

PGRI PUBLIC GAMING

JULY/AUGUST 2023

I N T E R N A T I O N A L

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LETTER FROM THE CEO

To our valued clients and partners,

It continues to be a dynamic time in both our world and our industry, but I am encouraged knowing that we have collectively emerged from the pandemic and can now shape the future together. Rapid expansion of technology and artificial intelligence and the ever-growing popularity of iGaming and mobile sports betting present exciting possibilities and fresh challenges across an increasingly virtual world. As the evolution of our industry continues, I am appreciative of our personal relationships and how important they will be to our progression.

At GLI®, we are accepting more submissions and delivering at a higher volume than ever before. Our dedication to addressing your testing needs and providing high-quality, integrated compliance support has allowed for, and even required, continued growth. It takes a global village to operate consistently anywhere in the world, and building global relationships is an investment that enables us to provide unmatched value to our customers. The expansion of our combined GLI, iTech, and Bulletproof® teams to 1,453 employees across 27 offices worldwide will be critical to ensuring 2023 is the year of full velocity for us and our customers.

This year's Regulators Roundtable, GLI's premier annual conference and networking event, was unbelievably successful, with over 303 regulators in attendance for the two-day conference and 85 supplier representatives joining for our regulatory/supplier mixer. Sharing in thought-leadership and community building is how we can change the industry together, so thank you for collaborating with us. As the biggest regulatory conference in the world, we enjoyed seeing so many familiar faces and meeting so many new ones. We missed those of you who were unable to attend and hope to see you at the Palms Casino Resort next year, April 24-25.

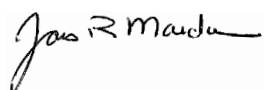
In 2022, over 2,000 gaming suppliers and more than 567 regulators trusted us with their needs. Of those, 820 were new. In the first quarter of 2023 alone, we are pleased to have welcomed over 300 additional new companies to this total. I can't express how appreciative we are of those who trust us with their business and recognize the value we provide. You are the reason we do what we do.

We welcome straight, honest feedback from our customers; it is invaluable. While our most recent survey showed broad customer satisfaction, our work is not done until every customer gets the same world-class customer service that we strive for day in and day out. To ensure this, we have continued to add to our team and train new hires quickly, never sacrificing the high quality of our work. Recent evaluations reflect 99% on-time delivery and revocation rates of less than one-tenth of 1%. Additionally, our cybersecurity company, Bulletproof, continues to protect you from known and evolving risks, which will be essential in the expanding digital age.

In the end, our goal is to lead all our clients to a true GLI Experience by providing on-budget execution and world-class customer service, centered around delivering our clients the things they value most. Thank you for entrusting us with your needs as you grow. We are committed to being your reliable partner in the regulatory arena. As we advance, let's progress boldly into the future of gaming.

I look forward to seeing you soon.

Sincerely,



James Maida

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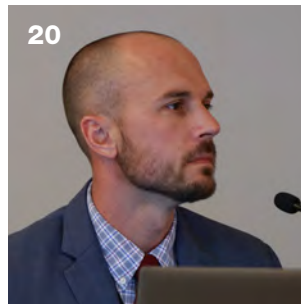
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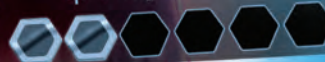
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From the Publisher

It was great fun seeing everyone at the **EL Congress** in Šibenik, Croatia. It had been four years since the last big EL Congress trade-show cum conference so there was a lot of catching up to do. Congratulations to Arjan van't Veer and Team EL and the Croatia Lottery for producing a fabulous event with spectacular receptions, great content, and a well-run tradeshow. Now, we look forward to **NASPL's annual trade-show/conference in Milwaukee** the end of October. Of course, we hope to see you all before then, at **PGRI lottery Expo Nashville Sept. 11-13!**

We have all been reading about the transformative impact that **Artificial Intelligence** will have on everything – on the way we live and work, on the way business is conducted, that goods and services and software code that runs the world are produced, that information is captured, processed, and disseminated and even the way knowledge is produced and transformed into action. The advent of Generative AI in the form of ChatGPT (and Google's Bard, and software programming tools Github and Alpha-Code, and Dall-E 2 to translate text into images, and probably countless others in the development pipeline as we speak) has catapulted this one subset of AI (i.e. large language models that enable the Generative Pre-Trained Transformer that is the "GPT") to be the current top-of-mind AI application.

Some may think AI is mostly over-hyped or not ready-for-prime-time. I am throwing down hard with those who think that this technological revolution is the real thing, that the impact will be much greater than any technological innovation that has preceded it, and that it will all unfold at an exponentially faster rate than any innovation in the history

of the world. It was over thirty years ago that Geoffrey Moore wrote *Crossing the Chasm* in which he describes the gap in time between early-adopters of new technology and the mass-market deployment and acceptance of an innovation. Just looking at more recent history, for instance, it was decades before electricity and the automobile (both introduced in late 19th century) gained wide-spread use. Later, it took more than ten years for the ATM to go from initial launch in late 1960's to wide-spread deployment in the early 1980's. Likewise, small-business/decentralized computing from the mid 1970's to the late 1980's. The far more impactful innovation of the Internet took much less time, and newer technologies like the iPhone and virtual assistant technologies like Alexa, Siri, and Google Assistant are taking even less time. Moore observed that the common perception has always been to over-estimate the short-term impact of innovation, but to underestimate the long-term impact. Hence the push-back from those who caution against overreacting to the hype of a new technology.

Moore also predicted, and history has shown to be correct, that the timeline it takes for new technology to go from launch to widespread use is being compressed in a very big way. While Microsoft/OpenAI's ChatGPT is a phenomenal technological breakthrough, it still is representative of the earliest stages of product development, and is prompting Google, Apple, IBM, Meta, and others to accelerate the commercialization of their own AI products and applications. The days when we could wind through a lengthy "chasm" of time while we figure things out and get our ducks in a row are long

gone. It would appear that we can expect AI (and its subsets of Machine-Learning, Natural Language Processing, Expert and Autonomous Systems, Intelligent Personalization, Deep-Learning, Computerized Vision, Data Analytics, Virtual Assistance and Chatbots, Cybersecurity, etc. and countless more that we don't even know about yet) to go from early-stage development to massive build-out in warp speed time.

Others are much better than I at talking about the transformative impact of AI. Just have a conversation with ChatGPT to drill down on these, or any other topics, and be amazed at the power of this first-generation AI knowledge worker. **PGRI's goal is to focus on the intersection of AI and Lottery.** As can be seen in our magazine, digital channels, and conferences, we try to push into the most cutting-edge forward-looking story angles while focusing on the range of lottery-specific topics like Retail Modernization, iLottery, Digitization, Marketing & Promotion, New Game Development, Regulatory Change, etc. Now I look forward to your guidance on how we might frame the issues and shape the dialogue to understand how AI is being, and will be, applied to transform the lottery playing experience.

Paul Jason, Publisher
Public Gaming International Magazine

The Science Inside the Sale



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Store Syndicates Online: A Retail Innovation that transfers to the Online World with Great Success

Syndicate shares have long been a popular product offering in retail stores for Australian lottery players. A “syndicate” is simply a group entry where players pool their funds to buy a larger entry than they might otherwise purchase as an individual. An example might be where friends or family pool their funds to purchase a ticket and agree to split any winnings.

A store syndicate is a syndicate that’s been set up by a local retailer, who then offers shares in this syndicate to their customers in store. Local lottery retailers are used to setting up an appealing mix of syndicates catering to customer preferences in their area.

Store syndicates have been part of the Australian lottery landscape for many years, but until now they’ve never been available online. That’s all changed with the recent launch of *The Lottery Corporation’s* Store Syndicates Online initiative which allows lottery retailers to sell shares in their store syndicates online via the Lott App and website. This program, launched late last year, allows lottery retailers to offer shares in their syndicates to customers online. It’s part of the Australian lottery operator’s omni-channel strategy to offer seamless experiences across all channels.

Customers using the Lott app or website can click on the Syndicates button and access syndicates available within their state. Players can search for store syndicates by suburb name or by postcode and filter results by game, entry price or number of shares. They can also select a favorite store.

Many people like to buy a share (or shares) in a store syndicate from their local retail outlet in the online world just like they do in the physical world. From the retailer’s point of view, being able to offer shares in their store syndicates online gives them the chance to share in digital growth, service their existing customers in a new way, and reach new customers. Lottery retailers receive the same

commission rates for store syndicate sales completed online as they do for store-based sales.

The Lottery Corporation launched Store Syndicates Online in late November 2022 and it has experienced strong take up. At the company’s half-yearly results presentation in February, The Lottery Corporation revealed that about 95,000 customers had bought syndicate shares online in the month following launch. More than 1,700 of the company’s network of about 4,000 lottery retailers had offered their syndicates online. And the online channel in that first month accounted for 13% of syndicate entry sales.

Public Gaming Interviews ...

Paul Jason: Where did the idea for the Store Syndicates Online initiative come from?

Antony Moore: It’s one of those situations where a crisis accelerated some inventive thinking and ultimately led to an opportunity. The idea came about during the COVID-19 pandemic when our retailers, while they remained open, were experiencing a drop in foot traffic and sales due to lockdowns. The digital team had research that players online wanted to access store syndicate entries and we also had insight that players typically purchased syndicate shares on top of their existing purchase behaviour. We saw taking store syndicates online as a way to benefit retailers and offer more choice to customers.

Has this been done before?

Andrew Shepherd: As far as we’re aware, no. We’ve called it a world-leading initiative in recognition of that.



Andrew Shepherd, Chief Customer & Marketing Officer, The Lottery Corporation



Antony Moore, Chief Channel Officer, The Lottery Corporation

How does this initiative align with your strategy?

A. Moore: Like many businesses we have customers with different preferences. Many customers like to purchase in person – retail remains our largest channel and accounts for 62% of turnover as of December 31 last year. And of course we have customers that purchase digitally, and we have many customers that use both channels at different times.

Our omni-channel strategy is about creating as seamless as possible an



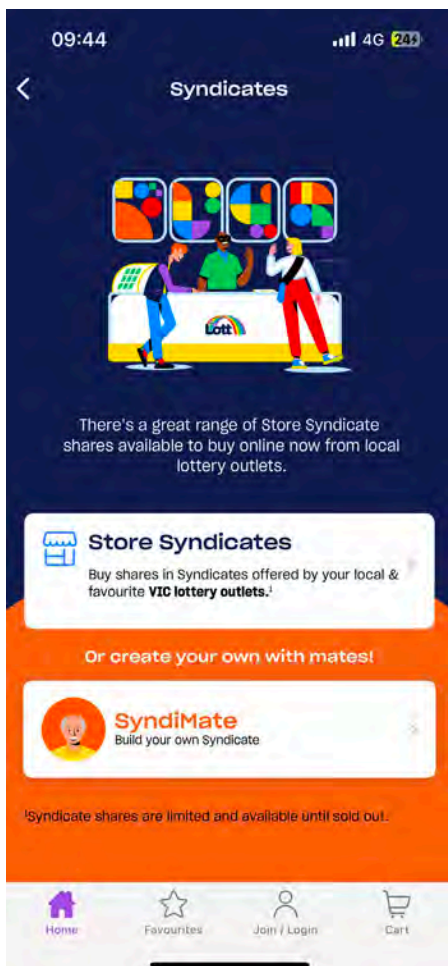
Creating New Ways to Play

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Linked Wins adapts one of IGT's exciting iLottery game mechanics to some of the most popular retail play styles. For crossword games, a visually intuitive collection mechanic offers more ways to win. These games are just the newest examples of what's possible and offer a glimpse of what's in store!

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experience across channels and allowing customers to buy lottery tickets when and how they like.



What were some of the challenges to execution?

A. Shepherd: We always like a challenge! This was a significant change and one we wanted to execute in a relatively short period of time. It was something we needed to do while we were completing The Lottery Corporation's demerger from Tabcorp, along with the separation of the two businesses from a logistical and technological standpoint.

It was important to us that we used our internal capacity to design and build the system. That meant more than 100 people were involved from 25 different teams across the business including Digital, Channel, Marketing Operations, Technology, Customer Experience, and key corporate functions.

The project required more than 27,000 hours in tech development and was 18 months in the making. It's really satisfying

to see it up and running and delivering for our lottery retailers and our customers.

What has the reaction been from customers?

A. Shepherd: Customers have embraced Store Syndicates Online as a convenient way to buy shares in store syndicates from their device while retaining that local connection. Players have told us that they've enjoyed the diversity of store syndicate offerings online and the fact they don't have to keep a paper copy of the ticket. We've given our customers the power of choice in terms of how and when they buy in a way that allows our lottery retailers to share in the benefits.

What has the reaction been from lottery retailers?

A. Moore: They've been really pleased. It's a way to get their offering in front of a greater pool of customers as well as serving their existing customers in a different way. Say, for example, they have a regular customer that normally comes in to buy a store syndicate entry, but they go on holidays or they are busy at work, then they can still buy a ticket with their local lottery retailer via the app or website.

And, of course, retailers receive the same commission rates on these online store syndicate sales as they do for in-store sales. Additional sales without additional labour for the retailer is a huge benefit, as well as helping retailers to sell out their shares in syndicates.

What are some other ways The Lottery Corporation is ensuring retailers are aligned with digital sales growth?

A. Moore: We have had a program in place since 2018 to reward retailers for digital growth. Retailers can share in commission from digital sales in two ways: from digital sales to customers of that retail outlet and via a sign-up bonus when they sign up a customer to the Lott app.

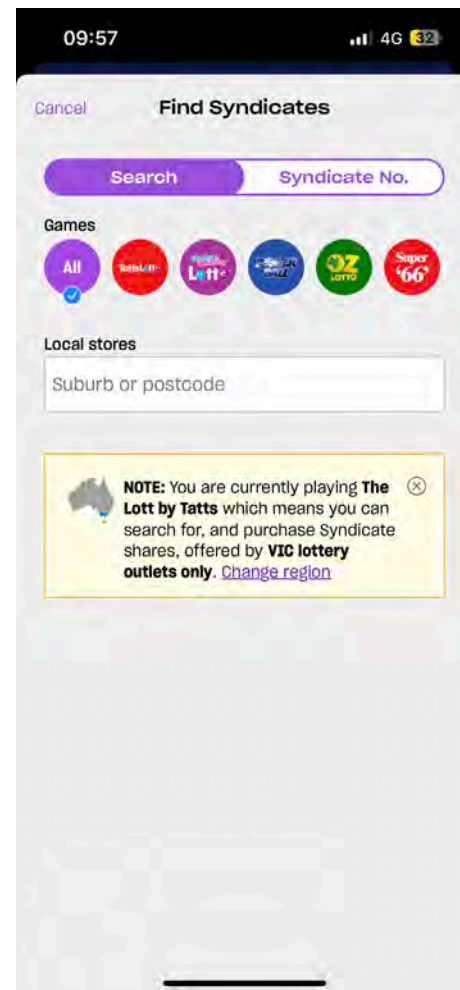
Many retailers have experienced difficult times since the pandemic with customers' purchasing habits changing and difficulties with inflation and staff availability. We recently increased commission rates by up to 200 bps or two percentage points for qualifying outlets. The enhancement of the commission rates and the launch of Store Syndicates Online are two ways in which we are helping to ensure the financial sustainability of our retail network.

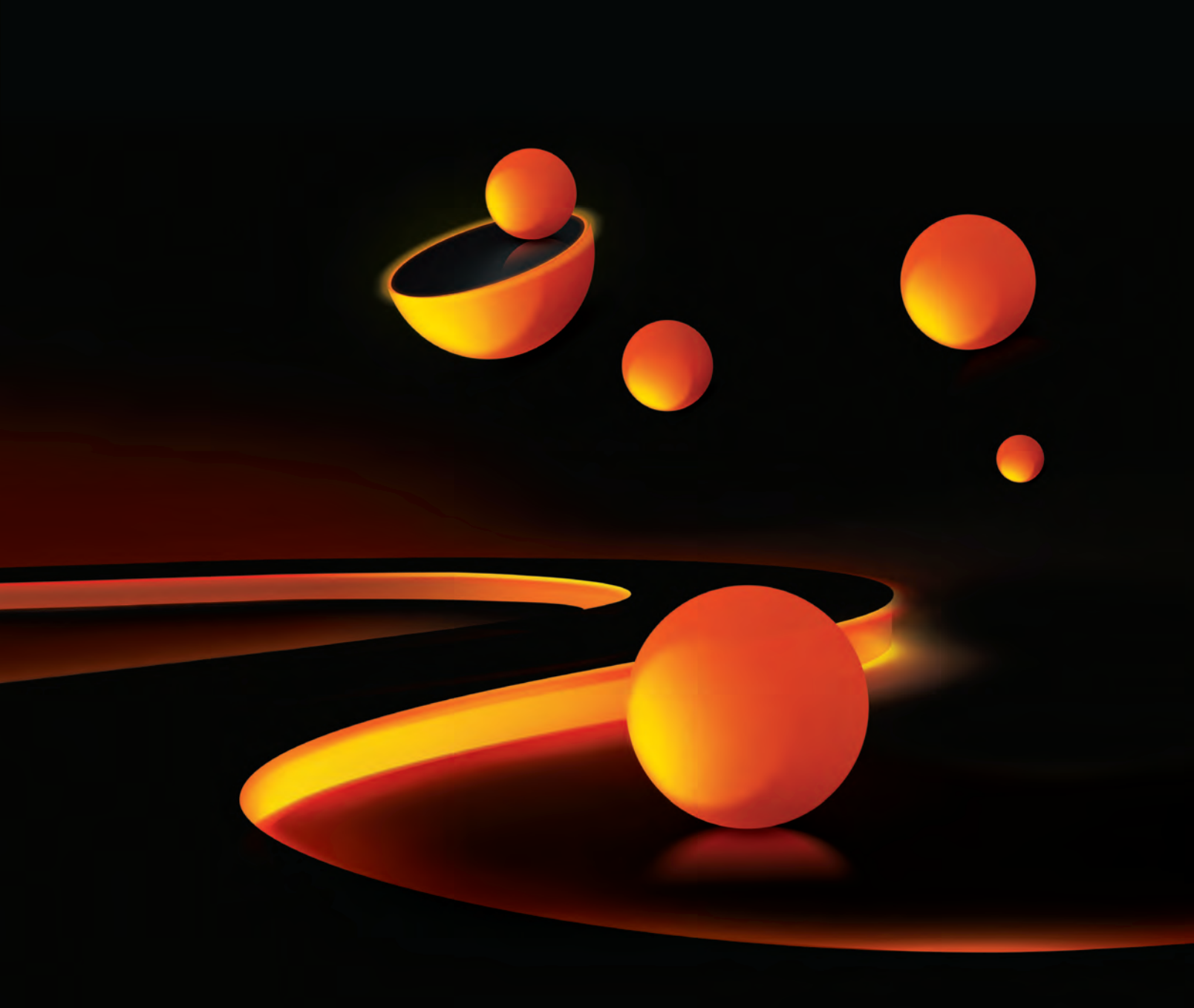
What was the most satisfying thing about the project for you both?

A. Moore: The implementation of Store Syndicates Online was a huge step change in our omni channel journey and seeing such a large proportion of our network engage via the platform so quickly was truly amazing.

A. Shepherd: Seeing our cross functional teams work as one to deliver something our retailers and customers love. ■

About The Lottery Corporation: The Lottery Corporation is the driving force behind Australia's largest lottery games. The Lottery Corporation was created following the Tabcorp demerger in 2022 and is now home to The Lott and Keno – brands and games that have been adding excitement to Australians' lives for decades. Operating in every Australian state and territory except Western Australia, we bring these brands to life, offering exciting games that not only deliver life-changing wins to our customers, but make a meaningful difference in the community.





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iLottery: Managing iLottery for maximum growth, maximum player engagement, and maximum overall sales including retail

The explosive growth of all forms of gambling – sports betting, land-based casinos, iGaming – has put U.S. lotteries in an offensive position as they look to protect their decades-earned position as providers of gaming content to their customers. This fight is critical to the mission of lotteries, as any revenue slips will mean a drop in the funds transferred to the causes they support. Preserving Lottery’s competitive position is also critical to the vast network of lottery retailers who depend on lottery sales to keep their businesses solvent.

Pennsylvania Lottery Director Drew Svitko has faced these challenges firsthand over the past few years as the gambling options have increased in Pennsylvania. The lottery is now up against casinos, sports betting, iGaming, fantasy sports, horse racing, and video gaming terminals at truck stops. The lottery has countered with one of the industry’s most robust iLottery programs but it is still a struggle to compete. “With this crowded landscape, we are all fighting to break through to our customers,” he said. “The question is ‘what steps should we take to compete in this current environment and continue to attract players to the lottery?’”

Drew moderated a panel of industry veterans well-suited to handle these and other vexing questions. He was joined by:

Kelley-Jaye Cleland, Chief Product & Program Officer, New Hampshire Lottery

Brad Cummings, Founder & Chief Executive Officer, EQL Games

Mike Lightman, Chief Commercial Officer, IWG (Instant Win Gaming)

Derek Levesque, Director Business Development, IGT

Jennifer Westbury, Executive Vice President, Sales & Customer Development, Pollard Banknote

Kelley-Jaye Cleland, who’s lottery statutorily oversees all gambling in New Hampshire, said it is not easy to battle the deep pockets of national gambling companies. But she has an answer – good content. “I’ve stopped looking at this as iLottery content vs. sports betting and focus on what the player wants from us rather than what we want to give them,” she said. “Our iLottery demographics show

a player about ten years younger than our traditional player. For Sportsbetting, the players trend more male and tend to be highly educated. We are trying to understand what they want to see and then offer that content. We can’t win the ad spend fight with the national gaming companies but we can certainly win the content battle.”

Given the competitive landscape, in both iLottery states and jurisdictions that can’t sell online, **Derek Levesque** said analyzing what you can do and then executing on it are critical. “For states with iLottery and non-lottery competition, there needs to be a value proposition for the players,” he said. “When you look at the payouts from a few years ago, the well-defined best practice was the payout needed to be around 85-87%, and bonusing and marketing spend needed to be 7-8% of gross gaming revenue. In a hyper-competitive market, those numbers are correct. But over the past few years, we’ve seen that the aggressive approach isn’t necessary in states like Georgia with less competition. They have the second lowest eInstant payouts in the U.S. but they are one of the fastest growing lotteries in the industry. It’s about understanding your market before you adjust your iLottery approach. Best practices are not stationary, they have changed over the past few years as other forms of gaming

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DEVELOPING THE NEXT MULTI-STATE **GAME BOOM**

The Multi-State Lottery Association (MUSL) is strategizing its next course of action following a year of unprecedented growth in the national games category. The Association just achieved a new fiscal year sales record, with sales of products facilitated by MUSL totaling \$10.7 billion through the end of FY2023. For leaders on the MUSL Board of Directors, the sales surge underscores the essential role played by MUSL in optimizing the performance of the national games category.

“The national games category adds up to billions of dollars in net revenues,” noted New Mexico Lottery CEO David Barden, who has begun his second year as MUSL Board President. “To maintain that progression, it’s beneficial to have an organization, like MUSL, that has the foresight to spearhead new development opportunities.”



David Barden

Barden has tasked Hoosier Lottery Executive Director Sarah M. Taylor to chair MUSL’s Development Committee. Taylor is well-versed in the evolving national games category, having previously served as MUSL Board President during the implementation of Powerball’s third weekly drawing and the Double Play® add-on feature in 2021, and most recently, as the Board’s liaison to the Mega Millions Consortium. Like Barden, Taylor recognizes MUSL’s unique ability to chart the next progression of multi-state games.

“MUSL has a robust Committee structure that serves as an incubator for game development initiatives,” said Taylor. “We have the ability to leverage the combined expertise of 38 member lotteries, alongside a dedicated team at MUSL, and a comprehensive infrastructure capable of providing full support, from concept development to market.”

Although MUSL is commonly associated with its flagship product, Powerball®, the organization encompasses much more, both in terms of its portfolio and governance structure. The Association and its products have always been owned and operated by MUSL’s member lotteries. The governance encourages member lotteries to actively participate in the decision-making and management of



Sarah Taylor

the multi-state games they offer.

“All lotteries have a stake in the health of these products,” Taylor added. “We have a shared goal of maximizing the draw game category, so it can continue to be a reliable source of funding for our beneficiaries.”

In addition to new game opportunities, MUSL leaders also see the potential to expand the organization’s existing products. Alongside Powerball, MUSL facilitates Lotto America®, 2by2®, and the Double Play add-on feature. Game leaders expressed that all three products are primed for expansion into new lottery markets.

Lotto America has hit a new cadence since introducing a third weekly drawing in Fiscal Year 2023. The \$1 draw game now shares the same draw nights as Powerball – Monday, Wednesday and Saturday. Like Powerball, the 13 lotteries that offer



Lotto America have been able to engage their frequent players an extra night, and as a result, additional sales from the Monday drawing are generating dynamic jackpot growth. Lotto America jackpots start at \$2 million, but under the new tri-weekly draw schedule, the game achieved a new jackpot record of \$40 million last April.

“Lotto America has shown us that a \$1 multi-state draw game can still deliver a lot of value to a lottery portfolio,” said Adam Prock, Lotto America Product Group Chair and Minnesota Lottery Executive Director. “Our players like the improved jackpot odds (1 in 25.9 million) compared to the larger national games (Powerball 1 in 292.2 million, Mega Millions 1 in 302.5 million), and the game has one of the highest player participation rates (27.7%) in the prize multiplier feature for an extra dollar.”



Adam Prock

2by2 is \$1 daily draw game with a top cash prize of \$22,000 every day of the week, and up to \$44,000 on Tuesday. The game has a fun premise – players pick two red ball numbers from 1 to 26 and two white ball numbers from 1 to 26. Players win a prize by matching a single number; they win the top cash prize by matching all four numbers. The

game has developed a loyal following in Kansas, Nebraska, North Dakota, and most recently, Wyoming.



“For lottery directors that are looking to expand their daily draw lineup, I strongly encourage them to consider 2by2,” said Brian Rockey, 2by2 Product Group Chair and Nebraska Lottery Director. “2by2 is a stable product with a reliable performance, and it fills a nice niche between the daily pick games and larger national games.”



Brian Rockey

Lastly, the Double Play add-on feature has been wildly successful since its debut and expanding quickly. The New Mexico Lottery became the 17th lottery to begin Double Play sales in June 2023, with planned launches in Iowa, Oklahoma, Virgin Islands, Mississippi and Kentucky before the end of the calendar year. By 2024, more than half of all MUSL member lotteries will offer Double Play.

Double Play gives players another chance to match their Powerball numbers in a separate drawing with a top cash prize of \$10 million. Players can add the Double Play feature to their Powerball ticket for an additional \$1 per play. The Puerto Rico

Lottery requires a qualifying purchase of Power Play (\$1) before Double Play (\$1) can be added to a Powerball ticket (\$2), making for a \$4 purchase.



Drew Svitko



“Double Play lotteries have boosted their Powerball sales, including the add-on features, by an average of 9 percent,” said Drew Svitko, Powerball Product Group Chair and Pennsylvania Lottery Executive Director. “We expect that Double Play will eventually reach the same level of lottery participation as Power Play.”

The MUSL Board of Directors will meet in August to revisit the organization’s Strategic Plan and explore development opportunities. Barden and other Board leaders acknowledge the challenge of surpassing the record sales year, however, they express confidence in MUSL’s track record of success.

“MUSL and its member lotteries have dedicated years to the development and evolution of these products, transforming them into billion-dollar brands,” added Barden. “Their success is a testament to MUSL’s return on investment.” ■



Optimizing the overall sales of Powerball, Mega Millions, & Multi-State Games

With four multi-state lottery game jackpots of more than \$1 billion since 2021, and three of those in just the past year, the expectations of lottery players have permanently shifted. Gone are the days when media outlets set up remote broadcasts outside convenience stores for \$200 million jackpots. Sometimes even \$750 million jackpots don't get you much attention. With most U.S. lottery jurisdictions now selling both Powerball and Mega Millions, plotting the future of these flagship brands is a collective effort for the country's lottery directors.

The directors all acknowledged that Powerball and Mega Millions are at one of the most important inflection points since 2010, when "cross-sell" allowed the MUSL states to license Mega Millions and the Mega Millions states to license Powerball, effectively enabling all jurisdictions to sell both Powerball and Mega Millions. More than ten years after MUSL raised the Powerball price point to \$2, the Mega Millions consortium, made up of New Jersey, Massachusetts, Virginia, Maryland, Georgia, Michigan,

Several of the directors who are on the frontlines of wrestling with these issues participated in a spirited panel discussion at the PGRI Lottery Expo in Miami in early spring. Moderated by **David Barden**, President & CEO, New Mexico Lottery, and President of MUSL (Multi-State Lottery Association), the panel included:

Mark William Bracken, Executive Director, Massachusetts Lottery

Norm Lingle, Executive Director, South Dakota Lottery

John Martin, Director, Maryland Lottery

Drew Svitko, Executive Director, Pennsylvania Lottery, Chair of Powerball Group

Bret Toyne, Executive Director, MUSL

California, Ohio, Washington's Lottery, and Illinois, is about to increase the price of its ticket to \$5. This change, which will start later in 2023, has added to the

conversation on the future of these two games which, despite the meteoric rise in the sale of scratch tickets, remain critical components of most lottery's game portfolios.

David Barden kicked things off with a topic of great debate in the U.S. lottery industry – are we better off with two groups managing the two different national games? Does it make sense to have a MUSL group consisting of 38 states voting on Powerball issues and a Mega Millions group consisting of 10 states voting on Mega Millions issues? "In the end, all directors are beholden to the rules of their locales and must look out for what is best for their jurisdictions," David said. "But given all the changes we have faced over the past few years, from the localization of casinos to the proliferation of sports betting, are there efficiencies to be had with two management groups or might it make more sense to combine the management of the multi-state games into one group? The two groups have collaborated more recently than ever before, but is that enough to truly optimize synergies and the performance of the games?"

Drew Svitko, who oversees a lottery which is a MUSL member, is a believer in the economies of scale. "We have worked more together recently than at any point

in the history of the two games, and that is a good thing,” he said. “But I am a believer that managing both games from one point of contact would gain efficiencies, particularly for the administrative parts of the games. We can manage the products and the processes, and I absolutely think there is an opportunity to, in the end, save money and enhance the effectiveness of the overall brand management. And very importantly, we can make decisions quicker and implement changes and updates in a more efficient manner. Speaking on behalf of the Commonwealth of Pennsylvania, I want these games to be as strong as possible and selling as many tickets as we can.”

With just over one year in his position as Director in Massachusetts (a Mega Millions consortium jurisdiction), Mark William Bracken brought a fresh perspective to the discussions. “I can’t speak to the past, but it does seem like there has been a historic rivalry between the two groups which I hope is changing with the increase in communication and collaboration,” he said. “In many ways, the two games are similar, even with different price points, and on the game front we only truly differ when one jackpot is different than another. MUSL is able to execute more marketing integrations, such as with NASCAR and other national organizations, which the Mega Millions Consortium doesn’t have the bandwidth to undertake. While my lottery might not be ready for one overarching organization, I appreciate the increased communication and my expectation is for the two groups to continue to improve the information flow.”

David agreed with Mark about the need for continuing communication and pointed out that all jurisdictions have more in common than not. “At the end of the day, what I care most about is your jackpots rolling to amounts that move the sales needle and my jackpots rolling to similarly high levels,” he said. “We all benefit by the success of both games. That’s our common thread.”

Moving to a smaller jurisdiction which mirrors a large percentage of MUSL’s membership, David asked Norm about South Dakota’s perspective.

“For a smaller state, MUSL’s oversight

is critical as they do things we are just not capable of handling with our already-stretched staff budget and human resources,” Norm Lingle said. “As far as the two groups are concerned, the key words are ‘communication’ and ‘transparency.’ Working together, we have a far greater chance of success. In the past, some people have been hardline about a distinct separation of the two groups but to me, that doesn’t make much sense. Would one group managing all games be best? Well, we all have the same goal which is to create revenue for our beneficiaries. I think we can get there. There might be some bumps in the road but at the end of the day, we all need to do what is best for our organizations.”

Of course, change can be incremental, and David pointed out that any time the groups are coming together, the industry is better off. “Could we start by developing a new game together, something developed by a joint game committee?” he said. “Change is the hardest thing we do. Every director has been through some sort of change or has had to push for change within their lottery. And it is hard. Staff can be resistant. But you must do it because at the end of the day, change and innovation is the way to produce the big win.”

John Martin, who’s lottery is a Mega Millions consortium member, said the Maryland Lottery has carefully considered all roads ahead. “It is certainly a good idea to look back at history, but you also need to consider what’s ahead of us?” he said. “Post-pandemic, we have all had to think a bit differently about what our futures look like. With the Mega Millions group, our energy has been spent focusing on a product that is differentiated from the Powerball product. Our preliminary discussions were within the Mega Millions consortium which then moved into a larger group of states. This all leads to where we are now – we all must make the decision if this is the road to continue down or should there be a singular organization that can best manage everyone’s time and efforts.”

As the longest-tenured industry representative on the panel, Bret Toyne was able to provide perspective on the rise of multi-state games, particularly Powerball.

MUSL supports its member lotteries with important financial structures as well as overseeing drawings and providing security standards. Along with critical back office support, those are the pillars of the value MUSL delivers to its members. But as an industry, Bret believes it’s time to move forward.

“If in five years we’re in the same spot we’re in now, we have failed our constituencies,” he said. “We have two really great games, we have two models that have worked successfully. By taking the best practices from Mega Millions and joining them with the best practices from Powerball, can we create a better overall organization? On the Powerball side, we’ve been working diligently to leverage the brand with third parties, such as NASCAR and the NFL. But when you’re sitting across the table from someone and you tell them you represent 38 lotteries and there are another 10 you hope will join on, it’s a bit of a disconnect. It’s much different if you have a 48-member consortium of lotteries which includes states with some significant DMAs (Designated Market Areas). You’re in a much different negotiating position. Lotteries have spent hundreds of millions of dollars over the past 30 years developing and marketing these two brands. We can better leverage them as one block of 48 lotteries. Moving forward, we need to recognize the opportunities and take advantage of them.”

As president of MUSL, David Barden said his focus has been on improving the inclusion of all lotteries and listening to all constituencies. In the end, the important factor is determining what is best for all lotteries and acting in a deliberative manner. “The lottery industry has attributes that make us different from other businesses,” he said. “But together, we can chart paths that work for all of us. I think that on the part of MUSL, we have opened our meetings and created clear paths of communication to engage the active participation of all 48 state lotteries. Moving forward, I hope for and do anticipate even more collaboration between MUSL and the Mega Millions consortium. After all, for all of us it is all about doing what is best for our lotteries and, ultimately, our beneficiaries.” ■



Retail modernization and Optimization: Applying the most progressive tools, methods, and 'best-practices' to drive sales at Retail

As the Florida Lottery's Deputy Secretary of Product and Sales, Justin Rock keeps his eye on all trends that might impact his state's industry-leading sales. While COVID initially looked like it would negatively-impact business, the Florida Lottery, along with most lotteries across the country, emerged stronger than ever. But challenges continue to emerge. "We work in a business where cash-based transactions are incredibly important. Yet more and more, other industries, including some of our channel partners, are going cashless," he said. "Our largest retailer, Publix, which makes up 20% of our sales, has added self-checkout which seemingly contradicts their brand philosophy of customer service. Racetrak and Circle K, other important retailers, are also adding self-service. What does this all mean for the future of lottery? How will lottery continue to thrive when so much is changing at our retail locations?"

Helping Justin answer these and other critical questions was a panel of lottery veterans:

With almost ten years in the lottery industry, between DC Lottery and NC Lottery, **Frank Suarez** sees the overall

Jay Finks, Executive Director, Oklahoma Lottery

Maxwell Goldstein, Director of Sales & Marketing, Carmanah Signs

Burbank Herndon, Vice President Sales - Retail Solutions, Scientific Games

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

Frank Suarez, Executive Director, DC Lottery

modernization efforts at retail as a call to lottery to change with the times and perhaps gain new audiences. "We always talk about evolving our games and methods of distribution to appeal to the younger players and that group is used to not interacting with people for their retail purchases," Frank said. "They buy online and use self-service at retail. Some of the newer lottery vending machines are exactly what this new generation of players is seeing in other purchasing experiences. We need to continue to work even more with our retailers to modernize lottery to align with the expectations of next generation consumers and with the way consumer

packaged goods marketers are meeting those expectations. Single ticket activation, for instance, is one step in the right direction as it allows us to position lottery products anywhere in the store. We just need to meet the retailers' expectations and make it easy for them to sell lottery."

Burbank Herndon helps lead the Retail team at Scientific Games that works through these retail-related issues every day. The issues can be challenging but he said they are solvable. "As an industry, we've done a good job of providing a vending machine that works within the retail environment," he said. "Easy to understand, smooth purchase, quick in and out of the store. Instead of coming through the checkout lanes, the player purchases their lottery tickets on their own in the store. We have to continue to invest in self-serve technologies. Add more bins, add debit and credit in states where it's legal, add accessible selling features. I agree that adding in-lane is important, especially when the largest grocery store chains are telling us that up to 70% of their business is now self-checkout. We have seen that when convenience stores add self-checkout, lottery sales drop because the consumer doesn't see lottery games at the counter and the retailer has not enabled lottery purchases through the new technology. These issues have to be solved quickly

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The Science Inside *the Connections*



AWARD-WINNING
CRM programs

30+
iLottery customers globally

587.2 MILLION+
online loyalty entries representing
\$3.2 BILLION+
in retail value

Scientific Games' enterprise gaming platforms deliver the industry's most engaging games and promotions, and rich data that can be used to connect digitally with players and responsibly foster growth.

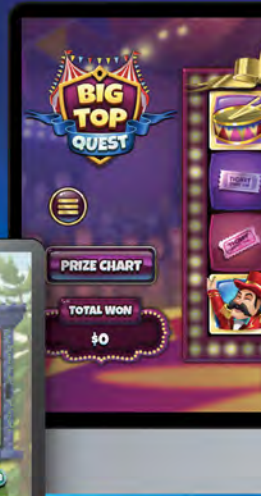
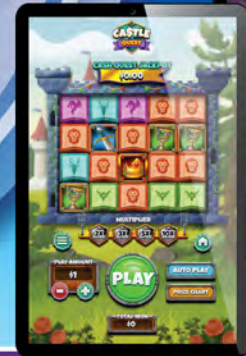


THE QUEST

FOR PROGRESSIVE JACKPOT

ADVENTURE

High-performing iLottery
Game Series Sends Pennsylvania
Players on Journeys of Pursuit



Coming July 2023

Progressive jackpots have exploded recently in digital games. But when Scientific Games and the Pennsylvania Lottery knew they wanted to add a progressive jackpot game to the iLottery portfolio, they set out to offer players an adventure with a twist.

The company's digital game designers collaborated with the Pennsylvania Lottery Products team to create a new series of progressive jackpot games that would appeal to players based on Scientific Games data analytics of game playstyles and themes that had already proven successful in the state.

"It really comes down to fun. It started with the idea of offering an ongoing *Cash Quest* progressive jackpot with a growing selection of linked adventures to choose from and the initial concepts from Scientific Games sparked great collaborative creativity," says Kara Sparks, Director of Products for the Pennsylvania Lottery.

But it was important to ensure the right balance of games in the portfolio. A 33-person SG Studios team of front-end game developers, back-end game developers, artists, animators, and digital engineers led by a creative director worked with the Pennsylvania Lottery team (made up of both Scientific Games and Pennsylvania Lottery product and marketing professionals) for six months to get the first game in the series right.

"The games are developed with deliberate continuity, but each new launch charms with its own special personality. Marketing assets make the most of the

fresh thematic details to beckon our players to join the fun – again!" explains Sparks.

In October 2022, the *Treasure Chest Quest* linked jackpot game debuted. Since launching, *Treasure Chest Quest* has generated more than 12 million in online wagers (through June 28, 2023). It is currently the No. 1 performing game in the series, with its highest ever progressive jackpot currently at \$290,000 – and rising. Nearly 73,000 unique players have played more than 6.9 million rounds of the game.

By the end of May 2023, three more games in the series – *Castle Quest*, *Deep \$ea Quest* and *Big Top Quest* – launched. With *Big Top Quest* on track to top *Treasure Chest Quest*, the fifth game, *Cave Quest*, is set to launch this summer.



SG Studios team members brainstorm the next games in the Quest digital game series (front left to right) Giancarlo Achler, Michael Cheung, Fabien Sacriste, and (back left to right) Paul Le Fondre, Ross Coupland, Tyler Thorne.

Top 10 Pennsylvania iLottery Performers from SG Studios

TRUCKS & BUCKS

LUXE BUCK

CANDY COATED CASH

THE GAME OF LIFE

BIG TOP QUEST

DEEP \$EA QUEST

*Last three weeks through June 29, 2023



In total, the Quest series has generated more than \$33 million in online wagers (through June 28, 2023). Nearly 183,000 unique players have played more than 18.6 million rounds of the games and a total of more than \$738,000 has been paid out in progressive jackpot wins.

Paul Le Fondre, Scientific Games Head of Art and Animation for SG Studios, shares the science inside the game, "The magic happened with the right recipe of math, game mechanics and playstyle. While we are continually developing new games, there are games that players keep coming back to because they like the game and are loyal to that game. So, we set out to capture that loyalty over a series of games. We flipped our creative process."

In the Quest series, there is a unique, linked progressive jackpot – meaning wagers made in one game of the series will contribute to a jackpot that continues to grow and is visible in all the games of the series.

"The key to *Treasure Chest Quest's* success wasn't one of those team members, it was all of them coming together," Le Fondre explains. "Our studio atmosphere is open and highly creative. There is a constant feed of ideas happening all around us every day."

The creativity combined with analytics and planning paid off. With a rock-solid foundation, the fifth game in the new Quest series, *Cave Quest*, is planned for a summer 2023 launch.

"The *Cash Quest* approach takes game refresh and progressive jackpot families to a new level. Each new adventure delivers what our players want most: a fresh, new, chance to win. I am really pleased to see each introduction shows a consistently strong bump to sales," shares Sparks. "Player enthusiasm is not waning. I look forward to seeing what the *Cave Quest* brings."

La Fondre credits the company's relationship with the Pennsylvania iLottery team, which has developed over five plus years planning, launching and managing the iLottery program – the first in the industry to reach \$1 billion in sales in less than two years.

With digital content studios in the U.S. and Europe (following the August 2021 acquisition of Sideplay, now SG Studios), Scientific Games provides iLottery and digital lottery to 30 lotteries worldwide.

"Our stringent compliance and security practices combined with a deep understanding of consumers has firmly established us as a trusted lottery partner and innovator in all things digital, including iLottery," says La Fondre.

The company's holistic approach to digital lottery portfolio management includes games, game extensions for retail games, second-chance promotions, player loyalty programs, mobile apps, and customer relationship management programs.

In 2022, the Pennsylvania Lottery topped \$5.1 billion in total sales and is ranked among the top 15 lotteries in the world for performance (*La Fleur's World Almanac, per capita total sales*).

Scientific Games also provide the Pennsylvania Lottery with instant scratch games, instant game logistics management services, licensed properties, lottery gaming system, CRM, mobile app, monitor games, retailer management system, retail point-of-sale, and virtual sports.

The Pennsylvania iLottery program has received the distinguished Internet Compliance Assessment Program certification.

Scientific Games is among the first companies globally certified by the World Lottery Association as a responsible gaming provider.

SEE THE QUEST GAME SERIES:



How AI Can Assist iLotteries to Achieve Their Goals

Artificial intelligence is becoming an increasingly important tool for iLotteries as the industry continues to develop at pace. Aditya Bhushan, EVP Technologies at NeoGames explains how the global supplier is providing real value for online lotteries, through its own advanced solutions, allowing them to support good causes.

The iLottery industry has traditionally relied on human expertise to analyze player data and produce meaningful, actionable insights. More recently, artificial intelligence (AI) systems have automated this process more powerfully than ever before, with every model built on millions of data points. Accessing the largest and most unique data sets allows NeoGames to implement cutting-edge AI and data science solutions for its lottery customers. The benefits of this approach are manifold. AI can help to identify potentially problematic player behaviors at an early stage, creating a safety net for those who show warning signs of being at risk. In terms of the customer experience, AI can also help deliver highly personalized experiences, putting types of content in front of them that will engage and entertain within a safe, secure environment.

Responsible gambling to the fore

A sufficiently advanced technology platform delivering iLottery solutions can implement AI solutions to monitor and analyze behavior patterns and potentially set customized deposit limits, fully customizable to the needs of each lottery, with NeoGames possessing the ability to implement these varied parameters.

Within this proactive approach, lotteries

can intervene and provide targeted responsible gambling practices via pop-ups, email, and other forms of communications suggesting time limits, or self-exclusion options.

Expert fraud detection

Fraud comes in many forms, and AI can greatly minimize risk for lotteries by utilizing a high number of data points, including the use of specific payment methods and the level of RTP of games played by those seeking to defraud. In looking at such evidence, advanced AI systems can act as an early warning sign for lotteries. NeoGames, can flag potentially fraudulent activity such as chargebacks with a high strike rate.

Providing tailored experiences

Consumers gravitate towards familiarity when consuming entertainment. Netflix is a prime example of this, utilizing a user's previous views to create a tailored library of appropriate content suggestions. We have found that AI can perform a similar function for lotteries, shaping in-game experiences to cater to the preferences of the player segment and curating personalized lobbies, while also issuing customized bonus types for retention.

These bonuses can be matched up to the expected life cycle of any given segment, with churn predictions playing a role in the level of player offers. Through the judicial implementation of AI systems,



Aditya Bhushan, EVP Technologies

neogames[®]

lotteries can break down existing segmentation definitions that allow lotteries to re-define segments with a higher degree of flexibility, accuracy, and relevancy.

iLotteries place a great emphasis on smooth operations, and NeoGames can assist in easing this burden, minimizing many pain points for operators by automating tasks. This can save time and money for lottery operators, making the overall process more efficient and contributing to player trust in distributing prizes quickly.

Delivering outstanding communication

Centralized Data Platforms have been effective in delivering greater engagement with audiences through real-time communications. With AI enriching these solutions, brand relationships could be enhanced with each player,

enabling targeted campaigns based on past preferences.

Timely interventions can potentially make a significant difference to the lifetime value of a player. Once they leave a platform, they may not return for a considerable period of time, if ever. Take the example of trying to cancel an online service: customers are immediately offered reduced costs to keep their subscription, and online gaming and iLottery brands can act in a similar

way by offering engagement incentives at opportune moments within user journeys.

For any iLottery operator, providing excellent customer service is major goal. Integrating AI into customer service processes may provide a great deal of value, enhancing brand reputation with players who want queries addressed swiftly and expertly.

In offering advanced solutions across personalized experiences, while protect-

ing players from harm and lotteries from fraudulent activity, AI systems provide timely and crucial interventions along the player journey while using a fraction of the resources compared to previous methodologies. This advanced technology is fast-becoming essential across a wide range of online sectors and for lotteries, the benefits are already apparent, with operators able to achieve their goal of maximizing their proceeds to give back to their local communities. ■

iLottery: Managing iLottery for maximum growth, maximum player engagement, and maximum overall sales including retail continued from page 14

have grown. Knowing what's best for your jurisdiction is key."

As a content provider to iLottery states, **Brad Cummings** said diversification of content is what will help lotteries succeed going forward. "Lottery needs to separate itself from what is being offered by the competition, particularly iGaming," he said. "We know that iLottery is attracting younger players, so we need to provide content that speaks to that demographic. We offer games that are similar to Candy Crush because we know those types of game are popular. Let's look at what is working in other markets, such as Europe, as they are a few years ahead of us. Working with game studios that have been in the iLottery market for ten-plus years can help us shape where we need to take the U.S. market."

A full view of the player, how they interact with the lottery, will help lotteries create an overall positive experience, according to **Jennifer Westbury**. "We need to recognize how players join the lottery ecosystem," she said. "Some come through the iLottery channel, some check their winning numbers, some enter a second chance drawing. If we connect all those digital touchpoints, we get a complete view of the player and we can offer them experiences tailored to their needs. Great games are one piece of the solution but we need to create the kinds of experiences they are having with other forms of gaming. The discussion in the iGaming space is about what other kinds of games can they offer. Might they be looking at lottery-type games? We need to make sure that our players are reacting favorably to our products and that we aren't forcing them to migrate to another ecosystem."

Mike Lightman said that as the debates continue about what will work state-

by-state, lotteries need to continue the dialogue with their key government officials. "So much has changed over the past five years and there has been positive movement in offering digital options for players," he said. "But the conversations with, and education of, key stakeholders about iLottery and especially eInstants must continue. It's easy for an outside observer to look at an eInstant game and say that it's not really that much different than a slot game. We all know it is tremendously different, given the underlying structure, but we can't expect casual observers of gaming to know the difference. We must consider how we deliver this nuanced message and fight for the position that we know will best benefit players and ultimately lottery revenue."

With so many competitors in the marketplace, Drew asked two obvious questions: "Are there opportunities for lotteries to work together with the commercial operators, who offer games that compete with lottery games, and combine our strengths? Or does the industry instead fight the competition head on?"

Kelley-Jaye said that while it might seem like a good idea for lottery to work with other gaming companies, in the end, lotteries typically have missions completely opposite of for-profit companies. "When DraftKings started operating in New Hampshire, we were interested in collaborating," she said. "But after discussions, it was obvious that our core values were inherently different and that makes it challenging. Our core value is to raise money for education in New Hampshire and we want to do that responsibly, which is different than private companies. Maybe we won't do a DraftKings scratch ticket but perhaps we can place offers on the back of a New England Patriots ticket. That is

one way to bring some of the sports betting customers over to the lottery."

As a company that works with most jurisdictions that offer full iLottery, IWG has seen different models. Mike Lightman said that each lottery needs to create a plan that works best in its individual market. "There are a number of environments in which lotteries are operating," he said. "We have markets with both casinos and lottery, and the casinos are completely independent from the lottery, and then there are also markets where the lottery has some type of oversight of the casinos. When lotteries are involved in the management or oversight of casinos, it makes it easier them to work together. The Atlantic Lottery is a great example. They operate a very successful iLottery program as well as a very successful iCasino program. They can promote both across their combined player base. But in the jurisdictions where there is a sharp delineation between lottery and casinos, it can be more difficult for lotteries and casinos to collaborate."

Co-existing is Brad's mantra, as he doesn't believe there is much chance that casinos will help promote lottery in most states. "Having worked with casinos, I have a hard time believing that we're going to get much cooperation from them to take part in joint campaigns," he said. "The best we can hope for is that lottery can migrate casino players to our games, educate players on the different games and hope they view lottery as another form of entertainment. Lotteries need to control what they can and the rest will work itself out."

Derek sees brands as a key differentiator. "We've seen a lot of success in Canadian markets with eInstants that are similar to what players see in land-based and online casinos," he said. "That has been very helpful to the iLottery side of the business.

Continued on page 29

Cloud, Simplified: Why it Matters to Today's Lotteries

Why Cloud Technology Matters

In recent years, there has been much discussion, on many levels, about “Cloud” – and we are not talking about the weather. Storing and managing data on the Cloud across the global network of remote Internet servers has been transformational for businesses, individuals, and governments, which have begun to use cloud technology for everything from driver's licenses to tax refunds.

As a result of IGT's most recent Cloud deployments and solutions, we are making important investments for our customers and progress for the industry, as IGT works proactively to leverage the vast opportunities of the Cloud.

Cloud Native Solution

IGT partners with lottery customers to help them benefit from the advantages of the Cloud. While some technology partners have rushed to offer the first Cloud lottery solutions by “lifting and shifting” their existing systems to the Cloud, just deploying existing code to run on Cloud infrastructure is not optimizing all the benefits Cloud can offer. IGT looks to truly maximize the potential of the Cloud for its customers. To do that, IGT has built an integral Cloud Native Solution. “Cloud Native is not a ‘lift and shift,’” explains Jesse Saccoccio, Director, Global iLottery Platform Sales, IGT. “If on-premise products are ‘lifted and shifted’ to the Cloud, then lotteries cannot reap the benefits completely. **Our products are developed with a Cloud Native Solution to seamlessly harness the advantages of Cloud benefits.**”

Delivery Pipeline

“Cloud-y” skies are a positive sign – for the distribution of software, that is. IGT has **advanced the delivery pipeline, with improved continuous integration, delivery and/or deployment**, known as CI/CD.

A Shift in the Weather

“Thanks to ‘lightning speed’ technology, possibilities for the Cloud advance at a rapid pace,” notes Srinu Nedunuri, Senior Vice President, iLottery, IGT. “IGT continually **pushes the boundaries of Cloud capabilities forward for lotteries**, tailored to client needs, from customary to revolutionary.”

The latest technology built by the IGT team **encompasses a complete Cloud offering for all essential iLottery components. This includes player**

account management, artificial intelligence, machine learning, elstants remote game server, draw game services, and many more features, all running on public Cloud infrastructure, using public Cloud services.

IGT has worked to unlock the advantages of the Cloud for the lottery industry. Below are just four of the key Cloud benefits – **Healing, Scaling, Enhancement, and Security** – which all reinforce how IGT and their customers can work together to reach lottery goals.

Healing, Simplified

Everyone benefits from the healing elements of good weather, like soaking in some vitamin D on a sunny day. The healing aspects of IGT's Cloud Native Solution are similar. With Healing, Simplified, IGT can supply **nearly uninterrupted player experiences** and **improve system resiliency**. The system can self-correct; upon registering that it is not running as it should, it is able to try and



IGT's Cloud Native Solution provides Healing, Simplified to lotteries with self-correcting system capabilities, allowing for nearly uninterrupted player experiences.

resolve the issue, on its own, without human interaction. This happens **automatically** in the background, letting operators focus on more time-sensitive activities.

Because the system knows how to correct in these situations, the Cloud Native Solution helps improve the overall experience for players, who will not see or experience noticeable downtime when this occurs. The **increase in autonomy**, with **minimal human intervention**, is a significant Cloud Native benefit.

Scaling, Simplified

IGT can help grow lotteries to the **right-sized system, at the right time**. In the past, operators might provision hardware and infrastructure for several years into the future. In the meantime, only a minimal capability percentage would be utilized, and other capacity would be idle. It was previously necessary to predict player demand and prepare without exact knowledge of the future player population, potentially underutilizing or wasting resources.

With the simplified scaling of the Cloud Native approach, the system is instructed about existing computer power; **when more is needed, the system will grow to another level**. IGT crafts the **custom Cloud Native Solution** for



By supplying capacity on time and on demand, and with an infinite capability to grow as player need expands, IGT's Cloud Native Solution offers lotteries **Scaling, Simplified**.

operators to be right-sized, right now, **for the volume of players that they are currently seeing**, and for the **performance and experience those players demand**.

Thanks to the infinite scaling opportunities of the Cloud, future capability is ensured, helping lotteries **optimize resource** use and operational expenditures. There are multiple benefits for overall player experience, and for lotteries, which can keep selling for longer periods and not require as many planned downtimes as in the past. From the players' perspective, it is important to access the required services on demand and on time – for example, if players are trying to check their numbers during peak jackpot periods when the traffic is quite high. When a service cannot

manage that demand, that is of course frustrating for players. With IGT's Cloud Native Solution, **capacity can expand dynamically over time**. From checking numbers to ticket sales, **lotteries can seamlessly "scale up" to accommodate**, and then **scale back down when that expanded space is no longer needed**.

With the benefits of Scaling, Simplified, the Cloud Native Solution allows systems to adjust **correctly, modify naturally, and evolve as required**.

Enhancements, Simplified

The Cloud Native Solution enables IGT to **streamline the process of making enhancements**. This increases the speed at which IGT can deliver new and exciting innovations for lotteries and their players.

Utilizing Cloud Native positively impacts the time and requirements needed to upgrade platforms. This allows IGT engineers to supply the necessary software through the Cloud, and let that **process implement an upgrade and install the latest features, without taking the system offline for maintenance**. **These updates then roll out naturally**, enabling the system to upgrade and install itself when the time is right.

Time-consuming human intervention is reduced as a result. Once set up, there is no need for an engineer to access, deploy and/or check that a particular installation has been completed. This process is



Thanks to Enhancements, Simplified: Faster, easier, autonomous enhancement and upgrades are available on the Cloud, enabling lotteries to innovate and release new features at speed.



IGT's Cloud Native Solution delivers Security, Simplified to lotteries by sourcing proven security solutions built upon meaningful Cloud provider investment.

available via the tools IGT is utilizing from the Cloud, and the services they provide, **improving efficiency.**

The Enhancements, Simplified process is executed autonomously. Lotteries benefit from **increased uptime**, supporting the ability to continue supplying exciting new player experiences. This provides the opportunity **for more frequent releases, including improvements to existing features and functionality.**

Security, Simplified

IGT harnesses the **proven security benefits of Cloud providers** to ensure the necessary peace of mind lotteries are looking for.

“Lottery is a highly regulated industry, as readers are aware,” says Saccoccio. “There are other industries that are more highly regulated — such as healthcare and banking — which also run on these Cloud services. IGT utilizes Cloud, and **leverages investments in Cloud providers’ systems, specifically for the lottery business.**”

Cloud providers and the industries they serve require key certifications, from International Organization for Standardization (ISO) and National Institute for Standards and Technology (NIST) for instance, to federal and state requirements, which help lottery security support. Operators can be secure

in the knowledge that their **networks – and their data at rest – are encrypted.** IGT can then provide lotteries with a more secure system, while **reducing time spent on security**, and instead allow **resources to be focused on improving the player experience.**

Association with Cloud providers also fosters the **opportunity for forensics:** If operators need to take a snapshot of the server to view what happened at a certain time, providers can supply the ability to take that snapshot. They can oversee the change of custody control and access to that information, without having to visit a data center and extract a physical server from it. The Cloud providers allow lotteries and regulators to directly access that information as quickly as possible, and then manage it for the different investigations needed for each scenario.

The Cloud in Europe

IGT recently integrated learning about Cloud Native benefits and deployed it to one of the fastest growing lotteries in Europe: Poland's Totalizator Sportowy (TS), in its recent iLottery system conversion.

“I am very pleased that we have been able to finalize this ambitious project of adoption of Cloud Native in Poland,” said Maciej Kasprzak, General Manager, Online Gaming

Division, Totalizator Sportowy. “I’m sure that the advancement in system performance and reliability will result in the improvement of customer experience. It should also allow us to develop and integrate more tools to support advanced analytics and CRM.”

The entire TS iLottery platform from IGT is a complete, digital Cloud Native Solution. As an important pillar supporting sport and culture in Poland, TS Lottery makes use of the Cloud Native benefits outlined in this article to help support its goal of transferring maximum funds to good causes.

The latest iLottery Cloud Native blueprint was recently rolled out to Loterie Romande in Switzerland.

“We are excited to utilize IGT’s Cloud Native Solution, based on Microsoft Azure, that meets our Federal Act on Gambling (Gambling Act) rules of having a solution hosted in Switzerland,” said Jean-Luc Moner-Banet, CEO, Loterie Romande. “The opportunity to benefit from continuous integration, delivery, and deployment of iLottery components and upgrades will help Loterie Romande enrich the experience for our players well into the future.”

The Cloud Native approach to infrastructure will help strengthen Loterie Romande’s commitment to distribute 100% of its profits each year to social action, sport, and culture.

Sunny Skies Ahead

Poland’s Totalizator Sportowy and Switzerland’s Loterie Romande are just the beginning.

The Cloud Native Solution is soon to be deployed to IGT’s U.S. customers. More news and insights about progress and evolution to the Cloud on behalf of customers is to come.

As IGT invests in customer success with the Cloud, the forecast looks bright. IGT is excited and proud of its **brand-new complete digital iLottery Cloud Native Solution and all the benefits** it responsibly brings to lotteries and their players. ■



Having brands that are visible across all channels and so are familiar to the whole spectrum of players will help with player adoption. Casinos are more apt to work with us when they think that we are okay with players going back and forth between lottery and casinos. If this helps the Lottery, then it is something worth pursuing.”

But casinos and iGaming sites aren't the only competition for lotteries. Drew raised the issue of social gaming and video games, which are popular among the next generation of lottery players. He asked the panel, “How do we prepare for this group and make lottery attractive to these potential new customers?”

Jennifer rightly pointed out that all iLotteries currently offer social sites. “It's called demo mode,” she said. “We have to figure out how to introduce players to demo mode and get them playing our games. Pollard is very proud of our digital studio and we have seen how our games catch on with players of all ages. All game vendors are going to have to recognize the challenge of our competition and make better games that immerse players. Keep the game mechanics simple but make sure that the play style is interesting. It's the only way we'll compete to attract the next group of players we hope will eventually migrate to lottery.”

While Derek acknowledged that lotteries and vendors must consider what will be enjoyable for players on iLottery sites, he cautioned against straying too far from lottery fundamentals. “We want to offer games that are intuitive and easy to understand,” he said. “Most lottery games, particularly iLottery games, are simple to play. There are certainly elements that can be taken from social games and used to make iLottery games interesting to different groups of players. Making sure our games perform at a high level and provide winning experiences will, in the end, lead to the greatest chance of bringing players and driving revenue.”

Drew asked the panel to think about the future. “Sometimes we are so focused on the present that we don't adequately plan for the future,” he said. “But we all need to be looking down the road, to what changes are on the horizon. What are the threats we're not thinking about? What are the opportunities that we're not taking advantage of today.”

Unfortunately, Kelley-Jaye became something of an expert on “threats” recently, so she hit on the need to protect sites and data. “We had a cyberattack last August which was a real shock to us,” she said. “Fortunately we were able to move quickly and shut down our systems before any damage was done. But it was an eye-opening example of how we all have to treat our websites as carefully as we treat our central systems. Mobile has to be equally as secure. Our industry is built on security and integrity and it is critical that we are aware of all possible threats and we're ready if something happens. As more of our operations move to digital, maintaining a secure environment will be of paramount concern.”

If we want to maintain our livelihood and our dominant status within the gaming space, we have to figure out how to do things better.

On a similar note, Jennifer said that lotteries have to move quickly to keep pace with other industries. “In this competitive world, where technology seems to be changing daily, lotteries have to be able to work just as fast anyone else,” she said. “If we want to maintain our livelihood and our dominant status within the gaming space, we have to figure out how to do things better. We do so many things so well. We just need to make sure we are working as quickly as possible. Let's look at our opportunities as the glass being half full. This is a moment when we can do even better to create more opportunities for players and the great causes lottery supports.”

Brad thinks it is content changes that will mark the next era of lottery products. “We are so focused on retail scratch tickets, and rightly so because they are a critical component of lotteries' revenue, but we should also be looking at future content and what will attract new players,” he said. “Why not use innovation to create draw game content that will appeal to the next

generation of customers? The Fast Play genre has been a success but what about Powerball and Mega Millions games that can be played on demand? You can have a rolling jackpot and players can play when they want instead of having to wait for a drawing every few days. From a profitability standpoint, growing these games could have a positive impact for lotteries and be a nice complement to the scratch ticket portfolio.”

Creating products that work for as many lotteries as possible can be a challenge, according to Derek, but vendors must continue to consider a number of different factors. “One of the challenges from the operator's side is just keeping up with the

speed of product requirements,” he said. “Each lottery wants different things, so for vendors, we must figure out how we create a configurable product with different features – responsible gaming, wager limits, self-exclusion. And as iLottery continues to grow, there will be a whole different set of needs. Keeping up with these changes and the pace of requirements will demand the attention of both vendors and lotteries alike.

Mike struck an optimistic stance when he looks to the future. “I'm excited to see where things go over the next five years, given how much things changed during the past five years,” he said. “The Internet space can move very fast but we need to keep an eye on maintaining a secure environment and offering quality content. If a lottery provides content that disappoints the players, we could lose them to competitors. We are held to a high standard and we must work every day to earn player trust.” ■

Mass. Regulators Join Call for U.S. Dept. of Justice to Enforce Laws Against Offshore Gaming Sites

More and more states are, like Massachusetts, coming to the conclusion that gambling is an activity that has surpassed a threshold of consumer demand that makes it necessary to regulate and tax it rather than attempt to prohibit it. Better to exercise control and oversight which enables the government to promote Responsible Gaming, minimize illegality like money-laundering and fraud, and channel economic benefit back to society. The alternative to the regulate and tax model (or, even better, exercising even more government control via the Lottery model), is to enrich criminals by providing a fertile market for illegal gaming operators to satisfy the consumer demand. Now that many states are moving towards the regulate and tax model, state lawmakers

realize they need help in the effort to enforce regulations against illegal operators. The U.S. Justice Department has the resources and the multi-state and multi-national purview to enforce the laws of the land. The Massachusetts Gaming Commission has joined other states, including Colorado, Louisiana, Michigan, Mississippi, Nevada, New Jersey and Illinois, in petitioning U.S. Attorney General Merrick Garland to help enforce the laws against illegal gambling operations, most of which are based outside of the U.S.

Officials in those states asked the department to protect Americans from illegal offshore sportsbooks and online casinos that do not invest in Responsible Gaming programs, do not impose age verification requirements to protect minors, lack controls

to prevent money laundering and guarantee fair payouts to customers, and divert tax revenues that belong to the people over to private shareholder and criminal interests. State gaming regulators also want to "ensure the immense amount of money generated by these bad actors is not used to bankroll other illegal activities such as human trafficking and the drug trade."

"The many significant threats posed by offshore illegal gambling cannot be addressed by states alone and, therefore, require heightened federal attention and engagement," regulators from the seven states wrote. "We strongly encourage the Department of Justice to prioritize investigation and prosecution of these offshore sites, and stand ready to provide any assistance that we can as state gaming regulators."

Bill Miller, president and CEO of the American Gaming Association, explains why effective enforcement of the laws against illegal gambling is vital to a healthy society as well as a sustainable games-of-chance industry

Following is excerpted, Edited version of op-ed ...

New research by the American Gaming Association shows that the overwhelming majority of American adults (85%) say the court made the right call in allowing states to decide whether to legalize sports betting. The public embrace of sports betting has drawn media attention to problem gambling and how to bet responsibly. That discussion is important, and one that the gaming industry welcomes.

Even before Supreme Court ruling, illegal sports betting was a \$150 billion annual market. Since the court's decision, 37 states and Washington, D.C., have concluded that legal, regulated sports betting is better than the illegal markets that had always existed. But the rapid expansion of sports betting has prompted some to

claim the court's ruling is fueling a surge in problem gambling. Does anyone really believe problem gambling didn't exist before 2018 when illegal sports betting was an annual \$150 billion market?

Illegal sports betting does not generate any money to support problem gambling programs. States earmarked \$94 million in 2021 alone, much of which comes from casino gaming taxes, including rising revenues from sports betting. In part, that's because as legal betting grows, the illegal market is shrinking – from \$150 billion to about \$64 billion last year. In 2019, less than half of online bets took place legally; today, more than 3 out of 4 occur in legal, regulated markets.

Rising tax revenues for support services and the migration of players to the protections of the legal market are advancing

responsible play. But we can always do more. The money is there. Sports betting has generated \$3 billion in taxes for state governments since 2018. Advertising is one of the top five reasons bettors move to the legal market, and it raises awareness about problem gambling resources.

Legal sports betting is creating more informed consumers, generating greater awareness for problem gambling resources and supporting essential public services. And the growth of sports betting is now sparking a national conversation about the best way to help those who struggle with problem gambling.

Problem gambling resources have never been better funded and marketed than they are today. And that's evidence that states that have embraced legal sports betting made the right call.



NASPL 2023

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BREWING THE BEST

From polka music to root beer, the Wisconsin Lottery is pulling out all the stops for a fabulous event, including a final celebratory night unlike any other. Program details and keynote speakers will be available soon!

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EL Congress Croatia 2023 Wow. Congratulations to Team EL



THE EUROPEAN
LOTTERIES
FOR THE BENEFIT OF SOCIETY

EL Congress Croatia 2023 Wow.

Congratulations to Team EL and the Croatian Lottery for producing the most fabulous EL Congress. Maybe it's because it's been four years since our last EL Congress; maybe it's because of the great content (cutting edge as always), or because we were so anxious for solutions and updates from our technology partners' trade show exhibits. Maybe it's because Croatia is the most beautiful country with the most extraordinary coastline (mountainous with hundreds of islands and dotted with ancient coastal towns. No wonder it is the location for the filming of Game of Thrones as well as the setting for EL Congress). Some of us came early to enjoy a few days of tourist-time, and so glad we did. Our September print issue will feature interviews with leaders of the EL, photo collage, and more. Check in at PGRItalks.com to view the videos we did at the Congress Trade-Show. And be sure to visit European-lotteries.org for EL news and events calendar.



EL elects new Executive Committee and President

Šibenik, 7 June 2023 – During the EL General Assembly on 7 June in Šibenik (Croatia), Members elected a new Executive Committee for the period 2023-2025 and appointed Romana Girandon, CEO of Loterija Slovenije, as the first female EL President.

"I am delighted to be elected EL President

at this year's General Assembly. This is a real honour, and I would like to thank the Members for trusting me to lead EL in the next mandate. Over the coming years, I look forward to fulfilling my role together with a strong and experienced Executive Committee, to prove that we, The European Lotteries, are here to benefit society.

Together we can make a difference and provide a new momentum for a sustainable and responsible future. I would like to thank especially, the outgoing President Hansjörg Höltkemeier, now EL Honorary President, for his dedication and commitment to EL over the past eight years and wish him all the best for the future." ■



Romana Girandon, EL President and CEO of the Slovenia Lottery



The newly elected members of the EL Executive Committee, pictured from left to right: Jan KARAS (OPAP, Greece); Jannie HAEK (Loterie Nationale Loterij, Belgium); Olgierd CIEŚLIK (Totalizator Sportowy Sp. z o.o, Poland); Jesús Almedro HUERTA (Sociedad Estatal de Loterías y Apuestas del Estado, SELAE, Spain); Stéphane PALLEZ (La Française des Jeux, FDJ, France); Romana GIRANDON (Loterija Slovenije, d.d., Slovenia, & EL President); Rosangela ROBBIANI (Sisal S.p.A., Italy), Hansjörg HÖLTKEMEIER

Hazen Paper Introduces a New “Holiday Themed” Series of Holographic Patterns for 2023



Every year, the holiday season is always the best time of year for the sale of instant games. That's because scratch-off games are perfect for use as holiday gifts and stocking stuffers. Lotteries have realized that it can be challenging to come up with fresh, creative ideas for their instant games each year that will capture the attention of their players during this important time frame. This is especially true with the substantial number of games that are being created for sale during this key lottery season.

During the 2022 holidays, more than 240 different holiday-themed instant games were sold by North American lotteries alone. Last year, some individual lotteries even offered as many as thirteen different holiday-themed instant games. So, here's the good news if your lottery is currently being challenged with how to make your holiday games stand out to capture the attention of players as they are making their holiday game purchases.

For the first time, the Hazen Paper Company, the leading supplier of holographic board to the lottery industry, has come up with a creative solution to this opportunity by introducing six new holiday holographic patterns that can be used as backgrounds for your holiday-themed games. They range from sparkling holographic *Christmas Tree Lights* to *Snowmen and Snowflakes*, *Holiday Presents*, *Peppermints*, and *Candy Canes and Stockings* that have been designed to be eye-catching so that they will be sure to boost your holiday ticket sales.

Holographic games have consistently proven to increase the sales of instant games by 15% to 30% when compared with plain board games. This is because of the additional attention that they attract due to their continually changing colors, their visual feeling of movement, and their three dimensionality. In a quantitative study that was conducted by Scientific Games in cooperation with the Tennessee lottery, it was found that when holography was isolated as the only key variable in an instant game, sales of the holographic version of this game exceeded the sales of the comparable plain board version of the same game by 79%: www.holographyx.com/TN

Since the incremental profitability generated from the sales increases created by holographic games normally exceeds the incremental cost of the holographic material, these enhancements have proven

to be extremely profitable for lotteries. It has also been shown that the positive impact on a lottery's profitability grows along with the use of higher price points. That's why the Hazen Paper Company introduced an application that demonstrates how the use of their holographic material can have a positive impact on a lottery's bottom line. The Hazen Profitability Calculator can be accessed at www.holographyx.com/profit. It is also available in a Euro version at www.holographyx.com/EUprofit.

This tool allows lotteries to see exactly how much they can grow their bottom lines by just by entering their ticket's size, price, payout percentage, and their quantity of tickets for the creation of a custom profitability chart that will demonstrate their incremental profit potential. Holiday-themed "families of games" can also benefit from using these new holographic backgrounds because they will visually pull holiday games together across a range of price points using a consistent holographic background.

New ideas for creating eye-catching holiday games in 2023 are now ready for use with your holiday game development with Hazen's new holiday holographic patterns. Samples of Hazen's new series of holographic games are now available from the Hazen Paper Company as well as from all of your lottery ticket printers. They can be used with your instant games as well as with your holiday point of sale materials. Hazen Paper also plans to continue introducing new holographic holiday patterns each year that will help lotteries continue to create fresh, eye-catching holiday instant games in the years to come. ■



and we're working on the technology that will allow lotteries to move as fast as the retailers to ensure that new ways of playing the lottery are as appealing as the traditional clerk-assisted ways."

As the Lottery Director in Oklahoma, and Marketing Director before that, **Jay Finks** works closely with his state's retailers. While he has seen much change in the lottery industry, he believes more is needed. "We all need to challenge each other – vendors, lotteries – to stay relevant," he said. "Our industry has always been accustomed to taking more time to change our methods and we need to learn how to move faster. In Oklahoma, we're embracing self-service and working with our top corporate chains to make sure lottery is always a priority. Ultimately, we need to get lottery into self-checkout, but our current self-service machines are filling a gap that will get us there."

Justin continued the discussion about multi-store corporate accounts. "There is so much change in the corporate world and lottery has to be flexible in dealing with the natural ebbs and flows of private commercial business," he said. "7-Eleven acquired Speedway which was the biggest acquisition in that sector's history. Kum & Go recently sold its business. So the corporate sector is constantly evolving and lottery has to evolve along with it. They want to grow value and if lottery doesn't provide that, we'll lose to other products that can. And that means implementing modernized methods of merchandising and supporting the retailers."

As a provider of in-store marketing technologies that help lotteries attract customers and increase sales, **Maxwell Goldstein** said he and his colleagues at Carmanah Signs work with lotteries to modernize retail and boost player engagement. "Lotteries like OLG are working with retailer partners such as Circle K to make investments in communication at retail using Digital Menu Boards and Digital PlayStations, putting lottery front and center instead of being hidden," he said. "For these large retail chains, it's about future-proofing by investing in technology that improves the in-store experience and keeps them competitive. It's also about meeting customer expectations. A robust digital communication platform enables automated, highly targeted messaging to any screen, anytime, anywhere."

Abacus is at the forefront of providing lottery retailers with in-lane technology that allows lottery to keep pace with retailer changes. But like most modernization projects, it comes down to money. "Most retailers are worried about keeping up with the latest technology," **Terry Presta** said. "Technology is moving fast and it's expensive. So in the end, whoever has the most capital usually wins the technology race. What this means for the future is that consolidation will continue, and the remaining retailers will be bigger and better financed. For lottery it will be good news because we'll have fewer units with higher sales per location. I think this is a positive for lottery in the long term."

Burbank said that with any retailer, but particularly those impacted by mergers and acquisitions, it is important to see how lottery is managed. "We need to make sure that with any changes, lottery is still considered a product of importance," he said. "Do they have games on the counter? Are the games easy to see on the wall behind the counter? Walk up to the counter and ask yourself 'O.K., I'm three feet from the register. Do I see lottery easily and clearly?' Too many times I've seen the lottery get pushed aside when there are changes, moved off a counter or on the counter facing the bathroom. Even if the retailer is independent, we need to make sure lottery is their priority."

Walmart is an example of a corporate account that has drawn almost every lottery and vendor's attention, as their presence across the country is so pervasive. But it can be complicated working with such a large enterprise. "Walmart is so big and wide-reaching that the lottery industry created a vending machine just for them," said Frank. "Given the specifications of Walmart, the machine is short and hard to see but it's what they wanted. To me, this is the potential risk of consolidation in the industry – you begin to lose your impact. You might be in a state with just one corporate retailer and a few smaller chains which allow you to place more POS. But then they begin to consolidate, get bigger, to the point where lottery is just another product. My feeling is that the entire industry needs to act together when we are dealing with large retail groups. We did it with Walmart for things like settlements and instant ticket accounting. Let's continue to work together because

it's only going to get more complicated as consolidation inevitably continues."

Jay agreed, especially because Oklahoma has a strong corporate presence. "We've seen the corporate stores grow from 35-40% of our stores and sales to 50% of our stores and 65% of our sales," he said. "That has caused us to assign our people in the field to corporate accounts to build the relationships. Since COVID, we've had strong leverage over these accounts because lottery basically helped them survive that period. We have a number of corporate retail executives tell us that they are making money on gas and lottery but losing money on food. We need to take advantage of this position because the corporate stores are now in stronger positions than the independents."

In the spirit of an evolving landscape for lottery, Justin moved the conversation back to in-lane. "In-lane is still a relatively young feature for the U.S. lottery industry," he said. "In Florida, we're going on two years of our in-lane project and I see it as an investment in the future. But are our efforts to provide efficient, consumer-friendly retail solutions moving us in the right direction? Are they perhaps a stopgap between the traditional and digital versions of lottery? I believe in the in-lane technology, but I'm interested in how everyone else feels about it."

Obviously, this is a topic in Terry's wheelhouse. "So much is changing right now, and lottery needs to keep pace," he said. "At Abacus, we have seen the move to in-lane coming for many years as it really began in Europe well over a decade ago. We have been working with retailers to make sure we are offering them solutions that work for them. Their customers don't want to go to the customer service desk to buy lottery? Well, it needs to be in-lane. No matter the size of the retailer, we have solutions that will answer their needs and the direction they are taking their customer-focused technology."

Carmanah is no stranger to in-lane, as they have been involved in virtually every install of in-lane lottery signage, working with early adopters in Europe and Canada for over a decade. "As Carmanah provides the signs that attract and inform players, we have deep insight into global best practices for advertising at the point-of-sale," said Maxwell. "In order for in-lane to work,

visibility at the checkout is paramount. Lottery studies have shown jackpot communication, via Jackpot Signs or networked Digital Signage, to be a critical part of successful in-lane programs. Carmanah is working with all solution providers to expand lottery retail networks and generate more revenue at the point of sale.”

Jay concurred that alerting players to what is available is critical, no matter where the product is located. “I’ll go into a retailer that has always had lottery on the counter but now there’s something in front of it,” he said. “So we ask them ‘how about we hang a 43” monitor over your counter and we’ll reload your digital screen every few months when new games are issued?’ Our big push is digital. Whether it’s our app, which is now the only place that players can find a play slip, or menu boards which can carry our important messages. It’s all about breaking through to players.”

In D.C., the lottery is pushing out new vending machines and trying to provide players with as many digital options as

possible. “Our new vending machines almost mimic the experience players have on their mobile devices, making it easy for the players to migrate from one channel to the other” Frank said. “To expand our player base, we believe we need to provide the player with choices, whether they are at home or in the store. Going cashless will also help. We need retailers to accept debit cards for lottery as they do with almost every other product. All these small changes will make a big difference as we try to attract players who have spent much of their lives online.”

Burbank urged lotteries to get to know the people on the ground with lottery sales. “We’ve seen that when you actually walk a retailer through what is available to them, it makes a big difference,” he said. “The employees who work the counter tend to do everything a certain way – they balance a certain way, open the stores a certain way, close in a certain way. But as you move up the responsibility chain, you reach people who can impact change. Meet the corporate person in charge of lottery

and talk with them, show them the sales reports and demonstrate how replenishing bins can drive sales. Then you can start working with them on the technology that will really improve lottery for them. Maybe it’s adding a vending machine or in-lane to a self-service area. What starts with a conversation can lead to important growth of your accounts. And that then results in an increase in lottery revenue.”

Wrapping up the discussion, Justin pointed to the examples of companies in other industries who failed to follow trends and modernize, and are now just distant memories. “Look at Polaroid,” he said. “They were a leader in the point, click and shoot cameras with more than \$3 billion in annual revenues in the early 90s. Then digital came around and by 2001, Polaroid had declared bankruptcy and sold off its assets. The bottom line is that change is difficult but as the retail environment continues to evolve quickly, lottery must change with it. We owe it to the good causes that we all support.” ■



"Houston, have you seen the latest issue of Public Gaming Magazine?"



There's only one tool that provides a unified view of retailer-level, lottery-category performance across U.S. jurisdictions, and it's available at no cost to all U.S. lotteries that choose to participate.

A roundtable discussion shines light on how lotteries and retailers are using RMI — Retail Market Insights® — to address business challenges and fuel responsible growth strategies.

For decades, the databases used by retailers' product category managers have included every type of consumer packaged good except for lottery. It's an omission that has long needed to be addressed, especially as more retailers are coming to recognize that the lottery category can be a significant contributor to their business goals.

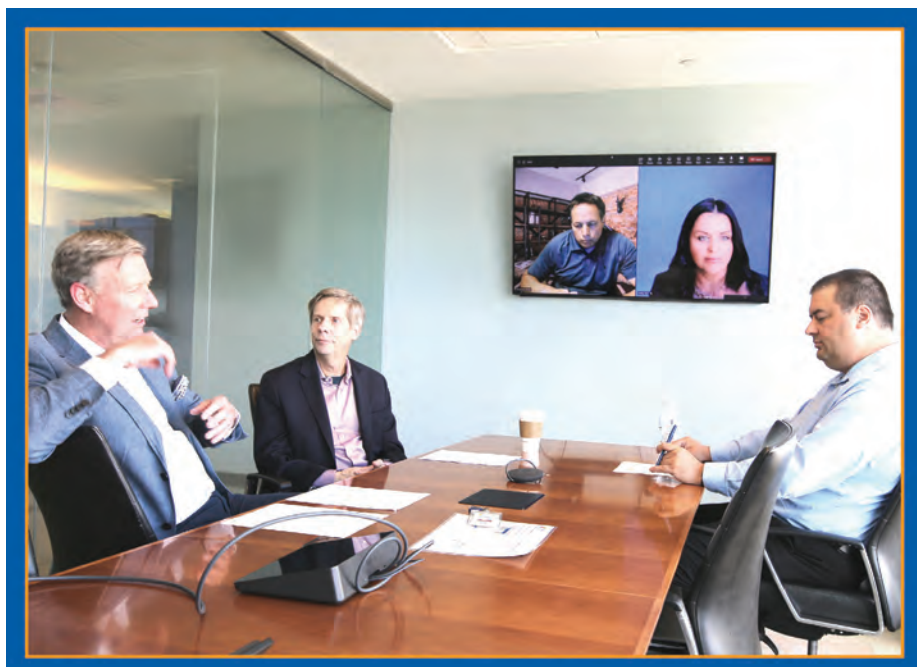
To give lotteries and lottery retailers the cross-jurisdictional data they need to inform decision making, IGT developed the Retail Market Insights® (RMI) tool, a retail-product sales database with a set of monthly data reports and a dedicated staff of analysts and other specialists who support users with a range of tactical and strategic applications.

Among its benefits, RMI gives retailers and lotteries immediate insights into how a lottery program is performing overall and how an individual state lottery's retailers are performing in comparison to retailer sites in other jurisdictions.

RMI's monthly publications and consolidated chain reports allow a retailer with a multistate footprint to compare their lottery sales "apples to apples" in

all jurisdictions where they do business and where there's an RMI-partner lottery, informing strategic business decisions and improvements in sales execution.

Lotteries and retailers are using RMI data to set benchmarks and identify successful practices that can be applied more widely — for example, with self-service deployment



Invested in delivering RMI data, analytics, and services to support lottery and retailer growth plans: IGT executives (L to R) **Paul Riley**, Vice President Retail Innovation and Partnerships; **Nat Worley**, Vice President North American Sales Development; **Steve Desautels**, Director Sales & Marketing Execution; **Gina Easley**, Senior Manager National Retail Accounts; **Tim Kriger**, Senior Manager, North American Sales Development.

and merchandizing standards — enabling retailers to identify and expand the most effective standards to more states.

With the inclusion of five more jurisdictions this year, the RMI database will now include lottery sales representing about 88% of the U.S. population.

A recent roundtable of RMI experts from IGT explored a range of topics around the use of this unique industry tool:

Q. RMI fills an obvious need for retailers, who can now obtain data on the category that was always missing from their existing databases. But what drives RMI participation for lotteries?

Paul Riley: The lottery business is data-based, and it's a relatively mature industry. Lotteries are looking for an additional edge, and RMI offers that: You get more data, you're getting a holistic view, and you have the means to do more extensive and comprehensive comparison analysis.

Nat Worley: What came through very clearly from a recent user-group conversation was that, in addition to the retailer chains themselves, the committed users are often the lotteries' corporate account sales managers. They really saw the value in facilitating conversations with the category managers or regional directors for the chains.

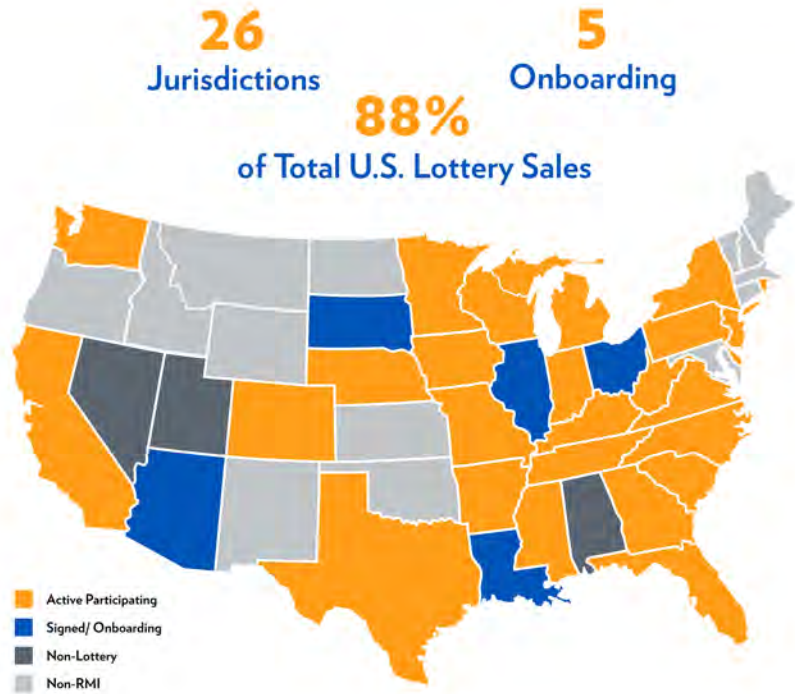
RMI data includes

1,450

national and local retail chains with five or more locations

Steve Desautels: One of the things that we've added to RMI over the past couple of years — and continue adding to — are consolidated performance reports for several of the top 20 chains. When an RMI partner-lottery, or one that is considering it, sees the amount of information that this provides on a top retail chain — as far as the key performance indicators for their

Retail Market Insights



Data Is Power

The Retail Market Insights® (RMI) tool provides valuable data and reporting on lottery sales for about 88% of the U.S. population. With RMI's single, chain-wide view of the lottery category, both retailer and lottery decision makers can analyze performance trends and make targeted refinements to achieve their sales goals.

jurisdiction and other jurisdictions with the same retailer — they see the value. It opens their eyes to opportunities that may exist, because typically they can only see what the retailers are doing in their own jurisdiction.

Gina Easley: A good example is with the world's largest retailer. We've been onboarding that retailer since 2019, starting with a large number of states. And to see that ramp-up rate for each of the jurisdictions — and for all of the jurisdictions to be able to see the performance across the board, including the number of vending units and average weekly sales information — it's really been helpful, especially for the new states that will be onboarding soon.

What are currently the biggest challenges to lotteries, and how can RMI help?

Riley: I think there are probably as many different challenges as there are lotteries: retail transformation, competition from other forms

of gaming, jackpot fatigue — the list goes on. But in my view, the value of RMI data is that it allows lotteries to form hypotheses, and with the right query you can leverage RMI to do an analysis of the particular challenge you're trying to address. It gives you that root objectivity of data-based analysis to inform your decision making.

Worley: One of the biggest challenges that RMI can help lotteries directly address is, How are we going to keep growing sustainably? — given that there are many things they have already thought to do, and there are some structural challenges, like the quantity of retailers in most states declining over time. How do you keep distribution up? How do you keep growing transfers to beneficiaries when you've had meteoric sales over the past two and a half years?

And one of the best ways to do that is to see within the universe of retailers — some of which are similar, some of which are

performing really well, and others of which aren't performing as well — whose sales should logically increase. Through the lens of this tool, retailers and the lottery sales force can identify a subset of retailers that they can target for better performance. It's effective both to encourage retailers to sell what the highest-selling lottery retailers are selling and to address performance discrepancies among a retailer's own locations.

Lotteries ask us as a solution supplier, *What can you give us that will support us in doing our job?* This is a tangible tool with data-based insights that helps a lottery organization focus energy and effort on a group of retailers as an opportunity to pursue.

The senior manager for a national convenience-store chain requested consumer insights, overall category performance, competitive and SWOT analysis, and more. "Using RMI, we were able to achieve this in less than a week, and the retailer's feedback was that it was the best consolidated lottery view they've ever seen."

Easley: Retailers also have their own challenges, which RMI helps to address. Recently, the senior manager for a national convenience-store chain reached out as they were entering their 2024 planning session. They had a detailed list of questions they needed help with — from consumer insights, overall category performance, and competitive analysis to SWOT analysis for the account overall. I was able to work with IGT's RMI analysts to consolidate the view into a thorough

presentation, all through RMI — taking a look at the retailer's performance against competitors as well as across all of their jurisdictions. Without RMI and that consolidated view, it would have been a long, difficult process. But we were able to achieve it in less than a week, and the retailer's feedback was that it was the best consolidated lottery view they've ever seen.

This retailer has both on-counter and self-service sales in some jurisdictions. It was very helpful to analyze both the business of the self-service units as well as what they're doing as a whole: Are there any jurisdictions that are currently not selling using self-service? There could be reasons why. In addition, are there locations that might qualify for multiple self-service units based on the RMI data? And then really taking a look at the competitive landscape, understanding what type of on-counter dispensers, digital displays, and other innovations are out there, and who's doing what from a "comp A, comp B" perspective. Also, looking at the promotions that different chain accounts are running. This retailer has a very thorough website with an app with many different rewards programs. How do we integrate lottery into that? It involved taking the data that we found through RMI and then digging deeper to find those actionable insights and opportunities for the retailer. I think there's going to be even more category development by the retailer leading from just this one request.

Worley: It was the combination of quantitative and qualitative information that was useful to them. The data is a great starting point, but it required experience in how to leverage performance.

Is this type of analysis something that lotteries can also request?

Riley: A corporate retailer is coming at it from a slightly different perspective, but there's commonality of interest. For example, lotteries are rightly focused on their own jurisdiction but are also interested what's going on in other jurisdictions, because maybe there's an opportunity: Why is this jurisdiction that's either geographically next to us or has a

RMI from an

Operator's Perspective



"RMI data has been instrumental in driving a number of goals for the lottery business in Indiana. It made it possible, for the first time, to benchmark the Lottery's performance and progress with national corporate retailers in comparison to the lottery sales in other states where they were strong players. It often validated what we were doing, and in some cases revealed opportunities for us to reach out and adopt successful practices that had been implemented in other jurisdictions. And the reverse is also the case, where Indiana had best practices in place — such as merchandizing standards that led to a greater presence for lottery at the counter — and those have been now modeled by other states. Being able to look at the RMI data and let the retailer know how well they're doing in a jurisdiction within the scope of their national footprint helps them build leading practices to put in place in other states."

Melissa Pursley, IGT Senior Vice
President of Lottery Product and Sales
Development,
and previously COO and General
Manager of IGT Indiana on behalf of the
Hoosier Lottery



similar type of product suite performing so much better? We can try and use the RMI data to derive an answer. The tool itself serves those different interests.

Desautels: Yes, an example is how we've been able to work with a major grocery chain to improve sales, which ultimately becomes helpful for multiple jurisdictions. With the support of RMI data, the retailer found that putting a large jackpot sign above a lottery vending machine (LVM) not only helped bring more awareness to the LVM itself, but made shoppers who wanted to play lottery aware that they could go there to get their numbers for Powerball and Mega Millions. The retailer wanted to expand the same strategy to other jurisdictions, and we quickly started working with other states where the retailer sells lottery to support this.

Kruger: And I would say there's a third component. We have done the work to use what we call session data to package the performance of a vending machine itself. For vending machines in certain RMI jurisdictions, every single action on the machine is a line of data. For those jurisdictions, we can report more than just "This machine sold \$100 in a day." We can report on what time of day had the most sales, for example, or what products are selling and at what times, some session analytics. If they don't have cashless it's more challenging, but even in a state that doesn't offer cashless sales, we put together a session proxy report where we can bucket transactions and tell you, for example, these products are typically bought together at this retailer. That could eventually feed some suggested selling or just inform the lottery of what gets bought together most. If a lottery wants to do some promotions, they can use that data to help inform those.

Riley: We've also been able to leverage RMI to respond to specific queries around LVMs for a lottery that is new to vending. Some of the analysis we're doing is on the performance of a single LVM versus multiple LVMs, and what performance they can expect from an all-cashless deployment. Each market is going to be unique, and we acknowledge that, but

existing RMI data is another tool that helps provide guidance on some very focused, specific queries.

Desautels: Regarding the expansion of LVMs, one of the things that RMI monitors is the LVM saturation of corporate chains versus one another. And one of the first things that stood out is that the #1 lottery retailer in the country had the most sales but the lowest percentage of LVM locations across the board. What we were able to do using RMI data was to compare the average weekly sales in stores that had an LVM versus those that didn't. And it was a night-and-day difference — in many cases it was almost double the sales simply by having an LVM in that store to complement the sales-counter offering. It helped to make the retailer aware of the opportunities, and we're already working with them to do an LVM expansion in other jurisdictions. If this works well for that retailer, other retailers and lotteries may benefit.

Is the predicted recession a factor in the growing interest in RMI? How does participation serve the prospects of future growth by lotteries?

Worley: Lotteries in the United States and other parts of the world saw record sales for the past two to two and a half years. That also means that lotteries' stakeholders now expect a higher level of transfers to good causes than ever before. Beneficiaries are counting on those returns. And for the first time, it does appear as if macroeconomic factors are having an influence on spend. We devote a lot of time analyzing why that is. Why wasn't this true nine months ago? Why wasn't it true even six months ago? It appears that the cumulative impact of persistent high inflation, declining household savings, and greater reliance on credit cards has diminished disposable income. This has caused some lottery players to reduce their lottery spending.

Riley: RMI brings transparency. The numbers are the numbers, but we can share what we see going on and ask, what are you seeing? RMI isn't necessarily going to address it directly, but it gives us

some indicators. For example, if we see average price-point purchases go down, it's another kind of measurement and a source of dialogue with retailers, which strengthens their connection with the lottery industry.

Aligning lottery with chain retailers is a critical component of lottery growth plans. How can RMI help position lottery products to drive retailer business success?

Worley: One of the ways the RMI data can now tangibly help address business-opportunity questions is that it includes product and product-category level information at the retailers. Steve and Gina constantly help retailers to refine the product mix in each store that will drive optimal performance for the store. And as Tim was saying, RMI is a great tool to look at which products are selling in which stores at which time of day. The ongoing consumer shift toward \$20, \$30, and \$50 tickets, because the winning experience is so appealing to a lot of players, is one directive that we can give to retailers: Offering the right mix of price points to appeal to the widest range of your consumers satisfies the retailers' customers and drives their commissions. I think that product performance by store is a big one.

Kruger: If chains can't measure how they're doing across jurisdictions, they don't know if they're doing well. The consolidated reports give them context. Lotteries obviously have their own data if they want to look at chains in their state, but with RMI they can get some context on how that chain is doing for the neighbors or peers in RMI states they want to compare to. If you can't see it, you can't change it. Those chain reports give them some insights on what a certain change of tactic might mean for them.

Worley: Tim's point is really an important one for lotteries, because the question of whether they should spend money on consumer-engagement elements like digital signage that are successful at driving lottery — that's a huge investment in some jurisdictions where you're doing thousands of new displays. Lotteries can

What can RMI do for you?



be more confident that investing in these assets is going to generate a positive return.

Easley: Successful retailers base their decisions on data, particularly consistent data they can use across states. RMI pulls that together and gives them that consolidated view, so they can operationalize it. It's in a format they're looking for and can use.

Over the past few years, Steve and I have consistently received more questions from both retailers and lotteries. We can estimate what we think a retailer wants to see, but to hear from the retailer how they're looking at their business, especially in this evolving landscape of retail, has provided a lot of insight into how we move forward with the data that we provide, what

questions they want answered, and how we can be that voice for the lottery industry.

Desautels: I'll just add to Gina's point that "space to sales" for all retailers is really important, and they don't make a decision today — whether a C-store or supermarket — they don't put anything on their shelves if it's not rating high on Nielsen or IRI data. All planograms at retail chains today are based on sales from those two types of reports. And the one thing that's not included to this day is lottery sales. Retailers who have stores in multiple jurisdictions have always had to reach out to the different jurisdictions for their lottery sales in each one. Lotteries have great reports, but every single lottery jurisdiction puts that information together differently.

If you're a retailer in 32 states, you have to figure out how to take those 32 different retail reports and come to a single answer that can speak to your lottery category. That's where RMI comes in.

What does joining RMI entail?

Kruger: It entails setting up the initial feeds for basic retailer, sales, and product data — normally about 20 to 30 hours of technical work for a lottery, and we have technical resources that work with new sites to help them get that data into the required format. Then it's hands off for the lottery going forward. Once you've established it and add retailers or add products, which lotteries are constantly doing, it rolls in. And as it gets larger, there's just more value that comes out of it.

Riley: As more jurisdictions onboard, everybody benefits from the more comprehensive view. Lotteries, retailers—everyone can perform better analysis.

Worley: One of the positive outcomes of having a network of people dedicated to this RMI capability is that we can respond to more questions, as Gina mentioned, and even generate questions that in the past haven't been answered. The tools and the data-visualization keep improving, the human intelligence about what can be done with this information keeps expanding, the population of RMI participants is expanding. The turnaround of that information is much quicker as well — often within the same day. The tool is reaching critical mass for being able to identify and solve business problems. ■

To learn how one lottery is successfully applying RMI to drive, validate, and defend its business, watch a short video at vimeo.com/igtvideo/rmi. Contact RMInsights@IGT.com for information on joining the program.



Scenes from PGRI Smart-Tech Miami Conference March 2023



1. Chris Chrisostomidis 2. Instants Panel 3. Jim Acton 4. Jason Lisiecki 5. Mark Michalko 6. Jim Schultz
 7. Carla Schafer, Vivien Abdelmessih, Melissa Durso, Dena Rosenzweig 8. Don Silberstein, Nadene Beyerbach, John Myers
 9. Drew Svitko 10. Derek Gwaltney 11. Dena Rosenzweig and Mark Audi 12. Brooks Pierce 13. Greg Chmielweski, Nancy Rollins, Jennifer Westbury
 14. Jay Finks and Burbank Herndon 15. Keith Cash 16. Burbank Herndon and Terry Presta 17. Kelley Jaye Cleland 18. Justin Rock

Scenes from PGRI Smart-Tech Miami Conference March 2023



1. Tom Seaver 2. Don Silbertein 3. Terry Presta, Frank Suarez, Max Goldstein 4. Drew Scolaro 5. Greg Chmielewski
 6. Jay Finks, Burbank Herndon, Terry Presta, Frank Suarez 7. Scott Gunn 8. Wendy Montgomery, Maria Pinelli, Michelle Carney 9. Justin Rock
 10. Lori Denton, Caitlin Cookson, Nancy Rollins 11. Nikos Nikolakopoulos and Angela Wong 12. Rebecca Paul, Wanda Young Wilson, Vivian Abdelmessih
 13. Vivian Abdelmessih, Rose Hudson, Maria Pinelli 14. Justin Rock, Jay Finks, Burbank Herndon 15. Maria Pinelli

Scenes from PGRI Smart-Tech Miami Conference March 2023



1. Rebecca Paul 2. MUSL Panel 3. Matt Isaac 4. Max Goldstein 5. Terry Presta, Frank Suarez, Max Goldstein 6. Sarah Taylor 7. Paul Jason
 8. Rose Hudson and Scott Bowen 9. Lianne Paturel and Rheanna.Olson 10. Rebecca Paul, Scott Gunn, May Scheve Reardon, Jim Schultz
 11. Simon Jaworski 12. Terry Presta 13. Rose Hudson and Scott Gunn 14. Lianne Paturel

Scenes from PGRI Smart-Tech Miami Conference March 2023



1. Merrill Fullerton 2. WILL Panel 3. Scott Gunn, May Scheve Reardon, Jim Schultz 4. Scott Bowen 5. Nadene Beyerbach
 6. Ryan Mindell and Jeremy Kyzer 7. Matt Isaac and Ryan Mindell 8. May Scheve Reardon
 9. Vivian Abdelmessih 10. Rose Hudson 11. Wanda Young Wilson 12. Ryan Mindell 13. Michelle Carney



PULSE of the Industry

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WORLD NEWS

Malta Looks to Shield Gaming Operators from Foreign Prosecution

A battle has been brewing in the European Union's (EU) gaming market for years that has repeatedly thrown Malta into controversy. The small island nation wants to give its resident gaming operators an extra layer of protection against prosecution or legal blowback from other EU nations. Malta has positioned itself as a major hub for online gambling operations worldwide, attracting companies who want a legal license to operate in an EU jurisdiction based on their erroneous claim that a license to operate in any EU jurisdiction entitles it to offer online gambling services to ALL EU jurisdictions. Of course, all other EU member claim the right to regulate their own markets, and to require all operators to be properly licensed to operate in the markets where the players reside, and not just in one jurisdiction that provides safe haven for rogue operators. Gaming regulators in EU member states other than Malta claim the authority to hold Maltese operators accountable for violating their laws. Malta, which is paid handsomely in the form of business taxes, is attempting to erect barriers of protection to prevent its EU colleagues from legally recourse against Maltese-based operators which are violating the laws of other EU countries.

Gaming Bill 55 strips Maltese courts from having the authority to award damages in certain gaming-related legal disputes. The move is a preemptive measure to avoid any possible fallout from ongoing cases. Courts in Germany, Austria, and the Netherlands have already ruled that companies that didn't hold licenses in those countries have to reimburse their users for any losses. In order to get the operators to comply, the plaintiffs might have to seek restitution in

a Maltese court. If an operator faces a lawsuit in Malta that focuses on its operations in an EU country where it doesn't hold a license, the courts would have no ability to act. This includes lawsuits from regulators in other countries who want Malta-licensed operators to pay regulators' costs of intervention. It also includes any attempt by a consumer to sue an operator in Malta to recover losses. The bill authorizes courts to "refuse recognition and/or enforcement in Malta of any foreign judgment and/or decision" related to the conditions of a Malta-issued gaming license. Well la te da there you have it. Malta as the land of safe harbor for illegal online gambling operators.

GERMANY: Gambling on the Internet: New seal to signify legal license and protect consumers

The Joint Gambling Authority of the Länder (GGL) introduced this official seal of approval on July 1. Online gambling operators can use it to establish credibility with consumers that they have a state permit to operate legally in Germany. This ensures "more consumer safety and player protection," wrote the Joint Gambling Authority. The legal German gambling market turned over around 13.4 billion euros in 2022. The largest part of this is accounted for by sports betting, at 1.4 billion euros. This special seal is intended to make the gambling market in Germany more transparent for consumers so that players can better distinguish legal gambling on the Internet from illegal gambling at first glance.

INTRALOT signs a 10-year lottery contract in Taiwan

INTRALOT has been the technological provider of CTBC Bank Co. in Taiwan since 2007, when CTBC Bank Co. obtained its first license to issue and operate the Taiwan lottery. As part of the contract, INTRALOT will provide CTBC Bank Co. and its subsidiary lottery operator Taiwan Lottery Co. (TLC) with the LotosX Gaming Platform including IGMS Instant Games Management System, RetailerX Retailer Management System and Canvas Signage Content Management System, 5,500 PhotonX terminals to be installed in retailer locations across Taiwan, and necessary maintenance and support services for the operation of the Public Welfare Lottery.

Belgium Readies for Stringent Gambling Advertising Rules Despite Industry Pushback

These changes, initiated by Vincent Van Quickenborne, Belgium's Minister of Justice, aim to substantially reduce the exposure of gambling products.

Van Quickenborne's proposal last year stirred considerable controversy, inciting sports organizations and the regulated gambling industry to challenge the ban on gambling advertising through lawsuits filed across 11 courts. However, the litigation attempts proved unfruitful as the courts dismissed the lawsuits, paving the way for the new regulations to take effect from July 1, 2023. Under these new rules, the visibility of gambling ads in Belgium will be drastically reduced. There will be a blanket ban on gambling commercials on TV, radio, social media, and cinemas. The restrictions extend to newspapers, magazines, websites, and public spaces such as billboards, posters, and stickers. Furthermore, personalized advertisements sent via post, online messaging services, social media, or emails will also be prohibited. The Netherlands, Belgium's neighbor, is following a similar trajectory, albeit with even stricter constraints on gambling advertising.

As these changes loom, gaming and betting companies in Belgium are understandably disgruntled. Likewise, sports organizations, particularly football clubs with existing deals with gambling operators, are also apprehensive. Though future appeals and court cases are not ruled out, they are likely to occur post-implementation of the ban.

IGT Propels Leadership in Sweden via Three-Year Contract Extension with Svenska Spel



The three-year contract extension means that IGT will continue to provide AB Svenska Spel ("Svenka Spel") with leading-edge video lottery technology and services including the INTEL-LIGEN™ central system, more than 4,000 Quasar™ Video Lottery Terminals ("VLT"), high-performing games, award-winning IGT Pay™ cashless technology and more.

Nike award-winning advertising campaign uses AI and machine learning to create a match between the Serena Williams of 1999, when she won her first Grand Slam title, and the Serena who won the Australian Open in 2017

For this, the potential of the artificial intelligence and machine learning advanced to create avatars for each of the versions of the tennis player and model their corresponding style of play, taking into account aspects such as decision making, shot selection, reaction time, recovery time and agility, according to the images of archive. The result was 130,000 games and 5,000 games played between the Serena Williams of the two eras. For the brand, the matches served as a step in sports analysis for a more readable data display and provide a new and accessible format for tennis experts to experience and interpret data.

Scientific Games and La Française des Jeux Connect Retail and Digital Lottery Experience With iDecide



The lottery industry's leading game innovation company and Europe's largest lottery have

combined creative forces to bring to the market a next generation game experience that takes players from retail to digital and back again. And the twist? The journey is theirs to decide. Scientific Games and La Française des Jeux's innovative iDecide game enhancement debuted at the World Lottery Summit in Vancouver last fall, and requests for demos are keeping the two companies busy on both sides of the Atlantic.

The revolutionary new lottery game enhancement gives instant scratch card players the option to expand their winnings by continuing their play experience with an online digital game extension. The concept is a first for the global lottery industry.

IGT and Scientific Games Awarded 20-Year Lottery Contract for Loteria Mineira Brazil as Part of Consortium

Along with local partner SAGA Consultoria e Representações Comerciais e Empresariais S/A ("SAGA"), IGT and Scientific Games have formed a consortium and executed a concession agreement with the Minas Gerais State Lottery ("LEMG") to operate an instants and passive lottery in the State of Minas Gerais, Brazil. The consortium will bring instant and passive games to players in the southeastern state of 21 million people where lottery games are the only form of legalized gaming. Currently, only Keno and a national draw game are offered in the state.

IGT Upgrades WestLotto Central Lottery System with Aurora Deployment

IGT Positioned for Growth in Panama via New Local Entity and Expanded Regional Resources

IGT Secures Exclusive Wheel of Fortune Licensing Rights for Gaming, Lottery, iGaming and iLottery via 10-Year Agreement

The ten-year licensing agreement with Sony Pictures Television grants IGT exclusive rights to the legendary Wheel of Fortune brand across gaming, lottery, iGaming and iLottery and non-exclusive rights to distribute Wheel of Fortune content for free-to-play social casinos.

IGT Signs Cross-Licensing Agreement with FDJ Gaming Solutions France for eInstant Content

This cross-licensing agreement grants both

companies access to each other's full suite of eInstant games, driving maximum growth opportunities for their lottery customers. In the first phase of this agreement, IGT will offer its comprehensive library of eInstant games to La Française des Jeux, the operator of France's national lottery, and FGS will offer its complete portfolio of games to Loterie Nazionali Srl, the exclusive concessionaire of draw-based games and instant tickets in Italy, operated by IGT.

"This cross-licensing content agreement with IGT is an exciting step for FGS as we look to further expand our footprint across Europe and provide the most compelling eInstant games to the players of La Française des Jeux in France," said Pascal Blyau, FDJ Vice President, B2B. "As the leader in global lottery, IGT has a wide variety of top-performing, award-winning content that will enhance our current offering so players can continue enjoying the ultimate lottery playing experiences."

"Italy and France are home to two of the most sophisticated and successful lotteries in the world, operated by IGT and FDJ Group respectively," said Srinu Nedunuri, IGT Senior Vice President, Global iLottery. "Our agreement with FGS reflects a commitment to delivering premier eInstant games and responsible iLottery experiences to millions of lottery players in these two countries and offers a gateway for deploying additional world-class content."

IGT Secures a Four-Year Transition Agreement to Continue Providing Lottery and iLottery Technology and Services to Loterie Nationale Belgium (LNB)

"LNB has leveraged IGT's high-performing technology and its expertise as the global leader in lottery to help modernize our business and drive growth for the last 30 years," said Jannie Haek, LNB CEO. "This extension ensures that our lottery players will continue receiving the same high-quality experiences they enjoy at the retail point of sale and while playing compelling eInstant games online."

Aristocrat To Acquire NeoGames In \$1 Billion Gambling Deal



Aristocrat Leisure Limited is acquiring 100% of NeoGames for a cash price of \$29.50 per share. The transaction values NeoGames at approximately \$1 billion.

The Nevada Gaming Commission granted a license to the Israel-based NeoGames.

Happy HOLOGRAPHIC Holidays

WITH HAZEN'S NEW HOLIDAY PATTERNS

Make your holiday games stand out with Hazen's new holiday themed holographic patterns.

They're perfect for gift giving and will add an extra dimension to your holiday ticket sales.

When compared with plain board games, Hazen's recyclable holographic games consistently generate higher lottery sales and profits due to their increased visibility and superior performance.

FOR MORE INFORMATION CALL:

Bob Hazen at 1(413) 538-8204

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HOLOGRAPHIC GAMES CAN BOOST YOUR LOTTERY'S PROFITS

Because they are "eye-catching", holographic games typically generate 15% to 30% more sales vs. plain board games, and they have proven to generate sales increases as high as 79%*.

Since a typical \$10 game needs less than 5% more sales to fully pay for the holographic material, using holography can easily increase your lottery's profitability.

\$10 LOTTERY \$10
\$10 GAME
 ASSUMES A 4" X 8" TICKET WITH A HOLOGRAPHIC COST OF 8 CENTS

3.4% SALES INCREASE NEEDED TO FULLY PAY FOR THE COST OF HOLOGRAPHY

75% PAYOUT

Your Lottery Will Win

Additional profit per million tickets sold:

\$278,000
 With a 15% increase in sales

\$636,000
 With a 30% increase in sales

\$20 LOTTERY \$20
\$20 GAME
 ASSUMES A 4" X 8" TICKET WITH A HOLOGRAPHIC COST OF 8 CENTS

1.8% SALES INCREASE NEEDED TO FULLY PAY FOR THE COST OF HOLOGRAPHY

77% PAYOUT

Your Lottery Will Win

Additional profit per million tickets sold:

\$593,000
 With a 15% increase in sales

\$1,266,000
 With a 30% increase in sales

\$30 LOTTERY \$30
\$30 GAME
 ASSUMES A 4" X 8" TICKET WITH A HOLOGRAPHIC COST OF 8 CENTS

1.4% SALES INCREASE NEEDED TO FULLY PAY FOR THE COST OF HOLOGRAPHY

80% PAYOUT

Your Lottery Will Win

Additional profit per million tickets sold:

\$803,000
 With a 15% increase in sales

\$1,686,000
 With a 30% increase in sales

Check out Hazen's PROFIT CALCULATOR to see exactly how much you can grow your lottery's bottom line. Just enter your ticket's size, price, payout percentage, and quantity for your holographic game and you'll instantly see a custom profit chart created for you.

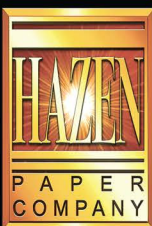
For US Dollars, visit:

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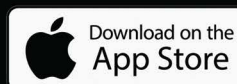
*The Tennessee Education Lottery generated a 79% sales increase in a quantitative test that isolated holography as the only key variable. For details, visit: www.holographyx.com/TN



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NeoGames provides content and technology solutions for the online real-money gambling industry, including online casinos, lottery, and sports betting. NeoGames has around 1,100 staff, more than 200 customers across more than 50 regulated markets, and over 20 partners and 50 brands in Africa, Europe, and Latin America.

NeoGames Appoints Motti Gil as Chief Financial Officer

Camelot Lottery Solutions has appointed Paul Sternburg in the role of Head of Business Development

CAMELOT

Sternburg has more than 25 years of experience working in gaming and entertainment, with extensive experience in managing the operations and leading the business strategies of lotteries across the U.S. This includes roles as the Executive Director of the Massachusetts State Lottery Commission and as the Vice President of Sales and Marketing for the Connecticut Lottery Corporation. For the past 10 years, Sternburg has been providing consultancy services to the lottery and entertainment industries to leverage team talent, technology, and partnerships to maximize revenue returned to good causes while facilitating responsible growth.

ZEAL launches online games in Germany

Via the web shops of Zeal's subsidiary LOTTO24 AG (LOTTO24, Tipp24), players can access the new online games. The Joint Gaming Authority of the Federal States (GGL) had granted the licence to operate online games in April. In addition, the subsidiary "ZEAL Instant Games" has made its portfolio available to third-party providers such as the American full-service lottery provider Park Avenue Gaming and LOTTO Hessen for some time now. ZEAL is planning to expand the range of games step-by-step to up to 200 titles by the end of 2023. With its attractive range of games, ZEAL helps to channel German customers into the legal gaming market. ZEAL Network SE is the leading German provider of lotteries on the internet.

Germany's Gaming Regulator to Get New Leader as of July 1

Germany's Fourth State Treaty on Gambling, which helped unify the country's diverse

gambling laws, included a unique provision. It stated that the chair of the new gaming regulator could only serve for one year, and that year is up for Jörg Sibbel as of Friday. Sibbel will pass on his duties to Udo Götze, the state secretary hailing from the Thuringian Ministry of Interior and Municipal Affairs.

United Lotteries for Integrity in Sports 'ULIS' elects Gilles Maillet new president and executive committee

Australia parliamentary inquiry recommends advertising of online gambling be banned within three years

Inspired Entertainment signs a long-term contract extension as the provider of Virtual Sports to leading online gambling operator and Inspired's long-time partner bet365



Norsk Tipping Bids Farewell to CEO Lars Buer Eriksen

Eriksen took up the leadership position at Norsk Tipping in September 2022 after previous CEO Åsne Havenelid stepped down due to personal reasons. Despite his short tenure, Eriksen contributed significantly to the operator's safe gambling initiatives, advancing several milestone campaigns and focusing on charity efforts. The reason behind Eriksen's premature departure is his new position as CEO of Bane Nor, the national agency managing Norway's railways.

Peru: Law modifying iGaming regulatory framework and taxing foreign gambling operators is enacted

The law establishes that the companies that operate online games and sports betting, whether operating remotely outside of Peru or domiciled in Peru, will be taxed with a 12% tax on their net income (net win).

The European Data Protection Board slaps Meta with a \$1.3 billion fine over alleged violations of the region's data privacy laws

The European Union antitrust regulators also accused Google of anticompetitive ad-tech practices and suggested that selling off part of its business was the only way to "address its competition concerns." The commission's findings indicate that DoubleClick for Publishers, Google's sell-side tool, selects ads via auction. Instead of running a "sealed" auction, in which no bidder knows the value of rival bids, the commission alleged Google gave its own ad exchange, AdX, a leg up by letting it "open the sealed envelopes of all other rivals before placing its own bid."

Also that Google Ads, which places bids on behalf of advertisers, only on AdX.

Legislative Council Approve New HK\$12bn Football Betting Tax Levy -Hong Kong Jockey Club to Pay an Extra \$1.5 Billion (HK\$12 billion) in Taxes

Hong Kong's government has launched a new plan to increase the revenue it earns from taxes, and the gambling industry seems like a good place to start.

Christopher Hui, Hong Kong's financial secretary, stated that the club will have to continue to support community charities. In other words, the club can't try to reduce its contributions to counter the newly imposed HK\$2.4-billion (US\$306.48 million) per-year tax.

Voice-activated development platforms set to revolutionise iGaming industry and the way digital products are built

Gaming Laboratories International (GLI®) Promotes Pierre Otto to General Manager, South Africa



France Blocks Influencers, Athletes from Promoting Gambling, Threatens Jail

The Gaming Commission of Ghana inaugurates a six-member audit committee to help to ensure sound financial management and control systems

NORTH AMERICAN NEWS

A sampling of Jobs and RFP's posted to PublicGaming.com:

JOB: NC Lottery Senior Attorney - Raleigh

JOB: NC Lottery Associate Attorney - Raleigh

RFP: Multi-State Lottery Association -MUSL is pursuing external and internal penetration and vulnerability testing from qualified vendors

RFP: New Hampshire Lottery RFP (iLottery RFP LOT 2023-02) for an iLottery System, Games, Ancillary Systems and Support

JOB: DC LOTTERY Advertising Manager

JOB: North Carolina Lottery (NCEL): Deputy Executive Director, Gaming Compliance and Sports Betting Raleigh [900001224]

RFP:Tender lotteries National lottery of the Republic of North Macedonia 'Agency for the organization and provision of prizes for sweepstakes'

RFP: Rhode Island Lottery - Electronic Jackpot Signs Bid#23-05A

RFP: Hoosier Lottery Security Audit

Mark William Bracken named Executive Director of Massachusetts State Lottery

"We are proud to appoint Mark William as the new Executive Director, and strongly support his efforts in this new role," said State Treasurer Deborah B. Goldberg. "He has extensive leadership experience and knowledge about the standards, goals, and operations of the Lottery, ensuring the continued integrity of the industry while maximizing local aid for our cities and towns."

"I am grateful to Treasurer Goldberg for giving me the opportunity to lead one of the most successful lotteries in the world and build upon its many achievements over the last five decades," said Mark William Bracken. "The last 15 months have been an amazing experience and I am excited to work with our talented team members to continue to introduce new and entertaining products and support the 351 cities and towns in Massachusetts."

Mark William has served as an Assistant Treasurer and Director of the Unclaimed Property Division since 2011. Before joining the Treasury, he served a term as the Executive Secretary of the Board of Appeals on Motor Vehicle Liability, Bonds and Policies in former Governor Deval Patrick's administration. Before working for Governor Patrick, he spent six years as a Policy Analyst for the Joint Committee on

Financial Services for the Massachusetts General Court. He has also served as the President of the National Association of Unclaimed Property Administrators.

Mark William earned his Juris Doctor from Suffolk University Law School and a Bachelor of Arts in Politics from Saint Anselm College. He is a lifelong resident of Quincy, Massachusetts.

Fiscal year 2023 will be the strongest year of lottery performance in the 38-year history of the Iowa Lottery

Lottery CEO Matt Strawn: "Fiscal year 2023 will be the strongest year of lottery performance in the 38-year history of the Iowa Lottery — setting records for gross sales that will approach 480 million dollars," Strawn says. He says the proceeds from Iowa Lottery sales returned to the state are more than 101 million dollars — which is up 12% compared to last year.

Strawn says a couple of large lotto game jackpots and more drawing days helped increase lotto game sales. He says there were also some internal actions taken to help. "Among the strategic factors that influenced this performance in those product categories include the deployment of more self-service vending kiosks in high-traffic retail locations, and updating the InstaPlay product category for the first time since its inception in 2017. Developing new price points and price structure value propositions for the scratch ticket line, and more effectively managing the lottery's inventory of pull tab tickets," Strawn says.

Powerball sales are up nearly 26%, MegaMillions sales are up more than 24% and Lotto America Sales were up more than 56% through May.

Powerball First Millionaire of the Year promotion returns for 5th consecutive year



Five finalists randomly selected from a national pool of Powerball players will travel to New York City to ring in the New Year and have the chance to win \$1 million in a special drawing broadcast live on "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2024" on ABC, the No. 1 New Year's Eve programming special on television. "This has become an exhilarating New Year's tradition for Powerball — awarding \$1 million to a lottery player shortly after the ball drop in Times Square," said Drew Svitko, Powerball Product Group Chair and Pennsylva-

nia Lottery Executive Director. "Participating lotteries will open entry periods throughout the summer and fall; players should check with their local lottery for more information on how they can participate for the opportunity to become a finalist."

The following lottery jurisdictions will participate in this year's promotion: Arizona, Delaware, Georgia, Idaho, Illinois, Indiana (Hoosier), Iowa, Kansas, Kentucky, Louisiana, Maine, Minnesota, Nebraska, North Carolina, North Dakota, New Mexico, New York, Pennsylvania, Rhode Island, South Dakota, Tennessee, Virgin Islands, and Washington D.C.

The "Powerball First Millionaire of the Year" winner will be announced just after midnight EST in Times Square. Last year, finalists from across the country traveled to New York City for a VIP experience, capped off by an exclusive New Year's Eve gala in Times Square and the \$1 million drawing. Each finalist entered a second-chance or similar drawing or contest held by one of the participating lotteries. Just after midnight, Gary Krigbaum from North Carolina was named the 2023 Powerball First Millionaire of the Year.

Florida Lottery debuts new 'YEAR FOR LIFE' scratch-off games



The \$1 game, \$25,000 A YEAR FOR LIFE, features more than 4.7 million winning tickets and \$14.7 million in cash prizes, including four top prizes of \$25,000 a year for life. The overall odds of winning are 1-in-4.96.

The \$50,000 A YEAR FOR LIFE, which costs \$2 per game, has 8.4 million winning tickets and \$52 million in cash prizes. There are eight top prizes of \$50,000 a year for life. The overall odds are 1-in-4.43.

For \$5 a game, players can try to win \$150,000 A YEAR FOR LIFE. There are more than 9.5 million winning tickets and \$132.6 million in cash prizes, including four top prizes of \$150,000 a year for life. The overall odds are 1-in-3.95.

The \$10 game, \$250,000 A YEAR FOR LIFE, has more than 7 million winning tickets and \$176.4 million in cash prizes. There are four top prizes of \$250,000 a year for life. The overall odds are 1-in-3.33.

YouTube is planning to expand into online gaming with 'Playables'

YouTube is internally testing a new feature that will enable users to play online games via its mobile apps and web browser on a desktop. Alphabet Inc isn't done dipping its toes in the online gaming market just yet. After failing to capture a bigger piece of the pie with Stadia, the company is reportedly looking at other avenues to venture into gaming. Reports suggest that the company is now looking at YouTube as a possible source for tinkering into the world of online gaming.

For the unversed, YouTube is already an important platform for livestreaming games, from which it earns a sizable part of its income. But now, the company is reportedly planning into expanding into gaming further with a new feature in development.

The company is internally testing a product or feature called Playables. This new feature will enable users to play games online. Furthermore, the report says that the company has reportedly invited its employees to begin testing the new YouTube product and that it is adding new games to the product for testing. The list included titles such as arcade game Stack Bounce.

What's more? The report says that its new Playables feature will not only enable users to play games on YouTube's official website via the web browsers when it is officially rolled out, but it will also enable them to do so as they access YouTube on Google's Android mobile operating system and Apple's iOS.

A spokesperson for YouTube told Reuters that gaming has long been a focus for the company and that the company was experimenting with new features and had "nothing to announce right now."

Hosting online games on YouTube, which is a popular place for users to stream games and watch livestreamed game footage is part of CEO Neal Mohan's push into new areas of growth amid a slowdown in advertising spending, the WSJ report said.

While the feature is still in early stages of development, when rolled out, the feature will be something on the heels of Netflix's gaming service dubbed as Netflix Games that enables users to pick and play light games that are segregated on the basis of genre and maturity ratings on its web-based platform and via its Android and iOS apps. With YouTube, Playables, is likely to follow the suit and give its views another avenue to explore.

It is worth noting that the development comes just a few months after Google shut down the servers of its own cloud-based game streaming service called Google Stadia in January this year. So, it is possible that the company is planning

to give online gaming another shot, albeit in a different way, with Playables.

IGT Elevates Gaming Entertainment Across Alberta via New Game Set for CrystalDual 27 Video Lottery Terminals

AGLC and IGT started the official rollout of the new game set in April 2023 and will continue until more than 2,600 of AGLC's legacy Video Lottery Terminals ("VLTs") are replaced with modern, high-performing IGT CrystalDual™ 27 VLTs featuring this new, in-demand game content.

Bally's monopoly extended to iGaming in Rhode Island as Gov. McKee signs Bill 948 into law

Senate Bill 948 officially extends Bally's land-based casino monopoly in the state to the realm of online gaming. Online slots and table games will become available in the state from April 2024. The law imposes a 50% tax on online slot revenue, with the remaining funds divided between Bally's and IGT. Table games, on the other hand, will face a lower tax rate of 18% on revenue. The regulation of iGaming in Rhode Island will fall under the purview of the Rhode Island Division of Lottery, which currently oversees the Bally's casinos in the state. Mark Furcolo, the director of the organization, will have the authority to develop "reasonable" rules and regulations for online gaming.

Through the landmark approval, Rhode Island joins a limited number of states where online gaming is legal, including New Jersey, Delaware, West Virginia, Pennsylvania, Michigan, and Connecticut. The online casino segment is often recognized for its ability to generate substantial revenue, surpassing that of sports betting, which is regulated in a larger number of states.

Loto-Québec Produces 35% YoY increase in 2022-23 Revenue

Despite rumblings of strikes at several of its casino locations, the overseer of all things gambling in Québec produced its best yearly results since 2006. For context, that year saw the debut of the Tobacco Control Act, which the Crown Corporation says significantly impacted traffic at gaming establishments.

Overall, Loto-Québec accrued \$2.999 billion in total revenues, marking a healthy \$781.3 million (+35%) improvement over 2021-22. Thanks to such success, it was also able to deliver a whopping \$1.597 billion in dividends to the provincial government.

New York Lottery Uses AI to Help Players Picture Jackpot Fantasies

McCann New York pioneers the brand-safe AI for the socially driven campaign --

Everyone who plays the lottery dreams of what they'd do if they won – but sometimes it's hard to picture these dreams becoming a reality. So, the New York Lottery and McCann New York asked New Yorkers to picture what they'd do if they won and comment on social media with their most out-of-this-world fantasies, and then brought them to life in a powerful and beautiful way.

To bring every New York Lottery player's dream to life in beautiful AI-generated images, McCann New York used Shutterstock's first-of-its-kind, brand-safe AI Image Generator which offers compensation to artists whose work contributed to the development of the model and ensures the AI images are created from images that the user has rights to. Finalising the images took anywhere between 6-10 generations for each, with the teams looking at variations and giving the generator feedback until it created the perfect image.

Beyond the traditional dreams of home upgrades and vacations, the team received surprisingly descriptive comments. From there, McCann New York transformed these millionaire dreams into even dreamier AI-generated images in real-time, helping their followers visualise a jackpot win. From a skatepark in Brooklyn dedicated to helping others manifest their dreams to a dream home with a huge library inside (which AI visualised as a cape-cod style house made of bookshelves), no dream was too small – or too big.

IGT Executes Long-Term Contract with Connecticut Lottery to Launch iLottery System and Mobile App, enabling players to purchase Keno and draw-based games online

The iLottery gaming system is anticipated to launch in the late fall of 2023 with the contract expected to run through May 2031 and include four years of possible extension options. Under the terms of the contract, the CLC will receive IGT's high-performing iLottery system, including a comprehensive suite of solutions designed for maximum back-office efficiency for the Lottery, and intuitive and engaging player experiences. "The CLC recognizes that today's lottery player is looking for convenient and modern options to play their favorite games, and IGT's iLottery system will allow us to offer our players the same great experiences they receive at retail in a responsible, digital format," said Gregory Smith, Connecticut Lottery Corporation President & CEO. "We

look forward to deploying this iLottery system and believe the expanded play options will be a welcome addition among our players."

IWG and Virginia Lottery Introduce "eDraw" Style Game

New Digital Game Merges Classic Lotto Mechanic with Jackpot Top Prize

May 22, 2023: Instant Win Gaming (IWG), a leading supplier of eInstant games to NASPL/WLA-member lotteries, congratulates the Virginia Lottery on the launch of Lotto Virginia, the U.S. lottery industry's first on-demand, digital-only lotto game featuring a progressive jackpot top prize.

Lotto Virginia offers a nostalgic lotto experience in a modern digital format to players across the Commonwealth. The gameplay is a 6/42 draw matrix. Players can purchase up to four tickets for each draw. Six matching numbers wins the top jackpot prize. The Virginia Lottery previously offered a retail draw game named Lotto Virginia with a similar playstyle.

Lotto Virginia is powered by InstantJackpots, IWG's progressive jackpots engine which has been deployed in more than 75 eInstant launches over the past two years. Lotto Virginia, including its InstantJackpots prizing, is entirely integrated within IWG's InstantRGS (remote game server). This allowed the Virginia Lottery to launch the game without any development assistance at the iLottery platform level.

Scientific Games Welcomes Christine Wechsler as Senior Vice President of Public Policy and Government Affairs

CANADA: Bill 126 enacts the Ban iGaming Advertising Act, 2023 which prohibits the promotion of online gambling sites by means of advertising

Lottery.Com, Inc. Stock Returns to Trading on Nasdaq

SPORTS BETTING AND CASINO GAMBLING

Federal Court Sides With Seminoles Over Mobile Sports Betting, Could Alter US Gaming Landscape

A federal appeals court has sided with the Seminole Tribe in its appeal of a lower court's

ruling that found the tribe's Class III gaming compact with the State of Florida violated the federal Indian Gaming Regulatory Act (IGRA). Contracts ("Compacts") with the state of Florida currently entitle the Seminole Tribe to a monopoly on Las Vegas-style casino gambling with house-banked table games in Florida. The tribe owns and operates six brick-and-mortar casinos in the Sunshine State, with the portfolio highlighted by Seminole Hard Rock Hotel & Casino Hollywood and Seminole Hard Rock Hotel & Casino Tampa. This litigation is over control of online sports betting privileges. And that could result in an IGRA challenge that could work its way up to the Supreme Court. At stake are the rights of a state to exercise dominion over the regulation of gambling within its borders versus the rights of Tribal "sovereign nations" to conduct business the way they want. Next up: if the Tribal nation is allowed to offer online gambling, does the player need to be physically located within the borders of the sovereign nation, or can the player be located anywhere in the state as long as the IT server hubs are located within the Tribal lands? This issue is not so different from the one facing the European Union and whether online gambling operators can set up shop in Malta and offer their online gambling products in other EU markets without proper license.

Ohio poised to double sports betting tax rate to 20%

The budget conference committee agreed on a version of the budget that would double the current tax rate of 10% on sports betting to 20%. The state projects that this would generate an additional \$100-\$135 million in tax revenue a year.

Critics suggest that the increased rate will reduce prize payout percentage to the players which will reduce demand and playership, reducing revenues for operators and ultimately reducing tax revenues for the state. New York has a higher tax rate (51% on gross gaming revenues) and it has worked out just fine for them. Operators hate it but the players still play and the state takes in a lot more money. See the next article ...

New York sports betting reaches \$1B in tax revenue for education. Legislators now exploring the options for iGaming expansion

The State of New York has reached a new landmark in funding for education through mobile sports betting. Tax revenue from sport betting has generated \$1 billion from its launch on January 8, 2022, through May 31, 2023. "Having an additional \$1 billion from our nation-leading mobile sports betting business

to help our students get the best education possible is a tremendous milestone," Senator Joseph P. Addabbo, Jr., the Chairman of the Senate's Committee on Racing, Gaming and Wagering, said. Since last year's launch, New York has quickly established itself as the nation's top market for sports betting. But for Addabbo, the state is missing out on additional revenue. The Senator said he is committed to expanding the state's gaming options by bringing more mobile betting to New York through iGaming and iLottery.

NeoGames' Aspire Global to Provide Complete iGaming Solution to PlayLive! Casino and migrate iGaming operations in Pennsylvania

PlayLive! is an online casino in Pennsylvania developed and run by Cordish Gaming Group, the global gaming arm of the real estate and entertainment business. PlayLive! offers players more than 100 different gaming options, including classic slots, interactive table games, Jackpot games and more. The online casino launched in 2020, followed by the openings of the world-class properties Live! Casino Pittsburgh and Live! Casino & Hotel Philadelphia. PlayLive! introduced Pennsylvania players to the integrated Live! Casino experience, from online to the casino floor. This new agreement will shift iGaming operations in the Pennsylvania to NeoGames' PAM, CRM, Aggregation, and Data Analytics product suite in 2024.

North Carolina Legalizes Online Sports Betting and Advance Deposit Wagering on Horse Racing

It took just over three months for legalization of online sports betting to move through the legislative process. Under the law, the North Carolina Lottery Commission is authorized to issue up to 12 online sports wagering operator licenses. In the event that more than 12 applications are received, the Commission is empowered to establish selection criteria that will best serve the public interest while maximizing revenue to the state in making its final licensing decisions. Unlike the online betting operator licenses in most other U.S. jurisdictions, these licenses are not tethered to any retail gambling site (i.e., casino, horse racetrack, stadium, etc.). The sports wagering operator licenses are renewable every five years. The licensing and renewal fee for those operators has been set at \$1M per license. While there are no other application administration fees, the Commission will retain \$50,000 from the \$1M licensing fee to offset expenses incurred for a denied application.

PGRI LOTTERY EXPO NASHVILLE 2023

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September 11, Monday: Opening Night Reception

September 12, Tuesday: Conference Sessions all day, followed by Reception

September 13, Wednesday: PGRI Conference Sessions conclude at 12:30 pm.

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