

cash app online casinos and sports betting platforms, should cause a surge in online gambling bets hitting a global total of well over \$1 trillion in 2022. The American Gaming Association claims that over three thousand gambling sites are floating around the digital sphere. Most of these are internationally regulated and based in countries like Panama, Curacao, Costa Rica, and Malta. New ones seem to pop up every week, mainly due to the rise of cryptocurrency gaming. This sphere may lack gaming regulation, but it supplies fast transfer speeds, diverse game options, and anonymity.

The Guide to Omnichannel Retailing: Definitions, Strategies, and Examples Life Reimagined: Mapping the motivations that matter for today's consumers

eSports Betting Vs Sports Betting: What is the Difference?

Online sports betting is booming in Africa

Retail technology trends for 2022

Experiential Retail: In-store shopping at brick-and-mortar locations is becoming more about the customer experience in addition to sales. Stores must now compete with online retailers, which are convenient and affordable, to deliver exceptional service to anyone walking through the door. Retailers can use new technologies to level up their CX and power their experiential retail strategy.

For example, some stores are experimenting with augmented and virtual reality for their customer experience. The shoe brand TOMS used VR in 100 stores, virtually transporting customers to Peru to see the positive effects of TOMS's social impact campaign.

Contactless Stores: As their name suggests, contactless stores use advanced technology to enable a seamless, touch-free shopping experience. The goal is to minimize the amount of contact or friction a customer would typically experience in a traditional shop. One of the most well-known examples of a contactless store is Amazon Go.

Amazon Go locations use advanced Just Walk Out technology -- including computer vision, sensor fusion and deep learning. Customers scan a barcode to enter the store, take the items they need and walk out. The technology monitors what people take off shelves and add them to a customer's virtual shopping cart. After they leave the store, they pay using a pre-saved payment method.

Metaverse: Talk of the Metaverse has dominated headlines lately, especially in the big tech industry. Famous tech leader Mark Zuckerberg reportedly envisions around one billion people using Metaverse in the future. It will be a central hub built around the retail sector and social connections.

While the Metaverse is not yet mainstream, some brands are getting a headstart. Luxury brand Louis Vuitton launched Louis The Game -- a mobile game with unique, embedded and exclusive NFTs. Retailers interested in building a presence in the Metaverse will require new IT skills in-house or with high-performing, established vendors.

Marketing Automation: Many e-commerce companies are leveraging marketing automation technologies to handle routine tasks so human marketers can spend time on high-level projects. For example, marketing automation programs are capable of:

- Recording customer information
- Organizing customers into segments
- Send automated emails or other marketing messages
- Serving ads to customers based on the segments they're in
- Analyze customer habits, preferences and demographics

Marketing automation solutions can help retailers increase conversion rates and sales, amongst other benefits. This automation essentially pays for itself as retailers use it, so it's a trending piece of retail tech many expect to grow.

Hyper-personalization: This is another retail trend that requires companies to leverage new technologies. According to McKinsey, customer personalization will be a prime driver of marketing success within the next five years. For example, companies such as Macy's, Starbucks and Sephora use GPS technology to send customers relevant ads, notifications or discounts if they are near a store. Some are giving sales associates apps that automatically generate personalized customer recommendations.

EL (EUROPEAN LOTTERIES ASSOCIATION) NEWS

Looking back at a unique year as EL publishes 2021 Annual Report

Visit the EL website at:

<https://www.european-lotteries.org/>

Read the Annual Report in its entirety at:

[EL Annual report 2021_4.pdf \(european-lotteries.org\)](https://www.european-lotteries.org/EL-Annual-report-2021_4.pdf)

View a brief animation of the Annual Report at: <https://vimeo.com/727678257>

Despite the ongoing pandemic, 2021 saw inspiring innovations within our lottery community. There was the attitude to be flexible and agile, to adapt to unforeseen circumstances and to stand together, to help each other, and to work creatively and differently in unique circumstances. Lockdowns had differentiating effects on game verticals, and yet national lotteries continued providing regulated services to their players. EL Members continued to uphold their historic of society in times of need - from offering relief and welfare aid to providing medical supplies to the health care sector.

At the time of writing the 2021 EL Annual Report, another crisis has unfolded in front of our eyes – Russia's invasion of Ukraine. Once again national lotteries continue to live up to their values from providing medical supplies to housing for Ukrainian refugees in this crisis situation.

Reconnecting in new and innovative ways

In this fourth edition of the EL Annual Report, EL reflects on a unique year. Services to its Members continued and offering a platform for the exchange of best practices was never more visible than in 2021. EL reconnected with its Members more often and in a closer way than ever before. A wide range of online events brought them together, from smaller expert workshops and Working Group meetings to new e-learning modules, the EL virtual Corporate University and webinars reaching audiences in Europe and worldwide.

With the aim to improve the services to its Members, create added value to their Membership and of course eventually meet again in person, **the overarching theme of "Reconnect" was unveiled as the new 2021-2023 Executive Committee workplan.**

EL held a unique digital General Assembly and elected a new Executive Committee and re-elected the EL President. Player protection remained of utmost importance to national lotteries, and EL Members adopted mandatory Responsible Gaming Certification for all Members and an **EL Resolution on CSR.**

EL found innovative ways to provide an even better service-orientated approach. The MyEL environment introduced an easy to access and understandable overview of the relevant EU dossiers as well as a new library of Europe-wide studies on the gambling sector and markets.

Advocating the sustainable lottery model

2021 also saw advocacy activities continue. EL remained vigilant and continued creative ways to reach EU policy makers on the hot topics in 2021 including the Digital Services Act, Artificial Intelligence and Anti-money laundering. EL debated the DSA in a dedicated webinar, bringing together EL's experts on EU policy dossiers and a broad audience.

In 2021 EL continued to monitor important

legal issues from gambling advertising to taxation and Members remained committed to providing continuous care to channelling the gambling desire of the population towards and regulated and responsible offer of gambling products. In 2021 EL announced its collaboration with IP protection company White Bullet to help fight ad-funded piracy.

"We Connect" at EL Industry Days 2022 Conference

Against the backdrop of Russia's invasion of Ukraine, the 9th edition of the EL Industry Days 2022 Conference in Wiesbaden, Germany highlighted the importance of the core lottery values (responsibility, sustainability, and integrity) for the benefit of society. Under the theme "We Connect" participants had the opportunity to reconnect and unite in solidarity. They exchanged on important and inspiring topics from innovation to digital developments.

During the Industry Days, an Environmental Initiative was launched by EL, emphasizing the importance of sustainability in the lottery sector. All over the world more and more companies are integrating sustainable practices into their business models, and lotteries continue to play a crucial role. The new Environmental Initiative aims to create a collective dynamic among EL Members on concrete commitments in the environmental field, including the use of paper coming from certified sustainable forests for gaming materials (i.e., scratch tickets); and the regular monitoring of greenhouse gas emissions (i.e., an action plan to reduce carbon emissions).

EL Members are invited to confirm their voluntary commitments in the Initiative, exchange best practices in order to be able to present the outcomes during the 2023 EL General Assembly in Sibenik, Croatia.

Showcased by KANTAR, the world's leading data, insights, and consulting company, the results of a recent EL Research Study on Young Generations and Games were presented for the first time at the Industry Days. Following an earlier study in 2018, the key objective of this follow-up study was to identify relevant and unique ideas/product development directions. The results showed that younger players seemingly prefer a game based on both luck and skill/knowledge, and that there is not an ideal game for everyone. As entertainment is a driver of consideration to play, games should be truly entertaining. It is therefore advised that lotteries have a wide portfolio of games to satisfy many different needs. EL and Members will use this important and timely research to engage further with younger players, whilst at the same time keeping a high level of responsible play and integrity.

Reflecting on the challenging and opportunities of the pandemic, a special segment of this year's Industry Day brought together lottery CEOs to reconnect during an interactive Directors Table. All CEOs agreed that as a result of the pandemic, lotteries move faster in their operations, and are more efficient,

flexible, and innovative, whilst retaining the highest level of responsibility and integrity. National lotteries also demonstrated their important role to benefit society in times of need. Digital development, omnichannel and customer behaviour are to be watched closely in the months and years ahead as well hot topics including gambling advertising and the fight against illegals.

Hosted by Lotto Hessen and in close collaboration with EL's Level 1 Partners Scientific Games and IGT, EL Industry Days 2022 brought together a record number of participants (nearly 250 in total) to reconnect after two long years.

The Environmental Initiative follows the EL CSR Guidelines and Resolution on CSR. Over 69 percent of respondents who took part in a EL CSR Commitments Survey (72 percent of the Membership) in early 2022 already use FSC/PEFC paper in their daily operations. 43 percent of respondents calculate their GHG emissions.

As part of the research, EL Members generated concepts and ideas based on their market knowledge and experience. 4,500 people aged between 18 and 35 years old were then examined across the EL Membership in Europe (CZ, DE, ES, FI, FR, GB, GR HR, IT). The results showed that media and tech addicts represent the smallest segment of youth in Europe.

The Directors Table panel discussion included: Stéphane Pallez (President and CEO FDJ), Romana Dernovšek (CEO Loterija Slovenije), Hansjörg Höltkemeier (CEO Deutsche Klassenlotterie Berlin) where joined by Jay Gendron (COO, Global Lottery IGT) and Patrick McHugh (CEO Scientific Games) on behalf of EL's Level 1 Partners.

The EL General Assembly took place on the occasion of the EL Industry Days. National Videolottery of Macedonia was approved as a new Regular EL Member. EL Members approved the decision of the Executive Committee to suspend the membership of its Members in Russia and Belarus.

EL Legal Seminar: "Gambling Regulation And Gambling Taxation: Two Sides Of The Same Coin?"

Taxation is an important lever to reduce the attractiveness of gaming products and protect consumers as well as being a powerful tool to create a level playing field for all the gambling operators on the market, and in particular in the fight against illegal operators. Taxation might also be an instrument to regulate markets and contribute to compliance in responsible gambling programmes. European Lotteries recently chaired a seminar in Brussels to discuss the importance of taxation as a tool for regulating gambling. Hosted by the Loterie Nationale Loterij, the Belgian national lottery, the seminar saw the participation of legal experts among EL members from 12 to 13 May.

<https://www.european-lotteries.org/news/el-legal-seminar-21>

However, the Mobile Game Player has the highest % chance for ‘winning’ on Mobile Games at 47%. Now, winning on mobile games may not even be monetary wins, but it appears that still applies to the winning feeling, which is perhaps another lesson learned from this research. Do players actually have to win money to have a ‘winning feeling’, and therefore generate repeat play and ultimately loyalty.

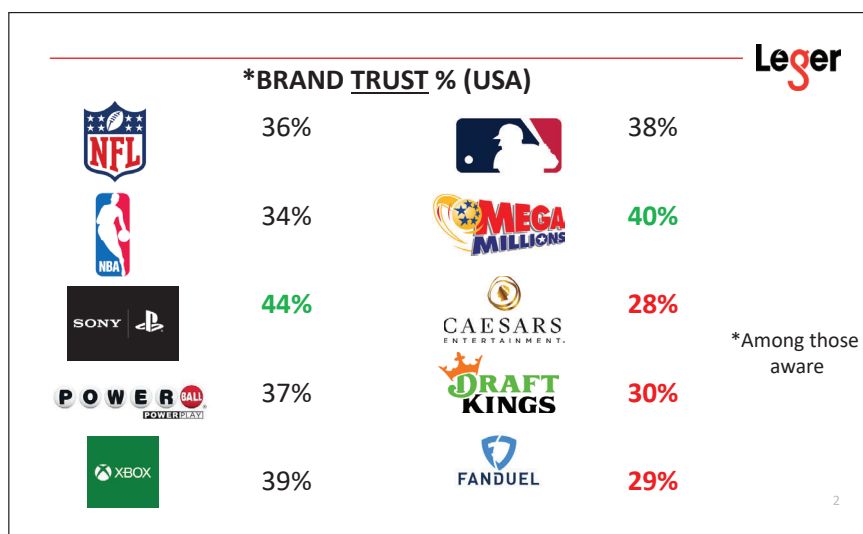
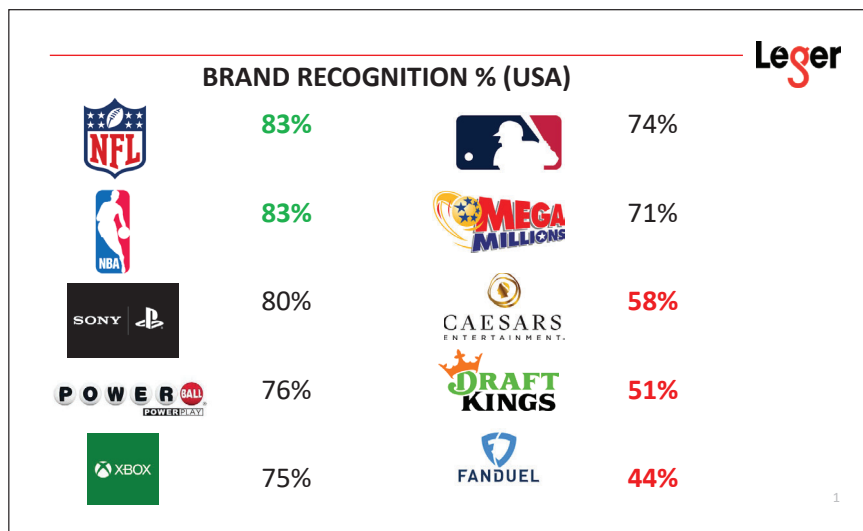
Leger’s insights lead to the following industry questions

- Are we underselling the Powerball and Mega Millions brands, in terms of both recognition and trust?
- Are we promoting winning enough in the Lottery sector, especially Scratch tickets?
- Do Lottery games have enough of a ‘fun’ component to compete with other gaming options?
- Can draw games offer greater levels of fun, with more winners?

All of the data and tables from this research are available for free from Leger’s Lottery & Gaming team. Feel free to get in touch with Simon at sjaworski@leger360.com

Trust me I’m a researcher.

Simon Jaworski, EVP, Lottery & Gaming, Leger USA ■



Is Lottery Ready for the Changes at Retail? continued from page 32

DATA IS KING

Moving to the issue of data analytics, Gary acknowledged that many brands create personalized experiences using shopping habit data. But it can be challenging for lottery retailers to match the level of personalization found at other stores. Gary asked, “What data do you think lotteries find most relevant to use for our purposes at retail?”

Michael said he believes all retail has moved to some form of brick and mortar/digital hybrid and that has forever changed what we know about consumers. “We are thinking more about the consumer and less about the technology and physical location,” he said. “We are partnering with lottery retailers because they have crucial and vast data. Retailers may know how long the shopper lingers in certain aisles, what they are looking at and what they decide to purchase. Using

this type of data for lottery products, we can work with retailers to provide content the players want, and display it in a more attractive, convenient, and effective manner.”

At INTRALOT, John said they are focusing on the data from the digital side of the business and using that to make business decisions. “With digital, we can capture a wealth of data and use it to study player purchase patterns in real time,” he said. “We can say ‘people in this demographic tend to buy these products’ and then tailor promotions and coupons that will drive sales. For true brick and mortar sales, we need to get that data from the retailers. Data is collected by the lottery using vendors’ systems which can then be used to deploy technology and content quickly and accurately.”

Terry said that we should use all tools available and make sure we evolve as retail

changes. “I would challenge people to not totally rely on the existing business model because it will certainly change,” he said. “We should try and continue to improve the customer experience. Can we make the process of lottery purchase easier? It might be as simple as all lotteries offering an app to choose your numbers, which many offer today. Let’s listen to our retailers because they are the ones who interact with our players every day.”

Gary concluded the discussion by saying, “The retail world is not going to wait for us. We can’t maintain the status quo and continue to do business the same way and expect to continue with record-breaking results. We should think about rebuilding our brand with a foundation that’s built on what our retailers and customers need from us. That will be our most successful pathway forward.” ■

PGRI LOTTERY EXPO NYC 2022

AUGUST 30, 31, AND SEPT. 1

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(212) 581-1000

STATE-LOTTERIES BUILDING A BETTER WORLD

August 30, Tuesday: Opening Night Reception

August 31, Wednesday: Conference Sessions all day, followed by Reception

September 1, Thursday: PGRI Conference Sessions conclude at 12:30 pm.

September 1, Thursday, 12:30 pm Lunch followed by reception

LOTTERIES RESHAPING THE GAMES-OF-CHANCE INDUSTRY

PGRI Conferences are about pushing fearlessly into a future that is rich with opportunity. Team Lottery is keeping up with a consumer that expects more than ever and a competitive environment that is changing rapidly to meet those expectations.

- Conference Info & Details: www.PublicGaming.org
- News website: www.PublicGaming.com
- View vide-recorded presentations: www.PGRItalks.com
- e-mail: Pjason@PublicGaming.com



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What's Up For Bid

YOUR BID	ACTUAL RETAIL PRICE	PRIZE
GAME 1		
GAME 2		

PUNCH A BUNCH

KEY NUMBER

YOUR PUNCHBOARD NUMBERS

PLINKO BOARD

ENTER PRIZE PRIZE PRIZE PRIZE PRIZE PRIZE

BONUS ROUND

SHOWCASE 1
YOUR BID
ACTUAL PRICE
PRIZE

Win UP TO \$50,000,000!
SEE TICKET BACK FOR PLAY INSTRUCTIONS.

the Price is Right SCIENTIFIC GAMES

100X

WHEEL NUMBERS PRIZE

80 80
15 15
100 10
5 5
90 90

Enter to win a TRIP TO LAS VEGAS for the chance to win up to \$50,000,000 in the COME ON DOWN Challenge!

BONUS ROUND

Uncover a "100" in the "BONUS ROUND," win \$100 instantly!

Scratch off play area on right to uncover 18 "WHEEL NUMBERS" and 18 "PRIZE" amounts. Match any of the "WHEEL NUMBERS" to any of the five "WINNING NUMBERS," win that prize. Uncover a "50X" or "100X" symbol to automatically multiply and win that corresponding prize. Uncover a "\$5" symbol, WIN ALL 18 PRIZES AUTOMATICALLY!

Win UP TO \$500,000!

WINNING NUMBERS

the Price is Right SCIENTIFIC GAMES

Enter to win a trip to Las Vegas for the chance to win up to \$50,000,000 in the COME ON DOWN Challenge!

Win UP TO \$50,000,000!

Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win PRIZE shown for that match. Get a "50X" symbol, win PRIZE for that symbol automatically! Get a "100X" symbol, win 5 TIMES the PRIZE shown for that symbol! Get a "\$5" symbol, win automatically! Get a "\$5" symbol, win all 20 PRIZES shown!

SHOWCASE 1
YOUR BID
ACTUAL PRICE
PRIZE

SHOWCASE SHOWDOWN

Scratch YOUR BID and the ACTUAL PRICE. If YOUR BID matches the ACTUAL PRICE of that SHOWCASE, win PRIZE shown for that SHOWCASE!

winning numbers

your numbers

PRIZE PRIZE PRIZE PRIZE
PRIZE PRIZE PRIZE PRIZE
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PRIZE PRIZE PRIZE PRIZE

Win UP TO 21 TIMES!

Contact your Scientific Games representative today for more details.