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LOOKING FORWARD AT EL CONGRESS 2023:

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Keith Cash

Vice President and General Manager, Global Instant Tickets, IGT

Konstantinos Farris

Group Chief Technology Officer, INTRALOT

Andreas Kötter

Chief Executive Officer of Westdeutsche Lotterie (Germany)

Arjan van't Veer

Secretary General, European Lottery Association (EL)

Sarah M. Taylor

Executive Director, Hoosier Lottery (Indiana, USA)

Jennifer Welshons

Chief Marketing Officer, Scientific Games





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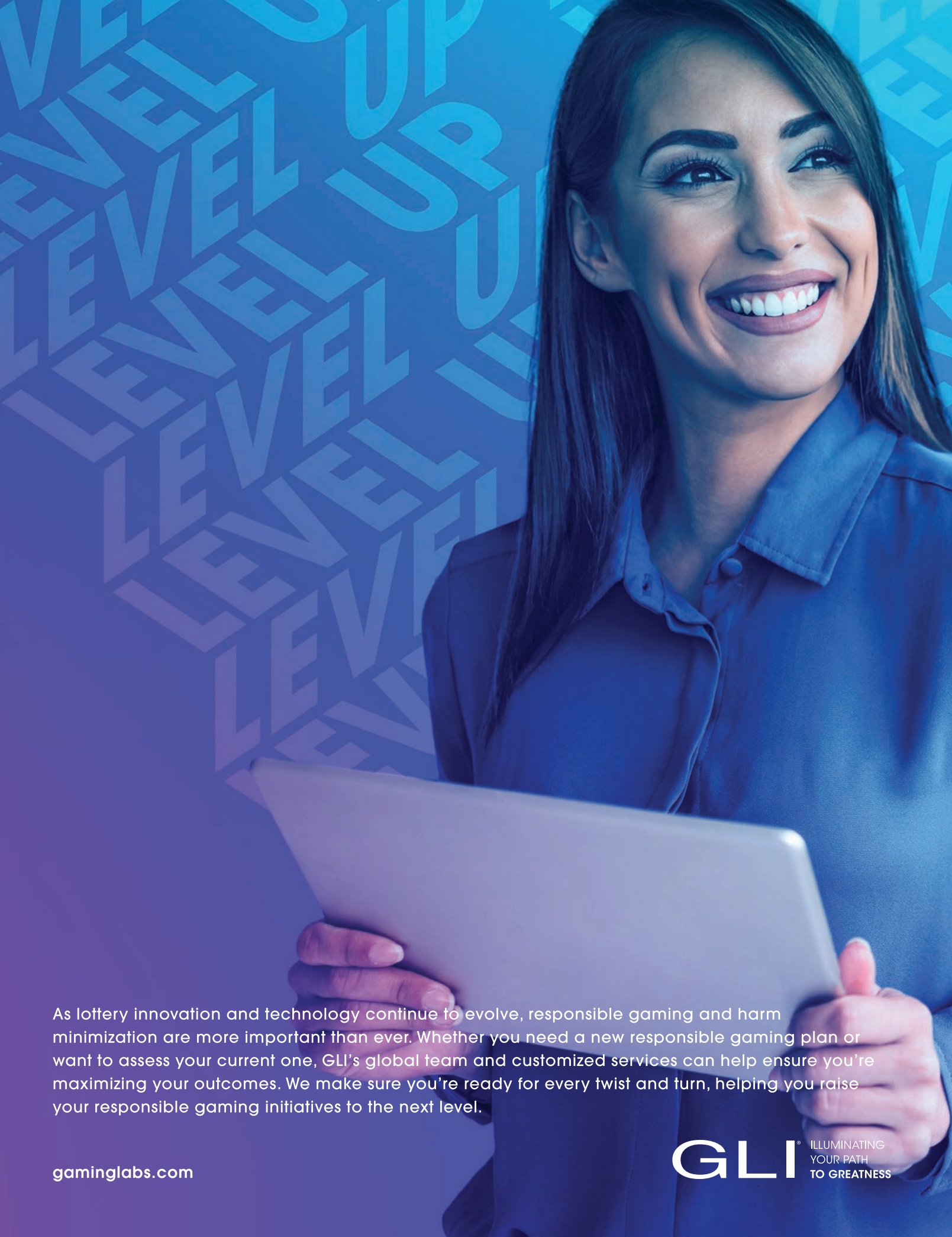


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From the Publisher

Susan and I are so looking forward to the **EL Congress** being held the first week of June in Šibenik, Croatia. Including a trade-show as well as conference, and held only every other year, EL Congress is always the most important lottery event in Europe. This year is even more special as it has been four years since the last EL Congress (Antwerp, May of 2019). A lot has happened since then and everyone is anxious to visit with each other again, get re-connected with the industry-wide dialogue that is fostered by a well-run conference, and confer with technology partners surrounded by new products and solutions at the trade-show.

Congratulations to the newest members of the Lottery Industry Hall of Fame. **Konstantinos Farris** (INTRALOT), **Andreas Kötter** (WestLotto, Germany), and **Arjan van't Veer** (EL) will be inducted at the EL Congress at 4:30 pm on June 6 in Šibenik, Croatia. **Keith Cash** (IGT), **Sarah Taylor** (Indiana Lottery), and **Jennifer Welshons** (Scientific Games) will be inducted on or about November 1 at the NASPL annual conference/trade show in Milwaukee, Wisconsin. You are all welcome to attend the event, which is a fun, upbeat affair enjoyed as much by the audience as the honorees. See the bio's of this year's class of Hall of Fame inductees on page 10. And read about the Lottery Hall of Fame by clicking on "PGRI Awards" at our news website PublicGaming.com.

Thank you to **Melissa Pursley** (IGT) and **Robert Chvátal** (Allwyn Entertainment) for wonderful interviews. Melissa brings a diverse background of experience to inform her progressive view on the rapidly changing discipline of marketing research & development, data-analytics, and understanding the next generation of consumers and lottery players. And

Robert has been leading Allwyn on quite a tear over the last ten years. Next up is integrating the UK National Lottery (and Camelot Lottery Solutions, operator of the Illinois Lottery) into the family of Allwyn lotteries. Let's talk.

What is it that causes Australia's political leadership to recognize the obvious which U.S. legislators insist on ignoring? "Australian gamblers to be banned from using credit cards for online betting -except lotteries: **Lotteries are being excepted from the ban because they represent a low-risk to gambling harm.**"

(See page 44) Why can't everyone see what is so obvious and acknowledge that **Lottery is not the source of Problem Gambling**. Casinos and Sports Betting represent the much bigger threat to vulnerable players. Look at how Deborah Goldberg is fighting tooth and nail to get authorization for the Massachusetts Lottery to make its products available online. Ms Goldberg has been protesting loudly at the abject lunacy of legalizing sports betting and casinos while prohibiting online iLottery. We need other stakeholders in this issue (looking at you, NCPG, National Council on Problem Gambling) to speak up loudly on this topic, defending U.S. state lotteries against commercial operators which are working so hard (and appear to be succeeding) at preventing many state lotteries from making their products available online. Demonizing lottery players in the midst of an explosion of sports betting and casino gambling is ridiculous and really needs to stop. Attacking lottery players for "gifting" lottery tickets is not the way to reduce problem gambling. A couple articles that address this topic further include **Simon Jaworski's** The Case for iLottery and **Scott Bowen's** Embracing the iLottery opportunity.

A special thanks also to **Michelle Carney** for turning her PGRI Lottery Expo Miami presentation on forward-looking trends into a great article. Her presentation in Nashville two years ago kick-started the job of scrutinizing the impacts of recent disruptions on life and work-styles and attitudes of the modern consumer, and how that is translating to changes in shopping behavior, and lottery-playing behaviour in particular.

And wow – **Congratulations to MUSL (Multi-State Lottery Association)** for its incredible performance. That is true year-in-and-year-out, but but especially for the first ten months of Fiscal Year 2023. Sales totaling \$9.6 billion have already shattered the previous fiscal year sales record of \$8.1 billion. Thank you so much for your monthly articles that share with us how you do it – the strategies, super-creative promotional initiatives, and sophisticated game development methods you apply to drive sales of a whole family of games in addition to the flagship brand of the industry, Powerball®.

I hope U.S. lotteries are winding up a successful Fiscal Year 2023, and that we see you all at the EL Congress in Šibenik, Croatia, NASPL PDS Denver, and then at **PGRI Lottery Expo Nashville Sept 11-13**. Has there ever been a more exciting time to be in the government-lottery business!

Paul Jason, Publisher
Public Gaming International Magazine

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PGRI LOTTERY INDUSTRY HALL OF FAME

Congratulations to the six newest members of the Lottery Industry Hall of Fame

The 101 members of the PGRI Lottery Industry Hall of Fame have voted for and elected four industry leaders to be inducted into the Lottery Industry Hall of Fame for 2023.

The Lottery Industry Hall of Fame was founded in 2005 as a means of honoring those who have done the most to promote excellence and integrity in our industry and make the world lottery industry the great success. The recipients of this award are all a credit to that ideal and are joining a select and distinguished group of world lottery industry professionals. Visit the "Awards" section of PublicGaming.com to read more about the Hall of Fame.

Induction Ceremony

The induction ceremony for the Mr Farris, Mr Kötter, Mr van't Veer will be held at EL Congress in Šibenik, Croatia on Tuesday June 6 (4:30 pm in the Main Hall); for Mr Cash, Ms Taylor, and Ms Welshons, the ceremony will be held at the NASPL conference in Milwaukee on or about November 1 (specific time and room TBD). We look forward to seeing you all there!

Visit LotteryIndustryHallofFame.com for info about the Hall of Fame and its members



KEITH CASH
Vice President and General Manager, Global Instant Tickets, IGT

Keith's career in the Lottery industry started more than 30 years ago working nightshift on the manufacturing floor of Dittler Brothers (manufacturer of Instant Scratch-off tickets) and later moved to the same position at Scientific Games. From this entry level role in manufacturing, Keith consistently advanced through the ranks of Scientific Games. His career trajectory included positions in Production Control, Customer Service, Project Management, and Account Manager. Keith was appointed Regional Sales Director in 2004, Vice President of Sales in 2009, and Vice President of Operations in 2012 where he oversaw what was then known as the Cooperative Services Program (CSP). In 2011, Keith and his wife Fran relocated to Chicago where he led the first year of Scientific Games' Northstar Lottery operation.

After more than 22 years with Scientific Games, Keith accepted a role with IGT as the Vice President and General Manager of Global Instant Tickets where he now leads a team of more than four hundred. Keith's impact at IGT was immediately evident, not only in the core growth of the instant product, but also as they continued to build their customer base with new contract wins. Keith's leadership of the IGT Instant Product operation has benefitted the entire industry by broadening the competitive landscape.

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KONSTANTINOS FARRIS
Group Chief Technology Officer, INTRALOT

Konstantinos is an accomplished and creative C-Level executive with over 30 years in both billion-dollar companies and start-ups, with multifaceted experience and impressive contribution to business formation and scaling up technological and operational developments in the Gaming, Fintech and Blockchain industries. Konstantinos started at INTRALOT in 1997. He combines business and commercial acumen with in-depth knowledge of the Gaming and the Fintech industries and in business leadership and cutting-edge technology domains such as IoT, Blockchain, Cloud and Agile. He pioneered in wagering systems, such as the Blockchain Gaming Platform of Quanta and the INTRALOT's flagship LOTOS™ O/S for licensed Lotteries and Betting Operators globally, as well as in modern e-payments such as the innovative e-payments platform of OKTOPAY. He holds a Master's Degree in Data Mining and Data Bases, UMIST, University of Manchester and a Bachelor of Engineering in Computer Science & Informatics, Technical University of Patras, Greece.

As Group Chief Technology Officer and member of the EXCOM of INTRALOT from 1997 to 2017, he led the company's technology to serve as the main driver for INTRALOT's global expansion and become one of the three largest gaming technology suppliers worldwide, while also leading the way in shaping technological developments and contributing to the improvement and quality of life in the communities in which it operates. In his tenure and with contribution to the

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ANDREAS KÖTTER
Chief Executive Officer, Westdeutsche Lotterie (WestLotto), Germany Chair of the Eurojackpot Cooperation

Andreas Kötter joined Germany's largest lottery operator Westdeutsche Lotterie GmbH & Co. OHG (WestLotto) in 2013 as member of the Executive Board with a focus on sales, IT and strategy. In 2016 he was appointed as CEO. Since then, his key responsibilities within the management team have changed towards more market-related activities. This includes all divisions of sales and marketing including shop-based distribution and online / mobile sales, products, public affairs / responsible gaming and corporate strategy.

Prior to WestLotto, Andreas worked in the banking sector for more than 25 years. During that period, he worked for a local branch in the savings bank sector as well as in the international Investment Banking area with the focus on managing capital market risks. This expertise is today one important element in terms of understanding the business strategy of illegal operators in the gambling market.

Before joining WestLotto Andreas was division head at NRW.BANK, a public development bank. His main task was to set up various product units and to work out a development strategy. During this time, he obtained a postgraduate diploma in "Advanced Management" with a focus on Transition at ESMT (Berlin). Andreas holds mandates in several institutions, such as ODDSET Sportwetten GmbH as Chairman of the shareholders' meeting, as a member of the "Initiativkreis Ruhr", one of the leading business alliances in Germany and as member of the regional

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SARAH M. TAYLOR
Executive Director, Hoosier Lottery (Indiana, USA)
President, North American Association of State & Provincial Lotteries (NASPL)

An accomplished leader with more than 25 years of public service experience, Sarah M. Taylor is the Executive Director of the Hoosier Lottery. Since 2013, Sarah has earned the appointment of two successive Indiana governors, leading the Hoosier Lottery through years of exponential growth for the benefit of many important causes throughout the Hoosier state.

Her reputation among her colleagues has been marked by her active participation in several lottery industry organizations. Sarah currently serves as president of the North American Association of State and Provincial Lotteries (NASPL). She also serves on NASPL's Retail Modernization Committee and Vendor Relations Committee. Prior to serving as president, she was 1st & 2nd vice president, treasurer, secretary, and Region III Chair. During her time at the helm of NASPL, Sarah has led the effort to update various administrative strategic plans in the areas of business, communications, government relations and responsible gaming/sustainability.

She is immediate past president of the Multi-State Lottery Association (MUSL), which is comprised of 38 U.S. lotteries that oversee Powerball. She serves as chair of MUSL's Mega Millions Game Group, Chair of MUSL's Development Committee, and a member of the International Working Group and member of Marketing and Promotions Committee. She previously served as Vice President, Secretary, and Chair of the Finance Committee. In addition, she has served as Chair of MUSL's Audit Committee.

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ARJAN VAN'T VEER
Secretary General, European Lottery Association (EL)

Appointed on 1 March 2017, Dr Arjan van 't Veer MSc has served as the Secretary General of the European Lotteries and Toto Association (EL) for six years. He succeeded Bernadette Lobjois after her retirement. Arjan was a member of the EL Executive Committee from 2013 until his appointment as Secretary General. He chaired the Legal Working group and the Responsible Gaming/CSR Working Group. He represented the Nederlandse Staatsloterij (The Netherlands), where he was the director of Corporate Affairs responsible for legal & regulatory affairs, public affairs and sponsoring. Arjan joined Nederlandse Staatsloterij in 1998 after he finished his doctorate on the regulation of gambling in the Netherlands at the Law School of the Erasmus University Rotterdam. He got his law degree in 1992 at the same university after which he started his PhD research in the field of lotteries and gambling regulation. He played a leading role in the merger between Nederlandse Staatsloterij and De Lotto. He left the merged company (Nederlandse Loterij) to become the EL Secretary General.

Arjan published several major publications aside from his thesis. He was asked by the Dutch government in 1996 to write a report on the possibilities of gambling via the internet. Arjan presented on several topics during all major gambling events. He is currently the chairman of the European Association for the Study of Gambling. On behalf of EL he is an observer to the ULIS Executive Committee.

As EL Secretary General, Arjan professionalised the Association and the EL Team, introduced a Corporate University and, during the Covid pandemic, an E-learning platform. He built further on the existing seminars with the introduction of a successful EL Instant Games seminar and a webinar on Draw related issues. Under his guidance the EL statutory seat is moved from Switzerland to Belgium, enlarging the advocacy role of the associations within the European institutions. Arjan strongly supported the initiative to make EL's Responsible Gaming Certification mandatory. He is a driving force behind the cooperation between EL and WLA as well as EL and other regional associations such as NASPL and ALA.

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JENNIFER WELSHONS
Chief Marketing Officer, Scientific Games

Jennifer Welshons' innovative marketing vision was evident 23 years ago when she joined Scientific Games. Today, she is the company's Chief Marketing Officer and a member of the Executive Leadership Team.

Jennifer has provided decades of committed leadership across the global lottery industry in the areas of analytics, research, products, services, channels, and game categories. Her leadership, focus and integrity are embedded in Scientific Games' analytical culture – the 'science' inside Scientific Games. Her deep understanding of consumers, culled from thousands of research projects and sales analyses, has provided the industry with outstanding games and game portfolio performance.

As CMO, Jennifer is responsible for global marketing and communications, including strategic product marketing, analytics and insights, business intelligence, company branding, advertising, customer and winner events, and global proposals – a critical component in the industry's sales cycle. With executive oversight of the company's global RFP process and bid responses, she synthesizes collaboration across the organization, integrating proposals, marketing and communications activities to align with Scientific Games' business strategy and help drive sales performance and growth for the 130 lotteries the company serves worldwide.

Most recently, Jennifer was instrumental in the company's sale to Brookfield Business Partners and helped create and launch Scientific Games' new branding and vision, mission and values, as well as 'The Science Inside' analytics initiative to raise visibility for the importance of data-based product marketing and innovation decisions to drive lottery performance.

Jennifer helped establish many of the analytical tools, methods, and metrics used across the industry today. Her innovation in market research and consumer insights has established Scientific Games as the global leader in lottery analytics and insights. Jennifer's teams have pioneered breakthrough

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Following is an executive summary of one of the fabulous keynote speeches delivered at the World Lottery Summit Vancouver.

THE PURPOSE OF AI IS TO AMPLIFY HUMAN POTENTIAL

Dr. Ayesha Khanna



Artificial Intelligence (AI) has been one of the most exciting technological advancements of the 21st century, with its potential to revolutionize various industries, simplify complex tasks and improve our daily lives. As someone at the forefront of the AI movement, Dr. Ayesha Khanna, spends much time communicating that the purpose of AI is not to replace humans, but to amplify human potential.

“What the past three years have shown is that we need to build resilient communities where technology is keeping us together and supplying us with the tools to thrive during difficult times,” she said. “What we have seen is that AI and other digital technologies actually make us stronger and more ready for difficult times, like a pandemic. In both the cities and rural environments, we can use technology to connect us and make us all safer and productive during any circumstances.”

Dr. Khanna is the Co-Founder and CEO of Addo, a global artificial intelligence solutions firm headquartered in Singapore and San Francisco. She was named one of Southeast Asia's groundbreaking female entrepreneurs by Forbes magazine and is a strategic advisor on artificial intelligence,

smart cities, and the metaverse to leading corporations and governments worldwide. Her clients have included SMRT, Singapore's most prominent public transport company; Pfizer, one of the world's largest pharmaceutical companies; Singtel, Singapore's largest telco; SOMPO, Japan's largest insurance firm; Habib Bank, Pakistan's largest bank; and Smart Dubai, the government agency tasked to transform Dubai into a leading smart city. Before founding Addo, Ayesha spent over a decade on Wall Street developing large-scale trading, risk management, and data analytics systems for leading financial institutions. Ayesha is a member of the World Economic Forum's Global Future Councils, a community of international experts who provide thought leadership on the impact and governance of emerging technologies; and is the author of *Straight Through Processing* (2008) and co-author of *Hybrid Reality: Thriving in the Emerging Human-Technology Civilization* (2012).

Ayesha said that at its core, the purpose of AI is to augment human intelligence by automating repetitive tasks, processing vast amounts of data, and providing insights that humans may not have considered. This enables us to focus on the tasks that require the skills and creativity unique to humans, freeing up time and resources for more meaningful work. This technology enables humans to perform their jobs better, faster,

and with greater precision. And, in the end, live more fuller lives.

Examples of how AI has changed our lives abound in the medical field. In the world of finance, AI is enabling investors to analyze vast amounts of data to make informed investment decisions. As a tool to assist humans in their work, AI allows us to perform our jobs better and more efficiently.

“The advancements in medicine, thanks to technology such as AI, are incredible,” Ayesha said. “Let's say you need an ultrasound because you have some type of ailment. You lie on a bed and are put into a huge machine and the results are fed to a bank of computers in another room. But how about if you could do all this at home? The machine is shrunk to the size of your hand, and it is connected to your smartphone. The Artificial Intelligence in the phone will point to any issues and send an alert to a doctor, who then schedules an immediate appoint for you. No back and forth to doctor offices, no waiting. Immediate results and actions.”

The benefits of AI address some of the world's most pressing problems, such as climate change, poverty, and disease. By automating complex tasks, AI can help us tackle these issues in ways that were previously not possible. For example, AI can process vast amounts of data from satellite

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LIGHTING UP LOTTERY SALES



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Following is an executive summary of one of the fabulous keynote speeches delivered at the World Lottery Summit Vancouver.

PLANNING STRATEGICALLY FOR DISRUPTIVE INNOVATION AND DIGITAL TRANSFORMATION



When you've worked with the likes of IBM, Johnson & Johnson and MasterCard, and are one of small group of people in North America trained to teach Stephen Covey's Seven Habits of High Effective People, you have a good idea of what moves consumers to support some products and reject others. While decades of data can help us plan, unforeseen circumstances – like a pandemic – can alter the path forward for even the largest companies.

Jim Harris, one of North America's foremost thinkers on disruptive innovation, observed how the pandemic demonstrated the need to be ready for any situation. In many industries, a decade of change took place in less than two years. As someone who leads strategic planning sessions for executive teams, Jim said the past few years have been a wake-up call for many companies about their business, their employees, and their customers.

"The changes we have seen since 2020 can be difficult to comprehend sometimes," he said. "For instance, in December of 2019, Zoom had 10 million daily users. The pandemic hit and the Zoom software was downloaded 300 million times in just 90 days. How many companies do you know that in normal situations grew their customer accounts by a factor of 30? The

fact that companies were able to handle this growth is incredible, but it also shows you the power of disruptive trends and events and how quickly they change our plans."

While the rapid change of the past three years has benefited some companies, there have been unanticipated consequences for others. Take for example foot traffic in dense commercial areas. As the pandemic gripped the country and workers were sent home, many office buildings sat empty. "Even now, the CEO of IBM said recently that only 20 percent of IBM's U.S workers are in the office for three days or more," Jim said. **"Pre-pandemic there was 95 percent occupancy of commercial real estate in the U.S and then the pandemic hit, and it went down to 10 percent occupancy. Last October it was back up to 47 percent, which is still half of what it was a few years ago. And you know what that means for the lottery.** Fewer people shopping at the convenience stores in or near office buildings, fewer people buying lottery tickets. And there really is no indication that the trend of remote work will change back to the pre-pandemic levels."

While office buildings and the businesses that support their workers struggle, e-Commerce companies have soared. Like Zoom's rapid growth in 2020, Amazon has altered how we shop (yes, sales have

flattened in the most recent quarter). The online sales of top retailers such as Walmart, Target and Best Buy combined don't equal Amazon's mind-boggling levels. And it is the e-Commerce route through which many millennials and Gen Z-ers are buying their goods. "Credit Suisse recently reported that 100,00 U.S. retailer locations will permanently close because of the shift online," Jim said. "Younger shoppers never want to go to a store, which means they won't be exposed to lottery products at checkout, like most of us were first exposed to lottery. So how will the next generation of players learn about lottery?"

The way money is spent has also changed dramatically, a trend that started prior to 2020. For younger consumers, if they can't afford a house, they still have options beyond living with their parents. If they can't afford a car, they don't have to walk or buy a bike. Between Airbnb and Uber, cost conscious consumers have options. "Airbnb recently reported that more than 25 percent of all Airbnb stays are now more than one month," Jim said. "And given the work attitudes of younger employees, the company itself allows employees to work in one of the 170 countries where they offer housing for 90 days at a time. So they can live in Vietnam and work with their team in North America and after 90 days move to Germany for another 90 days, and so on. If you're a millennial who worries

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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.



PROGRESSIVE PRODUCT MANAGEMENT PAYS OFF MUSL SETS NEW FISCAL YEAR SALES RECORD

Nearly a year ago, the Multi-State Lottery Association (MUSL) highlighted the leadership style that David Barden, New Mexico Lottery CEO, and Drew Svitko, Pennsylvania Lottery Executive Director, planned to bring to the organization as newly elected Board President (Barden) and Powerball Product Group Chair (Svitko), respectively. The duo labeled their style as “progressive product management” and briefly summarized it as “not stopping when you’ve had a good year.” “I always like to say, ‘Foot, gas, go,’” said Svitko.

Well, one year later, their nose-to-the-grindstone approach is paying off. With sales of products facilitated by MUSL, including Mega Millions® sales by MUSL members, totaling \$9.6 billion through the end of April 2023, the Association is set to shatter the previous fiscal year sales record of \$8.1 billion – a record that stood untouched for seven years. We asked both MUSL leaders what they regard as big wins that have propelled the organization into a year of progress and record growth. Here are their highpoints...

For President Barden, game sales are one component of measuring success, particularly in the national games category. He underscored the continuing dialogue between MUSL and the Mega Millions Consortium (MMC),

which he said benefits all lotteries that sell Powerball® and Mega Millions®.

“Significant effort has been made by both organizations to be more transparent while keeping the lines of communication open,” said Barden. “We want MMC Directors to know how the MUSL organization operates. All lotteries that participate in the Powerball Board and Powerball Product Group meetings, and likewise with Mega Millions Consortium meetings. Both organizations have taken each other up on the offer to have representation at one another’s meetings.”

Barden also noted a major technological advancement made by MUSL in the past year – the implementation of its new game management system known as FLEX. FLEX was developed in-house by MUSL software engineers to act as a central hub for all MUSL applications, specifically applications related to the draw process. MUSL onboarded lotteries and vendors to the new system in phases over the fall and winter, and the benefits have been immediate. FLEX has streamlined the process for reporting sales and winner data, enhanced communication between MUSL draw officials and lottery draw staff, and bolstered MUSL’s product development initiatives.

“The FLEX system is a reminder that MUSL has the ability to be truly



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



David Barden, CEO, New Mexico Lottery and President of MUSL

innovative and a preeminent leader in the lottery industry,” Barden said. “It’s significantly improved our speed to market and given us the platform we need to roll out new products.”

MUSL’s record sales year is largely due to the performance of its flagship product, Powerball®, which set a new world record jackpot of \$2.04 billion on Nov. 7, 2022. Time has shown that the addition of a third weekly drawing in November 2021 has met game leaders’ expectations of delivering bigger, faster-growing jackpots. In addition, the Double Play® add-on feature has expanded to three new jurisdictions (Montana, Idaho, and Nebraska) in the last year, bringing the total number of participating lotteries to 16, with at least five more lotteries scheduled to add the feature later this year.

“If lotteries are looking for a proven way to boost sales with relatively minimal effort and without cannibalizing other products, then they should strongly consider Double Play,” said Svitko.

In the background, game leaders have been working to keep the Powerball brand relevant by collaborating with national partners that can help amplify the brand. This year, Powerball became an Official Partner of NASCAR®, which includes Powerball being named the “Official Lottery Game of NASCAR.” As part of the partnership, Powerball and NASCAR have launched a season-

long promotion called the NASCAR Powerball Playoff, which will culminate with one lottery player winning a \$1 million grand prize in a special drawing televised live from the NASCAR Cup Series Championship Race™ at Phoenix Raceway on November 5.

“It’s pretty incredible when you look at the calendar; Powerball will have two national promotions with finales that will air on network television at the end of the year,” said Svitko. “We’ll have the NASCAR Powerball Playoff drawing on NBC, followed by our fifth installment of the Powerball First Millionaire of the Year drawing on Dick Clark’s New Year’s Rockin’ Eve with Ryan Seacrest on ABC.”

Barden and Svitko recognized that many of this year’s achievements were made possible because of the foundation left by their predecessors, and its why they continue to lay the groundwork for new initiatives to support future growth. They stressed that it’s crucial for MUSL to continue building its technological infrastructure to support drawings and the development of new products.

“The accomplishments that we’ve achieved this year were all part of the MUSL Strategic Plan,” noted Barden. “We’ve been working on some of these initiatives for 3-5 years, so we’ll continue to follow the playbook that has the support and approval of the MUSL Board of Directors.” ■

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A CONTEMPORARY PERSPECTIVE ON DRIVING LOTTERY GROWTH



Melissa Pursley

Senior Vice President of Lottery Product and Sales Development, IGT

PGRI Introduction: Melissa Pursley was recently appointed to lead IGT's lottery product development and sales management team, reporting directly to IGT CEO of Global Lottery Fabio Cairoli. Melissa also serves on IGT's Diversity, Equity & Inclusion (DEI) Global Council and is a co-executive sponsor of PRIDE with IGT, one of the company's Diversity & Inclusion Groups — employee networks structured around underrepresented dimensions of diversity.

Of course, we have known Melissa from her previous role as COO and General Manager of IGT Indiana on behalf of the Hoosier Lottery. While working on behalf of the State Lottery Commission of Indiana, Melissa had direct responsibility for managing the complex and successful relationship between IGT Indiana, IGT Corporate, and the Hoosier Lottery Commission. Melissa's leadership helped grow the Hoosier Lottery annual revenue to more than \$1.7 billion, with more than \$346 million transferred to the State of Indiana in 2022 alone, while maintaining the highest level of responsible gaming certification from the World Lottery Association. With direct P&L ownership, Melissa led a team responsible for business functions including strategy, sales, marketing, product development and innovation, and a network of 4,500 retailers across Indiana.

I asked Melissa to share her thoughts on moving from the operator side of the business to the technology and business-process partner side of the business.

Paul Jason: How has your 12 years of experience with major CPG (consumer-packaged-goods) brands (McDonald's, Downy, Pringles, Cover Girl, Kraft) informed your approach to Lottery? For instance, do you think of the product as a game that is played or a consumer product that is bought? And is that even a relevant distinction?

Melissa Pursley: The grit of managing CPG and QSR (quick-serve-restaurant) brands is incredible, and I'm so happy to have had that experience early in my career. It taught me the importance of brand positioning, ongoing innovation, and what that brings for your brand's retail opportunities — and to listen to your consumers and the trends across the market. What I've been able to bring from that experience

into my lottery service has been a clear focus on data as the key to effective brand positioning — and driving for decisions that leverage both the science and the art to grow the industry.

I'm not sure the distinction between lottery as a game that is played versus consumer product that is bought is relevant in the proposed way. I do think, though, that there is an important distinction between the way we talk to players and the way we talk to retailers. Consumers purchase lottery products for a very clear reason — a chance to win money and have a little fun. They tell us that again and again, and this doesn't change between player segments or geographical location. Retailers sell our games as a consumer good — they earn commission and have an opportunity to increase their bottom line.

In my experience with the Hoosier Lottery at IGT Indiana, we spent time developing retail plans including merchandising standards, marketing programs, and key account promotions, which enabled retailers to earn increased commissions as sales increased. This also allowed the Lottery to place incremental point of sale, that we would not have gotten otherwise, to help drive player engagement.

I believe retailers think of lottery as a CPG, but the players think of lottery as an experience to be enjoyed. I think we want to make sure we lean into the aspect in which lottery is much more than a CPG to players. We want to support that feeling of anticipation, the experience of playing a game, the spark of imagination and hope

that goes with wondering what you would do if you won the lottery.

Then your career took you directly into retailing with the third largest grocery retailer at the time, SuperValu (SVU). What insights were gleaned from the process of building out their “shopper marketing” competencies? And what can lottery do differently to enhance consumer/shopper awareness of our games?

M. Pursley: I remember one of my first “big” meetings in my initial role at SVU. I was working within a team to build a shopper marketing competency for the company, which entailed building a framework for vendors (e.g., CPG, food companies and brokers) to pay into for added point-of-sale, marketing, and advertising space. I stood in front of a group of SVU merchants who didn’t know me, and basically told them that they were leaving money on the table – which they heard as “not doing their jobs.” I was basically kicked out of the room, and I spent time figuring out how to show the value of the goal differently. Several years later, as the company was finishing up a re-structure and company acquisition, those same merchants were highly concerned about how they were going to maintain the shopper marketing program within their supply chain. They came to recognize the value that I had worked to show them, and over time came to adopt new practices.

I share this story because it feels similar to the path of our industry at times. We can be slow to change; slow to recognize incremental opportunities that can ultimately become game changers. We have to continue to find ways to communicate more effectively with stakeholders as we look for support to drive innovation.

Lottery doesn’t have a traditional “consumer awareness” problem. But there is still headroom to promote the broader diversity and extent of all that we offer, even if it is just to remind consumers of all the ways to have fun playing the lottery – differentiated prize structures, extended play games, varying price points, exciting jackpot games. While there are plenty of opportunities in front of those of us immersed in the innovation journey for retail, it’s also important that we push, every day, for incremental enhancement of the placement of our products and our marketing.

Retail Marketing Programs that reward retailers for following merchandising standards and planograms, increasing points of access in the retail space, and providing incremental marketing opportunities in their stores and across retailers’ own social media channels should remain a key focus. This is the path that IGT Indiana carved out on behalf of the Hoosier Lottery. When we joined the Hoosier Lottery through the Lottery Management Agreement, the average access point per retailer was 23. Today it is 41. Total access points have grown by 79,000, which means there are 79,000 more options at retail for players across the state than there were 10 years ago.

One of my expressions, gained from my retail experience, is “you can’t sell what you don’t have.” In Indiana, we developed a laser-focus on new game retailer activation and out-of-stock management. The program is called “Full and Available,” and the team runs about a 97-98% rate of availability at retail for instants. And retailers receiving an initial launch allocation shipment had an overall activation rate of 99.52% in the first 48 hours after game launch in April 2023, which is a consistently strong KPI in Indiana.

Walmart recognized Hoosier as Best-in-Class partner during your tenure. What were some of the things you did that were special and earned you that recognition?

M. Pursley: Walmart determined where machines would go and how they had to look in terms of height and width. IGT invested in innovation, research, and testing to package the mechanics into an award-winning unit, and our teams continue to focus on the logistics of implementation and promotion. In Indiana, we focused on the data. Where would we launch the machines first, what stores would get multiple machines, what was the ideal 20-game planogram for this retailer? Then enters the science and the art of gaining awareness among Walmart shoppers. We invested heavily in ambassador events, and the team leveraged the data to ensure Full and Available rates and the appropriate 20-game planogram.

How does the operator perspective differ from the “partner” perspective?

M. Pursley: Working on both the operator and technology-partner sides of the business

has given me an appreciation for the many differences of perspectives. I have found that operators are receptive to insights acquired from multiple sources, including the experiences and data gleaned from other markets, if we relate the research, data, and insights directly to their own experience. We know that the operator knows their business and brings a perspective that the technology partner may not have, and we expect them to challenge us to address their questions about the way research, data, or experience gleaned from other markets apply to their particular market.

Then, even when we get clear consensus on the objectives, the approach to getting there can vary widely based on our different experiences, our different functional areas of expertise, our different corporate or organizational cultures, etc. At the heart of IGT’s value proposition is the science of analyzing the countless attributes and variables that determine the success of an initiative, product, or promotion, and driving business performance and success for the benefit of lotteries and good causes. That’s what we do. Our global footprint gives us a unique perspective on the industry, a wealth of data that informs the whole process, and a diversity of real-world experience to draw upon.

It’s our job, the job of the technology partner, to align what we offer with the will of the customer, the state lottery operator. They are the ones who know their market, their priorities, their goals, their political landscape – and we are dedicated to helping them accomplish their mission.

You are now leading IGT’s incredible brain-trust that provides marketing and business intelligence leadership. What are the top-of-mind issues your team is working on right now?

M. Pursley: I am indeed very excited to be working alongside such talented folks. There are three key areas that we’re focused on to help drive growth to the lottery industry: thought leadership, portfolio and product optimization, and retail sales execution and innovation. On the thought leadership side, it’s about driving research and insights to help drive leading practices. But it’s always about really helping customers identify those consumer and retailer needs and bringing to them the most forward-leaning success strategies our industry has to offer.

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ON GROWING A TRUSTED, GLOBAL BRAND AND BUSINESS

Robert Chvátal

Chief Executive Officer, Allwyn Entertainment Interim Chief Executive Officer, Allwyn UK



allwyn

PGRI Introduction: Robert Chvátal's appointment in 2013 to lead SAZKA a.s., operator of the lottery in the Czech Republic, set the stage for what would evolve into the global gaming enterprise that is Allwyn Entertainment today. Over the last decade, Allwyn's lottery-first approach of focusing on affordable, secure, responsible, and recreational play has earned it leading market positions with trusted brands across Europe in Austria, Czech Republic, Greece and Cyprus, and Italy. With the recent acquisitions in the United Kingdom and United States, Allwyn now has 120,000 points of sale and digital platforms, serving a market of over 130 million players with total amounts staked in the € double-digit billions. And going forward, Allwyn's contract to operate the UK National Lottery Fourth Licence is scheduled to begin February 1, 2024. Its acquisition of Camelot Lottery Solutions puts Allwyn in charge of operating the Illinois Lottery. The global games-of-chance market-place is certainly changing, and Allwyn is poised to contribute to the healthy, sustainable growth of an industry that serves society and good causes.

Paul Jason: Will Allwyn's growth continue to be driven by lotteries? Will this change over time?

Robert Chvátal: We are a lottery-led entertainment platform. The overwhelming majority of our revenues today come from running lotteries, and within that, draw-based games. We differentiate ourselves by putting player protection at the heart of everything we do. We're constantly working to improve our customer experience, including ways to support more vulnerable groups.

And we have a compelling vision for the lottery of the future – one that is continually providing players with new and exciting ways to play, while focusing on innovation, efficiency, and safety.

How will retail businesses survive alongside growth in digital-first lottery offers? And how do you build a seamless connection between the two platforms (based on Allwyn's experience of modernising traditional, established lotteries in Czech Republic and Greece)?

R. Chvátal: It's true that online and digital

channels are increasingly prominently, but there is still a major role for physical sales. We see the online and offline as complementary channels, as both provide the consumer with options that work together to augment and enhance the player experience. Optimal player value is achieved by those players who play on multiple channels and enjoy the full variety of play-styles.

Retail does not have to be a victim of digital growth. It's still valued by consumers and so will continue to be an important part of our business, and our vision for the future of lotteries. We're committed to helping our retail partners digitise their own businesses and grow. Physical retail also has a strong role to play in promoting the brand / lotteries, and a positive offline experience will encourage players to go online (and vice-versa) – so they are very much complementary in our view. Land-based retailers have long been loyal and valued partners and we are dedicated to supporting their ongoing success.

What is Allwyn's approach to player protection? What progress have you made in this area, given it's importance in most jurisdictions?

R. Chvátal: Better protection for players is at the heart of everything we do, and we're constantly working to improve our customer experience, including ways to support the more vulnerable groups. Allwyn has a proven record of building technology that encourages responsible behaviour and making our games safer for

Continued on page 42

The Science Inside the Scratch



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TRUTH AND INTEGRITY MATTER:

Scientific Games Successfully Completes GLI Audit

The secure and accurate production of a single instant game is a truly remarkable undertaking. Each game represents thousands of variables, hundreds of coordinated procedures and timely complex synchronization among differing disciplines from Art to Computer Science to Chemistry and more. Expand that scope to more than 2,700 games and over 50 billion tickets annually and one begins to understand the scale and sophistication required by Scientific Games to consistently deliver high quality, secure games from the company's five production facilities to its customers across the globe.

When it comes to game security, Scientific Games VP of Instant Game Production, Joe Bennett has firmly established himself as the pre-eminent authority for lotteries around the world. He's worked on game programming and security for more than 30 years with the company's advanced systems that keep lotteries safe and secure. Joe has continuously innovated in the area of security and holds several patents on the processes he developed. Along the way, he's built a dedicated team of security professionals.

We caught up with Joe at Scientific Games' global headquarters in metro Atlanta, where the company's largest of five global instant game manufacturing facilities is located to understand more about game security.

SG recently completed a comprehensive Security Audit. Can you tell us about it?



Joe Bennett
VP of Instant Game Production

Joe: The Security Audit is something we have been doing since 2008. Our goal is to always get the rating of 'Excellent' from the auditor, which I am happy to say we have accomplished. When we began this best practice in 2008, the audit was conducted by Delehanty Consulting. In the past two years, the assessment has been conducted by Gaming Labs International and BULLETPROOF, a GLI Company, as well as Delehanty. One of the interesting components of the audit is that our lottery customers are actually in the building and actively

participate. For example, in March of this year, we hosted 25 customers from 12 different lottery jurisdictions. This included professionals with lottery backgrounds in security, product management, IT security, internal audit and executive management. We spend a lot of time with the lotteries – including plant tours, training sessions and Q&A. This allows them to get the most information and greatest benefit during the audit. One thing to note is that SG does not pay Herb Delehanty or GLI. The audit is funded by the lotteries.

"Game security is the result of years of thoughtful work and a commitment to preventing problems. These systems have become very complex, and it's very important that we make sure that what we have built and use every day are the very best. And that's why Scientific Games has used independent experts to verify our systems since the beginning. We have an obligation to security and auditing is the right thing to do for our lottery customers."

– Joe Bennett

VP of Instant Game Production

“Security and integrity are the cornerstones of every lottery operation. An independent security audit can ensure the mitigation of risk and proactively identify potential vulnerabilities before they cause irrevocable harm. They are integral to our industry’s success in ensuring consumer, retailer, and stakeholder confidence.”

– **Angela Wong, VP of Global Lottery Solutions**
Gaming Laboratories International



“Conducting an independent audit is a great way for lotteries to obtain assurance to ensure their own controls and security practices are functioning properly, securely, and effectively. What’s more important is when the subject of the audit is game security. The integrity of gaming is paramount when it comes to building public trust and it drives everything we do. It is a pleasure to work with

organizations such as Scientific Games that put such an emphasis on security and is extremely transparent during these audits and always looking to improve and strengthen their security posture. At Bulletproof we like to say, ‘You can’t scratch off security’ and SG is a winner in this aspect.”

– **Gus Fritschie , VP of Security Services**
BULLETPROOF, A GLI Company

What is the scope of the audit?

Joe: Primarily this is a security audit focused on game programming security. But it also includes a review of human resources practices, physical security, ticket testing, disaster recovery, business continuity and IT security. And of course, the general process of developing an instant game.

Working with Herb and our lottery customers, we track an instant game from beginning to end. This ensures that SG is following all of the proper procedures from working papers to shipment.



SG’s Security Lab is renowned with lotteries for its stringent quality control procedures.

This is a very direct, honest communication with the customers, and there are always a lot of questions that we have the opportunity to answer in a group setting. I also want to mention that during the first day of an audit, Herb presents lottery best practices for the entire life cycle of an instant game. This session lasts about three hours and includes very specific details about instant game production.



Instant Game Security Innovation

- 2023** Immutable Backups
- 2022** Hardware Encrypted Drives
- 2021** 24/7 Monitored SIEM Solution
- 2019** Off-site Hot Data Center
- 2018** Multi Factor Authentication
- 2018** PSAT Randomizer Certification Tool
- 2017** KDS360
- 2014** KDS 3.0
- 2010** KDS 2.0
- 2009** International Standards Organization ISO27001 certification
- 2009** Encrypted Imager Files (end-to-end encryption)
- 2009** Seed Server
- 2008** Global GP System
- 2006** Encrypted GameEngine Workspace (lottery data encrypted from System Administrator)
- 2006** Encrypted Backups
- 2004** KDS Live
- 2003** Keyed Dual Security (KDS) Software Security System Developed
- 2003** OpMenu Secure Production Environment

Can you share more about the individual areas that are audited?

Joe: There are basically three general areas of examination, or tracks: HR, Process Integrity and IT. In the HR track, SG's hiring practices, employee documentation, training records and other HR policies are examined. In addition, this track includes a thorough review of the building's physical security and our metro Atlanta global headquarters' Business Continuity Planning and Disaster Recovery plans. In the Process Integrity track, all the game's records – from working paper development, game programming, quality assurance, security ticket testing and shipping – are examined and discussed with the auditor and the lottery customer. I will say that the IT Security track is the biggest focus of the audit, and this encompasses all of our IT security practices, including server management, patch management, network security assessment, incident response, logging and other IT-related areas. There is always a big discussion on recovery practices including off site storage, system availability and backup data center capabilities. This is a general and comprehensive review of the facility's ability to recover in the event of a system failure or delay.

So, what do you think is the most important part of the audit?

Joe: By far, the most important and most scrutinized part of the audit is game programming within the IT Security track. Game programming is truly the crown jewel of all of our operations and where SG clearly distinguishes itself from all others. The audit fully examines the comprehensive set of industry-leading security software, along with custom-built technology, tools, applications, reviews, systems, processes and monitoring used to make sure that no one knows or can know the value of an unscratched instant ticket. It is a thorough examination of all of our security procedures and systems that protect each game.

**"This part of the audit is where we must demonstrate that these are real systems and real, documented procedures that have been in place and have evolved over the last two decades."
– Joe Bennett
VP of Instant Game Production**

How have these components of the SG system evolved over the years?

Joe: Systems and therefore threats have changed tremendously since we built the core of our game programming system in 2004. We've been fortunate that we have hired not only the absolute brightest minds in the business, but trustworthy professionals who enjoy continuous improvement and innovation. Additionally, we use outside security experts and these audits to round out our approach.

Any other general thoughts?

Joe: Well, there is a saying in management that 'You are what the numbers say you are' and this maxim applies directly to our auditing efforts in that 'You are what the audit says you are'. All of the audits we do give us confidence we are working on the right things. And they give our lottery customers confidence that these systems are real and are working for them every single day.





SG sets the gold standard for security with cross-functional teams at its five global production facilities.

Auditing at Scientific Games

Proof that Systems and Controls are Working

Encryption	SG uses multiple types of encryption throughout the process, but one of the most important is end-to-end encryption of lottery game data from the moment it is created to the moment it is imaged on the ticket. This is a very sophisticated use of encryption that is unique in the industry.
Key and Game Seed Management	A layered set of keys is used to protect the seeds that control each game's random number generator. A cascading form of encryption ensures that each game's seeds are isolated and protected by both root, customer and game specific keys.
Keyed Dual Security	KDS security technology was developed by SG in 2004 and its functionality has been upgraded multiple times since then. In general, KDS protects the creation of all production data by allowing SG customers to have a 'key' (or multiple keys if they choose). In this manner, multiple keys are needed for the SG game production system produce any type of game data.
Reconstruction of Game Data	SG does not save game data in a database or any other form. Lottery ticket data only exists for the time it is needed and then deleted. However, the SG systems are able to reconstruct ticket data as required by the authorized parties at the lottery. KDS provides additional security in this process as it only enables access to the encrypted game seeds during a brief time period.
Hash Chain Logs	A hash chain log, a technology equivalent to a private block chain, is a cryptographically secure transaction history to ensure all access to critical systems are recorded and can be mathematically verified to ensure completeness and non-repudiation. SG developed this data-integrity capability with the original KDS system in 2004 and has continued to advance and expand the technology on new systems.
Game Integrity	SG developed multiple systems that ensure that the game software is the actual, audited game software. Automated tools detect and alert any changes to working paper specifications and software updates which would affect the lottery data.
General IT Security Practices	SG's IT personnel work continuously to ensure confidentiality, integrity and availability by using tools and techniques to enforce proper authentication, authorization and accountability. Systems are audited for the proper use of access controls, server management, patch management, separation of duties, logging and monitoring as well as compliance with all applicable laws and regulations. SG consistently performs risk management steps to identify and minimize the potential impact of security breaches should they occur.
Other Audits	SG uses an independent security firm to perform weekly security scans, access reviews, secure system access review, KDS log review, and baseline server security review. They also consult on new system changes, new software products and upgrades, emerging threats and external audit review.

THE FUTURE

OF LOTTERY

Through the Eyes of the Player



Recent consumer trends point to strategies that lotteries can adopt now to fuel ongoing player engagement.

The notion that “lottery isn’t appealing to young adults or those who are tech-savvy” may be a familiar one within our industry — yet it turns out to be a misconception.

An analysis of recent data from IGT’s longtime research partner Foresight Factory indicates that lottery players embrace technology more than they’re typically given credit for.

In fact, weekly lottery players outpace the general public in agreeing with statements such as “using voice commands on my smartphone,” “buying directly from a social media site,” and “interested in a 3D digital world where I could experience virtual activities.”

The good news is that lotteries can access the technology, tools, and data to develop tailored marketing plans for **both retail and digital** that keep their product offerings top-of-mind for consumers like these. And it’s a strategy that other fast-moving consumer goods brands are adopting.

“The finding about lottery players’ willingness to engage with technology aligns with IGT’s investment in solutions for both retail and digital that support the

experience players expect,” said **Michelle Carney, IGT Vice President Global Lottery Marketing**. “IGT’s practice of studying consumer trends and related aspects of the lottery-player experience has informed our product roadmaps for years and helped us anticipate where consumers are going. That investment has led directly to the options that customers can take advantage of today, such as IGT’s Connected Play and OMNIA™ solutions.

“We also understand from insights identified by Foresight Factory that consumers —and specifically, lottery players — have a heightened concern for their personal impact on the environment,” Carney added. “They want to affiliate with brands that can prove their product claims around sustainability, and these stats rise with younger age groups. This is another reason we invest in solutions that continue to digitalize the player and retailer experience.”

Following are some of the consumer trends Carney discussed at PGRI’s SMART-Tech conference in Miami.

IGT will expand on these insights at the EL Congress in Croatia and showcase solutions that lotteries can implement now to meet players where they are.

Data As Currency

Consumers have come to view their data as a form of currency, which they’re willing to exchange for other things they consider valuable, such as added convenience, free content, and more.

Digitalizing the retail player journey is one major way that lotteries can participate in this value exchange.

Data as Currency

People who agree they would share some of their personal details online in exchange for something they might want e.g. discounts, free online videos/articles.



61.7%
Weekly lottery players



49.3%
Non-lottery players

For example, IGT's Connected Play solution makes it possible for a lottery player who light-registers with just a name and password to unlock a more convenient and consistent journey at retail. With the resulting data, lotteries can in turn enhance that player's experience with tailored recommendations, akin to Spotify and Amazon. Digitalizing the retail experience also supports the transition to digital playslips, tickets, and redeeming prizes in app, if players choose.

"These options still aren't widely available at retail, where the majority of lottery tickets are sold," noted Carney. "But by transforming the retail journey, lotteries can begin to participate in this value exchange, regardless of their ability to sell online."

Micro Moments

Given their busy schedules, consumers are turning to services specifically designed to engage them for small bursts of time – from social media content to popular streaming channels like TikTok. The mindset and expectation is that any "micro moment" – no matter how fleeting or on-the-go – can be filled with useful and entertaining activity. "The concept of 'snacking' characterizes this kind of consumer engagement," said Carney, noting that a wide range of brands now sees the opportunity to offer consumers such micro-experiences.

For lotteries, the offer might be a quick game of Keno, a new scratch ticket, or a digital version of a game on the player's mobile device while they're waiting for their vehicle to charge at a retailer with charging points.

"Applications like this, which are just emerging in the consumer world, is why IGT developed the means for lotteries to integrate their retail and digital solutions," said Carney. "These investments enable our customers to serve rapidly changing player need and be prepared for the future."

360 Rewards

The evolving retail lottery journey will ultimately lead to greater opportunities for lotteries to partner with retailers to create personalized 360-degree rewards programs.

"As digitalization of retail continues to be

more of a priority for all lotteries, player journeys can be segmented to encourage and provide rewards for activities such as checking a ticket or using an eWallet for purchase, swapping from using paper tickets to digital, and claiming a prize in-app," said Carney. "The industry is aware of the importance of player segmentation for future growth, and now we have a new opportunity to understand it further."



Fact Finders

In an era of misinformation and "deep fakes," consumers want authenticity, while brands face a challenge to offer greater levels of transparency.

Campaigns that highlight the benefits to society from lottery-funded purchases have always been a differentiator, but historically it has been difficult to reinforce this messaging through mass-media campaigns.

Today, the growth of personalized communications from brands opens the door for lotteries to demonstrate their longstanding commitment to the local community through 1:1 communications. For example, where permitted by the regulatory framework, lotteries can enable in-app notifications. This personal touch can go a long way toward making players aware of the direct benefit to the local community and sustainability goals within a jurisdiction.

And just as consumers increasingly value honesty and transparency from brands, they also have greater means to quickly research the authenticity of brand claims. Lotteries are uniquely and positively positioned to demonstrate the specific ways they support local good causes, something commercial operators and gaming competitors cannot do to the same degree.

Pretailtainment

Data from Foresight Factory indicates that consumers are extending their path-to-purchase. The term "Pretailtainment" blends the concepts of 'pre-retail' and 'entertainment' to reflect the habit of engaging with multiple touchpoints over a period of time when deciding what to buy – akin to digital window shopping.

"Lotteries can harness the fun aspects of play by emphasizing excitement while players are in the Pretailtainment phase of their purchasing journey," noted Carney.

This is another way to generate interest and personalized content, as players can learn more about lottery anywhere or anytime they have an opportunity to engage on their mobile device. It's also an opportunity to connect the personalized messaging to the lottery's website and to a broader digital marketing campaign. "We know that 78% of weekly lottery players use a virtual assistant or smart speaker as part of their shopping journey," said Carney. "Lotteries can take this into account and offer consistent messaging across all media channels." ■

For a deeper dive into these trends, download **IGT's annual Trend Report**, available at [IGT.com/2023Trends](https://www.igt.com/2023Trends).



At PGRI SMART-Tech in Miami, IGT Vice President Michelle Carney discussed current consumer trends and what lotteries can do today to fulfill player expectations.

Join IGT at the EL Congress in June for further discussion of the latest player insights around sustainability trends and what this means for lotteries and players, including the deployment of Connected Play and cloud computing.





The roaring casino brand Wild Life Clusters is an omnichannel crowd-pleaser for Loto-Québec, in retail and online.

The Omnichannel Experience – All Fun for All Players

There are printed games. There are elnstant games. And then, there are games that deliver an omnichannel experience!

As the partner that offers multiple routes to success, IGT supplies lotteries with the opportunity to replicate and amplify the fun and ambiance of players' favorites, in store and via digital channels. Bringing a retail brand to life online, and vice versa, gives players an intuitive, interactive, multidimensional experience.

Popular printed games coupled with elnstant counterparts generate added engagement and reinforce a consistent branding and game experience. "With IGT's omnichannel titles, we can offer players brands that are familiar, so they can be confident when exploring the digital channel," said Chris Costello, Senior Director, elnstant Content, iLottery, IGT.

WILD LIFE

Such opportunities to deliver the omnichannel play experience have been embraced by Loto-Québec, which leverages players' brand awareness of the omnipresent Wild Life brand title. When Québec players talk about Wild Life Clusters (La Faune Frimée), they could be referring to the popular IGT brand showcased on video lottery terminals (VLT), scratch tickets, and/or elnstant games. Wild Life has been a best-selling video lottery brand and has now "gone wild" in multiple environments.

"When we know a game is working well in other types of products that our customers are enjoying, we explore bringing it to retail," explained Catherine Dumont, Product Manager Instants Category, Loto-Québec. "Players who know the game from video lottery terminals at restaurants and bars now buy a scratch ticket featuring the Wild Life brand they enjoy."

At retail, Wild Life is available as La Faune Frimée, in the French language. Online, players follow the call of the wild in this animal-themed game with tumbler mechanic, accessing it via elnstants in both English and French. Players take a safari adventure and hunt for exotic riches in the game The Wild Life Clusters. When they collect clusters of matching majestic animals, they win prizes. If the Tracker Symbol appears, it may clear the way for richer wins. Players may even trigger the bonus game for chances to collect big-cluster wins.

When it comes to marketing, "Loto-Québec promotes omnichannel content on the website and on tickets to spread awareness of the multiple opportunities to play," noted Catherine Gladu, Product Manager elnstants Category, Loto-Québec.

LINKED WINS

Linked Wins is an innovative IGT game mechanic that gives players additional

ways to win, developed using the company's exclusive, patented Infinity Instants™ digital printing platform. This visually intuitive feature creates added layers of gameplay by adding vivid colors and easily identifiable patterns to the play area below the scratch-off coating. This simulates features such as progression, levels, and another chance to win.

IGT's 50X the Cash is the first omnichannel experience title developed with the Linked Wins feature and branding. In the eInstant game, 50X the Cash Linked Wins grabs the gold for players who match numbers to win prizes, seek out instant-win multipliers, or link any match wins to get prize multipliers. Another popular element of the eInstant game: revealing the Blue Diamond triggers a Free Turns Bonus for even more chances to win.

"This approach gives us a unique opportunity to not only extend popular game titles, but also play features across channels, as we're doing with Linked Wins," said Tony Lucci, IGT Director of Marketing, Instant Ticket Innovation. The retail version of 50X The Cash translates the fun of the eInstant game to a retail game. "When it comes to omnichannel, IGT can not only create the same graphics

for both channels, but also approximate the mechanics in both channels."

"We were excited to work with our Instant Ticket Innovation Team to create a new entertainment experience for eInstant game players," declared Chris Costello. "The IGT eInstants Studio added the immersive dimensions of sound and movement to enhance game play and bring the game to life in the digital channel."

A significant and subsequent recent omnichannel release from the X the Cash family of games is 50X the Luck. Players can find their online pots of gold with the digital game, which features free turns and up to 50X multipliers plus wins that are linked together to delight players... and leprechauns. Players can enter the enchanted forest of big rewards. They might see the lucky leprechaun peeking from the clover, match numbers to win prizes, discover instant win multipliers, or link any matched wins to earn prize multipliers. Lucky players who reveal the Leprechaun's Shoe could trigger the Free Turns Bonus and even more chances to win. A retail game for 50X The Luck is also available, which will bring exciting bonus features to retail players using Linked Wins.

With consistent branding for both scratch-

off and eInstants, Linked Wins is truly a winning omnichannel experience for players and an exciting opportunity for lotteries.

THE OMNICHANNEL EXPERIENCE

To support lotteries' growth and ongoing relevance by delivering new player experiences, IGT titles that are successful as eInstants are coming to retail, and favorite retail games are becoming available online for players. This includes proprietary, homegrown IGT brands and favorite licensed content.

Today's operators can now collaborate with a partner that can help them offer players a truly holistic, immersive experience — one that is exciting and enjoyable both in store and online. Omni means all; all paths to engagement exist when operators have opportunities to serve customers in all the ways that are meaningful to them. Lotteries can be all things to all players, thanks to IGT's innovation. ■

To learn more about how IGT's approach to the omnichannel player experience can help enrich lotteries for players and bring retail brands to life, please contact your IGT Account Manager.



Developed on IGT's exclusive Infinity Instants™ digital printing platform, Linked Wins is an innovative IGT game mechanic that uses color and pattern to offer players more ways to win and is adaptable to both retail and digital games.

EMBRACING THE ILOTTERY OPPORTUNITY



Scott Bowen, Senior VP Government Relations at NeoGames, explains why iLottery solutions have the potential to transform provision, creating fresh revenue streams for states while serving the needs of a whole new generation of players. Scott delivered a keynote speech on this very topic at the PGRI SMART-Tech Miami conference in March.

If there is one major lesson that we have learned since first entering the US, it is that the optimal way to compliment retail lottery sales is through a comprehensive digital strategy. Lotteries continue to have the benefit of a huge footprint when it comes to retail activity, and engaging in a full omni-channel approach to technology, content, marketing, and operations provides long-term opportunities for retailers, players, and the continued growth of the benefits to good causes.

There are a host of compelling reasons we can highlight for state policy makers to embrace iLottery, the first of which is the promise of incremental non-tax revenue for good causes. As has been widely reported across various annual reports and audits, while also being celebrated in recent official news releases, lotteries continue to attract record growth and incremental profits. Within that group, crucially, are a set of wonderful examples whereby states have successfully adopted iLottery to complement retail solutions.

A safer and more sustainable market

A second reason for public officials to consider iLottery is that digital lottery solutions enable retailers to grow their player base and achieve incremental lottery sales, bringing in a fresh generation of players for whom utilizing cutting-edge digital solutions is an everyday part of life. In fact, in several states that have adopted iLottery, retail lottery sales have continued to grow as omni-channel programs are adopted and new players enter the market.

A third strong consideration is to use digital technology for additional player safety and responsible gambling. In recent years, lotteries and iLottery providers such as NeoGames have shown a commitment to ensuring that players have access to every available and appropriate protective tool. Digital delivery is significantly stronger than in-person when it comes to player protection and iLottery providers can implement tools incorporating self-exclusion, deposit limits, session limits, cooling-off periods, text reminders and a variety of other configurable controls.

A fourth benefit of digital delivery can be found in the balance it provides in terms of environmental protection. While ink and paper tickets require storage, packing and distribution and generally carry a heavy environmental footprint, digital is far less impactful in this regard.

We also saw during the pandemic, when many retail operations were forced to curtail their activity, how online provision successfully filled the gap for players. Advanced iLottery solutions continue to benefit players who cannot access a retail point of sale for any given reason, be it for health or mobility reasons or inclement weather.

Additionally, there is a large demographic of potential lottery customers that has

neogames®

been brought up in the digital age and to whom our industry can increasingly focus attention. Accustomed to enjoying their favorite forms of entertainment via desktop and mobile devices, iLottery provides a new form of quick-fire fun to enjoy on the go, with a very low barrier to entry. In turn, omni-channel strategies can also guide this new breed of player towards enjoying lottery products within retail.

Growing ecosystem

At NeoGames, our experience in iLottery has also proven that the digital vertical can successfully co-exist with other forms of gambling. Digital lottery solutions provide a popular, familiar form of online entertainment that dovetails with the retail experience. It simply isn't true that iLottery must be in competition with iGaming, for example; in fact, from our experience in states where they operate side-by-side, it can be mutually beneficial in introducing new audiences to both propositions. If the overall pool of players across all gaming verticals is expanded, with a focus from our perspective on attracting younger players into iLottery, then it can be to the benefit of all.

There are a multitude of good reasons for public officials to adopt the modern breed of iLottery solutions. With the benefit of increased accessibility, within a responsible and environmentally friendly ecosystem, iLottery presents the opportunity to inspire a fresh generation of players who can significantly incremental revenues with which states can help serve important causes to their communities. ■



NASPL 2023

BREWING THE BEST

MILWAUKEE, WI



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!

OCT.30-NOV.2 2023 | MILWAUKEE, WI

BREWING
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NASPL 23
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New Jersey's **WIZARDS OF RETAIL**

In the Garden State, an innovative program dramatically improved retailer engagement with the lottery category and evolved the role of lottery sales reps. Here's how.



(L to R): New Jersey Lottery Sales Representative Alexandra Padula and Krauser's Food Store retailer Jyoti Amin; Extra Grocery Deli retailer Hirana Panya and New Jersey Lottery Sales Representative Maria Jimenez.

f “Retail is Detail,” as the saying goes, then an important detail for success must be engaging retailers themselves.

This was the focus of an effective program that introduced New Jersey Lottery retailers to **an interactive web-based portal to manage and grow their lottery business.**

In a coordinated effort led by operator Northstar New Jersey, lottery sales reps communicated the benefits of the new tool to retailers and encouraged them to take advantage of it.

As a result, **one-third of the state’s retailers were signed up in the first year,** with more continuing to onboard today.

The approach and success of this retailer engagement program offer useful ideas for other lotteries to consider.

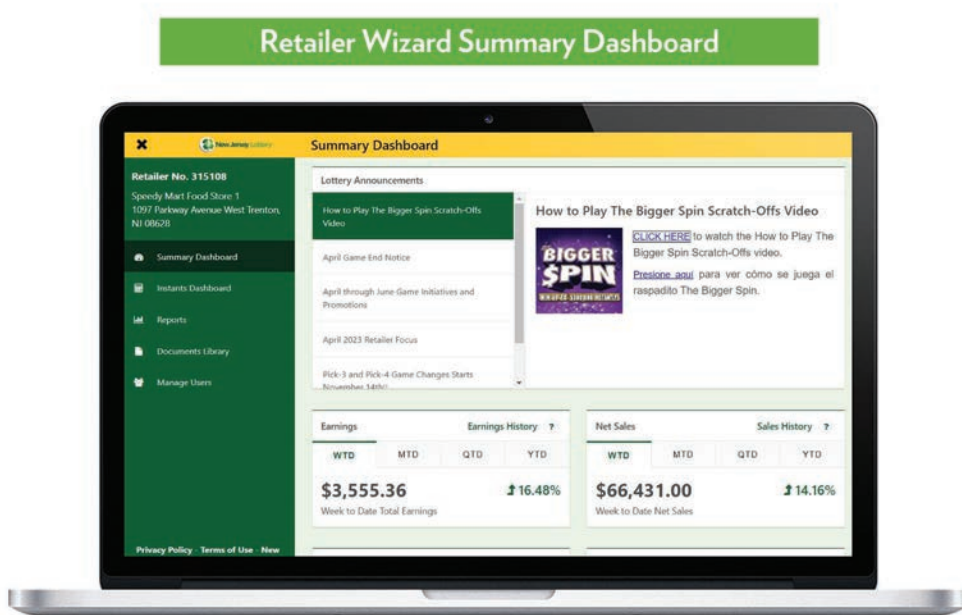


John Hodor, Vice President of Sales, Northstar New Jersey

FORWARD THINKING

The roots of the initiative go back to the time before most of the world had ever heard of COVID-19. The Northstar New Jersey team had been discussing the future role of the lottery sales representative (LSR).

“Our LSRs are highly effective at what they do, and we were proactively looking at how their role could evolve to support continued success,” explained **John Hodor, Vice President of Sales Northstar New Jersey.** “It’s common for a retailer to see their LSR for 20 to 30 minutes every couple of weeks. And right after the lottery rep leaves, maybe a snack-food rep comes in to talk



IGT’s Retailer Wizard interactive website provides retailers in more than 15 jurisdictions with an additional touchpoint between visits to obtain pertinent information they use every day.

with the retailer, then a succession of other product reps. By the end of the day, what happened to that lottery conversation? We knew that both reps and retailers would benefit if retailers had an immediate touchpoint to access detailed lottery sales data, promotions, and other related information whenever they need it.”

The discussion proved timely, as it soon became imperative for lottery sales reps to work with retailers remotely. During the pandemic, New Jersey’s LSRs quickly found remote and virtual means to support their territories, as well as promoting sales through vending, as the state had recently completed an equipment refresh, installing new IGT GameTouch™ 28 and GameTouch™ Draw self-service terminals.

Beginning in late 2021, retailers were also presented with the option to **upgrade from the existing New Jersey retailer website to IGT’s Retailer Wizard tool.** Retailers can log into this interactive and easy-to-navigate portal right from their mobile phone, tablet, or laptop to get the latest sales and marketing information.

The portal includes sales reports, electronic-funds transfer details, instant ticket orders, details about when packs are activated and settled, monthly retailer newsletters, winner awareness information, and more.

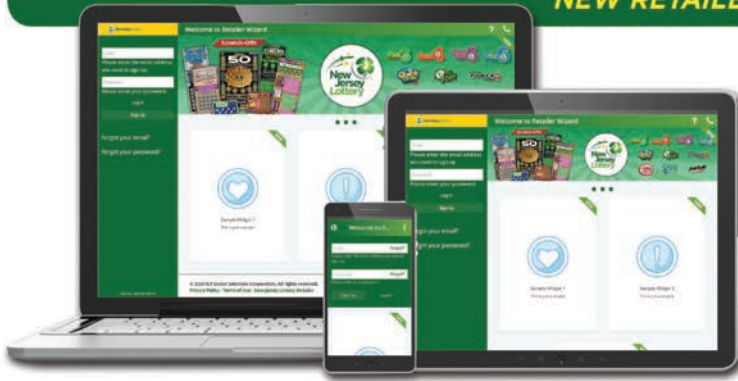
“Retailer Wizard offers all kinds of content that retailers couldn’t access previously,” said Hodor. “Our sales reps visit roughly 100 retailers each on a regular basis – that’s a lot to manage when you’re trying to grow the business and build sales. Now, retailers have sales and inventory data at their fingertips. What’s more, sales management can upload important and useful information for all of their accounts. This really benefits retailers and levels the playing field for reps by giving retailers the ability to manage their business through virtually any connected device.” Previously, retailers would need to contact their sales rep for information or could retrieve only limited data from the terminal at the store.

THOUSANDS AND COUNTING

Corporate chain retailers were given first access to Retailer Wizard, as the portal not only provides reports for accounting but gives local store managers insight on broader sales performance, trends, and other data that could be used to generate lottery interest and engagement.

“The New Jersey Lottery sales team works with IGT to review the retailers’ feedback and suggest enhancements to the tool,” said **Danielle Davis, IGT Director Product Management, Retailer Management &**

NEW RETAILER WEBSITE RETAILER WIZARD!



Retailer Wizard is the New Jersey Lottery's one-stop-shop for managing your Lottery business. It's an all-new, user-friendly website, providing access to important Lottery reports and information via your desktop, laptop, tablet, or smartphone.

MANAGE AND GROW YOUR LOTTERY BUSINESS - WHENEVER AND FROM WHEREVER YOU CHOOSE!

BENEFITS FOR YOU:

- Stay informed of sales, commissions, and trends at your location(s).
- Know exactly how much money is due on the next sweep (EFT Amount).
- Receive alerts about issues occurring in your location(s) that may be affecting your sales.
- Easily spread the good news about high jackpots and winners in your location(s).
- Access detailed reports for your Lottery business at any time without being tied to your Lottery terminal.

...AND MUCH MORE!

TO ACCESS RETAILER WIZARD from your browser, navigate to: <https://retailerweb.njlottery.com>

Starting with the launch in 2021, articles sharing the benefits of Retailer Wizard were included in the Lottery's monthly Retailer Focus newsletter to build awareness and promote retailer registrations.

Optimization. "The teams also address the needs of independent and social-space retailers."

Hodor and team focused not only on making retailers aware of the new tool, but **communicating the benefits and encouraging retailers to engage with it.** "We incentivized and made it a priority for our sales reps first to just get retailers logged in," said Hodor. "This required some of the typical inputs – email, password, verify. For some of our retailers, that was a heavy lift, but once they saw how useful and easy-to-access it was, adoption took off. We heard, 'Hey this is a cool! There's a lot of good information here.'"

At the launch, the team began including articles about the portal in the Lottery's "**Retailer Focus,**" a **printed monthly newsletter that brings retailers up to speed** on the lottery category and is also available digitally through Retailer Wizard. The articles **built awareness and promoted registrations,** helping to kick interest up to the next level.

New Jersey Lottery sales reps registered more than 2,000 retailers on Retailer Wizard by the end of November 2022.

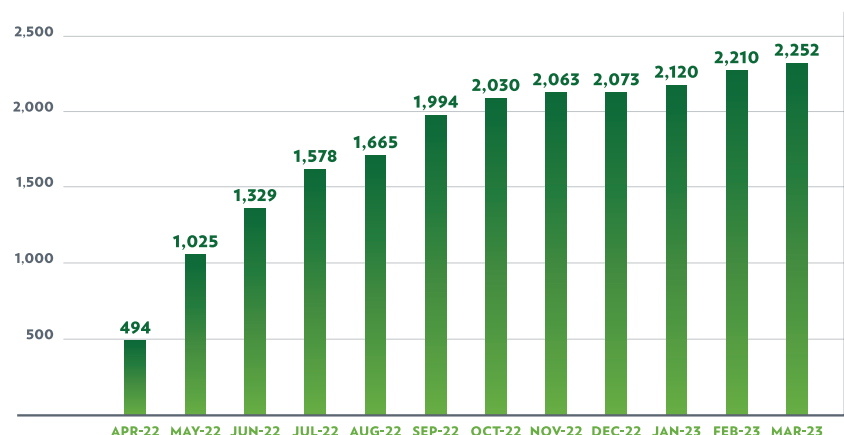
The team implemented a quarterly **incentive** from July through September 2022, in which reps selected retailers and ensured that they logged in to Retailer Wizard at least once per week. This incentive dramatically increased usage. (See figure "2022-2023 Registrations")

In the second quarter of FY 2023, reps were given a goal to increase both the number of

registered retailers and increase usage with current users. Retailers were encouraged to sign up and log in often to earn entries into a drawing for prizes.

Even as awareness of the tool grows, the sales team continues to investigate sales and retailer incentives to increase the number of registered retailers and promote usage of Retailer Wizard's many features.

2022-2023 Registrations



New Jersey Lottery sales reps registered more than 2,200 retailers on Retailer Wizard by the end of March 2023, and the engagement effort is ongoing.

“We also update content on the tool constantly, including announcements highlighting new games and promotions, operational documents, and answers to frequently asked questions,” said Hodor. “We have new retailers coming on board all the time. It’s funny to think that they used to receive a thick printed packet of information – now they get right into the pipeline online. And it’s no longer a heavy lift because, since the pandemic, **everyone is more used to engaging with apps. Retailers are doing it in other parts of their business and personal lives, and they are agreeable from the start.**”

SUCCESS FACTORS

Prior to the launch in 2021, IGT’s Product Management team developed customized training and support tools for use by the lottery reps, drawing on leading practices and its operator experience in New Jersey and other jurisdictions. Materials included a sell-in sheet and a training deck as well as a Spanish translation of the Quick Reference card for retailers.

“With the customized support and training from IGT, our reps are well prepared to work with our retailers in making the most of the tool,” said **Adam Perlow, Vice President and Chief Operating Officer Northstar New Jersey**. “Until IGT launched Retailer Wizard, there wasn’t a lot out there that retailers could use to focus-in on growing their lottery business. IGT’s investment in developing the tool and designing the training programs supports us and other customers in



Danielle Davis, Director Product Management, Retailer Management & Optimization, IGT

Retailer Wizard Benefits For Retailers And Lottery



What NJ Sales Reps Are Saying

As a Lottery sales rep, I love that Retailer Wizard gives my retailers information about their top selling scratch-offs. When a retailer knows what games sell the best at their store, they can decide which games to put on display or double-up on. Retailer Wizard provides tools to help maximize their selling potential.



more fully engaging retailers with lottery.”

IGT continues to evolve the Retailer Wizard portal, which moved to a **cloud-based platform** in September 2022. The benefits of the cloud platform include **more security, scalability, and less risk of failure than an on-premise solution, with no change to the retailers’ experience.**

“We’re continually making more enhancements to the product based on industry trends and the valuable feedback from end users across jurisdictions that have deployed Retailer Wizard,” said Davis. “Reps continually request feedback from retailers and work with sales operations to prioritize new features and schedule new releases.” “Retailer Wizard has proven to be a useful tool to free up our sales reps to focus on high-value activities and engagement with our retailers,” said Perlow. “Many of our retailers truly understand its benefits, are using it, and using it well. It was an important initiative and definitely worth the effort.” ■

Feedback from Retailers in NJ Who Use Retailer Wizard Daily

It’s accessible away from the store:

“We love Retailer Wizard for the convenience it gives you. Instead of having to come into the store to check my bill or check inventory, I can pull it all up from the comfort of my own home.”

Reliance on the earnings and history reports:

“The big report I use is my earnings history. I look to see if I was up or down from the week prior, then I investigate my inventory report to see which games sold well and which ones did not. From there, I can order more of the games that sell well and start cutting back on the ones that do not.”



*New Jersey’s training module for Retailer Wizard is part of a pilot for new retailers joining the network. As a test-state for the pilot, New Jersey offers nearly 20 modules covering all aspects of new-retailer training on lottery, including terminal operation and how to play the games. **For more information on Retailer Wizard, download the brochure at cloud.marketing.igt.com/RW or contact your IGT representative.***



THE CASE FOR ILOTTERY HAS NEVER BEEN STRONGER AS ...

THREE QUARTERS OF AMERICANS HAVE NO OPPOSITION TO LOTTERY BEING SOLD ONLINE



THE RESEARCH INTELLIGENCE GROUP

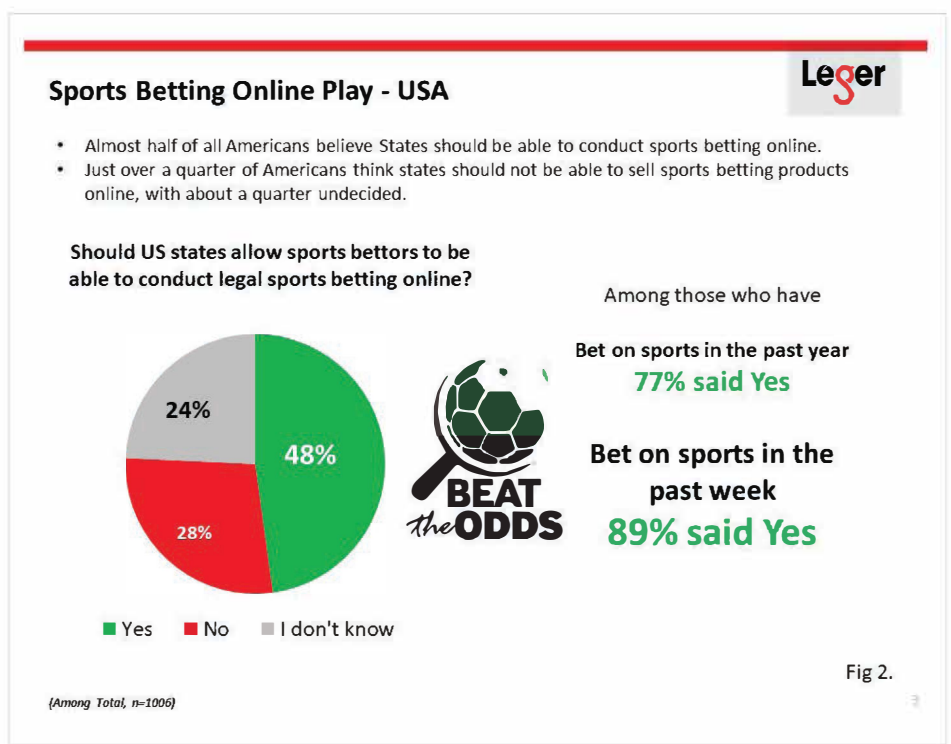
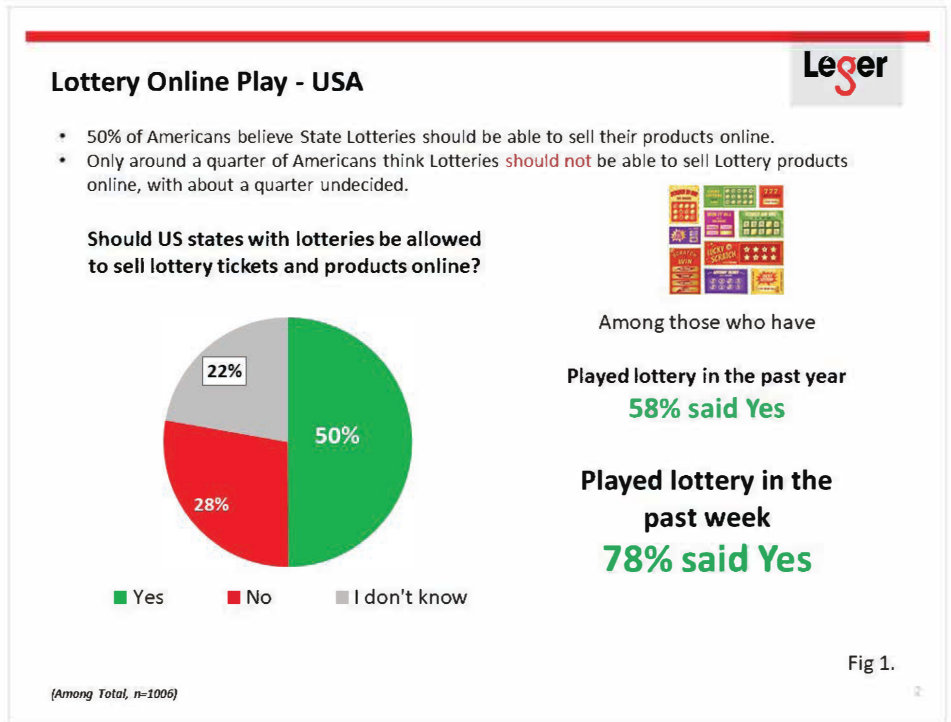
Simon Jaworski, Executive Vice President Lottery & Gaming, Leger USA



Leger's April Omnibus of 1,006 Americans illustrates this perfectly. Not only do half of all Americans agree that U.S. states with lotteries should be able to sell lottery tickets and products online, but another quarter say they don't know, leaving only a quarter in opposition.

However, the support for iLottery is far more pronounced among lottery players themselves, with 58% of past year lottery players, and 78% of past week lottery players wanting at least the option to buy lottery online. [Fig 1.] And why shouldn't they? In a day and age where '1 click' Amazon orders from the tips of people's fingertips, in the comfort of their own home, is the norm, why should the lottery industry be held to a competitive disadvantage? After all, this is the land of free. Right?

Sports betting is in the same boat, and with similar support as online lotteries nationally (48% of Americans support online sports betting, with only 28% opposed), [Fig 2.] but has had little or no issue in getting legislation passed to allow legalized



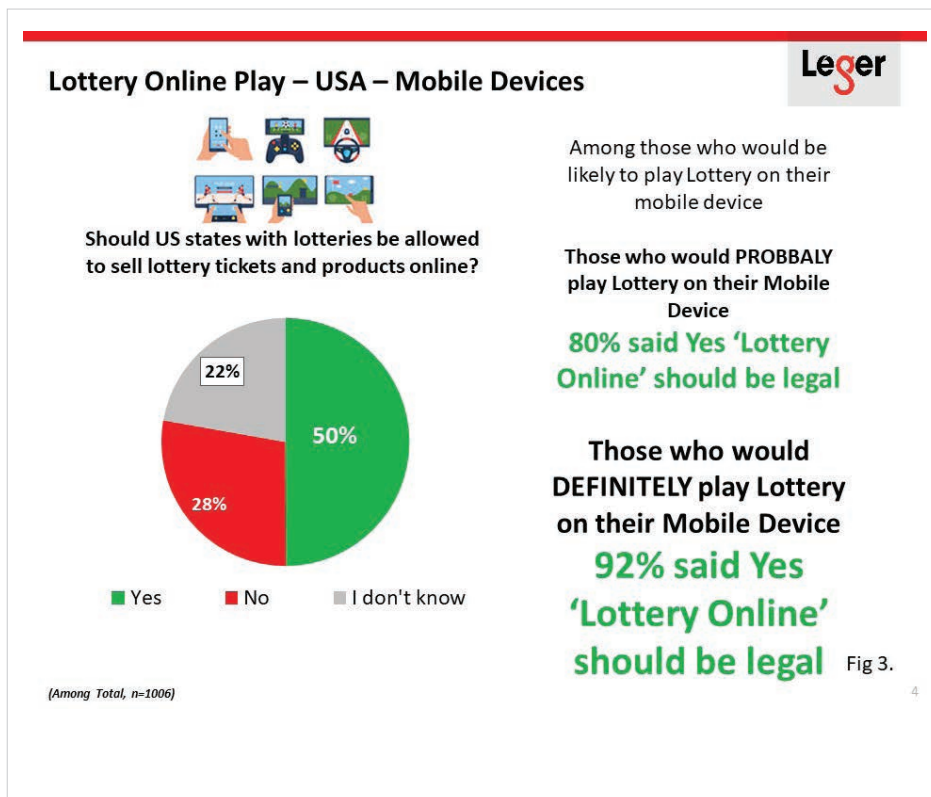
online sports betting in more than half of American states in only five short years. It's almost like the Land-of-the-Free is discriminating against Lottery!

Sports bettors are even more passionate about legalization of online sports betting. 77% of past year sports bettors think it should be legal everywhere online, with a massive 89% of past week sports bettors supporting it. This links in directly with Leger's 2023 Gaming Player Value Study (featured in last month's PGRI magazine (<https://publicgaming.com/PUBLIC-GAMINGMARCHAPRIL2023/Public-Gaming-MarchApril-2023/42/>), where convenience is the key driver for future sports betting play. Convenience is also the key driver for Instant/Scratch games, yet only Georgia, Michigan, Pennsylvania, Virginia and Kentucky can sell this much in-demand product. North of the border in Canada, nine out of ten provinces can already sell eInstants or similar products. How is that possible in socialist Canada?

Mobile play is the way of the future. And that future is already here. Of those Americans who would like to play Lottery on their iPhone or Android devices, 92% want to legalize iLottery. [Fig 3.]

Currently more men (57%) than women (44%) support lottery being able to be sold online, but perhaps the most critical number is among the highest income/ spending age group of 35-54 year olds. An amazing 60% of these quasi-Millennial/Gen Xers support lottery's rights to sell their products to them online. There's a 'higher' number of states with legalized marijuana than iLottery.

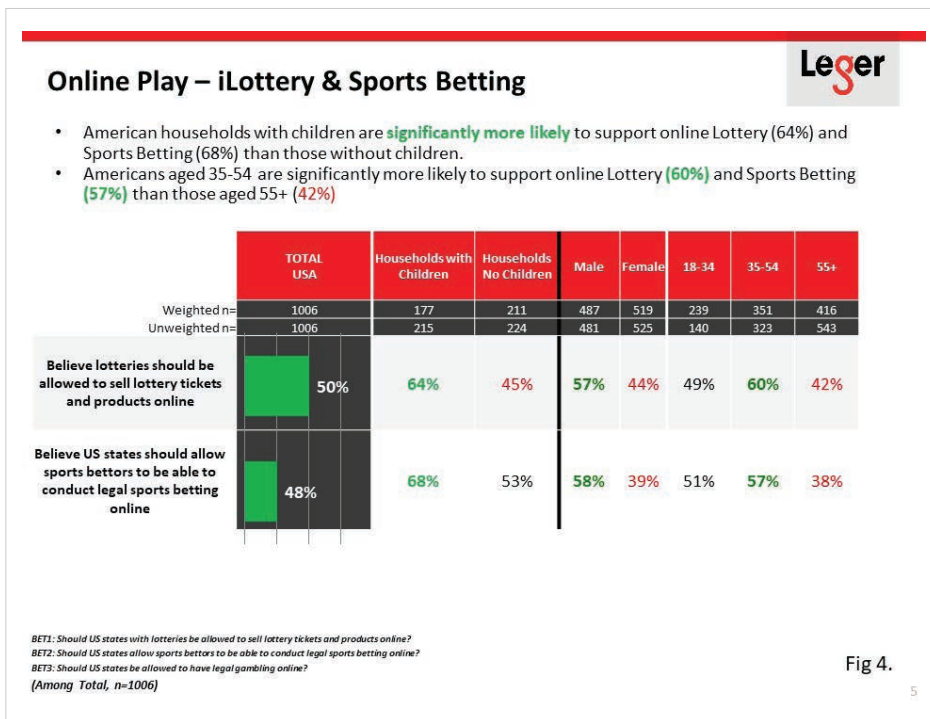
Among America households with children, the consumer who is most hamstrung by their time sensitive life-styles – the endless demands to run their kids to school, soccer practices, children's birthday parties, play-dates, et al drive their pursuit of convenience – is 64%



direct 'Yes' support for online lottery (and 68% for sports betting). [Fig. 4] Insert PPT Slide/ Image_Fig. 4

Only 1 in 8 American families opposes iLottery directly. Now, really, does that sound democratic? Chuck Norris wouldn't say so, and he is an American

man of action. The call to action for 'would you play online Lottery games such as Powerball, Mega Millions, Pick 3 and eInstants' is already growing in support. 33% of all Americans would 'definitely' or 'probably' play a game. Among past year Lottery players, that figure rises to 41%; and even more prevalent among those



households with children, at an impressive 53%. [Fig. 5]

However, saving the best until last, among past week Lottery players it bumps up significantly to 67%. When two-thirds of your core audience want something to happen, you'd be remiss to not do so. Or face the consequences. You know that Chuck doesn't appreciate consequences.

The market for gaming convenience is open for business. The soccer, baseball and martial arts dads of this world (including myself and Chuck), want 'ease' and 'accessibility' to help with the 'escapism' of our busy work/life balance lifestyles, and the data supports our case that most people are with us on this.

Just imagine the considerable uplift in both additional revenues for good causes, and smiles on State Governor's faces, each year, if legislation allowed online Lottery games in all 45 current lottery states. Americans supporting Americans. Chuck

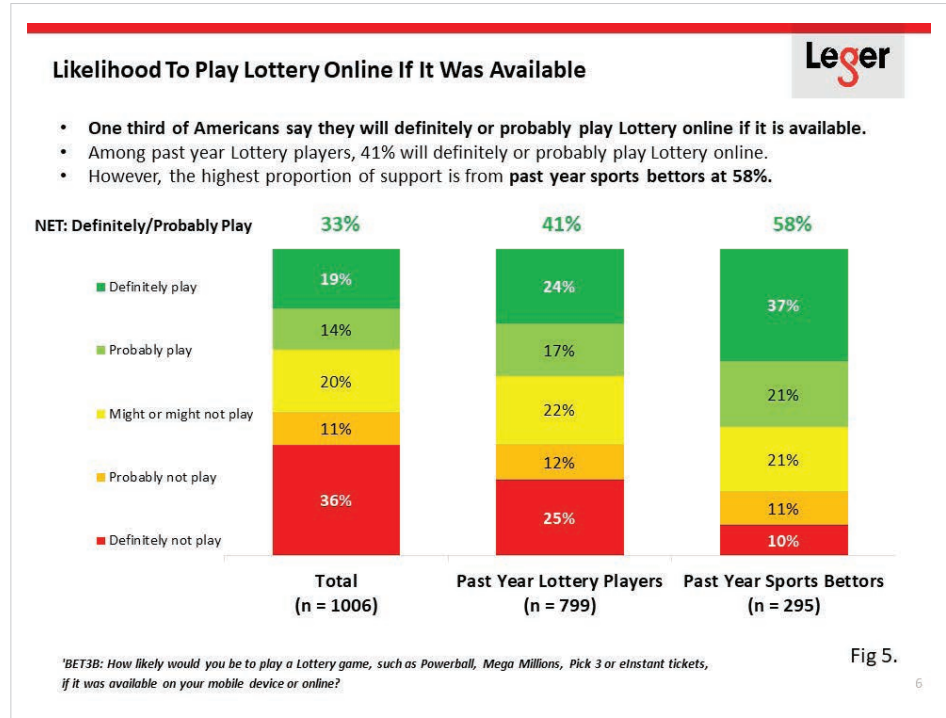


Fig 5.

likes that. He agrees that would be the correct 'home of the brave' decision. And being able to play Lottery games, from the mountains to the prairies, to the ocean's white with foam, seems like the appropriate thing to do.

Trust me I'm a researcher. And you don't want to disappoint Chuck.

Simon Jaworski, EVP, Leger USA
sjaworski@leger360.com 609-558-1019

Planning Strategically for Disruptive Innovation and Digital Transformation continued from page 14

about what you will experience in life, your employer is now helping you enjoy your free time while still providing Airbnb with your expertise. This is just another way to provide younger employees with a reason to work for your company." For the lottery, what does this tell us about this potential new group of players? "It says that millennials and Gen Z's are hungry for a richer life experience more than money. So, imagine a prize of ten years of travel, backed by an airline and Airbnb. That would certainly excite the younger players, and probably would be given a look by your more seasoned customers as well."

Jim emphasized the importance of storytelling in promoting businesses, and lottery is no different. "Steve Jobs once said that the most powerful person in the world is the storyteller," he said. **"The storyteller sets the vision, values and agenda that truly connects with your audience,**

and for the generations to come. In my opinion, the lottery industry has to do a better job of telling its story. Lotteries around the world do so much good for their communities and it's a story that needs to be told better, more loudly, more repeatedly, and more movingly.

"I Googled 'lottery' to find out more about the good things you do, and it took me 19 lines in to find that message," he said. "I saw information such as new point-of-sale technology but nothing about your good works. How do you change that? Well, look at what the younger generation has done with TikTok. Quick videos that tell entertaining and engaging stories. "How about sponsoring a competition for a quarter-million dollars where young people create lottery-related TikToks based on how lottery money supports good causes," Jim said. "Let them create a compelling message in 30 seconds that is also very

funny. This is a great way to engage the younger generation and get them invested in the lottery and what you do for society."

Jim's final thoughts on connecting with the players of tomorrow were to emphasize the importance of non-monetary prizes as much as money. "Remember that there are 300 million hours of volunteer time invested in updating Wikipedia and most of this is from younger people who are just trying to create a better tool for others," he said. "If you can engage with Millennials and Gen Z's beyond just monetary prizes, you'll be creating customers for many years to come. That is how you create a sustainable business model." ■



SHEW'S

Keith Cash - continued

Keith's role in several Lottery start-ups, as well as his thoughtful stewardship of IGT's many long-term customers, have contributed to the success of instant product programs around the world. Keith recently worked closely with Tom Shaheen, the start-up President of the Mississippi Lottery, to lead the IGT instant product implementation flawlessly and with great success. His dedication to the success of each individual customer engages him at all levels of service, from being a member of the "account team" to managing production, logistics, delivery, game design, and all aspects of IGT's Global Instant Ticket Operation.

In addition to his responsibilities as Vice President and General Manager, Global Instant Tickets, Keith serves as the Executive Sponsor of WIN-Lakeland (Women's Inclusion Network). Keith is also a Mentor in the IGT Mentorship Program and serves on the IGT Responsible Gaming Advisory Group.

Keith is a well-known and respected leader in the industry, with a distinctive career path and a vision for contributing to the ongoing success of the Lottery industry and service to good causes. ■

Konstantinos Farris - continued

development of INTRALOT's innovative solutions, the company expanded to 55 countries worldwide, with more than 5,000 highly skilled employees and an annual turnover of approximately 2 billion euros. 2015, he was a finalist for the Manager of the Year award in Greece. From 2023 he holds the role of Group CTO of INTRALOT and active member of the Board of Directors.

2017 to 2019: Konstantinos held the role of CEO of Quanta Technologies, an Isle of Man-based blockchain start-up, and led the development and promotion of innovative blockchain-based products, guiding the company to become the first licensed operator Blockchain Lottery in the World.

2020 to 2022: he also served as COO of OK-TOPAY, an Athens-based Fintech, and led corporate governance and product development according to modern and highly regulated standards, and actively participate in the company's business development in many countries in Europe. ■

Andreas Kötter - continued

"Chamber of Commerce and Industry" in Münster.

In April 2016, Andreas was elected as Chairman of the pan-European Lottery EUROJACKPOT, which was founded in 2012 and currently comprises 33 lottery companies from 18 nations throughout Europe. After more than 10 years, EUROJACKPOT is still growing, both in terms of stakes and the number of member lotteries. Andreas initiated several developments in the Eurojackpot Cooperation, including the integration of more countries and most recently the successful Eurojackpot product change with an increased jackpot cap and a second weekly draw on Tuesday.

Andreas has been a member of the WLA Executive Committee since 2017 and has chaired the WLA's Illegal Lotteries and Betting Committee (ILBC) since its establishment in 2019. The ILBC is dedicated to the task of reviewing the tools and resources available to help member lotteries uphold the principle of territorial integrity with stakeholders in each region.

Most recently, in October 2022, Andreas was elected Senior Vice President of the WLA. Andreas Kötter is married and has two adult children. ■

Sarah M. Taylor - continued

During her two-year stint as MUSL president, Sarah worked with executive leadership on an updated strategic plan, adding a third draw day for Powerball, launched a Powerball pilot in Australia and co-founded the National Games Strategy Group.

In addition to her MUSL and NASPL activities, she serves as Chair of the World Lottery Association (WLA) Corporate and Social Responsibility Committee.

Prior to her lottery industry experience, Sarah held various positions in Indiana city and county government, including eight years as the elected Clerk of the Courts for Marion County (Indianapolis) and five years as a cabinet member for the Mayor of Indianapolis.

Taylor earned her bachelor's degree from Indiana University's School of Public and Environmental Affairs where she sits on the Distinguished Alumni Council. A lifelong learner, Sarah has earned a Certificate in Public Management from Ball State University. ■

Arjan van't Veer - continued

In addition to the current EL Executive Committee members, Arjan has been inspired by the opportunity to work together with several of the industry leaders such as Tjeerd Veenstra, Philippe Vlaemminck, Ray Bates, Guy Simonis, Rebecca Paul, David Gale, Luca Esposito. ■

Jennifer Welshons - continued

research studies and developed unique analytics platforms to provide insights on player motivations and behavior, game performance, prize structure, payout, theme, play action and more. These insights are translated into actionable marketing plans to help lotteries generate maximum retail and digital sales.

As a member of Scientific Games' Executive Leadership Team, Jennifer takes part in all major business operational and organizational decision-making and is involved in corporate social responsibility, including responsible gaming. Her impact on the culture of

intellectual curiosity and integrity at Scientific Games has helped create a generation of young leaders committed to responsible growth. She is active in Women's Initiative in Lottery Leadership and serves as a mentor to local students through Tech Alpharetta's Women's Forum STEAM Mentoring program.

Jennifer holds a Master of Arts in Mass Communication and a Bachelor of Science in Advertising from the University of Florida. She is a graduate of the Advanced Management Program at Columbia University in New York City. ■

On product and portfolio optimization, we have a team that analyzes that performance data to optimize game design, game mix, and game distribution. Right now, for instance, we are bringing IGT's draw game Cash Pop™ across North America. And then data analysts who help identify near and medium-term opportunities and support the industry as it also drives for innovation. For example, multistate game enhancements that involve collaborative support from IGT to successfully execute a game change.

Retail sales innovation and execution is really a diverse team comprised of former retail industry veterans like myself and several others who are steeped in retail as well as lottery sales. This group is responsible for providing the state lottery operator's inside and outside sales teams with the tools, expertise, and systems to optimize sales. Our pipeline flows to all levels of the organization that benefit from our efforts and initiatives.

Like the Hoosier Lottery, most U.S. lotteries are still prevented from selling online, and yet mobile app developments are an important part of your consumer engagement strategy.

M. Pursley: The Hoosier Lottery was one of the early jurisdictions to build a "convenience" app. We call it a convenience app as opposed to a selling app, but that doesn't make it less powerful. The Lottery quickly saw the value in turning an anonymous consumer into a player who interacts with the Lottery. It enables the two-way communication that benefits players and helps us understand how to deliver more and better value to them. It fuels the CRM (Customer Relationship Management) platform that is so vital for all market-driven/customer-first companies. The mobile app also feeds our data management platform, which informs the media choices we make to connect with players, and enables our media spending to be more strategic, more tactical, and allocated to where it is maximizing impact. It all adds up to a very positive value.

Because it sharpens the focus of your media spend?

M. Pursley: And enhances our ability

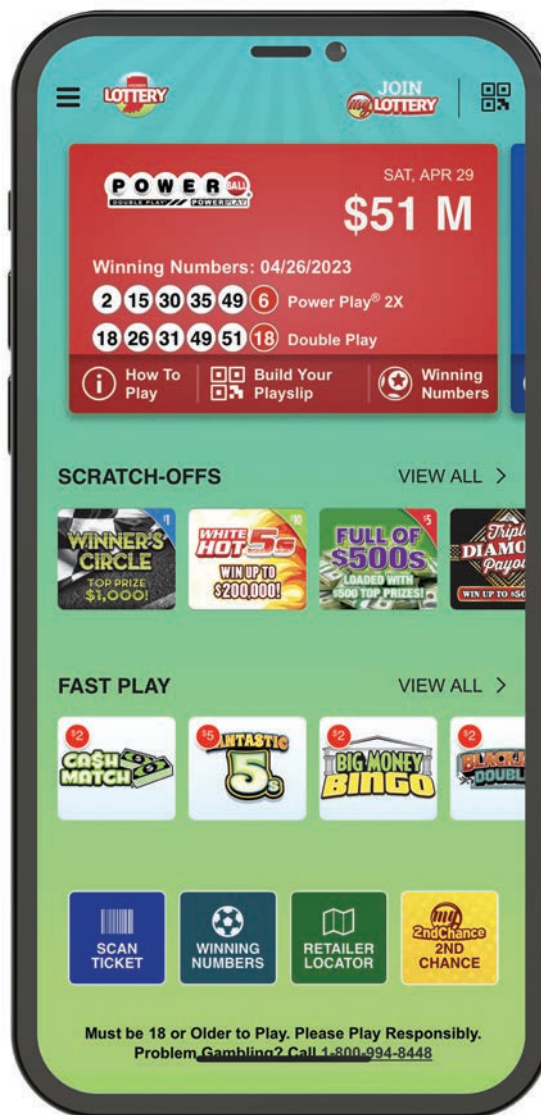
to measure the impact. I'll use the digital space as an example. Let's say agreement is reached in media planning to spend 35% of the media budget on digital channels. Fifteen years ago, we would have bought websites that had the most traffic of a specific demographic. Now, we can connect more directly with players and non-players based on more specific goals and based on their behaviors – not on what website they go to, but why they go there, what they are looking for, and where they might be going next. We are buying an attitude, a behavioral profile, and a segment of players as opposed to a group of websites.

IGT has been an industry leader in formalizing DEI initiatives and has recently been recognized with high-ranking DEI scores. What's the business-related ROI

associated with a focus on superior DEI performance?

M. Pursley: We think of diversity as an integral component to business sustainability. It's vital for the workplace to nurture the diversity of viewpoints that are the basis for true understanding and ultimately for the breakthrough insights that drive business innovation. And it is vital for the demographic composition of the work environment to reflect the diversity of our customer base for us to effectively empathize with the experience of customers and players, and to develop breakthrough products and build the brand narrative that connects with a range of audiences around the world. That is why IGT has made it a top priority to lead in this space.

The Lottery and Gaming industry is ready for change. I'm really proud to work for an organization that has a perfect score on the Human Rights Campaign Foundation's 2022 Corporate Equality Index, which measures the quality of the workplace for LGBTQ+ equality. It's important to me, and even more important to the next generation of leaders, to know they work for an organization that supports their values and celebrates everyone's ability to bring their authentic self to work. I'm also happy to serve as the executive sponsor of Pride with IGT. We have built countless local chapters of our Diversity and Inclusion Groups throughout the organization. I also sit on IGT's global Executive Diversity, Equity, and Inclusion Council which sets, measures, and guides us toward very clear internal goals that I'm proud to say we continue to meet. And we push ourselves even further on those goals. We are also a top-ranking gaming supplier as measured by the progress of Diversity, Equality, and Inclusion in the Betting and Gaming sectors, and that's through the All-In Diversity Project. I can't tell you how proud I am to be a part of an organization that shares my values and has the vision to prioritize DEI as key to a healthy, sustainable, business-growth strategy. ■



consumers. Since 2015, we've increased our funding for player protection initiatives by 29%.

To date, some of our player protection initiatives include:

- Combining the power of data and technology to identify unhealthy play habits and intervene early
- Creating a safe environment for players through, for example, self-exclusion registers
- Protecting underaged and other vulnerable groups through age verification systems, training of POS staff and product design
- Educating the general public about problem play through activities such as annual training for employees and information campaigns

In addition, our lotteries operate under the World Lottery Association and European Lotteries' responsible gaming standards.

How do you balance this issue against innovation and player experience goals?

R. Chvátal: Allwyn never pushes consumers towards certain products, and we operate within a strong data protection framework. Rather than aggressive promotional methods, we use digitally led, innovative products to create a more engaging and interactive gaming experience for all our players. As appealing as the whole recreational experience is, players are not enticed to over-spend. After all, we want the overall experience to be rewarding so the players come back, and over-spending does not contribute to the goal of having large numbers of people playing smaller amounts of money on a more frequent basis. That way, our products enable us to keep lotteries fun, relevant, and sustainable and better protect players by using data to help consumers manage problematic behaviour.

Where are some of the real 'hot spots' in the Responsible Gaming debate today, and what more can we be doing at an industry-level to tackle the problem?

R. Chvátal: I think two big trends/issues – technology and responsible gaming – are understandably sparking a lot of debate and are going to have a major impact on the future trajectory of the lottery sector. There

is a huge amount that our industry can be doing to anticipate future digital trends and how to harness those consumer and market-driven trends to further enhance player protection initiatives and standards.

At Allwyn, we are constantly reviewing how we can use data and technology to improve efficiency and management of lotteries, enhance player protection and drive innovation.

How does your multinational footprint help you share best practices across markets and improve group and individual market performance?

R. Chvátal: Allwyn has a strong track record of successfully operating national lotteries across Europe, providing us with a wealth of experience that distinguishes us from our competitors. The experience we have gained from operating in multiple jurisdictions provides us with a wealth of business intelligence, much more than if we operated in just one jurisdiction - no matter how big that jurisdiction is.

In all these markets, we have consistently increased contributions to good causes while bringing lotteries into the modern age to make them both safer and more appealing. In the Czech Republic, for instance, we grew national lottery returns for society by almost four-fold and increased participation from 50% to 76%. In Greece, we increased our contribution to local good causes by 82%. And in Austria, we brought new sources of growth to the state lottery and grew digital sales of draw-based games by 80% between 2016 and 2020.

All Allwyn-operated lotteries continuously grow – and at faster rates than the market.

In the UK, you have just acquired Camelot, operator of the UK National Lottery. How can you ensure a seamless integration of employees in what is one of the biggest mergers that market has seen in decades?

R. Chvátal: We are confident that we have the management resources to provide appropriate oversight to ensure that these two operations are managed successfully. Pre-merger, Allwyn was already a leading lottery operator in Europe. Both the Camelot management team operating The National Lottery under the Third Licence, and the Allwyn management team focusing

on transition to the Fourth Licence, will remain focused on their respective roles. Each of these businesses has senior, experienced leadership leading their teams.

What can your Camelot LS acquisition bring to the US market based on your success in Europe?

R. Chvátal: Allwyn's success in Europe is built on our understanding of the power of digital technology. I spent many years in the telecom industry where technology has transformed the industry, the marketplace, and the consumer experience. Similarly, there are huge opportunities to bring innovation to the traditional lottery business.

We believe in the lottery of the future – one that is focused on innovation, technology, efficiency, and player safety. We want to make a positive contribution to the markets in which we operate and help other businesses to thrive in a competitive environment. That includes supporting other lotteries through our proprietary industry-leading technology like iLottery.

Why is the goal of invigorating a broader participation in draw-games so key to the long-term success of lotteries?

R. Chvátal: Draw-based games comprise more than 80% of games played across our lottery operations. At Allwyn, we feel strongly that draw-based games are at the heart of the lottery and play an important part in ensuring player safety and contributions to good causes.

How important are partnerships with suppliers and other stakeholders to Allwyn's growth? How do you create positive impact for all?

R. Chvátal: Across our operations, Allwyn is consistently ahead of the curve when it comes to new technology and contributing to the communities in which we operate with the help of our talented partners and our own international expertise. We understand our value chain reaches beyond our own businesses and includes our suppliers and agents selling our products and services. We work with these value chain partners to embed responsible business principles by offering training and recommendations about where improvements could be made.

We believe that a sustainable value chain contributes to our objective of "making play

better for all". Our partnerships are critical to our commitment to making a wider societal impact and are an important pillar of our ESG strategy.

What role should lotteries play in wider society?

R. Chvátal: We believe that lotteries are a force for good and can create value for all stakeholders. This is not just about ensuring robust player protection standards. It's also about directly contributing funds and other resources to support local communities. Our local community programmes in every market enable all our employees to make a positive impact on the ground.

We're also passionate about changing lives through sponsoring initiatives across sport, culture and responsible gaming. For example: We are a partner of Wings for Life – a global non-profit that raises funds for Spinal Cord Research; We are a long term supporter and sponsor of the Czech Olympic team and Sazka Tour (the largest cycling race in the Czech republic); and In Austria, we hold Lottery Days to support cultural institutions, which grants free access to museums, theatres and festivals with a valid lottery ticket.

What else is a top-of-mind issue for Allwyn and/or the lottery industry going forward?

R. Chvátal: At Allwyn, we challenge

ourselves to think about building lotteries of the future. The lottery of the future is continually providing players with new and exciting ways to play, while returning more to good causes by focusing on innovation, technology, efficiency, and safety. It is one that strives to better understand the end-consumer, using the power of digital to engage with players and to create a more personalised, safer gaming experience.

The modern lottery creates a personal connection with each consumer. At Allwyn, we strive to constantly improve our lotteries with all of this in mind. ■

The purpose of AI is to amplify human potential continued from page 12

imagery, weather patterns, and economic indicators to develop effective strategies for addressing climate change. Similarly, AI can help us identify and target poverty hotspots, providing aid and support to those who need it most.

"In many cities in Asia, we already see AI helping solve many vexing issues. As the artificial intelligence hardware is shrinking, it is also becoming faster which allows more people to use this technology. You don't have to work in an office or have thousands of dollars in computers. Your phone can be enough.

"AI is helping solve transportation issues in dense cities," she said. "New construction is being designed to move people from place to place more efficiently. In Singapore, you can use technology to schedule a drone taxi for a trip from one location to another, with no human involved. Apartments are being designed to include small outside landing pads so new technology, such as advanced drones, can deliver groceries to customers at their homes. This is another example of technology being used to promote sustainability and improve the lives of many people."

Artificial Intelligence will have profound implications for retail. Ayesha said that many of the changes to the in-store experience have been driven by technology advancements, and consumer products companies, such as lotteries, must be aware of these changes and stay ahead of these advancements. "We have seen a trend over the past few years that fewer people are going into stores," she said. "Now we see

two types of customers – those who still frequent stores and the younger generation that prefers the efficiency of digital rather than human mediated transaction. At Amazon's retail locations, you just walk out and a sensor in your phone automatically charges you. In Japan, the shopping cart has computer vision in it and tracks what you place in it and charges you. This saves time for the consumer, streamlines operations and reduces costs for the retailer.

"Contactless cashier solutions are growing and industries such as lottery must be ready," she said. "More than previous generations, the modern shopper typically does not leisurely roam the aisles, looking at POS displays and ads. They go in with a purpose and wants to be in and out quickly, which leaves less time for them to learn about your product while in the store. they know what they want to buy before they go into the store, so we need to think of the shopping "experience" as beginning before they even enter the store. Retailers are starting to use Augmented Reality technology to inform consumers about their products, allowing customers to try out products on their computers. Once they go into the store, they already know exactly what they want to buy."

However, while AI has the power to amplify human potential, it is important to approach its development and implementation with caution. As AI becomes more advanced and ubiquitous, there are concerns that it may lead to job loss and increased income inequality. To mitigate these risks, it is essential to ensure that AI is developed and used in a responsible and

ethical manner, with a focus on creating jobs and opportunities for all. To this end, governments, commercial enterprises, and individuals need to work together to ensure that AI is developed and used for the benefit of all. This requires investment in education and training programs that help people adapt to the new AI-driven economy, as well as in research and development to create AI technologies that are safe, secure, and accessible to all. Additionally, it requires a commitment to creating ethical and transparent AI systems that prioritize the well-being of people and the planet.

"People feel like they are always being watched, even in their homes," Ayesha said. "We have to be cognizant of that and make people feel more secure with this advanced technology. Same with data - how we obtain the data, how we store it, how we govern it, how we process it, how we secure it. If we help people understand and feel confident with the technology and its applications, you can maximize the upside and minimize the downside."

AI amplifies human potential by automating repetitive tasks, processing vast amounts of data, and providing insights that humans may not have considered. With vision, imagination, and clarity of purpose, AI will continue to improve our lives and solve some of the world's most pressing problems. The future of AI is in our hands, and it is up to us to use it wisely to create a better world for all. "AI is not here to replace us," Ayesha said, "but to help us achieve our potential." ■

PULSE of the Industry



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

WORLD NEWS

WLA BLOG: Lotteries and sports betting operators emerge largely unscathed from pandemic

After a tumultuous three years, the world's state-regulated lottery and sports betting operators have emerged largely intact from the depredations of the COVID-19 pandemic. In FY 2022, revenues increased across the sector by approximately 10% over the previous corresponding period, with gains made on the return to retail and strong one-off sporting events in particular.

World progressively relaxes COVID-19 restrictions in a return to pre-pandemic normality.

IMF estimates global real GDP growth of 3.4% for 2022 with inflation rising to 8.8%, giving rise to difficult macroeconomic conditions into Q1 2023. Lotteries build on 2021 recovery from the pandemic with H2GC estimating 10.1% growth in lottery and sports betting revenues for 2022. Return to retail, one-off sporting events, and strong growth in the digital channel power lottery and sports betting bounce back. H2GC is now projecting total global gross win (land-based plus interactive) to surpass pre-pandemic levels by end 2023.

In our continuing coverage of the COVID-19 pandemic and its impact on the global lottery and sports betting industry, we report on the global transition to living with the virus in a new normal and the concomitant response of the global lottery and sports betting industry.

Three years into the pandemic, the lottery and sports betting sector has emerged relatively unscathed from the global tumult caused by COVID-19. Despite lockdowns that severely impacted retail footfall and an absence of sporting fixtures that afflicted sports betting

opportunities, both at the beginning of the pandemic, the sector rebounded in 2021, moving aggressively to online, optimizing retail sales channels otherwise, and innovating game content through new product launches and via the additions of extras and sundries to existing brands. In 2022, with the worst of the pandemic apparently in the rear view mirror, the industry has gone from strength to strength. Indeed, for lottery and sports betting operators reported upon in this bulletin, sales have increased by approximately 8.6% year-on-year, as summarized for selected entities in Table 1. Table 1. Year-on-year results for selected lotteries and sports betting operators reporting in this bulletin.

Key drivers leading to the positive results for the sector include:

The easing of pandemic restrictions worldwide, which has resulted in increased footfall across retail globally, which has in turn driven retail network sales and a recovery in land-based gaming more generally.

The one-off events UEFA 2020 European Championships (held in 2021) and the 2022 FIFA World Cup have led to big one-off increases in sports betting, especially in China.

The continued growth of the digital channel globally, driven by the response to the pandemic on the one hand, by the development of immersive betting applications and the increasing convenience of gaming on mobile devices, together with the ongoing liberalization of sports betting worldwide, most notably in the US.

In consequence, for the financial year 21/22 or calendar year 2022, most state-regulated lotteries and sports betting operators have enjoyed substantial growth, sometimes to record levels of lottery sales. In jurisdictions where sales have declined year-on-year, this has been a consequence of local conditions rather than any general industry downturn. Further, modulo some exceptions, the inflationary

pressures and difficult macroeconomic conditions witnessed towards the end of 2022 have not yet impacted the industry significantly.

In the sequel, we take a closer look at the above for some of the world's major lottery and sports betting entities (and a smattering of smaller operators) across Africa, Asia Pacific, Europe, and Latin America, setting their operations and pandemic response in the context of current local conditions. For North America, where the state-based system gives rise to many operators, we consider several individual state-regulated lotteries, and make some comments on the market as a whole, highlighting sports betting operations in particular.

Australian gamblers to be banned from using credit cards for online betting -except lotteries: "Lotteries present a low-risk to gambling harm"

Labor's proposal would omit lotteries from the ban, including those offered by charities, because "they present a low-risk to gambling harm".

The changes will implement recommendations of a parliamentary inquiry from 2021, which called for the ban, a trend estimated to make up to 20% of deposits into wagering accounts. "People should not be betting with money they do not have," the communications minister, Michelle Rowland, said. In an announcement to be made on Friday, Rowland and social services minister, Amanda Rishworth, will bring online gambling into line with "land-based gambling", which already limits the use of credit cards. The exact mechanism and technical implementation will be decided through consultation with stakeholders, but the government plans to use Bank Identification Numbers (BINs) used to identify and block credit card payments. This would bar credit card numbers from being used to deposit funds into betting accounts.

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\$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.

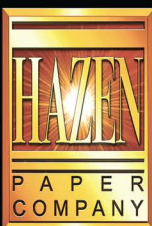
For US Dollars, visit:

www.holographyx.com/profit

For Euros, visit:

www.holographyx.com/EUprofit

*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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“Blocking BINs has been successfully deployed by Australian casinos and poker machine venues to stop credit card withdrawals from ATMs and was used in the United Kingdom to implement its credit card ban for online gambling,” Rowland and Rishworth said. The ban will be enacted through amendments to the Interactive Gambling Act 2001, which the government says will be introduced later this year and see the Australian Communications and Media Authority get enhanced powers of enforcement.

“Minimising this harm is not a set-and-forget exercise. Bringing online wagering into line with land based gambling, where credit cards cannot be used, is another positive step,” Rishworth said.

A parliamentary committee on social policy is currently conducting an inquiry into online gambling, which will also make recommendations to guide the government’s next steps.

A separate parliamentary inquiry into gambling and credit cards under the previous Coalition government, chaired by Liberal MP Andrew Wallace, recommended in 2021 that the government “ban online gambling service providers of wagering, gaming and other gambling services (but not lotteries) from accepting payment by credit cards, including via digital wallets”.

Labor’s proposal would omit lotteries from the ban, including those offered by charities, because “they present a low-risk to gambling harm”.

Responsible Wagering Australia said in a submission to the 2021 inquiry that “approximately 20% of deposits into wagering accounts are transacted through credit cards”. Tabcorp told the inquiry that in the 2021 financial year, its proportion of account deposits via credit card was 13.7%.

The CEO of the Alliance for Gambling Reform, Carol Bennett, said her group welcomed the change.

“This is a significant measure in reducing harm from online gambling. We know many people experience high level of gambling harm and those people are far more likely to use credit cards to obtain cash advances. This is money people can scarcely afford to use,” she said.

Bennett admitted there may be “loopholes” to the policy, such as using credit cards to obtain cash instead, but said it was important to bring online gambling policies into line with other wagering.

She repeated her group’s calls for a ban on gambling advertising on all broadcast platforms.

Colombia: Roger Carrillo resigned

as the director of Coljuegos, the gambling authority of Colombia

The Swedish gaming market is growing despite the troubled environment

The year 2022 did not turn out as anyone had expected. Just after we thought the corona pandemic was behind us, Russia invaded Ukraine.

Trade was affected in different ways, where the daily goods trade increased sharply while the growth for the durable goods trade was more modest. Triss became the people’s favorite product and was the best-selling item in 2022.

According to the Swedish Gambling Authority, the legal Swedish gambling market grew by 5 percent in 2022, which is on par with previous years’ growth rate. The total net gambling revenue amounted to approximately SEK 27 billion.

The biggest growth was in the market for commercial online gambling and betting, which increased by 6 percent. Online gambling increased at the same time that gambling in stores and at agents decreased, a movement that was reinforced during covid-19 and continued after the pandemic.

Sweden is the country in Europe where the largest share of total gambling takes place online. Many countries with significantly larger gambling markets in terms of revenue, such as Spain, Italy, Germany and France, have a relatively low share of online gambling (1). The online channel – that is, gaming via mobile and computer – is what drives growth in the industry. Therefore, it is likely that the growth in Sweden going forward will be somewhat lower compared to the rest of Europe, because the Swedish gaming market already has such a high level of digital maturity.

In 2023, households are expected to become even poorer when prices rise faster than wages. But consumers tend to prioritize small-scale everyday luxury when they don’t have as much money to spend. The share of household income that goes to gambling has historically been low, just over 1 percent. This suggests that the Swedish gaming market will not be negatively affected to the same extent as many other industries, which has also been shown in previous recessions.

Norway Expected to Authorise DNS (Domain Name System) Blocking of unlicensed online gambling operators

Japan approves \$8.1 billion Osaka resort, country’s first casino

IGT Drives Lottery Innovation for National Lottery in Malta via Two Long-Term Contracts



ZEAL joins the WLA (World Lottery Association) and receives permission to operate virtual slot games from the German Joint Gambling Authority of the Federal States



World Lottery Association (WLA) has decided to accept ZEAL as a member. The WLA is a world organization of state-licensed lotteries, sports betting operators and suppliers. With its membership, ZEAL commits to comply with the WLA standards for social responsibility, responsible gaming, security and risk management in the future.

The WLA is an international organization promoting the interests of state-licensed lotteries. It was founded in August 1999 by the merger of AILE, the International Association of State Lotteries, and Intertoto, the International Association of Lotteries and Lotto Organizations. The organization’s mission is to educate about the lottery industry, set technical and ethical industry standards, and provide educational services to its members. The WLA brings together members from more than 80 countries on six continents. In 2021, members collectively contributed approximately \$80 billion to charitable causes.

“We are proud the WLA has accepted us as a member,” says a delighted Helmut Becker, CEO of ZEAL. “As the German market leader for online lotteries, we take our responsibility in the areas of compliance, security and risk management very seriously and attach great importance to social commitments as well. We are pleased to be a part of this important organization with immediate effect and to support the high standards of the WLA and its members.”

Vodafone and Allwyn partner on digital upgrade for next UK National Lottery licence launching in February 2024

Inspired Entertainment announces the launch of its Virtual Sports under the Turkish brand Milli Piyango



NORTH AMERICAN NEWS

Congratulations to the newly appointed NASPL Executive Committee

President: **Sarah Taylor**, Executive Director, Indiana

First Vice President: **Cindy Polzin**, Director, Wisconsin

Second Vice President: **Brian Neill**, Commissioner, Michigan

Treasurer: **Harold Mays**, Director, Illinois

Secretary: **Brian Rockey**, Director, Nebraska

President interprovincial Lotteries: **Nancy Kennedy**, Chief Lottery and Customer Officer, Ontario

Immediate Past President: **Gretchen Corbin**, President & CEO, Georgia

Region I Director: **James Carey**, Executive Director, New Jersey

Region II Director: **Rebecca Paul**, President & CEO, Tennessee

Region IV Director: **Paul Erickson**, President and CEO, Western Canada

MUSL's Lotto America® Moves to Digital Drawings

Gregg Mineo, Director of the Maine Lottery, has retired

Massachusetts State Treasurer: "What we have is a lottery system that right now isn't able to compete against a DraftKings"

Treasurer Deborah Goldberg has been seeking authorization to sell Lottery products online for years, and Healey made news last week signaling her support for iLottery. "We have casinos in the state. We also have DraftKings here in the state, and a lot of money is being spent there by a lot of people. What we also have is a lottery system that right now isn't able to compete against a DraftKings," Healey said. "Nothing against DraftKings, but the Lottery,

that's money coming back to cities and towns. The money spent on DraftKings is going to DraftKings."

With the House once again pushing to legalize online Massachusetts Lottery sales and Gov. Maura Healey signaling that she supports the move, the pressure is on the Senate — where the measure has died in the past — to decide this session if they want to get on board. The House Ways and Means fiscal 2024 budget unveiled last week would launch an online "iLottery," which top Democrats say could generate enough revenue to steer \$200 million toward early education grants.

US Department of Justice Urged to Combat Offshore Gaming Platforms The United States Department of Justice (DOJ) is being asked by a coalition of seven states to combat unregulated, offshore gaming websites that illegally cater to players inside the country

On Friday, the Michigan Gaming Control Board (MGCBC) joined six other state gaming regulatory agencies in urging the federal law enforcement department to prioritize fighting illegal offshore casino websites and sportsbook platforms. Michigan joined gaming regulators from Colorado, Illinois, Louisiana, Mississippi, New Jersey, and Nevada in petitioning the DOJ.

In Michigan, strict laws and rules govern internet gaming and sports betting and provide consumer protections, promote confidence, and ensure fair and honest gaming," MGCBC Executive Director Henry Williams said in a statement. "We are willing to help the US Department of Justice in any way we can as it pursues enforcement of US laws against offshore illegal gaming enterprises that take advantage of our citizens."

In the coalition's letter to US Attorney General Merrick Garland, the group said its request is warranted because offshore gaming provides no consumer protections, such as regulated play and guaranteed payouts on wins. The offshore gaming industry also provides no tax benefit.

The gaming states want the DOJ to better enforce the country's laws when it comes to online gambling. They contend that such websites often do not use appropriate age verification tools to ensure the player is of legal gaming age. The coalition added that the websites don't have controls to prevent money laundering or invest in responsible gaming programs.

Since the offshore websites don't operate from the US but from iGaming-friendly jurisdictions like Malta, the Philippines, and the Isle of Man, state gaming regulators and their associated

law enforcement agencies have little recourse in going after unregulated gaming operators.

Offshore websites can simply disappear and go offline with their customers' funds. And since the websites don't undergo background and suitability checks by state gaming regulators, it's often unknown who is behind the iGaming platforms.

The seven states are joined in their DOJ request by the American Gaming Association (AGA), the US gaming industry's lobbying arm in DC. "While prosecutions and convictions may be difficult to secure, the AGA firmly believes the Department can make a strong and meaningful statement by investigating and indicting the largest offshore operations that openly violate federal and state laws," the AGA wrote to Garland in April 2022.

The AGA believes unlicensed, unregulated offshore gaming websites generate gross revenue of more than \$500 billion annually. The association says if that number is relatively accurate, the tax benefit loss is upwards of \$13 billion.

Illegal and unregulated gambling is a scourge on our society, taking advantage of vulnerable consumers, skirting regulatory obligations and robbing communities of critical tax revenue for infrastructure, education, and more," said AGA President and CEO Bill Miller in a release.

The DOJ has targeted unregulated online gambling platforms before, most notably in 2011, when the agency seized the online assets of PokerStars, Full Tilt Poker, and Ultimate Bet. The seizure occurred after those websites were deemed operating in violation of the Unlawful Internet Gambling Act of 2006.

Wisconsin Lottery Launches Fast Play



Are Lottery Players Happier People? Yes!

The most engaged players are motivated by a lottery's values and are happier people. But they need innovative games to keep them engaged.

Experts say that happy people share common traits, such as gratitude, humor, self-confidence and optimism, according to a 2015 article in Inc. magazine. But we might be able to add another identifier to that list—playing lottery games.

On a 10-point scale measuring happiness, 41% of European lottery players rate themselves

between 8-10. Compared to 33% of adults in Europe who rank themselves at that same high level, lottery players seem to be significantly happier than all adults.

The mirth doesn't stop there. The happiest of all players are who Scientific Games calls "Enthusiasts," accounting for 62% of all annual lottery sales in Europe, according to the company's ONE Segmentation Study. An extraordinary 54% of this group identifies in the 8-10 range on the happiness scale. The company has been studying industry data for 50 years, and today its analytics help drive the success of more than 130 lotteries in 50 countries around the world.

If lottery purchases make up only 3% of lottery players' entire entertainment budget, how does relatively little spending bring so much happiness? Correlation does not imply causation—happy people just seem to enjoy playing lottery.

"Lottery Enthusiasts have values aligned with lottery. When their values are aligned, lottery becomes a magnet to happy people," observed Liga Magdalenoka-Keen, Director of International Insights at Scientific Games, at the EL/WLA annual Marketing Seminar in London in February 2023. "They see lottery as an ideal way to give back for the benefit of society."

Magdalenoka-Keen, who has studied the science inside lottery play for the company and its European customers for seven years, shared that Enthusiasts are twice as likely than other players to agree that lottery is an appropriate way to raise money for good causes and that playing gives back to the community. Enthusiasts also share a preference for new, innovative lottery products, big prizes and premium designs.

"Enthusiasts want it to be fun and exciting too. They want to be appreciated and rewarded for their loyalty," shared Magdalenoka-Keen.

She calls Scientific Games' new iDecide game enhancement "the Enthusiast's dream." iDecide gives instant scratch card players the option to continue their play experience with a digital game and potentially expand their winnings. A first for the global lottery industry, iDecide was launched in October 2022 in partnership with Groupe FDJ, the operator of France's national lottery La Française des Jeux.

iDecide is one of many recent innovations from Scientific Games, which has been a driving force behind the evolution of the lottery industry for five decades. This year, the company brought the industry-first Dimension technology that produces holographic-like 3D patterns on instant scratch games to North America after initially developing the capability at its UK facility to serve European lotteries. In October, Scientific Games unveiled LOTERIA Augmented Reality at the 2022 World Lottery

Summit, bringing LOTERIA to life in a digital extension of a physical instant scratch game. The company's innovation in on-demand, terminal-generated PlayNow Games are driving incremental revenue for customers, and its digital games with progressive jackpots give lotteries an entirely new way to excite players.

Magdalenoka-Keen also advises lotteries to focus on creating awareness about the core purpose of lottery, i.e., generosity, acts of service, hope, and equal chances for everyone. "This will organically attract people who are enthusiastic about lottery," she said. "They feel they belong to a community that mirrors their values and contributes to good in the world."

With an estimated \$115 billion generated for lottery beneficiaries globally in the past year, it's safe to say that lotteries are not only contributing to the good in the world—they are giving players the exciting and innovative games they want.

For a full report on Lottery Player Segmentation ONE and to find out more about the link between lottery play and happiness, European lotteries may email Liga.Keen@scientificgames.com.

SOURCES: Scientific Games ONE™ Segmentation Study in Europe, 2022; Blue Yonder Happiness Study in Europe, 2022.

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Pat McDonald, Director of Ohio Lottery, resigns suddenly; Michelle Gillcrist, interim appointed

IGT Executes Licensing Agreement with Maine State Lottery for Patented Cash Pop Game

Gaming Laboratories International (GLI®) Stages Largest-ever North American Regulator's Roundtable

GLI®

SPORTS BETTING AND CASINO GAMBLING

Indian gaming industry thrives with record \$48.4 billion gross revenue in 2022, a 10% increase from 2021.

Indian gaming industry thrives with record \$48.4 billion gross revenue in 2022

AGA: 85% of Americans Support Supreme Court Decision to End Federal Sports Betting Ban

More than half the U.S. states have either legalized sports betting or are in the process of legalizing sports betting

NFL and other leagues balancing its addiction to the new sports betting revenue and preservation of game integrity



After many years of the NFL and other pro leagues staying as far away as they could from sports betting because they said it was necessary to protect the integrity of their games, they now have a much different challenge. The biggest professional sports leagues today have high revenue-producing partnerships with sports betting companies that they want to maintain — while still making sure a questionable charge call in the NBA or a dropped pass in the NFL doesn't cause fans to wonder whether the games are on the level. The question of how they strike a balance became a particularly hot topic after the NFL suspended five players for violating the league's gambling policy.

Seven sports organizations — NFL, NBA, Major League Baseball, NHL, MLS, WNBA and NASCAR — as well as broadcasters NBCUniversal and Fox announced on April 19 the formation of the Coalition for Responsible Sports Betting Advertising.

Among the goals, the leagues said, was to not market to those under the legal betting age and to keep ads from being misleading. David Highhill, NFL general manager for sports betting, said in an email the leagues realized they needed to work together to establish uniform guidelines.

Gaming CEOs Remain Positive on Current Business Climate, Reserved on Future Outlook

The majority of gaming executives report a positive view of current business conditions,

while economic uncertainty is tempering future industry growth expectations, according to the American Gaming Association's (AGA) Gaming Industry Outlook presented in partnership with Fitch Ratings.

Sports betting has generated millions of dollars in revenue, but the Ohio Lottery's piece of the pie is so small that it's been a losing proposition for both the Lottery and state coffers in what's still a young industry

That's because the Lottery's sports-betting kiosks found in bars, restaurants and grocery stores bring in only a sliver of the money wagered each month, far exceeded by both mobile-betting apps and casino-style sportsbooks that don't come under the Lottery's umbrella. Since sports gambling became legal in Ohio on Jan. 1, the Lottery's share of the kiosks' revenue has not been enough to cover its costs. These kiosks also don't generate many tax dollars for the state each month.

While other forms of gambling, like the slot machines in racinos and lottery tickets, are profitable for the Ohio Lottery, the Commission knew going in that sports betting would only generate a "minimal" amount of money, Ohio Lottery Commission spokesperson Danielle Frizzi-Babb said. "While we were tasked by the legislature with starting the lottery sports gaming program, we knew that it was not going to be as lucrative as traditional lottery products. Unlike traditional lottery games that have fixed payouts and prize structures, sports gaming's odds are volatile and change quickly, and sometimes proprietors take a loss."

She also said that the betting kiosks are competing against mobile sports-betting apps. Of the \$1.75 billion bet on sports in January and February, 97.5% was on mobile apps and 2.3% was bet at in-person betting lounges. Just \$1.8 million, about one-tenth of one percent, was bet on the Lottery's kiosks. Sports betting is just a small part of the Lottery's business. Last year it announced \$1.4 billion in profit, which was given to the Lottery Profits

Education Fund. Frizzi-Babb said traditional lottery sales and Racino revenue remains strong, and the Lottery is on pace to set another record for profits this year.

Genting Malaysia reaches agreement to sell its near 16-acres of land in Miami, Florida for US\$1.23 billion

Purchased in 2011 for \$259 million to build a casino that ended up not getting state approval, Genting manages to turn a big profit anyway.

Las Vegas Sands secures lease agreement with Nassau County for proposed New York casino

Flutter Entertainment (The £26bn owner of Fanduel, SkyBet, Betfair, PaddyPower, Sisal, Pokerstars) focuses its future on the U.S. and acquire a stock listing in the U.S.

Could Maryland Have 20 Mobile Sportsbooks By 2024?

There are currently 15 digital books licensed in Maryland, with the total number of Sportsbooks likely to exceed 20 by next year.

IGT awarded 3-year extension to run Rhode Island Lottery's sports betting app

INTRALOT, Inc. signs new Sports Betting Contract with British Columbia Lottery Corporation



April 6, 2023 INTRALOT is pleased to announce that its U.S. subsidiary INTRALOT, Inc. has signed a 3-year contract, including an option of three annual extensions, with British Columbia Lottery Corporation (BCLC) for the provision of its next-generation sports betting platform INTRALOT Orion and relevant managed services, to enable the operations and management of BCLC's retail sportsbook.

NeoGames amends and extends Caesars Entertainment agreement



"I'm always amazed and delighted at what I discover in Public Gaming Magazine."

But rather than seeing all of this as a burden of taking on new obligations to comply with, the new regulatory environment provides opportunities for lotteries to play a more relevant role in a society immersed in full transformation. Tools and processes are developed to allow Lotteries to use the new digital environment for the benefit of its customers. Implementing Artificial Intelligence and blockchain technology is today a reality in the lottery sector, the example of Westlotto reported on the WLA website being a good example of it. (<https://www.world-lotteries.org/insights/news/member-news/new-product-unveiled-by-adesso-and-westlotto-at-the-world-lottery-summit-2022>).

Digital transformation in the lottery sector is today's reality, but requires more flexibility and agility to respond rapidly to changes. Most likely public procurement will not be able to respond to these developments in a timely or adequate way, so those Lotteries still subject to those procedures may need to argue for changing the rules. Open RFP processes (like used in Morocco for MDJS) enable innovation to be taken on board during the contract period in a business-oriented environment instead of the cost-driven approach of public procurement. The digital developments may require lotteries to strengthen cooperation amongst themselves and set up a dialogue with companies capable of collaborating together with lotteries to accomplish the digitalization. By following this path, lotteries can again show the way for other businesses to embrace innovation in a safe and low-risk manner and thereby deliver more value and benefit to society. In the past, lotteries have shown themselves to be pioneers in the highest standards of security and integrity to internet communications and commerce. Digitalization needs to be done in a highly responsible and sustainable way, something that is in the DNA of Lotteries.

Too, sustainability and the protection of our planet are equally essential for our common future. The new EL environmental initiative is responding to this need. Quoting from the EL website:

“The new EL Environmental Initiative aims to create a collective dynamic among lottery members on concrete commitments in the environmental field – such as the use of paper coming from certified sustainable forests for gaming products (i.e., scratch tickets),

and the regular monitoring of greenhouse gas emissions (i.e., an action plan to reduce carbon emissions). Sustainability, responsibility, and integrity are in the DNA of lotteries and together we can act to safeguard the future of our planet. All EL Members are warmly invited to join this voluntary project.”

(Romana Girandon, Supervisory Chair of the EL CSR-RG Working Group and Arjan van 't Veer, EL Secretary General)

As such, this initiative can be the “laboratory” for the upcoming compulsory rules designed by the European Union, and shows again that in this important area Lotteries can take a leadership role and show the path for a better society.

Addressing the digitalization and sustainability with responsible ambition will enable Lotteries not only to show leadership in their respective societies but also to strengthen their actions against illegal and aggressive operators in a better and more coordinated manner. The new regulations do indeed provide for specific tools that enable EU based associations, as European Lotteries, to play a more important role as experts under the DSA e.a., the so-called “trusted

Flaggers”, that are associations who fulfil the following cumulative conditions :

- Holding a particular expertise and competence for the purposes of detecting, identifying, and notifying illegal content
- Being independent from any provider of online platforms
- Capable of carrying out activities for the purposes of submitting notices diligently, accurately, and objectively.

The coming years are clearly of paramount importance and will require the Lottery community to take up the challenges presented to them by the digital environment and climate change. There is a lot of work to be done and specific task forces to be set up to address the transformation that Lotteries need to take up in Europe but also in other regions of the world where the same issues being addressed, and the same questions being asked. The European example can give inspiration and empower the various regional and world lottery associations to create at the EL congress in Šibenik a fertile ground for mutual development for the benefit of Lottery stakeholders and society. ■



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

Lotteries mobilize with their stakeholders to be part of the solution: Digitization and Climate Change

By **Philippe Vlaemminck**

Managing partner of VLAEMMINCK.Law, Brussels

In recent years, two big challenges have permanently occupied the agenda of both policy makers and the larger society: the fast growing and changing digital environment and the future of our climate.

While these issues affect everyone in different ways, and the response by governments vary around the world, we need to prepare for the impacts that the ambitious approach and actions of the European Union. The affects will vary across economic sectors. Our focus will be the impact that the EU digital and climate agenda is likely to have on the lottery sector in Europe.

For many years, the EU's legal framework for the digital economy centered around the protection of personal data. Then in 2020, the European Commission released its core policy designed to shape Europe's digital future. Since then, the EU's digital strategy is designed to: promote the responsible use of data (personal and industrial), invest in digital skills for all Europeans, protect people from cyber threats (hacking, ransomware, identity theft), and ensure that Artificial Intelligence is developed in ways that respect people's rights, earns their trust (avoiding dark patterns), and minimizes unintended consequences.

The Digital Services Act (DSA), a key center-piece of legislation, will impact all varieties of online services including the online gambling business as it provides amongst others for measures to counter illegal goods, services or content online, such as a mechanism for users to flag such content and for platforms to cooperate with "trusted flaggers".

A second key center-piece of legislation, the Digital Market Act (DMA), requires

Big Tech, the so-called Gate Keepers, to respect a new legal framework that guarantees the development of a stronger innovative environment for start-ups and new tech solutions. The DMA focuses on the competitive environment and the potential exclusionary or ant-competitive practices of the very large online platforms and very large online search engines. At the end of April, the European Commission published the list of global companies expected to respond to the definitions and requirements of the DMA.

The EU digital policy is addressing substantially more questions as well. More than 15 new regulations have been adopted addressing a wide variety of issues. including the Platform Regulation, the Chip Act, the Data Governance Act, the Data act, the Geo-blocking act, the AI Act and the Cyber Security act, to name only a few.

Suppliers of digital connected devices shall also be obliged to design "cyber-safe" hard and software. Data governance and usage, including machine generated data and the use of AI, become subject to a more transparent and risk-based legal structure.

On the other side of the spectrum, we find the European ambitious GREEN DEAL translated into a comprehensive "FIT FOR 55" policy approach. Various environmental and climate policy documents and regulations are designed to implement amongst others the Paris Agreement and reduce the emission of GHG.

Those policies are combined with the new ESGs and, even more recently, the Corporate Sustainability Responsibility Directive and Corporate Sustainability Due Diligence rules. By the summer of 2023, the European Commission will



have adopted various implementing rules, the so-called 'European Sustainability Reporting Standards' or ESRS based upon the drafts suggested by European Financial Reporting Advisory Group (EFRAG).

The implementation of ESRS standards will represent a massive investment – not only for companies, but also for universities and auditors.

All those new rules and measures will impact the lottery sector in a serious manner. Lotteries may need to review their procurement processes to bring on board the new cybersecurity rules, design policies for managing their player data, do better research on identifying and preventing addiction, and clarify the methods of accessing third-party data. The fight against illegal operators can also be enhanced through the various tools and procedures made available through the new digital regulations.

The process of complying with these new EU sustainability rules will oblige larger lotteries to implement the new ESG/CSRD rules and enlarge the scope of the existing CSR rules and certification procedures.

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PGRI LOTTERY EXPO NASHVILLE 2023

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STATE-LOTTERIES BUILDING A BETTER WORLD

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.

LOTTERIES RESHAPING THE GAMES-OF-CHANCE INDUSTRY

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

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