REBECCA PAUL:
REFLECTIONS ON 37 YEARS IN THE LOTTERY INDUSTRY

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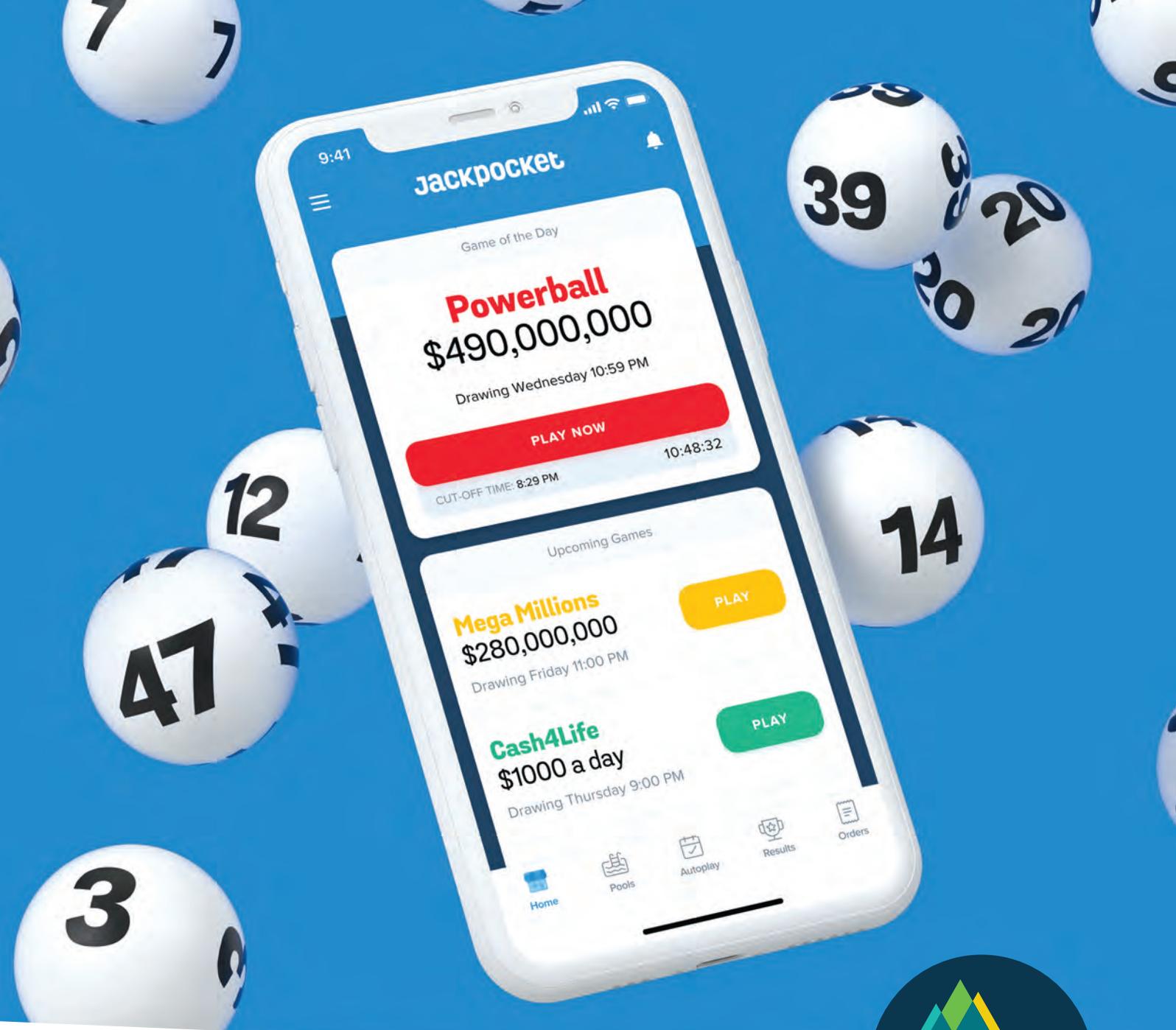
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From the
Publisher

The sure sign that we are returning to normalcy is a busy fall schedule of conferences to participate in. We held our **PGRI Lottery Expo NYC** a little earlier than usual to allow some time to lapse between us and the lottery industry biggest event. I hope you are all coming to Vancouver to attend the World Lottery Summit. The production is a team effort between the World Lottery Association (WLA), the host lottery (BCLC, British Columbia Lottery Corp) and the regional association, NASPL (North American Association of State and Provincial Lotteries). Go to worldlotterysummit. org to view the program, the bio's of the keynote speakers, the breakout "plenary" sessions, and to register and reserve hotel rooms.

Normally, we need to wait two years to convene with our colleagues from all across the globe, as this event is held only every other year. But it has now been four years since the last WLS, which was held in Buenos Aires. A lot has changed since then. There is at least one person who has continued to travel the world, speaking at other WLA regional events, meeting with the international community of lottery leaders, and learning from everyone every step of the way. As president of the WLA, and my best friend, **Rebecca Paul** is very excited to visit with you and share your reality as she pursues a deeper understanding for how our industry functions and serves its stakeholders, and society writ large. We bring you a very special feature in this issue – not just an interview but a retrospective on what has got to be the most storied career this industry has ever seen. Thirty-seven years of service and leadership experience informs a perspective that at its heart remains hungry for more knowledge, more understanding, and more opportunity to help all of us achieve our goals. Our industry serves good causes, society, and

a broader set of stakeholders. And so our interview delves into the way our industry is evolving, and how we might accelerate our progress down the path of continuous improvement during this time of extreme disruption.

Rebecca's focus, though, has always been on people and supporting everyone's personal success. To that end, she co-created (with my father-in-law Duane Burke) the **PGRI Lottery Industry Hall of Fame. David Barden** and **Drew Svitko** were inducted into the Hall of Fame at PGRI's Lottery Expo NYC conference on August 31. **Romana Girandon** and **Luca Esposito** will be inducted at the World Lottery Summit Vancouver at 5:00 pm on Tuesday, October 18. You are all invited to join us in honoring the class of 2022 Hall of Famers, and to then walk across the hall to enjoy the reception of **WiLL (Women in Lottery Leadership)** supporters. See the bio's of David, Drew, Romana, and Luca on page 10 of this issue. Read about the Lottery Hall of Fame in the "Awards" department of PublicGaming.com. Our news website also includes a section on WiLL.

Our NYC conference kicked off with a panel discussion led by **Gretchen Corbin** (CEO of the Georgia Lottery Corp.) on **Customer Relationship Management** (CRM). Lotteries have built an ambitious array of digital initiatives over the last twenty years. Gretchen's panel explored the ways in which those initiatives are being integrated and harmonized to add real value to lotteries' products and services. CRM moves the focus away from the technology over to the player. After all, the customer doesn't think about the technology, or channels, media, and platforms.

Jim Acton edits many of the great features in PGRI Magazine, including this month's executive summaries of PGRI conference panel discussions (Gretchen's CRM and Rob Wesley's iLottery panels in this issue)

and writes additional features like the one that explores the CRM strategies and initiatives being implemented in lotteries across the U.S. – Thank you Jim.

Thank you to our regular editorial contributors **Philippe Vlaemminck** and **Mark Hichar** for helping us understand the legal, political, and regulatory environment that has such a profound impact on the success of government lotteries. Philippe does a deep dive into the ways in which the modern RFP can be designed to drive better collaboration and alignment between technology partners, lottery operators, and the objectives they are working to achieve. Mark calls out the failure to effectively prevent the operations of illegal online gambling websites. He explains how and why there is no reason why existing laws can't be enforced to hold all operators to the highest standards of accountability – and why it is vital that we do so to protect the interests of the players, of good causes and lottery stakeholders, and of society which is the owner of the government lottery.

Wonder whether the young adult will continue to migrate over to lottery as they get older and their lifestyle changes? Or if the mass adoption of videogames and other social phenomena might disrupt that traditional customer journey? Regular contributor **Simon Jaworski** shares some research into this mission-critical question.

And a special thanks to all of our editorial contributors and advertisers! I appreciate our partnership, the leadership you provide this industry, and the brain-trust you share with our readership.

See you in Vancouver!

Paul Jason, Publisher
Public Gaming International Magazine

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PGRI LOTTERY INDUSTRY HALL OF FAME

Lottery Industry
Hall of Fame
Presented by Public Gaming Research Institute

Induction Ceremony

Directors Barden and Svitko were honored on August 31, 2022 at the Sheraton Time Square Hotel, New York.

Ms. Girandon and Mr Esposito will be honored on Tuesday, October 18, 2022 at 17:00 - 17:30; at the World Lottery Summit Vancouver: West Level 3 - Meeting Room 301 Vancouver Convention Centre West

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

The 97 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 2022.

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.

PGRI LOTTERY INDUSTRY HALL OF FAME

DAVID BARDEN
President & Chief Executive Officer, New Mexico Lottery
President, Multi-State Lottery Association (MUSL)

David Barden has served as CEO of the New Mexico Lottery for the past eight years after first serving as its Interim CEO. With more than 21 years of lottery experience, David specializes in positive change and industry innovation that have maximized revenue returns for three US lotteries: the New Mexico Lottery Authority, Arkansas Scholarship Lottery, and the South Carolina Education Lottery. In addition to serving as New Mexico's CEO, David has served in several nationwide lottery industry positions including Chairman of the Powerball Product Group, Chairman of MUSL's Legal Committee, Chairman of the Hot Lotto Game Group and NASPL Secretary. Most recently, David was unanimously elected to the position of President of MUSL. As a result of his experience with lottery start-ups, he has testified before legisla-

LUCA ESPOSITO
Executive Director, World Lottery Association
General Secretary of the Global Lottery Monitoring System (GLMS)

Luca Esposito holds a master's degree in Computer Science and Telecommunication from the University of Calabria. He has been a technological consultant to various major global concerns, including Accenture, McKinsey & Company, and Cambridge Technology Partners. He began his career in the lottery sector in 2009, when he joined IGT as Technology Director for central Europe. Here, he served the technological needs of gaming-industry clients in Switzerland, Germany, Belgium, and Luxembourg. In 2013, Luca was promoted to Country Manager for IGT, responsible for managing all operations, which included taking responsibility for profit, revenue, cash and quality targets, with overall responsibility for managing revenue and cost elements of IGT's profit & loss (P&L) within his jurisdictions.

ROMANA GIRANDON
President & Chief Executive Officer, Loterija Slovenije
(Slovenian National Lottery)
2nd Vice President of European Lotteries

Building on her passion for creating high-achieving, inclusive and socially responsible teams, Romana has spent two decades on different leadership positions before becoming President of the Slovenian National Lottery in 2013. Since then, mainly through her continuous focus on mission-based culture, responsible player-centric innovation and high business standards, the company she leads has become a highly respected European lottery. As the head of a small but flexible and ambitious lottery, Romana pursues a forging of collaborative partnerships across the international lottery industry. Since 2019, Romana has been a Member of The European Lotteries (EL) Executive Committee and Chair of the Corporate Social Responsi-

DREW SVITKO
Executive Director, Pennsylvania Lottery
Chair of the Powerball Group

Pennsylvania Lottery Executive Director Drew Svitko has worked in the lottery industry for 25 years, having served the Pennsylvania Lottery from 1997 to 2005 in a variety of positions in the marketing, research, finance, and security divisions. From 2005 to 2008, Drew worked as an account executive for instant ticket printer Oberthur Gaming Technologies, before returning to the Lottery as deputy executive director of marketing and product development.

Drew has been the executive director for the PA Lottery since February of 2015, where he currently leads a staff of more than 275 employees. Under his leadership, the Pennsylvania Lottery was named by Gaming Intelligence as North American Lottery Operator of the Year in 2021. The Lottery also reached record sales of more than $5 billion for

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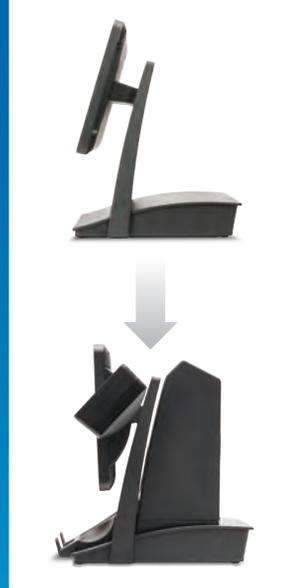
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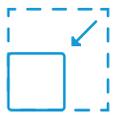
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Thirty-seven years:
reflections on partnerships, progress and learning from each other

Rebecca Paul
President & CEO, Tennessee Education Lottery Corporation
President, World Lottery Association (WLA)
Chair & Founder, Women's Initiative in Lottery Leadership (WILL)

PGRI INTRODUCTION: Rebecca Paul's lottery career started in 1985 with her appointment to lead the Illinois Lottery. She then went on to lead the start of the Florida Lottery in 1987, the Georgia Lottery in 1993, and the Tennessee Lottery in 2003. She was elected as president of the World Lottery Association (WLA) in 2018. As one industry friend puts it: "Like Buffet, Gates, Jobs, and Cher, you only need to use one part of her name – "Rebecca" – for everyone to know who you mean and to appreciate the woman who has done as much for our industry as anyone, helping to raise billions of dollars for education and other good causes."

Paul Jason: You played a major role in the global lottery industry for many years. How has your view of the industry changed as a result of your experience as president of the WLA?

Rebecca Paul: It's truly an honor and a pleasure to serve in this role. Throughout my lottery career, I have always been impressed by the benefits our industry brings to communities. But my experience on the WLA Executive Committee and now as WLA president has given me the opportunity to focus on and interact with all regions around the world, which has been an incredible experience. And what I've found is that every lottery, no matter how big or small, old or young, is dedicated to its mission and eager to join forces with one another to strengthen our industry as a whole. I've seen collaboration between organizations that appear to have little in common—but are open to learning from each other's strengths and weaknesses to evolve in a positive direction. Variances between regulatory structures, political climates, gaming cultures and more exist from market-to-market around the world, but I've been impressed with how these differences do not stop us from learning from one another.

And from this experience, my belief in the foundation WLA has laid and the endless potential we have by working together has never been stronger. I'm excited about the accomplishments we have made over the years and confident in our universal commitment to continuous improvement. Ultimately, our strength as an industry is reflected in the benefits we provide to stakeholders who depend on the funds we generate. Opportunities abound, and the platform for sustainable growth has never been stronger.

Is the future rich with opportunity, but perhaps fraught with uncertainty?

R. Paul: Definitely. And the time we live in now is probably even more disruptive than usual. But uncertainty goes with the territory, and it's our job to navigate through challenges, identify opportunities, clarify

Above: Illinois Gov. James Thompson and Rebecca are all smiles following her 1985 appointment as director of the state's lottery.

Below: Rebecca was quickly recognized for using her coaching skills to build a strong "dream team" at the Illinois Lottery.

action plans, and execute. We're fortunate that we're not alone. We have colleagues around the world who are facing similar challenges. And we're all working hard to meet and exceed our short-term financial obligations while positioning our organizations for long-term success.

I hope to see all of you at the World Lottery Summit in Vancouver in October. There, you will see what I mean. The event features world-class speakers who connect global trends and big-picture themes to our own industry, and the break-out sessions that

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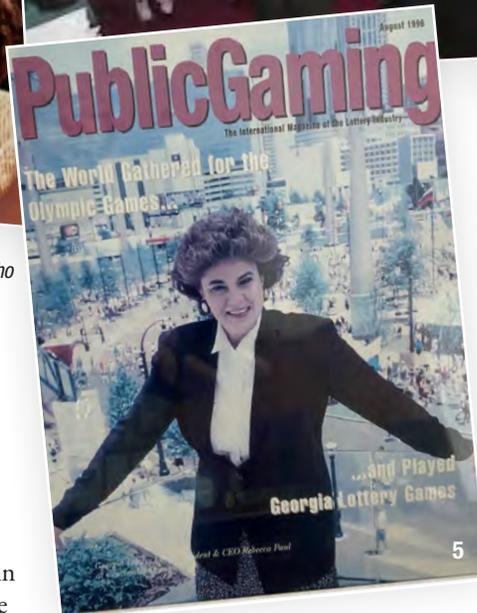
1. Following Gov. Bob Martinez's appointment of Rebecca as the first secretary of the Florida Lottery who led its start-up in 1987, she wasted no time playing "show and tell" with the first instant game.

2. Leading a lottery requires wearing many hats, from executive meetings to endless interviews at non-stop events such as the one here at the Florida Lottery.

3. Rebecca was poised for her position as president and CEO of the Georgia Lottery.

4. Rebecca was again recruited to launch a new lottery, this time in the Peach State in 1993. Gov. Zell Miller and Rebecca have fun showcasing the ever-popular dancing draw balls.

5. Public Gaming magazine was proud to feature a 1996 cover story on Rebecca and the success of the Georgia Lottery.

6. As shown here at the Georgia Lottery, Rebecca is adept at mentoring a team of successful leaders.

7. Georgia welcomed its new lottery and Rebecca as she unveiled its first instant games.

address industry-specific issues will be invaluable. So, too, will be the vital time spent visiting with our technology partners to learn about products and solutions that will be changing the world in the future. And finally, the WLS offers the chance to meet colleagues from all around the globe and forge business relationships and friendships that last forever. Truly, this experience is a life-changing event.

One of the most valuable assets of lottery is security and integrity. We have seen how brand value based on integrity takes decades to build and can be undermined in a moment. Lottery truly is the gold standard, certainly in the games-of-chance sector but even among all business sectors. The WLA standards and certification processes are an essential tool to keep it that way. How are they evolving?

R. Paul: The needs of our membership change over time. The foundations that have been built over the years enable growth and evolution. For instance, twenty years ago, sports betting was not a part of government lottery in most places like it is for many today. So, the WLA developed the WLA Betting Integrity on Sports and Horse Racing Committee (BISHR) to support our ability to uphold the highest ethical principles. It aims to further the collective interests of WLA Members and contribute towards safeguarding their reputations by combating the manipulation of sporting and horse racing events on which bets and wagers are taken. Over the past two years, this committee has developed informative materials including:

• The Macolin Convention Brief Guide on the Council of Europe Convention on the Manipulation of Sports Competitions and why it is important for the lottery and sports betting sector.

• The Sports Betting Marketing Best Practices guide, which focuses on the marketing communications of sports betting products. This best practice guide offers guidance on marketing sports betting products competitively, yet responsibly, to maintain an upper-hand on the countless illegal betting operations around the globe.

BISHR is currently drafting a brochure that will examine the different types of horse betting offerings and provide models to ensure they are responsible. Other work underway includes drafting a best practice guide for detecting fraud specifically aimed at money laundering. This guide is being developed in collaboration with Loterie Romande and Pari Mutuel Urbain, and will address the issue of illegal operators and the illegal use of Intellectual Property rights. And finally, the committee organized a webinar on Digitalization

and Horse Race Betting last November, during which global experts discussed recent developments and challenges of the digitalization of horse race betting.

What initiatives are really global in nature, calling for a united global approach?

R. Paul: What we can do at the global level is protect the security and integrity of everything we do. We depend on each other to protect the integrity of the brand. And that means implementing the highest standards of security because a breach in even one jurisdiction impacts all of us. That's why the WLA developed the standards of security and certification process. We also have certification processes that help everyone learn how to implement the highest standards of Responsible Gaming and Corporate Social Responsibility.

An interesting part of the certification process is the role of mentorship. The WLA can help connect mentoring lotteries with those working toward the next level of certification or recertification. Lotteries are typically in different stages of development, and we do not compete with each other. Instead, we truly benefit individually when

our peers around the world do well, and we can learn from them.

Another area that is best served by a global approach is the effort to stop illegal gambling, especially illegal online gaming. To that end, the WLA formed its Illegal Lotteries and Betting Committee (ILBC) to combat illegal lottery operations. Where possible, we provide materials, tools and advice to our members on how to best fight unauthorized lotteries within the regulatory framework of their respective jurisdictions.

One of the activities from the past couple of years includes the development of the Overview of Illegal Lottery and Betting Operations database. This database provides country fact sheets on legislative, judicial and commercial situations regarding bet-on lotteries and courier services in each country. This data is available to WLA members.

ILBC held its first webinar in March on Unauthorized Lottery and Sports Betting Operations. That webinar included presentations from international experts that addressed:

- Bet-on lotteries and courier services
- The state of sports betting
- Payment methods and associated risks
- Blockchain and cryptocurrency technologies and how they impact the lottery sector

The ILBC also produced an informative brochure on Combatting Illegal Betting to Protect the Integrity of Sports. The brochure was developed with one of the working groups of the WLA Betting Integrity on Sports and Horse Racing Committee (BISHR). It reviews the trends and technologies that have contributed to the global expansion of illegal betting operators and the impact that such operators have on the legal lottery and sports betting sector. This document also examines the WLA's global effort to protect sports integrity through collaboration with organizations such as The Global Lottery Monitoring System (GLMS), the Council of Europe, Interpol, and numerous national and international sports federations.

The nature of illegal betting is complex given the differing rules, regulations and levels of enforcement in different jurisdictions. ILBC closely monitors its members

8. Go team! Rebecca is flanked by a Tennessee Lottery board member and representatives from the University of Tennessee in 2018 to raise awareness about the ever-increasing funds raised for education.

9. Rebecca gives tips to Tennessee Gov. Phil Bredesen and State Rep. Chris Newton on the first day of ticket sales on Jan. 20, 2004.

10. Rebecca and Sharon Sharp, a long-time industry colleague and friend, join forces to mark the Tennessee Lottery's first day of sales in 2004.

11. Always at-the-ready to share milestones to the public, Tennessee's President and CEO provided pertinent news to a reporter about the $2.4 billion raised for education by the time 2012 rolled in.

12. Rebecca leads a costumed crew and adds fun to a Tennessee Lottery Sales Meeting.

13. Who wouldn't want a call from Rebecca? Here she makes notification calls to winners of a series of second-chance "Play It Again!" drawings.

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A DIVISION OF **STRATACACHE**

Report from the EL (European Lotteries Association) Legal and Regulatory Work-Group on Advertising

by Piet Van Baeveghem

Secretary General, Legal and Regulatory Affairs Management at Belgium National Lottery; Executive Chair, EL Legal & Regulatory Work-Group

One of the most important discussions currently taking place in several European countries concerns advertising and gambling. From a public policy perspective, advertising and gambling have always been a sensitive issue. On the one hand, regulating a gambling market should be about protecting the players from excessive gambling and gambling addiction. On the other hand, communication and advertising around the legal offer of games-of-chance and lotteries is a necessity in order to channel players towards the legal offer, and away from illegal operators who are not accountable to proper standards of integrity and responsible gaming. There is a certain tension there, and a balance must be found between attracting players to the legal offer and stimulating the players to play more. But where is the balance? For instance, if you advertise the jackpot of a draw game … Is that channeling the players to the legal offer, or stimulating the players to play more?

One line of defense often invoked by

illegal gambling providers facing criminal proceedings is to claim that the gambling policy of an EU Member State is contrary to the EU Treaty because that gambling policy is not aimed at protecting players in a coherent and systematic way. They say: "look at how much advertising is done by the monopoly holder. That advertising is intended to maximize revenue for the state and certainly not to protect players". These criminal proceedings then lead to preliminary questions for the European Court of Justice.

In this way, the European Court of Justice has made a lot of rulings in recent years, trying to provide guidelines on how Member States should structure their gambling policies to be in line with the EU Treaty.

In recent years, often under pressure from illegal gambling providers, several Member States have opened their gambling markets in one way or another to an increasing variety of gambling categories, with most being operated by private enterprise. In other words, the gambling market is divided between the monopoly holder on the one hand, and other gambling providers on the other hand. As a result of this opening

of the markets, the non-monopoly gambling providers were granted the right to advertise in a legal manner. Since every provider wants to gain as much market share as possible and as quickly as possible, when a gambling market opens up, the so-called 'small gambling start-ups' begin to advertise in a massive way. They are omnipresent in time and space. If they are criticized for saturating the market with so much publicity, they typically point the finger at the state lottery operator and claim that the monopolist is the real problem. Unfortunately, some politicians go along with that story, advocating for new and strict rules for the monopoly holder without imposing the same rules on the newly legal gambling providers. It appears that the rationale for this inequity is that the monopoly holder should be held to a higher standard and set the good example, that the newborn legal gambling providers

need more flexibility to fight against the illegal gambling providers, and that restricting their ability to advertise will only favour the illegal gambling providers.

But the Court of Justice is not blind or naïve and they do see what is happening, issuing an interesting ruling last year:

EU Court of Justice C-920/19: Advertising

The advertising policy of a monopoly holder should not be assessed in an isolated way, but by taking into consideration the whole context of the gambling market and, in particular, the advertising practices of other legal or illegal gambling providers on the market.

Any advertising content has not, in itself, an incentive effect on excessive expenditure in relation to advertising. It must therefore be examined whether the extent of advertising is strictly limited to what is necessary to channel consumers into the controlled gambling networks which implies an analysis of the proportionality of the commercial strategy of the monopoly holder in the light of all the relevant circumstances, and not an isolated analysis of an individual advertisement. (§47)

The advertising practices of the monopoly holder, being part of its commercial policy, and the state control of the activities of the monopoly holder are only some of the elements that must be taken into consideration in its overall dynamic assessment of the existence of a state policy to encourage participation in the games of chance covered by the monopoly. (§49)

Among the elements relevant for assessing the coherence of the dual system of organisation of the market, other than the commercial strategy of the monopoly holder and the state control of the latter's activities, include the increase in the commercial activities of the monopoly holder as well as the advertising practices of potential private operators (such as aggressive advertising practices by private advertisers in favour of illegal activities or the use by them of new media such as the Internet.) (§50 - §52)

Article 56 TFEU must be interpreted as not precluding a dual system of organisation of the market of games of chance solely on the ground that the advertising practices of the lottery and casino monopoly holder are aimed at encouraging active participation in gambling, for example by making gambling trivial, by giving it a positive image through the use of the revenues for activities in the public interest, or increasing its attractiveness through eye-catching advertising messages that promise large winnings. (§53)

It is encouraging to see the Court of Justice assuming the defense of the monopoly holder and saying, for example, that a national court must not focus its assessment on the specific advertising message of a monopoly holder, but that such an assessment includes an analysis of the proportionality of the commercial

strategy of the monopoly holder in the light of all the relevant circumstances.

While the advertising practices of the monopoly holder will continue to be taken into consideration, the state policy which manages the overall dynamic assessment of the games-of-chance operator must analyze the wide variety of factors that impinge on the issue of channeling play and protecting the consumer.

Among the elements relevant for assessing the coherence of the dual system of the organisation of the market, which include the increase in the commercial activities of the monopoly holder but also the advertising practices of other operators (such as aggressive advertising practices by private advertisers in favour of illegal activities, or the use by them of new media such as the internet).

So therefore, advertising practices of the lottery monopoly holder that are aimed at encouraging active participation in gambling, for example by making gambling trivial, by giving it a positive image through the use of the revenues for activities in the public interest, or by increasing its attractiveness through eye-catching advertising messages, do not in themselves constitute a violation of the EU treaty.

You will remember that during the last EL congress held in Antwerp, a resolution was adopted which stressed the importance of subjecting more risky games of chance to stricter rules in terms of advertising. Perhaps it would be useful to work on an update of this resolution in light of this jurisprudence, emphasizing that the regulation of advertising requires a differentiated approach and that, in addition to the risk level of games of chance, numerous other aspects must also be taken into account, such as

- market organization, 100% monopoly or a dual organization,

- the existence of illegal gaming providers and the effectiveness of regulators to fight against it,

- the marketing policy of a gambling provider,

- the rules on responsible gambling that are applied,

- are there any playing limits used or not, etc.

The Legal & Regulatory WG would like to explore this in the coming months with the Marketing and Communication working group and the CSR and responsible gaming working group.

The Risks involved with building a sustainable business model on Apple's & Google's ecosystems

This topic of advertising brings me to a second topic that I would like to address. To the extent that public advertising via paid media for lottery games would become heavily restricted, owned media or direct communication with players becomes all the more important. One of the means of doing so is communication via apps.

Many lotteries have invested in this type of communication in recent years, as has the National Lottery of Belgium.

Timeline of Google Play Store

- 2008: Launch of Google Play Store

- 2012: Belgium Lottery launches its lottery app.

- 2016: Google opens access for gambling in its play store, but it is limited to four countries.

- 2021: Google opens access for gambling apps in the play store in an additional 15 countries, including Belgium.

From then on, the difficulties arise, because Google imposes a number of conditions. Google Gambling policy requirements:

- Approved gambling application form

- App target audience is 18+

- App downloadable and usable in region/country covered by licence

- An Adult Only content rating (PEGI 18) should be used. Therefor there is a **Google Age verification.**

The Google Age Verification process functions like a black box. It's not clear how it works and/or if it's treatment of the app users is consistent and systematic, or random and arbitrary. Some users are confronted with questions or requirements that others are not. But for those who are confronted with it, the age verification process is an inconvenient journey. There are in fact two ways of doing it.

The first possibility is to use a credit card. In that case, the user must provide the number of his credit card with CVC code and expiry date, after which Google will check the correctness of these data by performing a small transaction. For many users, this is not a comfortable feeling. Certainly not in a time of fishing and other forms of digital fraud.

But there is a second possibility: ID verification. In this case, the user must take a picture of his ID card that clearly shows the date of birth. The ID card will then be analysed by Google verification services against fraud and abuse. What happens to the user's data afterwards is not clear. Also this process does not give a comfortable feeling in the light of strict privacy rules. In other words, there is a real chance that this will have a huge impact on the willingness of users to continue using the Google app.

And all this while lotteries are already subject to strict rules in our own countries regarding age verification. Why should tech platforms impose their own control process and insert themselves into the position of our regulators and governments who oblige us to use more effective and accurate systems of age verification?

The importance of a well-functioning app is profound, especially in the light of stricter advertising restrictions.

Today the Belgian Lottery app represents 500,000 monthly app users on 9 million 18+ inhabitants, with 14% of retail draw sales (Lotto & EuroMillions) being scanned for results via the app. There is no play-in app yet. We are studying the efficacy of launching a play-in app, but it is very hard to make profound economic and strategic trade-offs knowing that tech platforms can decide to change the rules overnight without us having a say in it. It is quite difficult to enter into dialogue with them and it seems that their requirements are very formalistic.

This brings us to the conclusion that lotteries are more and more regulated in their business by tech platforms, not just by governments and regulators. And that should make us concerned. This is why it is important for EL not only to follow the work of the European Commission or the European Parliament, or the rulings of the Court of Justice, but also to follow the policies of these tech platforms.

It would be good to gather more information about the practices of tech platforms by asking other lotteries about their experiences.

The Legal Working Group suggested the creation of a specific task force to follow up on this issue, which should be extended to include, for example, marketing experts. If you want your lottery to be part of this, do not hesitate to contact us.

Finally, it would be good to join forces at the EL level, but also at the WLA level, to enter into discussions with Google and Apple about this issue. And of course, we are counting on the support of our technology partners, because they too can have an important impact in this debate

with tech platforms to enable the sustainable growth of lotteries.

The age verification for a user is an inconvenient journey. It might impact the conversion rate of the download page and the active userbase. Building a sustainable business model on Apple's & Google's ecosystems has risks. Tech platforms can decide to change the rules overnight without us having a say in it. As a lottery we face a fait accompli. It is very difficult to enter into dialogue with tech platforms and it seems that their requirements are very formalistic.

- What's your experience with the age verification done by tech platforms?

- What's the impact on your KPI's? (downloads, conversion rate, active users). Do you notice a drop off or other impacts due to sudden new and strict processes that are imposed by tech platforms?

- Do you receive questions from players who have problems with verifying the google account or accounts of other tech platforms? Do you have a system to assist them?

Conclusion: Lotteries are more and more 'regulated' by tech platforms. Let's work together and join forces with the objective to open up a dialogue on the EL / WLA level with Google & Apple. First, take an inventory of the experiences of lotteries all around the globe to clarify the nature and scale of the problem. An ad hoc task force could be convened to investigate and try to measure the impacts on the lottery business. Second, connect with social media platform providers to encourage the development of solutions that will benefit both them and us. ∎

Piet Van Baeveghem

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CUSTOMER RELATIONSHIP MANAGEMENT (CRM)
IN THE SPOTLIGHT

Most "insiders" know that the lottery industry outsells movie theaters, music sales and other forms of entertainment. Lottery annual sales for 2021 were higher than Starbucks, 7-Eleven, Apple iTunes, and all movie theatre revenues combined!

While lottery is certainly the envy of many other consumer product and service companies, there is one area where others in the consumer products sector lead lottery – customer relationship management (CRM) and how to use the vast data collected through CRM programs. CVS ExtraCare, Starbucks Rewards, 7REWARDS, Caesar's Rewards – some of these leading rewards programs provide boundless offers and purchase-spurring contact to their customers.

The gap has narrowed between lottery and other industries over recent years, thanks to the strengthening of the relationship between vendor partners' analytics groups and lotteries' sales and marketing teams. Progress has been made, with CRM experts working diligently to create engaging platforms and programs which provide useful data to lotteries.

A forensic-like dive was undertaken by a group of industry experts who are tackling these topics daily. The panel was led by **Gretchen Corbin,** President and CEO of the Georgia Lottery. Gretchen was joined by:

Drew Svitko, Executive Director, Pennsylvania Lottery

Stefano Monterosso, Senior Vice President Global Lottery Product and Sales Development, IGT

Marcus Glasper, Executive Director, Washington Lottery

Merv Huber, Senior Director Growth Marketing, Scientific Games

Gretchen opened the panel by pointing out

CRM is the overarching strategy that needs to be integrated into all parts of your technology that touches customers – web site, mobile app, loyalty program, notifications, bonusing for iLottery.

the ubiquitous nature of so many loyalty programs in the broader consumer products industry. Based on your choices when registering, they know where you are, what you might want based on past purchases and online search activity, and the location of their nearest retail locations. "I've been in New York a short time and already Chick-fil-A has alerted me to their location in Times Square and Starbucks has told me they have a store in my hotel," she said. "As a customer, I appreciate my favorite retailers reaching out to me with suggestions that might make my life a little easier. That is what we in the lottery industry need to be doing, using our CRM capabilities to reach customers, whether it is for retail, online or both."

Gretchen tossed the discussion to the panel by asking "how can we continue to work together to harmonize our efforts, our many different players clubs, loyalty programs and digital initiatives, to strengthen CRM?"

Merv, who directs digital growth marketing for Scientific Games' clients, said it is important that lotteries understand that they must LEAD with CRM, not just make it part of the data analytics solution. "Think of your technology offerings as the 'body' with CRM as the 'brain,'" he said. "Look at the best practices of leading companies in other industries. They are sending customers offers that are informed by strong, accurate data. They are using input from CRM segmentation to inform their communication and help retain their customers. This is what lotteries need to be doing. CRM goes far beyond just player messaging. CRM is the overarching strategy that needs to be integrated into all parts of your technology that touches customers – web site, mobile app, loyalty program, notifications, bonusing for iLottery. Lotteries want customers to know that they appreciate their business and want

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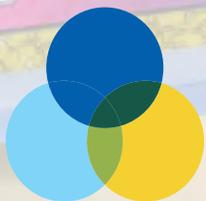
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them to remain active lottery players. With these types of programs in place, and the CRM platform to orchestrate an integrated approach, lotteries can provide the kind of customer experience that the consumer has come to expect based on their experiences with all other consumer-facing companies."

Keeping with the focus on "harmonizing" CRM initiatives both at retail and iLottery, Drew, who oversees a lottery that offers a full iLottery program, said his team in Pennsylvania focuses on its "mindset" when formulating its CRM-related plans. "Everything we do is powered by the data collected through our CRM platform which in turn is collecting as much data as possible from both the retail and iLottery sides of our business," he said. "Obviously the iLottery information is a bit easier to collect as all phases of the consumer interaction leave a digital footprint. But we also have a robust VIP club and popular second-chance drawings and we're extracting a large amount of player information from both of those. We have built one view of many of our players and we can now tailor messages to them and deliver those messages at the right times. These capabilities all serve to enhance the player experience. The collection and use of data has become an incredibly powerful tool for us, and it will only grow in the future."

Like Pennsylvania, Georgia offers both traditional retail sales and an iLottery program. Gretchen said that having both channels provides them with a wealth of opportunities to communicate with their players. And it allows the lottery to operate like its competition in the retail space.

"Like most businesses, we now have measurements on how our products are performing and which customers are responding to which games," she said. "With this knowledge, we can do better by the players, apply the data and business intelligence to our game planning process to make more educated decisions. We can give players what they want, where they want it, when they want it. In turn, as the customer experience continually improves, those players become advocates for us."

Stefano's efforts at IGT are informed by his belief that the lottery industry must keep its focus on how to use retail information to power CRM programs. While iLottery is expected to grow over time, it is still a small part of overall lottery activity. So, like Starbucks, which sells nothing online but has a powerful CRM program based on its mobile app and mobile payments

Everything we do is powered by the data collected through our CRM platform which in turn is collecting as much data as possible from both the retail and iLottery sides of our business.

system, he said that lottery should also apply modern tools to promote its time-tested sales channels.

"We have the technology that allows us to collect data from players, even for the lotteries that don't have iLottery," he said. "Think about vending machines. We don't know the identity of the players, but we are collecting information on how they paid – cash, credit card, mobile wallet, how much they spent and what they played. Many states offer digital play slips, some offer the ability to have a ticket purchased at retail sent to their mobile device in a digital form. The point is that even if you don't have iLottery, there are many ways to better understand your players and build an experience tailor-made for them. This information can ultimately inform how you create your products and what promotions you offer to your players. Data allows you to segment your players and test ideas for different groups of players."

The state of Washington is another jurisdiction that can't sell online but which is building a strong digital presence, nonetheless. Marcus said that he asks his team to consider the outcomes they want and build programs that will best achieve those desired results. "We always need to ask, 'how do we measure engagement, how do we measure loyalty,'" he said. "Our program is about three years old and we look at registrations, retention, points entered, points redeemed. I also see our digital offerings as a way to extend the at-retail purchase. We know that most of our customers don't win a prize. If we can offer a robust online experience, whether through an app or web site, we'll be extending the value of purchases and allowing players to feel good about their interactions with us. We expect that positive feeling to lead to building a longer-term customer."

Merv said that since lottery partners like Scientific Games are working with both iLottery and non-iLottery customers, it is important to understand each jurisdiction's CRM goals. "Having worked with customers with a range of digital tools, I know that the goals of CRM differ from

lottery to lottery," he said. "For iLottery, it might be to drive topline revenue. For those who aren't currently selling online, it's about growing the player-base and enhancing engagement with current players. And on both sides of the sales process, it's about the retention of players. I'm looking for how we use data to keep our players, grow their play levels and bring new players into the fold. The strategies might differ, but the desired end-result is usually the same."

The relationship between retail and digital is critical because retail will be the primary sales channel for decades to come. Making lottery retailers comfortable with all forms of digital marketing is critical. In Pennsylvania, the Lottery uses the data collected through its CRM program to include retailers in its initiatives. "It is important that retailers feel like they are part of our overall initiatives and not simply living with the results of digital marketing decisions," Merv said. "We want retailers to share in the upside potential of iLottery. We've created affiliate programs that allow retailers to benefit financially when they drive players to our iLottery program. And we are extending that to our loyalty program to encourage players to get digitally involved for the first time and rewarding retailers when they help in that process. Now the Lottery is not only moving more players to online activity but it's benefiting from the wealth of data from CRM. This data is helping us create effective programs and games which also help drive retail sales."

Stefano pointed out that IGT has used the data it collects to track trends among players and retailers. Lately, there has been much focus on the "big box" stores, like Walmart and Costco, and how we can increase the lottery footprint at these stores. CRM programs have helped by capturing the data needed to tell our story.

"Like most large companies, the big box stores don't make many moves that aren't backed up by supportive data," he said. "We've been able to provide them with data which informs how they offer lottery to their customers. In many cases, it's led to an increase in on-premises vending machines.

EARLY ADOPTERS SHOW PATH TO DIGITAL SUCCESS

While the majority of U.S. lotteries eagerly wait for the legalization of iLottery, there are a handful of lotteries already enjoying the financial benefits of expanded options for players. These early adopters provide a roadmap for those that will come later. How can a digital platform be used to enhance the player experience and retention? How does omni-channel play help drive play at retail? Is some of the iLottery playership of the last couple years returning to retail?

These, and many other issues, were expertly covered by a team of lottery veterans and iLottery pioneers. Moderated by the Virginia Lottery's Deputy Executive Director of Lottery **Rob Wesley,** the panel included:

Adam Barry, Corporate Development Executive, Camelot

Shannon DeHaven, Vice President of Digital Engagement, Pollard Banknote

Stephanie Weyant Fidler, Deputy Executive Director, Marketing & Product Development Pennsylvania Lottery

Steve Hickson, Vice President Game Development, Scientific Games

Rhydian Fisher, Founder & Chief Executive Officer, Instant Win Gaming (IWG)

Peter Sullivan, Founder & Chief Executive Officer, Jackpocket

Rob Wesley has worked at the lottery for more than 24 years with leadership roles in the sales, marketing, and digital departments, which now includes oversight of the fastest growing iLottery program in the country. "The road to iLottery has been quite a journey that took several years. Along the way we experienced push back from some of our large corporate retailers

and retail associations who feared that retail sales would suffer," he said. "We had European data that told us that wasn't true. We now have data from U.S. iLottery states that clearly shows iLottery does not hurt retail sales."

Stephanie Weyant of the Pennsylvania Lottery said they had a similar experience. "We've been live online for four years, so we have plenty of data," she said. "When we launched, there was Michigan, Georgia and Kentucky and now we have a larger pool of data. We've all proven that there is no negative impact on retail. In fact, it's the opposite – retail growth has accelerated in states that sell online and that's what we have experienced in Pennsylvania. We engaged the retailer groups and explained our intentions and our strategies for accomplishing the objectives to support retail sales. While they were initially skeptical, they have now seen that iLottery can help them with their business. We've seen revenue growth for both the lottery and retailers."

With over a decade of iLottery and digital engagement experience, **Shannon DeHaven** offers a wealth of experience on both sides of the effort. "iLottery has been available for eight years in Michigan and Fiscal Year 2021 is the Michigan Lottery's eighth consecutive year of double digit growth at retail," she said. "Lottery was growing in Michigan prior to iLottery and the retail growth continued, so the argument that iLottery will hurt traditional retail is completely wrong. It can get tiring, but we have to keep telling this story to as many groups as possible. Build the trust with the retailers and let them know we care about their business."

Adam Barry brings an international perspective to the discussion, having worked at UK-based Camelot and now Australia-based JUMBO Interactive. "In the U.K.,

the lottery has shown that you can grow iLottery and attract more retailers at the same time," he said. "Same in Australia, and the country actually has multiple digital channels. The channel that JUMBO operates has seen 40% growth year-over-year through effectively applied marketing strategies. So it's not just about going online. It's also what you do with the tools and the experience you offer to your players as well."

Focus on eInstants

While digital lottery can mean something different depending on the lottery, including number generators, players clubs and free-to-play games, the primary driver of revenue from an iLottery program is eInstants. Rob said since this represents the majority of sales and profits from online sales, , they are focused on effectively innovating, growing, and managing the portfolio. Just like traditional scratch products, we work hard to ensure we look not only at individual games, but how they fit into the overall portfolio strategy, and meet the expectations of our current and future players. These expectations include the experience players have when engaging with our eInstant games. A key component in creating an interactive digital game experience is payout, and understanding how that decision impacts the player experience, and will ultimately attract and retain customers, he added. "But we must answer the questions that naturally arise. Won't a higher payout result in lower profits? Does a higher payout for eInstants impact retail sales? Very important questions that we must answer.

For some of these answers, Rob turned to **Rhydian Fisher** of IWG, who has spent the past two decades creating some of the most popular eInstant games in the industry. "It's very tempting when you launch an iLottery program to replicate your existing experiences from retail and try and attract

players already familiar with your products," he said. "But digital games are played completely differently – they're faster and more interactive. Because of this, you have to increase the return to play because the whole experience is quicker. So you return more winnings back to the players but then they are spending at a higher, quicker level. Of course, online you can do things like offer bonus rounds and add-on games which increase the entertainment experience. The purchase cycle is faster so you must provide an experience that will make the player keep playing and want to come back. We work with lotteries in Europe who are legally obligated to offer returns as low as 49% and it is a stark experience for players. In the U.S., we've found that 85-90% return is the sweet spot. This is where we can retain the players and drive revenue for the lotteries."

Steve Hickson said that at Scientific Games, they continuously study player data and use the data to enhance their games and prize payouts. "The dynamic of the return to the player for iLottery in the U.S. is still a work in progress and we all need to keep crunching the data," he said. "I think that the overarching success model for iLottery is a result of cultivating the VIP players and maintaining their interest. Those players want returns much greater than 80 percent, certainly closer to 85-90 percent. That is how we will retain those high value players that are so important to driving revenue, just like at retail."

At Jackpocket, they deliver a different kind of entertainment – bringing the draw game directly to the player no matter where they are. **Peter Sullivan** said that it still comes down to entertaining the players. "Whether the player is winning or losing, it's important that you have some great entertainment built into the experience you're offering to your customers," he said. "I don't see that any differently on the draw-based games side. For right now, iLottery has taken the paper-based games and brought them online and recreated those games. For draw games, we haven't yet done that. At Jackpocket, we've certainly worked to create a fun, engaging environment for our players. But I think as an industry, there is a lot of innovation coming in the future. We need to reimagine how we present draw games and certainly working within the framework of iLottery programs can lead us in that direction."

Adam continued with the draw game direction, as JUMBO has been focused on offering online options for this game segment. "We think there's blatant demand in the draw-based games for online options," he said. "Data analytics have provided us with a better understanding of our online players and shown us that there is a real opportunity to market your core games and maximize their long-term value. In Australia and the UK, we've seen examples of using large jackpots to offer new players opportunities to stay on the sites and play other games. We can't underestimate the potential from draw-based games, particularly given that it is the highest profit element of our portfolios."

Managing the eInstant Portfolio

The panel's attention turned to one of the most important components of an iLottery program – eInstant portfolio management. "Most of us understand how game introductions work for scratchers, ," Rob said. "New scratch games are launched and sales spike during the launch week, and then decline until the next new gamelaunch. But does that same happen with eInstants?How do jurisdictions with eInstants manage new game introductions? What's the most effective approach for bringing new games to market?"

Stephanie said the iLottery division of the Pennsylvania Lottery continues to evolve as their business matures. "Compared with the traditional side of the business, iLottery is still relatively new and we're still working on honing our best practices," she said. "The two sides of the business are so different. With traditional lottery, we're focused on activations, keeping bins full, making sure the player activated terminals are operating efficiently, and other activities in support of our retailers. With iLottery, we're selling directly to the consumers and that allows for more flexibility. As we grow, we're learning new things and can make changes on the fly. We now know that we don't want to go longer than two weeks without launching a new game. We've landed on Thursday as our day to launch new games. The great thing about iLottery is that you can test, you get the results quickly and you can implement your response immediately. We're always working to maximize our sales and keep players engaged."

Shannon said the differences between traditional and online play must be recognized and respected when making decisions. "iLottery is focused on smaller, more frequent wins, with an expanded timeline and a desire for fresh games from players," she said. "At retail, we get a lot of impulse purchases but that is certainly not the case online. They have come to your site intentionally, so you have to market to them a bit differently. Concentrate on the user experience and how they're actually interacting with the product. The beauty of iLottery is that if you have a really successful game, you can make it available for as long as you want and keep marketing it to players. You don't have to clear out bin space for new games like retail. Games don't have to go away, they can just move down in your portfolio of game offerings. It's critical to consider the differences between the retail and iLottery product when looking at your overall portfolio."

Rhydian expounded on how players see the iLottery product. "In IWG's experience, we see that in the beginning, new iLottery programs are treated similar to retail with players thinking there's a limited amount of prizes and newly launched games have more prizes," he said. "As the audience is educated, we see play patterns change. For example, over the last couple of years, the most successful game in Pennsylvania, Virginia and New Hampshire is actually more than two years old. I've never seen that happen before. My belief is that the player base is maturing and they have found games they like, they understand that prizes are always available and they don't want to stop playing that game. So you continue to market the game and enjoy the steady revenue. This hearkens back to portfolio management and not treating online the same as retail. Use the wealth of data you're collecting to make informed decisions. Launch, analyze and respond."

Focus on Marketing

Rob asked the panelists to turn to marketing. "We've provided players with a great portfolio of games but how do we market these games to players?" he asked. "Since iLottery has now be been available in a number of states for a few years, we have some best practices that can be shared with newer states and those looking at iLottery programs."

As this is one component of Steve's job at Scientific Games, he offered a few pieces of advice for portfolio management. "Personalization is key, from the landing page to the games," he said. "Follow what the data is telling you. It allows you to segment across your platform as well as each piece of content so players aren't having to scroll through lines of different titles. Whatever is of greatest interest to them is available in an easy-to-find location. This is the beauty of what digital can offer. You're able to keep up with an ever-changing environment."

Adam discussed some of the differences in what is being offered in the United States from other countries. "Some jurisdictions offer platforms free of charge and some with a small levy to gain access," he said. "What we actually find is that players migrate more to the platform with a levy as they believe that will be the better customer experience. The lotteries can then reinvest the levy into marketing and the acquisition of new players. Basically, players are paying for the

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MEET FLEX – THE GAME MANAGEMENT SYSTEM MODERNIZING MUSL OPERATIONS

The Multi-State Lottery Association is currently rolling out the biggest advancement to its software infrastructure in the past five years. It's called FLEX – a modern game management system, developed in-house, that will streamline how lotteries and vendors report sales and winner data during the draw process of some of the country's largest games, including Powerball®, Mega Millions®, Lotto America®, and Lucky for Life®.

This year, FLEX will begin phasing out its predecessor, the MUSL Automated Reporting System (MARS), for use in lottery drawings. In addition to housing the new Draw Dashboard, FLEX will also contain an extensive archive of draw reports and game data, an online directory of lottery professionals, and a document portal.

"The long-term goal is to house all MUSL applications under the FLEX umbrella," said Dallas Beek, MUSL Principal Software Engineer. "Users will no longer have to jump from site to site to navigate MUSL applications, everything will be accessible from one central location."

Beek, the architect of FLEX, began working on the system's framework two years ago after reviewing MARS and other MUSL applications.

Sue and Dallas reviewing the FLEX system in the MUSL draw-room

While MARS achieved its goal of implementing automation and additional checks and balances into the draw process, in the evolving world of tech, it was starting to show its age.

In comparison, FLEX offers users a simplified, intuitive interface designed to make draw nights run smoothly. Some of the new features include audible tones for messages and alerts; a progress bar to track each step of a drawing; and relocating all games to the same screen, so draw staff who are monitoring multiple drawings don't have to click between tabs.

But undoubtedly, the primary benefit of FLEX has been the ability for lotteries to check for balanced sales daily.

To ensure the integrity of the game, Powerball rules require balanced sales from all lotteries (matching CGS and ICS data), or play data in a secured state, before a Powerball drawing can begin. In MARS, lotteries could only check for balanced sales at draw break, which was one to two hours before a scheduled drawing.

"For draw staff, having an out-of-balance issue so close to draw time can be very stressful," said Sue Dooley, MUSL Director of Draws and Productions. "In the new FLEX system, if there is an out-of-balance, lotteries have additional time to detect it and resolve it, which means potentially fewer lockdowns, lockdown alternatives, and draw delays."

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Sue Dooley and Dallas Beek

The FLEX Draw Dashboard is also automation compatible, so lotteries and vendors that previously setup automation systems within MARS don't have to repeat the process. With automation, draw staff only need to monitor the Draw Dashboard for progress, but information can be entered manually if needed. Another bonus – secure passwords that never expire but can be changed by the end user.

The elimination of password expirations was the direct result of FLEX's enhanced security backed by multi-factor authentication. Based on user preference, the authentication can be configured to email, text message or an authenticator app, such as Google Authenticator or Microsoft Authenticator. The feature provides an extra layer of security for the role-based site and games facilitated by MUSL.

The FLEX system really puts us in a position to be more nimble and improve our speed to market

"Believe it or not, we've had a few rare cases in which someone's password expired in the middle of a drawing," noted Dooley. "With FLEX, users won't have that problem. It's one less thing to worry about on draw nights."

MUSL's draw team and Beek have been onboarding lotteries and vendors to the FLEX system in phases over the last six months. They hope to complete the process by the end of the year. In September, FLEX was the featured topic in MUSL's recurring Draw Information Sessions for lottery staff. The session gave MUSL the opportunity to go over the new system and collect feedback from users on ways to improve it.

"FLEX is an agile system," Beek noted. "We're able to take suggestions and work solutions into future releases, so the user experience can be continuously strengthened."

In addition to supporting draws, FLEX's agility also bolsters the organization's product development initiatives. The MUSL Board of Directors has re-affirmed the development of new products as a top priority for the Association. With FLEX, MUSL can quickly add new games or make changes to existing games.

"The FLEX system really puts us in a position to be more nimble and improve our speed to market," said J. Bret Toyne, MUSL Executive Director. "This has been a tremendous undertaking for MUSL's technical infrastructure, but very worthwhile for the immediate and long-term benefits."

So far, the feedback from lotteries and vendors has been overwhelmingly positive. MUSL will start to transition additional business functions to the FLEX system over the next couple of months. Some long-term goals include eliminating VPN connections and implementing additional accounting activities, including the ability for lotteries to initiate receivables.

"FLEX is a custom system for a truly unique organization," Beek added. "It's going to be able to evolve alongside MUSL." ◼

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Lotteries have Expanded Responsible Gaming Protections as Their Online Product Offerings have Grown, But Illegal Operators Without Such Protections Are Still Allowed to Operate

By Mark Hichar* and Marlene D. Warner**

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** Marlene D. Warner is the Executive Director of the Massachusetts Council on Gaming and Health. The Mass. Council is a private nonprofit and an affiliate of the National Council on Problem Gambling. (See https://macgh.org/.)

Laws passed in many states in recent years have expanded the scope of state lottery product offerings and the channels through which lottery products are delivered. For example, lotteries in Connecticut, Montana, Oregon, Rhode Island and the District of Columbia operate sports betting, and approximately a dozen state lotteries offer lottery products via mobile applications and online web sites (not counting state lotteries that offer only draw games by subscription or offer games online only via a third party courier service).

In connection with these expansions of product and channel offerings, laws and regulations have correspondingly expanded the state lotteries' responsible gaming and problem gambling resource commitments. Because of the player-related data that is available in connection with mobile and online lottery play, protections and resources can be brought to bear that are unavailable in the traditional, bricks-and-mortar lottery world. As noted at a roundtable discussion at the 2021 Public Gaming Research Institute ("PGRI") conference in Nashville ("Nashville Panel Discussion"), "the use of credit cards [in a lottery transaction] transforms the transaction from an anonymous cash purchase, in which nothing is known about the player, into a record and data-point that can help the player be more aware and manage play more responsibly. Decisions on both the lottery and player sides will be more informed from that data."

In order to purchase digital lottery products in the states that offer them, a player must first open an online account with the lottery, providing their name, age, email, phone number and other personal information, and the player must fund the account, providing personal bank account and/or electronic card information; all the provided information is checked and verified by a third-party secure vendor. Then, when purchasing a digital lottery product, the player's location within the applicable state is checked and confirmed as well. Finally, all lottery wagering transactions are recorded and logged. As a result, lotteries offering digital products have a complete history of each player's digital lottery product purchase and play activity that can be used to strengthen their interventions and messaging toward healthy play.

The question, of course, is whether this data is actually being used to help those players to keep their gambling safe and to assess players for at-risk behavior that may lead to gambling problems. The evidence so far suggests that it is, certainly by U.S. lotteries that offer digital instant lottery games online.

For example, regulations in Connecticut (applicable to "electronic wagering platforms," which include iLottery games and lottery sports betting, and apply also to commercial sports betting operators), require that mobile and online wagering platforms operating in Connecticut, among other things:

- Allow prospective patrons to place themselves on a voluntary self-exclusion list and thereby be prohibited from establishing an internet gaming account or participating in wagering on internet games or retail sports wagering;

- Allow patrons to establish daily, weekly, and monthly wagering limits;

- Allow patrons to establish daily, weekly and monthly deposit limits;

- Allow patrons to establish limits on the time they can remain logged-in to the lottery's electronic gaming platform; and

- Notify the patron when his/her lifetime deposits exceed $2,500, and thereafter prevent the patron from wagering until the patron acknowledges the notice and affirms that he/she has the capacity to establish responsible gaming limits (failing which, the account shall be closed), and repeat such notification every six months thereafter.

Similar responsible gaming measures are in place in other states in which the state lottery offers electronic instant game products via a website and/or mobile app, such as Michigan, New Hampshire, Pennsylvania, Rhode Island, Virginia and Washington D.C. Indeed, Virginia establishes a maximum deposit amount during any 30-day period, regardless of player preference.

However, detailed means of protection such as these are not available to those who participate in illegal, unregulated online gaming in the United States. While unregulated online gaming operations are often criticized for not paying taxes or otherwise contributing to good causes, it is not noted as often that they also lack the robust player protections required of legal state lotteries and licensed and regulated commercial operators offering their products online. Still, illegal, unregulated operators continue to operate with remarkable freedom in the United States. For example, notwithstanding the lack of protections and regulation, and failure to contribute to state revenues or good causes, H2 Gambling Capital Director David Henwood estimated in December 2021 that the $1.4 billion in projected gross gaming revenue from legal U.S. sports betting for 2021 would be just 8% of the estimated $17 billion in annual revenues from offshore states accepting wagers from U.S. players. In other words, in regard to online sports betting, far more (almost nine times more) is wagered via unregulated channels lacking robust player protection than is wagered via licensed and/or regulated means which address responsible gambling seriously.

More can and should be done to shut down online gaming operators taking wagers from players in the United States illegally. In a letter to Attorney General Merrick Garland dated April 13, 2022, the American Gaming Association ("AGA"), which represents the U.S. casino industry) sought the support of the Department of Justice in enforcing U.S. federal laws against illegal operators offering gambling products in the U.S. The AGA wrote:

[A] vast illegal sports betting market continues to exist through offshore websites, which have established well-known brands … that operate with a high degree of visibility and are readily accessible to every American with a smart phone or Internet connection. These illegal sites also enjoy many competitive advantages that allow them to offer better odds and promotions and ignore any commitment to responsible gaming because they do not pay state and federal taxes or have comparable regulatory compliance costs and obligations. …

"More can and should be done to shut down online gaming operators taking wagers from players in the United States illegally."

Similarly, illegal online casinos operate openly and often target U.S. customers through paid advertising. These illegal sportsbooks and casinos create numerous societal costs. In addition to violating the law, the games offered by these sites do not meet testing or regulatory standards to ensure fair play and payouts, age-verification, or security of personal and financial data. Jurisdictions with authorized gaming implement rigorous responsible gaming protections and widely offer self-exclusion lists to assist users who may have difficulty controlling their play – but clearly the illicit platforms do not implement such lists and as a result, the most vulnerable users are likely to end up using these options. Illicit gambling operations have also been known to at times simply disappear, walking away with their customers' funds in the process. Our current state-based licensing and regulatory regime ensures this cannot happen in the legal market.

[T]he pervasiveness of this illicit activity requires more sustained attention and action from the Department. While prosecutions and convictions may be difficult to secure, the AGA firmly believes that the Department can make a strong and meaningful statement by investigating and indicting the largest offshore operations that openly violate federal and state laws. This action would provide much-needed clarity that these websites are criminal enterprises, which can help to deter the American public from visiting these sites and prompt businesses to take appropriate action to ensure they are not supporting them.

Further, more can be done by all stakeholders in this regard. In addition to seeking increased enforcement efforts from the Department of Justice, state lotteries can push for enhanced efforts by state law enforcement authorities to act against illegal operators. (Most illegal operators do not have assets or personnel in the United States, however, making enforcement actions – such as those recently taken against illegal lotteries operating in Spain, Portugal and the UK – difficult.) State lotteries can also increase their cooperation with their nonprofit State Councils (that operate as Affiliates to the National Council on Problem Gambling in 35 of the 48 states with legalized gambling), to educate prospective players about the dangers associated with illegal gambling operations and encourage regulated gambling and their related responsible gaming services. The illegal market benefits no one but the illegal operators themselves.

In summary, while the advent and expansion of online gaming provides enhanced opportunities to protect players and promote responsible game play, the policies and procedures required of U.S. state lotteries and licensed commercial operators in the U.S. will not be effective overall if the majority of online gaming occurs via illegal, unregulated sites and mobile applications which do not offer robust protections or, in some cases, any protections at all. More should be done by federal and state law enforcement authorities, as well as other industry stakeholders, to stop illegal operators from taking wagers from persons in the U.S. As stated by Richard Bateson, Chief Commercial Officer, JUMBO Interactive, at a recent PGRI panel: "We know what works to promote purchases and we also know our at-risk players. How do we help this small population? It's actually easier with digital than at retail. We owe it to our players and communities to offer safeguards that will protect them."

Sustainability and diversity at heart of the European Lotteries (EL) work model

EL remains a loyal service orientated Association. As it gears up for some busy months ahead, it looks forward to what is to come, putting sustainability and diversity at the heart of the Association's work model.

EL's Sustainable lottery model embodies a new Environmental Initiative

Responsible Gaming Certification became mandatory for the EL membership in 2022 and a CSR-resolution was broadly adopted during the online 2021 General Assembly. The EL Executive Committee is strongly committed to working further on sustainable projects. Diversity, inclusion, and the care for the environment are corner stones to EL's sustainable lottery model based on subsidiarity, consumer protection and public order.

Launched at the 2022 EL Industry Days in Wiesbaden (Germany), EL's new environmental initiative emphasises again the importance of sustainability in the lottery sector. All over the world more and more companies are integrating sustainable practices into their business model.

With stretched supplies, high inflation, and soring energy prices, this is now more relevant than ever.

This Initiative showcased at the recent EL/WLA CSR-RG seminar in Amsterdam (21-23 September 2022) aims to create a collective dynamic among EL 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).

EL Environmental Initiative – Setting the scene

EL CSR RESOLUTION 2021 — The EL Members adopt the EL CSR resolution, which encourages the EL Members to take CSR initiatives upon the support of EL.

IPCC 6th EVALUATION REPORT 2022 — The Report states that humankind has three years left to reverse the curve of GHG emissions, if we want to avoid the worst effects of future climate change.

EUROPEAN GREEN DEAL 2050 — Set of policy initiatives by the European Commission with the overarching aim of making the EU climate neutral in 2050.

Pillars identified by the EL CSR-Responsible Gaming working group as specific to the gambling sector and whose impact can be acted upon:

Paper

GHG (greenhouse gas) emissions
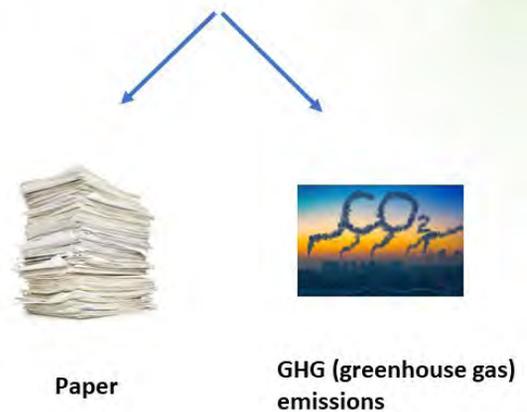
EL Members are invited to confirm their voluntary commitments in order to be able to present the outcomes during the next EL General Assembly taking place in June 2023 during the 11th EL Congress and Trade Show in Šibenik (Croatia).

In the upcoming months the preliminary results and further ideas will be shared and discussed. The EL CSR and Responsible Gaming Working Group is leading this initiative together with the EL Team. Also from the EU policy side, the developments on new CSR and reporting initiatives from the European Commission are followed closely upon their possible implications of the annual CSR reporting obligations of the EL Members within the EU.

Third EL WiLL Mentoring Programme kicks off

From sustainability to diversity, EL is pleased to announce that the call for new mentors and mentees for the third Women's Initiative in Lottery Leadership (WiLL) Mentoring Programme in Europe is now open for the period 2022-2023. Specially designed for female leaders in the lottery sector who want to realise their fullest potential, the Programme looks for ambitious women who are ready to take their career to the next level. This follows its first successful edition in 2021-2022 and a pilot programme back in 2019.

In the words of **Stéphane Pallez,** EL 1st Vice-President, CEO of La Française des Jeux (FDJ) and champion of the Programme in Europe:

"WILL continues to grow, creating a path for talented and passionate women. Both mentors and mentees will benefit from this experience and contribute to build an environment that not only accepts diversity, but also celebrates and promotes it."

Mentors and mentees from the 2021-2023 class recently shared their positive insights from participating in the Programme:

"The WiLL programme helped me with setting clear goals and an action plan on how to achieve it. I also had an opportunity to meet incredible women that are part of our lottery world." **Marusa Habot, Loterija Slovenije** *(Slovenia) (Mentee)*

WiLL Mentoring Programme class of 2021-2022

"The WiLL programme supports future female leaders to focus on their career to develop a strategy to reach their goals and to strengthen them in general. It also supports the female network within the community. The programme is very well structured and can easily be implemented in the schedules of leaders within the EL world." **Elisabeth Römer-Russwurm, Austrian Lotteries** *(Poland) (Mentor)*

"You can only grow when you try something new. The most difficult thing is the decision to act, the rest is merely tenacity." **Aneta**

Stéphane Pallez, *CEO of La Française des Jeux (FDJ); 1st Vice-President of EL*

Pliszka, Totalizator Sportowy *(Mentee)*

"This programme made possible to bring myths closer to the truth. It provided tools to put into practice. It gave space to talk about the biggest challenges and frustrations. It functioned in a kind of psychological and emotional support for the intellectual side to continue to evolve. Companies and teams need to evolve emotionally so that they can be better professionals." **Catarina Sousa, SCML** *(Portugal) (Mentee)*

"As a mentee, it was a privilege and a truly enriching experience to share thoughts with a great young woman, supporting her on the way to achieving her dreams. I'm happy to have been part of the WiLL community. Connecting with people that are eager to share and to grow an inclusive culture for all is one of the best experiences I've had." **Romana Girandon, Loterija Slovenije** *(Slovenia) (Mentor)*

"I am proud to take part in EL's WiLL Programme as a mentor. It creates a path for talented women to realise their full potential in the lottery sector. We can definitely handle better together the existing unconscious biases through a joint learning and by letting other women inspire us with reflections during meetings that WiLL provides throughout its European membership." **Zsófia Bánhegyi, Szerencsejáték Zrt.** *(Hungary) (Mentor)* ∎

OMNIA
&Upward

Introducing IGT's OMNIA™: A transformative solution to evolve the player experience and drive the next phase of growth for lotteries.

Consumer expectations and behaviors have changed rapidly in recent years. They are now defined by a growing familiarity with digital experiences and consumers' desire to move seamlessly between the channels in which they shop and transact.

OMNIA™ provides lotteries with all the functionality required to adapt to constantly evolving technology and changing consumer expectations—no matter where a lottery is on its retail-to-digital journey.

Through the integration of IGT's established Aurora and iLottery systems, OMNIA™ provides the industry's first truly player-centric, omnichannel system, facilitating a transformation of the lottery operational model.

- Enables lotteries to offer a variety of convenient, digitalized player services at retail — what IGT calls Connected Play — whether they offer iLottery or not

- Allows players to begin their journey in one channel and complete it in

OMNIA™ is the ultimate in digital/retail integration — a comprehensive and modular solution that **gives lotteries the means to digitize the retail experience**, whether they offer iLottery or not.

another, if desired, creating a seamless experience that increases convenience and engagement

- Facilitates new contactless, paperless, and cashless experiences at retail by enabling players to use their mobile devices in-store to purchase and play lottery and redeem prizes

- Makes retail-player data visible — and integrates data from all sales points — to become actionable in ways that will dramatically improve a lottery's ability to market, launch, and enhance games to meet player preferences

- Provides an unprecedented opportunity to strengthen Responsible Gaming programs

IGT'S OMNIA™ provides the ultimate in digital/retail integration to transform any lottery operation — offering versatility, visibility of player data, playability by design, and proven reliability.

The components of OMNIA™ enable **Connected Play** and provide lotteries with the **integrated data** to better understand player behaviors and preferences across all channels.

Among many benefits, this facilitates **optimal player experiences** and supports lotteries in making **informed and responsible** product and service decisions.

■ Provides the full capabilities lotteries will need when they are ready to migrate to the iLottery channel — and to better transition players into that channel.

"Through IGT's mobile app offerings, we are already providing customers with some of the means to digitize the retail experience," said Jay Gendron, IGT Chief Operating Officer Global Lottery. "For example, IGT's mobile lottery application provides digital play slip functionality for players to use at retail. And IGT's My Tickets allows retail players to scan paper tickets and store digital representations of those tickets. This digitization lets lotteries track, organize, and notify players about their wagers. Players can also choose to save digital playslips as favorites or generate codes for purchasing again at retail."

Through OMNIA™, IGT is enhancing this Connected Play functionality and providing players with more convenience via light registration. This will enable cashless experiences such as Scan & Redeem, allowing players to redeem tickets through their mobile app to their eWallet, to pay at retail through their eWallet, and to get digital tickets instead of paper and save them to their app.

And, through light registration, a lottery will now get a single-player view of those activities at retail. Having a digital record of retail transactions in the player account also provides players with transparency on their spend that isn't possible with anonymous cash purchases, supporting Responsible Gaming goals.

OMNIA™ was developed with all the learnings and insights gained through IGT's 40-year history of driving systems and technology innovations across the lottery business, the company's unmatched track record of consistent performance, proven system integrity, and decades of experience working with the world's most innovative and successful lotteries.

With all aspects of the solution designed to work in harmony to modernize the player experience—and through the opportunity to better understand player behavior within and across sales channels—IGT's OMNIA™ solution opens a whole new dimension of engagement and growth for lotteries.

OMNIA™ truly is greater than the sum of its parts: All things Lottery. All through one integrated solution. ■

To learn more about how to create your lottery's path to the future with OMNIA™, visit the IGT Booth at the WLS conference or contact your Account Representative.

CUSTOMER RELATIONSHIP MANAGEMENT:
The long-term strategy for engaging with players and maximizing sales

Jim Acton, Lottery Industry Consultant

While there might not have been balloons or cake, the 10th anniversary of the North Carolina Education Lottery's (NCEL) entrance into the digital world on Oct. 1, 2022 was nonetheless a critical milestone and worthy of celebration. The lottery's Lucke-Rewards loyalty program's success has been incredible – from zero to almost 1.8 million members, 150,000 active monthly users, and a 93 percent redemption rate for loyalty points. Metrics like these are cause for celebration.

For the NCEL, the launch of the Lucke-Rewards program began a digital journey which over the course of the past ten years has increasingly provided the lottery with a deeper relationship with its players and a better understanding of their interests in lottery games.

"Our loyalty program offers a variety of promotional opportunities to further engage with and serve players, maintaining relevancy beyond a single ticket purchase," said Randy Spielman, Deputy Executive Director for Product Development and Digital gaming. "This allows us to develop more meaningful relationships through insights and interactions that were not available to lotteries before the rise of digital platforms and programs. We now know our players on a level that helps us provide them with the products and content they are seeking."

Lotteries have offered some type of digital experiences for almost 20 years but it is only more recently that they have truly captured the power of knowing exactly who their customer is and what they want to purchase. Players clubs have been a mainstay from the beginning, followed by second-chance programs. Loyalty programs joined around 2008-2010 and more recently, lottery apps have proliferated in the marketplace, offering everything from the ability to check tickets, scan tickets into a second-chance and/or loyalty program and, in some states, purchase products. This has resulted in the ability of lotteries to enhance the current relationship players have with retailers by establishing the direct connection to players.

This shift has had another result – stronger connections with players that allow for frequent messaging and a wealth of information about players and their play habits that can be used to build the foundation for future sales growth. This is more commonly referred to as Customer Relationship Management (CRM), the framework that focuses the mission on the consumer and integration of the digital initiatives that add value to lotteries' products and services. The next generation discussion revolves less around "channels, media, and platforms" and more around the customer.

Following in the footsteps of industries such as airlines, casinos and credit cards, the lottery industry is now using an array of tools to turn information shared by their players into business intelligence which in turn drives ongoing improvement of products, promotions and messaging. CRM is the vision and the catalyst that moves us from the product-driven world of the past to the customer-driven world of the future.

Leading this charge are lotteries, like North Carolina, that have fully embraced this new relationship with players. The end result has been more informed decisions, such as advertising buys on web sites frequented by lottery players and email notifications that include the latest game information. Lotteries are now delivering exactly what players are looking for in a form that works best for them.
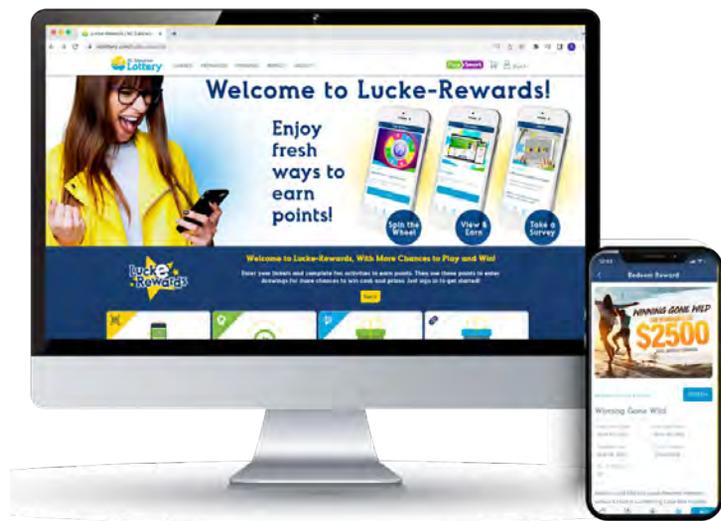
North Carolina Lottery's Lucke-Rewards site

The following is a look at a few lotteries which have used CRM to shape their digital offerings and strengthen their relationships through engaging and entertaining online experiences.

NORTH CAROLINA

As Player Loyalty and CRM Manager for the N.C. Education Lottery, Liz Bowles Button understands the importance of the Lucke-Rewards loyalty program to both the lottery's players and the lottery itself. As stated above, they have more than 1.8 million members (in a state with about 10 million residents) which results in a wealth of information.

"What players show and tell us through their interactions is key to developing critical in-house insights," said Button in July in a presentation at the Professional Development Seminar put on by the North American Association of State and Provincial Lotteries. "Consumer Research, Google Analytics and account driven eCommerce are excellent sources of data. But not a single one of these can provide the holistic,

Inspire

The Fun.

We take pride in keeping fun at the center of lottery play.
This means using our *Healthy Play* program across
every product we offer so that each one unleashes
the power of fun and a moment happiness.

SG
SCIENTIFIC GAMES

How Family of Games Sales Exploded

Secrets of Success: A snapshot of six top-performing families

When Scientific Games VP of Strategic Marketing Jim O'Brien and a team of data analysts began developing the concept of an integrated family of *For Life* games in 2010, they didn't realize how rapidly the concept would catch fire.

By 2012, the company's *For Life* families offered by top performing lotteries in the U.S. – Florida, Illinois, Massachusetts, and Pennsylvania – hit a total of $1 billion in sales. The same as sales for stand-alone *For Life* games at 14 other lotteries combined.

"*For Life* families were the first families that made a major impact," says O'Brien. "Next was a multiplier family which started in Massachusetts at $1, $2, $5 and $10, and it exploded from there."

The idea to simultaneously launch an integrated family of games was bold. O'Brien's concept went through rigorous game design, prize structure development and more analysis before reaching production. Over the next decade, he and the company's analysts followed every nuance of how integrated families were positioned in customers' portfolios so they could play off one another.

Scientific Games focused on basic marketing principles in the marketing mix to develop a product line of integrated family of games:

- **Product** – All the products in a family had a consistent, core look and feel so consumers would easily recognize that they belonged together.

- **Price** – Each price point in the family offered unique entertainment value to the consumer. Highlighted callouts drive home the special prize attributes featured in the games.

- **Promotion** – The family could be effectively advertised by lotteries and understood by consumers.

- **Place** – The position of the family in the lottery's total game portfolio at retail.

Geared to one basic concept, O'Brien explains that families transition players up the price point ladder to try an already familiar product at a higher price point.

"A family of games also makes the use of advertising dollars more efficient. One simple ad campaign sells all the games in the family, and this has been demonstrated time and time again by the top lotteries in the country," says O'Brien, who was former Director of Marketing for the Massachusetts Lottery where his mathematical formulas and breakthrough marketing strategies were credited with revolutionizing the industry's instant scratch game business.

In fiscal year 2022, families of games produced by Scientific Games generated $4.78 billion in revenue for U.S. lotteries – 72.2% of all revenue generated by families of games.

Modern Families

With continuous innovation driven by data analytics, families of games have developed significantly over the past decade at Scientific Games. Modern families feature more value enhancements – including digital – than ever to give players a memorable experience, and price points as high as $30 and $50. Product enhancements can include specialty inks, paper stocks and finishes, second-chance promotions, digital games and licensed properties.

When it comes to families, keeping up with performance data and consumer trends is key to retail and digital product positioning.

"Our name says it all – we take the science inside the game very seriously because we know that's the foundation for creating fun experiences for players," shares Jennifer Welshons, Chief Marketing Officer. "With families of games, our experienced analytics and marketing teams have to go a step further in working with customers to ensure that the player value of this mini-product line is well communicated in the context of the full portfolio."

The company's science is carefully applied to creating and positioning families of games in the overall portfolio, benefitting sales and returns for its Primary and *Scientific Games Enhanced Partnership* customers. The *SGEP* program includes portfolio management services, as well as technology-driven analytics and insights, advanced logistics, marketing, sales support and licensed brand services. The advanced logistics are powered by Scientific Games' patented *SciTrak* and *OrderCast* systems to direct proper inventory management and distribution across the lottery retail network.

A cohesive view of the game portfolio and the overall lottery ecosystem offers a huge opportunity to optimize retail sales as these six lotteries have proven – several using digital as a key component of their modern family's success.

Massachusetts Lottery: *X The Money* Multiplier Family

Launched: June 2022

Performance: 21% higher (first 8 weeks of sales compared to other families in the market).

Family price points: $1, $2, $5, $10

Highest performer: $5

Top prizes/multipliers/bonuses: $1 – $10,000 (10X), $2 – $100,000 (20X), $5 – $1 million (50X), $10 – $4 million (100X)

Strategic Product Enhancements: Fluorescent inks, simulated foil stock, *Sparkle Select*

Portfolio strategy: In June, the multiplier family launch is the most important launch of the year. The games are designed to be eye-catching and quickly communicate the multiplier and value proposition messages.

Interesting note: The October holiday family is also one of the most important and best performing launches in Massachusetts every year. There was also recent success with a *Decade of Dollars* family.

"Since launching the Massachusetts Lottery's first family of multiplier games in 2013, they have consistently been among our highest performing tickets across all price points included in the family. Our customers now anticipate these releases each year and we have found ways to keep the games fresh by utilizing fluorescent inks and holographic design, while adding bonus plays and double winning symbols. Due in part to the popularity of our multiplier families, we introduced a family of holiday tickets in 2014 and have continued to do so ever since. We recently found success with a new family of tickets, Decade of Dollars, which offered a 10-year monthly payment option for grand prizes."

– Edward Farley, Chief Marketing Officer, Massachusetts Lottery

Ohio Lottery: *MONOPOLY For Life* Family

Launched: $30 January and $1-10 February 2022

Performance: Games in the family performed on average 12% higher than non-family games (same price point and timeframe).

Family price points: $1, $2, $5, $10, $30

Highest performer: $30

Top prizes/multipliers/bonuses: $1 – $18,250 a year for 20 years, $2 – $52,000 a year for 20 years, $5 – $120,000 a year for 20 years, $10 – $250,000 a year for 20 years, $30 – $200,000 a year for 25 years + 10X, 20X, 50X, 200X multipliers

Strategic Product Enhancements: Licensed property

Portfolio strategy: This family launched in 2022 due to the success of the *MONOPOLY* families in the past. The launch was slightly different, as the $30 ticket launched in January with the rest of the family following in February. This gave the $30 game time to grow and propelled the success of the rest of the price points. Ultimately, the $30 game is the most successful of all $30 games ever launched in Ohio.

Interesting note: Every winter, the Ohio Lottery launches a family of games in February or March and *MONOPOLY* has been a consistent winner in terms of sales. Next year, a family of games is planned based on the Lottery's wildly popular *Cash Explosion* franchise and game show in Ohio.

"MONOPOLY games have been part of the Ohio Lottery's scratch-off portfolio since the early 1990s. They're very popular with our players and consistently perform well with the current family of games having had a great impact on our sales."

– Ron Fornaro, Scratch-Off Product Manager, Ohio Gaming

South Carolina Education Lottery: *Carolina Gold* Multiplier Family

Launched: June 2022

Performance: 63% higher (first 8 weeks of sales compared to other families in the market).

Family price points: $1, $2, $5, $10

Highest performer: $10

Top prizes/multipliers/bonuses: $1 – $5,000 (2X, 5X, 10X), $2 – $30,000 (2X, 5X, 10X, 20X), $5 – $200,000 (2X, 5X, 10X, 20X, 50X), $10 – $300,000 (2X, 5X, 10X, 20X, 50X, 100X

Strategic Product Enhancements: Foil stock, premium metallic ink, combination spot matte/gloss finish

Portfolio strategy: While South Carolina has launched multiplier families before, this was designed as a premier family with enhanced multipliers of 10X, 20X, 50X and 100X – different from previous families with 5X, 10X, 20X and 50X multipliers. The Lottery further improved the prize structures of the games to ensure the multipliers are significant and appealing to players and that they appear often enough to produce meaningful wins. The family is part of a series of games eligible for the Lottery's 20th Anniversary Second-Chance Promotion which awards $2,000 each to 20 winners per month.

Interesting note: As part of the 20th Anniversary promotion, the *Carolina Gold* family of games drove sales and second-chance entries at the lower price points. The Lottery first introduced a family of game to players in 2014-15, with each launch gaining popularity. Historically, the Lottery launches two families each year.

"Families of games have proven over time to be an integral part of the scratch game strategy and portfolio. The multiplier families have outperformed every other family of games we have launched; this has been the main reason we decided to launch one every year. Our Product team, Marketing team, and SG have continued to work together to grow the most successful family of games in our portfolio. For this particular family, our strategy was to increase performance by introducing our highest multipliers to date."

– Ammie Smith, Director of Product Development, South Carolina Education Lottery

Arkansas Scholarship Lottery: *X The Money* Multiplier Family

Launched: March 2022

Performance: 18% higher (first 8 weeks of sales compared to other families in the market).

Family price points: $1, $2, $5, $10, $20

Highest performer: $10

Top prizes/multipliers/bonuses: $1 – $5,000 (2X, 4X, 5X, 10X), $2 – $25,000 (2X, 5X, 10X, 20X), $5 – $100,000 (5X, 10X, 20X, 50X), $10 – $250,000 (5X, 10X, 20X, 50X, 100X), $20 – $500,000 (5X, 10X, 20X, 50X, 100X, 200X)

Strategic Product Enhancements: Fluorescent inks, premium silver metallic ink

Portfolio strategy: Optimized prize structures for an engaging and entertaining player experience through the life cycle of this family of games. Strategically identified and selected game design and enhancements that highlighted the multiplier theme, while differentiating this family from previous year's families, as well as other games in market. Using historical data, optimized order quantities to deliver meaningful prizes to players and insuring games remained in market until the next family launched. Kept in mind how the family would be displayed in all planograms and dispensers, as well as in point-of-sale materials.

Interesting note: The Arkansas Scholarship Lottery's first multiplier family of games launched in March 2013 at the $1, $2, $5, and $10 price points. Due to the success of this family, since then the Lottery has launched a multiplier family every March. For the past four years, it has expanded to include a $20 price point, which performed extremely well. The multiplier family launched in March 2022 generated over 38% of total sales for that month.

"The multiplier family of games, as well as all multiplier-themed games, have become core games at each price point in our portfolio. Our revenue forecast each fiscal year is dependent on these games performing well."

– Mike Smith, Gaming Director, Arkansas Scholarship Lottery

Pennsylvania Lottery: *MONOPOLY* Multiplier Family

Launched: March 2021

Performance: 29% higher (first 8 weeks of sales compared to other families in the market).

Family price points: $2, $5, $10, $30 scratch, $1, $2, $5, $20 FastPlay, $0.50 - $30.00 iLottery

Highest performer: $30 scratch game

Top prizes/multipliers/bonuses: $2 – $20,000 (10X), $5 – $250,000 (20X), $10 – $500,000 (50X), $30 –$3 million (100X)

Strategic Product Enhancements: Licensed property, *HD Games* and *Sparkle*

Portfolio strategy: Multi-channel promotional strategy across instant scratch, FastPlay and iLottery games to drive players to all product channels, leveraging the popular *MONOPOLY* brand to draw attention to all products.

Interesting note: A recut of the California Lottery's *MONOPOLY* TV ad was used with permission. Featuring high-definition *MONOPOLY* play symbols, this family of *MONOPOLY* instant scratch games performed very well in Pennsylvania. The iLottery game featured the *MONOPOLY* gameboard and other iconic elements, and the multi-channel second chance promotion was highly successful.

"Families of games have been a successful part of the Pennsylvania Lottery's game portfolio for decades. The family strategy allows us to take a powerful theme or playstyle and develop a variety of games across price points that appeal to a broad audience. These families, especially when they are built around a licensed property, lend themselves to attention-grabbing marketing and retail promotion. In recent years, we've taken that idea further by launching families of games across product lines supported by omni-channel marketing efforts."

– Kara Sparks, Director of Products, Pennsylvania Lottery

Florida Lottery: *MONOPOLY Doubler* Family

Launched: July 2022

Performance: All families perform extremely well, with this one achieving $1.40 in weekly per capita sales.

Family price points: $1, $2, $5, $10, $20

Highest performer: $20

Top prizes/multipliers/bonuses: $1 – $10,000, $2 – $100,000, $5 – $1 million, $10 – $2 million, $20 – $5 million. Doubler box on each game. $5, $10 and $20 games also have additional multipliers.

Strategic Product Enhancements: Licensed property, also each game features a second-chance opportunity played digitally.

Portfolio strategy: A new *MONOPOLY* family launches in July every other year as part of a five family of games mix that includes *Gold Rush*, *X the Cash*, *For Life* and holiday-themed families.

Interesting note: All five games in the family launched together in order to include a $20 game, which bolsters sales as $20 stand-alone *MONOPOLY* games do. A total of three families of games launch every year and rotate out every other year. This strategy has been used successfully for more than 15 years, in Florida, with families among the top performers in the portfolio overall.

"Scratch-Off families continue to be an integral part of the Florida Lottery's product launch schedule. In FY 2022-23, we will introduce four new families, including the MONOPOLY Doubler family of games, which launched in July. These games are projected to contribute more than $193 million to the Education Enhancement Trust Fund and $66.7 million in retailer profits. MONOPOLY-themed tickets are the most popular licensed brand offered by the Florida Lottery and have generated over $7.7 billion in ticket sales while contributing more than $1.3 billion to education. The first MONOPOLY game offered by the Florida Lottery in 1996 generated more than $71 million in sales. The subsequent launch, in 1998, generated more than $93 million in ticket sales. Exceeding sales of the original game iteration is a feat rarely accomplished by licensed products."

– Diane McGuffey, Senior Product Manager, Florida Lottery

HOW TO THRIVE IN A RAPIDLY CHANGING MARKET

Alistair Boston-Smith, Chief Strategy Officer, Bede Gaming

Significant market changes can be seen as an ominous harbinger for lotteries who are facing heightened competition from new market entrants. However, Alistair Boston-Smith, Chief Strategy Officer, Bede Gaming, argues that these changes can bring many more opportunities than threats. The key to thriving in this new world is digital prowess.

The Changing World of Lottery Markets

It is not just the opening of markets that brings about change to the lottery landscape but also the changing nature of customer behavior. And it is the latter which has the biggest influence on the way lotteries adapt to thrive.

Giving customers an entertaining but safe experience is the goal. People are at the heart of lotteries; customers, operators and good causes. But people's preferences, behaviors and critically, their expectations are constantly changing; and it is up to the Lotteries and their partners to respond.

The opening of a market brings with it an influx of new operators, but whilst the incumbent Lottery faces new competitors, it has many advantages it can and must leverage. Lotteries have typically been in place for many years; they are

well established and trusted, something new brands with fleeting brand recognition can only dream about. They are also local champions, committed to funding and supporting local good causes, which really differentiates themselves from the overseas corporations.

However, in reality Lotteries aren't just competing with the new entrants, they're also competing with other participants in the entertainment sector. So whilst markets are and will continue to regulate, the key to thriving is continuously responding to customers changing needs, is by continuously responding with new, relevant and exciting experiences.

Whilst the Covid-19 pandemic was undoubtedly a catalyst, customer behavior has already fundamentally changed. Accessibility, ease and convenience is the everyday

focus for customers in this new age and to thrive, Lotteries must become more agile to adapt to the changing preferences.

Leveraging the power of digital operations heightens Lotteries advantages over the competition, enhancing the connectivity between brand and customer. To evidence this in the real world, we can offer our own example of how Bede has and is supporting Ontario Lottery and Gaming Corporation (OLG) through the opening of its market and is empowering them to thrive.

to their player accounts eWallets. This not only speeds up the purchase process and prevents hidden 'cash advance' fees charged by banks but it also makes the digital lottery purchasing experience far more in line with how players buy lottery tickets in shops.

By capturing player data across retail and online, OLG and Bede are working together to continuously improve the products and experiences, and it is this total focus that will help it maintain their edge, regardless of the changes in the market.

wagering became legal in August 2021. For OLG, the opening of the market merely meant continuing their focus on providing the best experience for their customers.

Synergizing the retail and digital experiences in examples like the introduction of Direct Pay shows that OLG customers can have their cake and eat it. They are given a choice of preferences. If they prefer the retail option, OLG provides that but if they prefer online, this is available to them as well, and most importantly, it feels the same.

The pursuit of leveraging digital excellence with Bede has enabled OLG to adopt an agile approach, allowing them to react quickly to both changes in the market and changes in customer preferences, seamlessly shifting between retail and digital. OLG now benefits from the flexibility of being able to shift focus to competitive offers to acquire new customers whilst still retaining existing players.

"The power of digital is not to replace retail but to provide more opportunities for the two to work in harmony."

The Opening of the iGaming Market in Ontario

The opening of the Ontario iGaming market brought a flood of global powerhouse names eager to get in the door and establish a Canadian presence for their brand. Ontario is an exciting market for new entrants; with operators able to offer casino, sports and poker, under a relatively favorable tax regime (when compared to some of the US states). Whilst the market opening brings new challenges for OLG, it alone can offer Lottery products. So whilst operators try to win new players and secure market share, OLG's focus is on continuing to give all customers the best digital and retail experience for Lottery, Sports and Gaming.

Many of these initiatives are about making the online experience more engaging, but OLG also understands that for many customers they want the best of both the retail and digital worlds. An example of this is Direct Pay, whereby players can buy their online lottery tickets using their credit cards without the need to first add funds

Patterns and Observations of a New Market

Whilst every state in North America is different, when Ontario opened on April 4th 2022, there was the familiar race to win market share. However, like a few other markets, the regulations included a restriction on including bonuses in advertising, and tougher requirements for KYC and geolocation. This has meant that whilst Ontario remains an attractive market, and the regulation of the market creates an even playing field for OLG, in the short term many operators will run at significant losses.

Pushing to Synergize the Retail & Digital Experiences

OLG has been modernizing its digital offering since it migrated to the Bede platform in 2020. This digitalization of products led to OLG being the first to market on sports when single event

The Digital Advantage

In conclusion, putting digital at the heart of their strategy enables OLG to successfully navigate the changing waters of the entertainment landscape. They have not just provided a digital channel for customers, they have created a digital world for them. One where players can play safely in whichever channel they choose, and enjoy a personal and consistent experience.

The digital technology that is accessible to OLG through the Bede platform provides real-time data on customer behavior and preferences, allowing OLG to delight their players and provide a truly personalized experience for them to enjoy.

The power of digital is not to replace retail but to provide more opportunities for the two to work in harmony, providing the best experience for customers, which can only mean one thing, huge competitive advantage. Keeping the Lottery relevant, attractive and personal.

In short, for Lotteries to thrive in a changing market, focusing on the customer experience is the key and to do that, leveraging the power of digital is a must. ◼

Abacus : Solving the Rubik's Cube Puzzle Through Retail Integration

Grocery and convenience retailers are making large investments in technology to address the labor shortage while finding ways to manage operating costs and provide a quality customer experience. Investments, such as home delivery, curbside pickup, increasing self-service checkout and the closure of customer service centers, are impacting lottery exposure in grocery stores. Likewise, self-service checkout, 'Just Walk Out' technologies are reducing visits to the checkout counter in convenience stores, while hybrid and electric vehicles are reducing trips to the gas pumps and to the store.

The recent Mega Millions $1.3 billion jackpot created long lines and it is difficult to estimate sales lost because retailers were limited to selling lottery products through existing lottery selling systems. Competition in gaming, including the expansion of casinos and sports betting vie for the gaming dollars and lottery managed iLottery and sports betting offer higher sales but much lower profit than traditional games.

Does this paint a bleak picture for our industry? It does not have to and can be seen as a big opportunity.

Abacus' "Lottery Everywhere" solution can help address these challenges. Once the Abacus gateway connects the retailers' POS (registers) or retailer ecosystem to the lottery's gaming system a whole new distribution channel for the lottery is established. Abacus does not provide a 'one and done' solution but provides lotteries a customizable solution.

 "As a 30+ year retailer in Kansas and the Director of the Kansas Lottery for 5 years, I can quote you every verse and song of the Kansas Lottery going back to 1987 with the launch of "Up, Up and Away", their first game. The lottery terminal was a godsend to the business when it was first introduced in 1991. But now in the digital age, not being in the retailer's register is an impediment to that digital progress. I firmly believe that what Abacus has developed is the distribution system of the future. Putting lottery in every lane, manned or not, and the various other channels. And you can't get there via a lottery terminal", Abacus Head of Business, Terry Presta.

"We have more than 25,000 enabled POS terminals and 5,000 self-checkout terminals live in Europe today. We have developed a new self-checkout solution for the Canadian market and plan to go live with Print on Receipt in Iowa with major grocery chain stores," said Simon Butler, Abacus CEO. "We expect to add several additional US lotteries in 2023," added Butler.

Services offered

Print on Receipt

You are familiar with Print on Receipt technology developed for grocery stores. Print on Receipt allows consumers to purchase draw games through the grocery check stand lanes and the consumer's draw game ticket is printed on register receipt paper. The in-lane lottery purchase is intuitive for both the consumer and retailer, as lottery draw game purchases are handled just like any other products the store sells – scan, pay and print.

Instant Tickets

Abacus has been developing solutions to offer instant tickets in-lane. This innovative solution offers a secure integration into the retailer point of sale, reducing shrink in the category. The Abacus system offers an intuitive way of selling a wide range of instant tickets just like any other item in the consumers basket. Abacus is actively working on ways to explore other methods of delivering the solution to retail such as ticket by ticket activation through the retail POS system.

Adding a layer of security to instant tickets, such as ticket-by-ticket activation has been requested by numerous lotteries to address the escalating theft issues facing retailers. With ticket-by-ticket activation, tickets remain in a dormant status until the ticket(s) are activated by scanning the ticket(s) for sale through the retailer POS. Ticket validations cannot occur until tickets have been activated by scanning the tickets for sale through the retailer POS.

Digital Games

The digital delivery of engaging, colorful instant games can open a new revenue stream. Managed like paper instant tickets, digital tickets are developed using game play parameters and prize structures to guarantee the appropriate levels of prizes for consumers, retail commission and profit for the lottery. A digital pick slip is generated using the mobile app where a single barcode is generated and scanned by the retail clerk. Once the transaction has been completed by the clerk through the POS, the digital games are downloaded to the player's mobile device.

Ticket Validations

A natural progression is enabling both instant and draw game validation by scanning the winning ticket through the retailer POS. Grocery stores now have the capability of scanning winning tickets in-lane without requiring consumers to stand in line at customer service or taking their winning tickets to another retailer. In addition to creating sales churn, retailers will benefit from the increased revenue generated for grocery purchases.

Managing a complex environment

Data collection for both lotteries and retailers has been difficult to capture. Abacus Management Portal (AMP) is a value-added data portal that provides lotteries and retailers real time sales data by store, by lane, by date and time. With the support of the Lottery's gaming system provider, Abacus can provide both lotteries and retailers sales, inventory and transaction detail that includes sales through ITVM's, lottery terminal and in-lane. Data file can be provided to retailers in the format required such as store ID, lane, date, and other variables requested by the retailer and consistently formatted regardless of the state they do business in.

Expanding the sales channel

Abacus deliver all these services through multiple sales channels within the retailer ecosystem. The staple offering is through a staffed lane, however, with grocery retailers increasing the number of self-checkout lanes, Abacus has worked with POS providers to add lottery to self-service. Once the transaction is complete, the lottery draw game ticket is printed on register receipt paper. This technology can also be used in convenience stores who are also moving to self-checkout solutions.

Abacus offers a fully functional lottery mobile solution that can be incorporated into the existing lottery and/or retailer app. The Abacus mobile platform allows players to select their own numbers on any draw game. Once in the store, the consumer simply selects the 'check out' function on their mobile device and a single barcode is generated, containing all lottery draw games selected. The clerk scans the barcode through the POS enabling the ticket purchase. Once the transaction is complete, tickets can be printed on register receipt paper or can be delivered digitally to the player's mobile device. App integration can also be developed to support retail clerk less checkout technologies so retailers can capture otherwise lost sales.

Taking the first steps

Taking those first steps to adopt innovative new solutions is always difficult. Will it work? How much will it cost? How long will it take? What is the return on my investment? These are all valid questions and can restrict expansion of the opportunity. Abacus is pleased to be working with the Iowa lottery to implement its in-lane solution across a number of major state retailers.

The '3-legged stool' partnership with the Iowa Lottery

Research indicates that only 5% of grocery customers visit the customer service centers or vending machines, leaving 95% of consumers that do not purchase lottery products while visiting grocery stores. Abacus' distribution model is designed to benefit the three legs of the stool.

1. Consumers - benefit by simplifying the lottery transaction by mirroring the lottery purchase to all other grocery products in their basket.

2. Retailers - Print-On-Receipt provides a new revenue stream and makes the lottery transaction intuitive and does not slow down the queue.

3. Lottery - benefits from capturing new sales and increasing the player base by making lottery products available where consumers shop.

In partnership with the Iowa Lottery, Abacus anticipates introducing its first US Print on Receipt solution this year. The solution is designed to provide in-lane lottery sales to all registers in over 200 grocery locations.

The Iowa Lottery is developing a marketing program to support the initial launch and ongoing support with a focus on point-of-purchase materials and Jackpot awareness.

Through its management portal, Abacus will provide the Iowa Lottery with real-time sales and transactions data, by product, by day, by store, and by lane. This is a level of transactional detail and nimbleness that is largely lacking in traditional lottery product distribution channels. This powerful granular data will allow the Iowa Lottery and its retail partners the ability to analyze performance with real-time control and monitoring capabilities.

"We are thrilled with our partnership with the Iowa Lottery", said Simon Butler, Abacus CEO. We believe the Abacus gateway will provide on-going opportunities for the Iowa Lottery to increase sales, increase their player base and ultimately to increase the profits they return to the State of Iowa. Our partnership with the Iowa Lottery will benefit the lottery industry by opening a whole new distribution platform", added Butler.

"The Iowa Lottery is excited to partner with Abacus and the promise of a lottery sales solution that increases in-store lottery visibility, improves path-to-purchase convenience for players, and drives incremental revenue growth for our retail partners. A true win-win for not only those who sell lottery products but also those worthwhile state causes that benefit from lottery proceeds", said Jonathan Roth, Chief Revenue Officer, Iowa Lottery.

"As we continue to prepare for market launch of Print on Receipt Powerball and Mega Millions tickets in Iowa, we are also mindful of the future opportunities presented by expanding the range of lottery product offerings that may be sold in-lane through Abacus-integrated POS platforms. That is when we can drive significant revenue growth across multiple portfolio categories", added Roth.

Solving the puzzle

Putting the pieces of the Rubik's cube together can be challenging and does not happen overnight. Abacus can take the complexity out of providing a very robust product delivery. Abacus' experts work directly with the lottery, gaming system providers, retailers, and POS providers, to assemble the pieces of the puzzle. ■

UNDER 30? UNDERWHELMED!

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

Lotteries, through the decades, have always managed to capture the younger player at an earlier life stage. In 2022, is the player funnel narrowing?

According to Statista, by the year 2025 (so in 28 short months), the eSports marketplace will be worth $1.86bn, and have 322.7 million 'enthusiasts. Right now, the global estimate for 'Gamers' is close to 2 billion people. If this is news to you, consult your kids, nieces, nephews and anyone in their teens or twenties how the world of entertainment looks through their eyes, or rather their screens, right now.

In June of this year (2022), Leger asked a representative audience of 1,000 Americans about their gaming habits. It may surprise some, but the #1 gaming activity among Americans is playing a 'Scratch-off ticket' at 38%, closely edging out playing 'video games on a mobile device' at 36%. Playing 'video games on a computer' is third at 26%, followed by 'Lottery draw games' (25%, 4th) and 'console video games' (24%, 5th).
(See Fig 1.)

Data was collected in the NFL season off season, and those claiming to have bet on sports (10%) is lower than we will probably see come this Fall (probably double that %), while Casino slots were also lower at 14%.

The Old and the Beautiful?

Based on these playership numbers, everything seems hunky dory in the Lottery world, with two of the top five popular games. However, when we start to examine gameplay by age group, the story starts to resemble more of an Emmy winning daytime soap opera.

Yes, among older age groups, 46% of 50-64 year-olds have purchased a Scratch-off in the past year, a little higher than 40-49 year-olds, which retains the status quo.

However, among older Gen Z's and younger Millennials (18-29 year-olds), 'mobile games' (38%) and 'console games' (36%) are the two dominant gaming modes, despite the fact an impressive 30% have played a 'Scratch-off game'. These gaming numbers are even higher for 30-39 year-olds ('mobile' at 44%, 'console' at 39%).

Competition for 'gaming entertainment' is at a premium right now, but not necessarily from the sources the Lottery usually consider the competitive set, i.e. Casinos and Sports Betting. Instead, the key distractions appear close to hand. Literally.

Games of our Lives.

Leger's research asked one more question on gaming; which is the most fun gaming activity you do? Console Games (22%) and Mobile Games (22%) were the joint winners, with PC Games third with (14%) first place votes. Scratch-offs made it into 4th place with 13%, but it is the underlying disparity by age that should be of greatest concern to the state jurisdictions.

For the highest playing age group (50-64 year olds), Scratch-offs are the most fun game they play! More than a quarter of this age group chose Scratch narrowly over Mobile Games (23%) in terms of fun.

The oldest age group (65+) chose 'slot

Fig.1 Gaming Activities Done in the Past Year
– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	66	201	230	290	216
Played a Scratch-off / Instant ticket	38%	30%	33%	42%	45%	35%
Played games on your mobile device	36%	38%	44%	41%	34%	20%
Played video games on a computer	26%	29%	31%	26%	21%	24%
Played a Lottery draw game	25%	7%	28%	24%	29%	30%
Played video games on a console	24%	36%	39%	29%	13%	3%
Played Casino slots	14%	14%	15%	15%	13%	16%
Bet on sports	10%	14%	19%	8%	6%	4%
Played other Lottery games	6%	4%	12%	7%	5%	2%
Gambled online	6%	5%	12%	6%	6%	1%
Played Casino table games	6%	6%	10%	5%	4%	2%
None of the above	34%	40%	33%	26%	33%	38%

CVNEW3 - Which of the following have you done in the past year?
Base: Total

Fig.2 Most Fun Gaming Activities
– By Those Who Have Played in the Past Year

Le9er

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	66	201	230	290	216
Played video games on a console	22%	36%	35%	28%	9%	1%
Played games on your mobile device	22%	24%	18%	27%	23%	15%
Played video games on a computer	14%	15%	14%	8%	13%	23%
Played a Scratch-off / Instant ticket	**13%**	0%	5%	13%	27%	19%
Played Casino slots	11%	5%	4%	14%	12%	23%
Played a Lottery draw game	**6%**	3%	9%	4%	7%	10%
Bet on sports	**3%**	3%	6%	3%	2%	3%
Played Casino table games	3%	7%	6%	0%	2%	4%
Gambled online	3%	5%	2%	2%	4%	2%
Played other Lottery games	2%	2%	2%	2%	2%	1%

CVNEW4X - MOST FUN - Please rank in order: from most fun to least fun, the games you have played in the past year.

machines' as their #1 fun game, but Scratch-offs appeared in a solid 3rd place, with 19% selecting the instant win product.

The Young and the Scratch-less

Warning. The following sentence may cause one or more Lottery directors to visit their local General Hospital.

Among 18-29 year-olds who have played Scratchers in the past year, 0% claimed that Scratch tickets were the most fun game. *(See Fig 2.)*

That's Zero. Nada. Zilch. Zip. Diddly Squat.

So what do these younger adults find fun? Three quarters of under 30's find the most fun in either Console games (36%), Mobile games (24%) or PC Games (15%). The common thread? Youngsters generally want three or four common factors for pleasure; something in their hand (sensory or control), for it to be easily accessible from home (comfort zone), or to be able to play whenever they want (instant gratification), or play wherever they may be (mobile). For the next age group up (30-39 year-olds), this number falls slightly, but these three gaming categories account for two-thirds of their fun. Scratch-offs, by comparison, were only chosen by 1 in every 20.

Ironically, another pseudonym for Scratch-offs is Instants, but in 2022, is this an accurate description. Physical scratchers truly offer only one of the four factors, the sensory component of holding and scratching the ticket, in comparison to the 'gaming' world these twentysomethings crave. Physical instants are sold at retail (not in homes), which requires effort to purchase (non-mobile) and players cannot just purchase over and over again when they feel the urge.

Imagine having to go to a convenience store to placate your candy fix, and also download the newest version of Candy Crush, or queueing in your grocery store for John Madden…neither sounds particularly appetizing.

As the World (wide web) Turns

Amazingly these findings all bode well for lotteries with an iLottery function, who have the ability to currently sell eInstants. In the remaining 39 U.S. states, these facts should act as an impetus for driving iLottery legislation.

Generating additional state revenues that go to good causes benefits hundreds of millions of Americans. So, doesn't legalizing more jurisdictions to sell a product that is a sensory-driven, accessible, anytime game, and therefore ultimately more fun at least in the eyes of the consumer, seems like the logical step for U.S. state hierarchies? Which governor doesn't want more revenue and profit?

And I know what you are thinking. What about sports betting? It covers all four of the key factors above, but only 3% of Americans who have bet on sports believe that avenue is the most fun, half the level of even Lottery draw-games. Perhaps the sports bettor sees their hand-held infatuation as more of a mental challenge than a fun activity. In Las Vegas, more than 75% of bets are placed on mobile devices within the sports books themselves, which underscores the importance of mobile and control.

All My Children

I now have two teenage boys, Ethan and Ashton, and almost everything they do is in the palm of their hand. Do I think this is going to change in due course? Probably not. They watch TV, engage with YouTubers,

Fig.3 Awareness of Mega Millions Billion Dollar Jackpot
– By Age

Le9er

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	65	184	177	304	273
Yes	69%	37%	68%	70%	73%	82%
No	29%	56%	29%	29%	25%	18%
I'm not sure	2%	6%	3%	1%	2%	0%

LQ1: Did you know the Mega Millions jackpot reached $1.02 billion dollars?
Base: Total

communicate with friends and game on their iPhones, resplendent with headphones to help their sensory environment.

The recent $1.28bn Mega Millions jackpot was another warning sign for an industry that prides itself on being affordable fun. While 69% of Americans were aware of the second largest jackpot in history *(See Fig 3.),* this number was strongly and significantly lower among 18-29 year olds at just

MOBILE APPLICATION EVOLUTION

The newest convenience and wagering enhancements to IGT's award-winning mobile app optimize the player experience with a fresh design and improved navigation and features.

I n 2022, leading industry organization SBC named IGT as North America Lottery Supplier of the Year based on the strength of the company's iLottery solution and services. In particular, the award recognized IGT's dedication to customers, quality eInstants library, integrated technology, cloud innovation, and its mobile applications.

Understanding the importance of developing, deploying, and supporting digital lottery products, IGT has strategically structured its iLottery business as a standalone unit within the lottery product vertical. To support customers in the category's expansive growth, IGT has employed top-level talent cross all iLottery products and services disciplines to focus more than 500 people solely on iLottery. The company's investment in people is matched by its investment in technology. For example, after winning the 2021 International Gaming Award for Lottery Product of the Year, IGT further developed its mobile solution and is now releasing enhancements to its convenience and wagering apps, keeping pace with consumer demands.

IGT's suite of next generation apps, from convenience to wagering, now allow individual lotteries to make their own changes to content such as text, images, and banners via a content management system and then publish immediately – without any wait or technology support. The apps will continue to fulfill lottery customers' brand standards with a custom
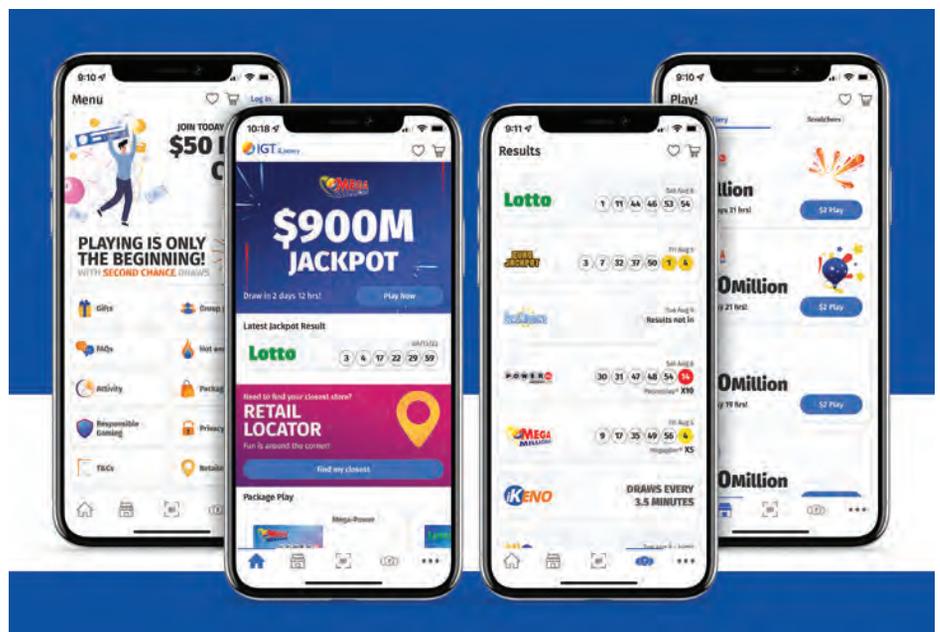
IGT's next-generation mobile apps incorporate optimized player journeys, improved features, and a user-friendly interface.

look and now utilize a lightweight, flexible-framework architecture to make content changes fast and easy.

"We not only updated the architecture but also the aesthetic," said Hardeep Bhachu, IGT Director, Portal and Mobile App. "Following the latest best-design practices and ADA compliance guidelines, our user-interface experts focused on creating a neutral interface to create a modern and clean design while providing players with a content-focused experience. By incorporating interactive animations and boosting the use of in-app gestures,

the player's attention is drawn to what is important – the content. As always, all updates we make adhere to Apple's and Google's stringent guidelines."

FOCUSED ON PLAYER APPEAL

IGT adopts a data-first strategy when designing products and uses data to understand player behavior. All versions of the redesigned mobile app feature an optimized player experience, making it easier for players to register, deposit

Most Mobile App Deployments:

12 Global Customers

money, find winning numbers, save favorite picks, and more. By aggregating the various interactions across multiple player sessions utilizing various data sources, tools like Google Analytics, and player research feedback, IGT's mobile development team redefined player journeys and flows and addressed any unexpected player behaviors that were observed.

Using this data, IGT redesigned the home screen to prominently display the next available jackpot draw game, jackpot amount, and a countdown for the next draw, followed by the most recent winning numbers, a scrolling game carousel, and a retailer locator. The new bottom navigation bar and the positioning of content on the homepage are configurable, so that each lottery has the flexibility to promote features based on the needs of its players.

To ensure the design had maximum player appeal, IGT conducted usability interviews in April 2022 with a mix of current retail and online lottery players. Overall, the users reported that they found the app easy to navigate, user friendly, and simple to use, allowing them to easily create plays and scan tickets. "We're pleased with the player feedback and are excited to increase our momentum by continuing to make improvements based on learnings from the player-review sessions," said Bhachu. "This feedback is essential to understanding and meeting player needs."

BRIDGING RETAIL AND DIGITAL CHANNELS

OMNIA™, IGT's integrated Aurora and iLottery systems, enables lotteries to offer a variety of convenient, digitalized player services at retail – what IGT calls Connected Play – whether they offer iLottery or not.

IGT's latest mobile apps enable Connected Play, which digitizes the retail lottery experience, delivering greater convenience for players and retailers. The solution offers players a secure, paperless, and cashless experience where services in retail and digital channels are connected throughout the player journey. For example, players can use the mobile app to scan a winning ticket and redeem winnings directly into their eWallet without the need to enter a retail location.

Utilizing light registration, configurable to lottery operator needs, players create an account with a single piece of personal information like an email address to establish a unique Player ID. Retail transactions using the mobile app are associated with that player, providing lotteries with actual retail player data. Lotteries benefit tremendously from having access to this retail behavior along with digital player data that unlocks the ability to communicate personalized and relevant messaging to players.

IGT's next generation iOS and Android convenience app is available now and debuts with an IGT lottery customer in Q4. Stop by IGT's booth #543 at the World Lottery Summit for demonstrations of the convenience and wagering apps plus Connected Play. Read more about OMNIA™ in this issue or visit us at WLS. ∎
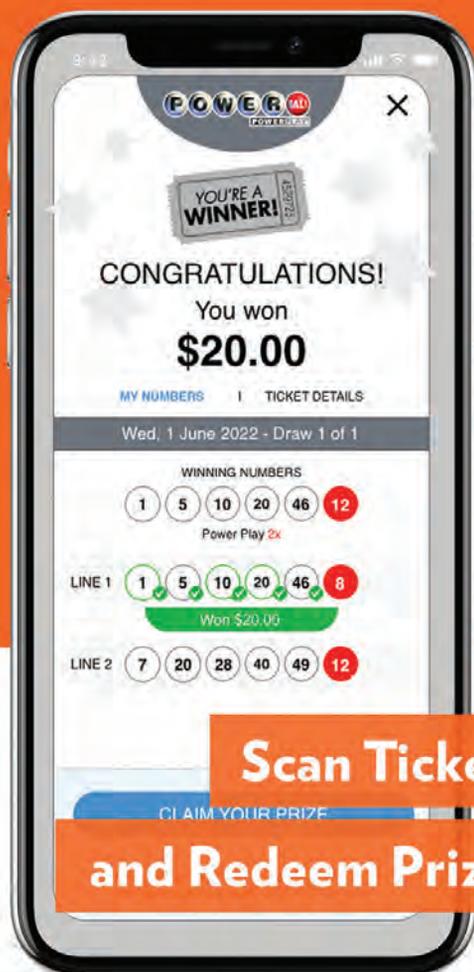
LOTTERIES GET CREATIVE TO ENGAGE TODAY'S PLAYERS

SMARTPLAY'S NON-TRADITIONAL MACHINES ENGAGE & EXCITE

Jim Acton, *Lottery Industry Consultant*

The traditional act of players simply entering tickets into a web site to determine second chance winners might not be enough to attract tomorrow's players. With so many gaming options, players want exciting, engaging game play combined with more value for their purchases. You might say they want the excitement of a casino or online gaming site brought to lottery.

That was one thought of the South Carolina Education Lottery (SCEL) when they were making their 2021 game plans. With instant ticket sales enjoying strong sales, they were looking for a promotion that would both support a family of tickets and attract a range of players – current and new. After researching different ideas, the lottery reached out to lottery supplier Smartplay about The Big Spin® wheel.

Fast forward to early 2021 and the SCEL launched its family of The Big Spin® games - $1, $2, $5 and $10 tickets. The centerpiece of this ticket launch was to use The Big Spin® wheel to support an attractive promotion. Players that revealed a SPIN symbol on their ticket scanned that ticket into the lottery's Players' Club where they then played a virtual The Big Spin® wheel to reveal their winning amount. The big draw was that a lucky group of players who won the opportunity to visit the lottery's headquarters in Columbia, SC, for an exciting winners' event. Players spun a six-foot high The Big Spin® machine. For each group of winners from each of the four ticket groups, the winning dollar amounts were swapped out. Players could possibly win from $1,000 to $1 million.

"We are always looking for new ways to

SCEL's Amy Beattie presents a winner's check to Tyronne F.

offer our players exciting and engaging opportunities to win money," said Ammie Smith, Director of Product Development with SCEL. "With The Big Spin® games, we were able to provide the opportunity to see the act of winning money in a live setting. We brought together the traditional scratch ticket win, a robust promotion and a live studio event. We used YouTube Premier on our page to bring the actual wheel spin event live to our viewers. The level of excitement is unlike anything we have seen before."

Three years earlier, and more than 600 miles north of South Carolina, the Ontario Lottery and Gaming Corporation (OLG) was also looking for something to spice up its instant ticket portfolio. They created The Big Spin® game category, which has now been used the world over. A couple of years later, they developed the Plinko®

game to augment an additional game. Instead of being used for a promotion, wheel and puck drop games were actually grand prize mechanics for entirely new scratch card initiatives.

In 2017, OLG launched The Big Spin® and Plinko® tickets, both $5 games. When a player revealed SPIN or PLINKO® when scratching their ticket, they took the ticket to retail. At retail the ticket was scanned, a virtual version of each machine was activated, and players won a minimum of two times the ticket price ($10) or the chance to participate in a live game. Players scheduled an appointment to visit the lottery's claim center in Toronto where The Big Spin® wheel and Plinko® machines are permanently on display, waiting for top prize winners to try their luck at each game. The winning money was between $100,00-$500,000.

Barclay Y. celebrates his win in OLG's Plinko game

SMARTPLAY
INTERNATIONAL, INC

The original The Big Spin® and Plinko® games were so successful (the most successful launches in lottery history) that OLG has included the games in its permanent rotation, now joined by the $10 The Bigger Spin® ticket.

"We were astounded by the results," said Adam Caughill, OLG's Director of Lottery Innovation. "The tickets featured engaging gameplay and the spin or Plinko® drop being part of the game was a new twist. That really added to the excitement of the games and is certainly one source of their longevity. In fact, we have created a new category of tickets – Scratch/Watch/Win.

"It's absolutely magical to see lottery players win large prizes live," Adam said. "It's not something we get to do in the lottery industry. The reactions are priceless. We broadcast the activities on Facebook Live and then send the clips out to all our social media channels so the ancillary marketing is off the charts. The machines have absolutely added another dimension to our games and have resulted in incredible sales numbers. I imagine that The Big Spin® and Plinko® will be two of our most popular games for many years to come."

The Big Spin® is not the first non-traditional lotto game for Smartplay. "We worked with the Irish Lottery over 25 years ago," said Tom Markert, Smartplay president. "But OLG and the SC Lottery have taken it to the next level with their scratch cards and engaging prize events.

"These non-traditional games require the same accuracy and security as any other lottery system," said Tom, "and that's why we've been fortunate to be a part of this category of lottery games."

Non-traditional prize mechanics are growing in popularity both online and off as a way to cut through the clutter and offer something more engaging and unique. Smartplay is busy meeting this need, creating new game mechanics that meet a lottery's strict requirements. "We're being challenged by companies both online and off to develop new and unique concepts that can be applied in lottery and gaming environments," said Darrell Smith, Smartplay's Vice President of Sales. "It's an exciting time in our space and there are many opportunities for new games which generate traffic and revenue for lotteries.

Smartplay, a privately-owned company located in central New Jersey, supplies lottery drawing equipment and digital draw technology to more than 500 customers in 123 countries. What began in 1993 with the "simple" construction of ball draw machines has grown into a global company developing the most modern traditional draw equipment as well as their widely used Origin® Digital Draw System, which is deployed in 31 jurisdictions in North America as well as to MUSL. To date, more than 5,000 Smartplay lottery systems are in use worldwide. ■

Smartplay Project Manager Frank Foulks stands between two The Big Spin machines made for Française des Jeux, France's national lottery

Fig.4 Purchased a Mega Millions Ticket for $1bn Dollar Jackpot
– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	65	184	177	304	273
Purchased	28%	10%	26%	32%	37%	28%
Did Not Purchase	71%	86%*	74%	68%	63%	72%

LQ2: Have you purchased a Mega Millions ticket for the current jackpot?
Base: Total

*4% were unsure

Fig.5 Likelihood to Play $1bn+ Jackpot
– By Age

	TOTAL	18-29	30-39	40-49	50-64	65 +
Unweighted n =	1003	66	201	230	290	216
Very Likely	9%	7%	14%	14%	9%	8%
Somewhat Likely	10%	12%	13%	10%	10%	6%
Neither likely nor unlikely	19%	15%	22%	21%	17%	18%
Somewhat Unlikely	13%	11%	9%	12%	18%	14%
Very Unlikely	49%	56%	43%	43%	52%	54%
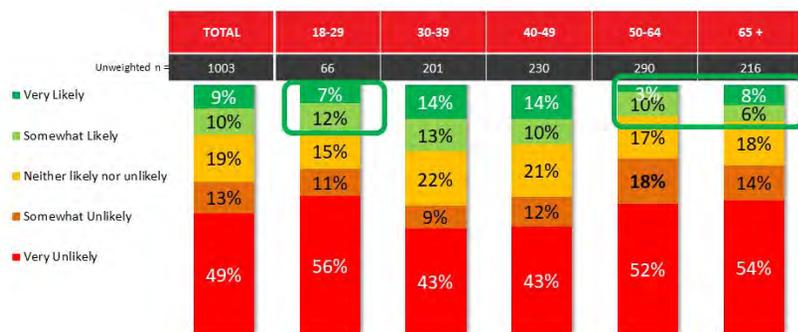
LQ3: How likely are you to play Mega Millions now that the jackpot is over $1 billion? by Banner 1

37%. Perhaps more alarming is only 10% of this age range bought a ticket. *(See Fig 4.)*

Mega Million's (one of the most renowned and trusted brands in gaming, if you read the corresponding Leger piece in PGRI's July '22 issue) jackpot awareness was excellent in the older age groups, with almost three quarters of 50-64 year-olds being informed, leading to 37% (more than half of those aware) actually purchasing a ticket for the drawing.

I am sure our colleagues from Pennsylvania, Georgia, Michigan and Kentucky, amongst others, would happily point to their eInstant products that appear to have bucked this trend, by successfully capturing the younger Lottery player, with games that check all the necessary boxes.

However, the final statistic from Leger's U.S. Omni may be the most interesting. We asked Americans would they play a lottery jackpot game over $1bn. 19% of 18-29 year-olds said they were very or somewhat likely to buy, with another 19% on the fence, very similar numbers to the 50+ age range, the heartland of the Lottery demographic landscape. The demand is there. *(See Fig 5.)*

Right now though, that fence appears bigger than ever, with younger gamers having all their wants and needs answered at their fingertips, while most parts of the 'land of free' hold captive a creative lottery solution that is built for the future generation of Lottery players.

Unfortunately Friends, for the rest of us and Dr Drake Ramoray, that future is already here.

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

Trust me I'm a researcher (and a Guiding Light). ■

convenience the platform offers and lotteries are able to increase their marketing spend."

Peter said that Jackpocket is constantly competing with other entertainment apps and this idea of paying for convenience is almost exactly their business model. "People are willing to pay a little more for convenience and better quality," he said. "But their experience must be flawless. We continuously analyze our data across multiple states to make sure we're providing exactly what the players want. The most important offering is our technology, which must be flawless or our customers won't come back. This is particularly critical because 70% of our users are under the age of 40 and this tech-savvy demographic, which was raised on technology, won't give you a second chance if your technology doesn't perform to expectations.

"We believe that Jackpocket's technology has also helped the lotteries where we operate build relationships with retailers," he said. "In states where we've built relationships with certain retailers, there is typically no digital sales offered and promoting the option of purchase through Jackpocket has provided lotteries and retailers with additional marketing and player growth opportunities. What we've learned is exactly what has been touched on in this panel. Players want digital experiences, there is no one-size-fits-all option, and we must continue to create programs that attract and engage new and current players."

In the panelist round-up, Shannon pointed to the importance of building a foundation now to make iLottery successful. "If you're only in the retail space, use loyalty, use second chance games to build a digital

foundation," she said. "Collect data and start to understand your players now."

Rob wrapped up the panel by relaying some of the high points of Virginia's incredibly successful iLottery introduction and ongoing growth. "We got involved in the digital world many years before launching iLottery, offering online subscriptions, building our player database, hiring and developing talent, and implementing the technology infrastructure necessary to support an online business," he said. "So when iLottery was finally approved, we were prepared. You must have the right partners, right technology solutions, and an internal team with digital experience and mindset. And, of course, you must offer games that players will want to play and support on an ongoing basis. ■

David Barden continued

tive committees and an executive task force, providing his insight and assistance to those states contemplating lottery launches.

Prior to his appointment as CEO of the New Mexico Lottery, David served as the Vice President of the Arkansas Lottery where he was responsible for the initial startup, staffing, and oversight of lottery operations. David's lottery career began in 2001 with eight years at the South Carolina Education Lottery, where he served as legal counsel for the Lottery until he was promoted to Director of Marketing and Product Development. As Director, he was responsible for the lottery's online and instant games portfolio, including all marketing related activities.

From 1996 through 2001, David served as Senior Staff Attorney for the Office of the Clerk of the South Carolina Senate. He also served as Assistant Director of the largest law enforcement agency in South Carolina, the South Carolina Department of Public Safety, from 1993 until 1996, where he was responsible for the day-to-day operations of the agency which had a budget in excess of $200 million and employed approximately 3,000 people.

David graduated with a bachelor's degree in political science from the University of South Carolina and a J.D. from the Ohio Northern School of Law. He is married and has two children.

Luca Esposito continued

Recognized for his vast knowledge of lottery and gaming technology, and of the unique needs of the state-authorized lottery and betting sector, Luca was recruited by the World Lottery Association (WLA), where he has served as Executive Director since November 2018. His deep understanding of sports betting and the issues around achieving sports integrity along with his natural leadership brought him additional responsibilities. On January 1, 2022, Luca became General Secretary of the Global Lottery Monitoring System (GLMS). He now serves both the WLA and GLMS in parallel.

Romana Girandon continued

bility and Responsible Gaming working group. In June 2021 she was elected 2nd Vice President of the Association. With EL she is helping towards a community of successful lotteries as high achieving organizations operating in the most socially responsible way. She is also the Director of the regional association of lotteries. Holding a degree in Organizational Sciences and Human Resources, Romana is a certified Supervisory Board Member by the Slovenian Directors' Association and holds an executive certificate in Circular Economy and Sustainability from the University of Cambridge. Prior to joining the Loterija Slovenije, Romana was with the American advertising agency Luna/TBWA, as a Managing Director in Slovenia. She is the recipient of several awards, with »Artemida«

Award (for contribution to the development of female management in leadership positions) being her favorite. Privately, Romana volunteers as a licensed missing persons rescuer, along with her search & rescue dog.

Drew Svitko continued

the first time, and for the 10th consecutive year has generated profit of more than $1 billion for programs to help older Pennsylvanians. Additionally, under Drew's leadership, the Pennsylvania Lottery's online platform generated $1 billion in iLottery sales in the first two years after launching in May 2018.

Drew is leading the way in modernizing the Pennsylvania Lottery. In 2020, the Gaming Intelligence Hot 50 celebrated Drew as one of the most innovative and inspiring people working in the betting and gaming industry. Drew also devotes time to serving the industry as the new Powerball® Product Group Chair. From 2020-2022 he served as Vice Chair of the Powerball Product Group and Chair of the MUSL Development Committee from 2019-2021.

Prior to working in the Lottery industry, Drew and his wife, Gretchen, owned and operated Subway restaurants. When he's not working or volunteering his time in other capacities, Drew enjoys spending time with his wife, three sons, and his wirehaired pointing griffon, Whiskey. Drew is also an avid reader, and his hobbies include beekeeping, cooking, hunting, and making maple syrup.

This is how we will continue to grow the lottery footprint at these important retailers. They are also quite advanced in their digital offerings, so lottery will need to be integrated on that platform as well. With all these pieces in place, we will be able to reach even more potential customers and continue to build our increasingly important databases."

In Pennsylvania, Drew said the lottery's CRM programs have allowed them to keep the promises made over the past years to retailers. "When we launched iLottery, we met with our important retailer groups, such as the Pennsylvania Food Merchants Association, and promised that we would use the iLottery program to build relationships with players and drive them into stores," he said. "And we have delivered on that. We use our iLottery data to send out coupons that can only be used at retail. When we look at

our CRM results on these types of programs, we usually see that more than 25 percent of recipients are redeeming the coupons. That demonstrates the power of CRM and how it can be used to strengthen retailer and customers relationships."

Creating retailer advocates is high on Marcus' agenda as well. "Used correctly, the retailer network can be an incredible asset for all lotteries," he said. "I believe that CRM is one piece of how we can continue to strengthen our retailer relationships. We control the data but we can also share it, when and where appropriate. For a non-iLottery state like Washington, how can we offer promotions and creative campaigns which will engage players and excite the retailers? I want to continue to do as much as I can online, within our regulations, and build our player-base."

Gretchen closed the panel with a nod to the strong working relationships between vendors and lotteries. "We are fortunate in this industry to have incredibly smart marketers and technology experts who take lottery ideas and build them into programs that work for us," she said. "Whether you are a state like Georgia or Pennsylvania that offers a robust iLottery program or a lottery that is building a strong digital footprint based around loyalty, apps and other digital programs, we all need to use as much of the data we collect as possible to make smart, informed decisions. In the end, it is all about driving revenues so we can transfer as much funding as possible to our beneficiaries. That happens through good planning and collaboration between vendors and lotteries." ◾

omnichannel insights a quality loyalty program can."

With more than 10 years of player interaction, Lucke-Rewards continues to provide Button and her colleagues with unmatched information on their players. The information collected through players accounts is used to create an omnichannel strategy to reach players. Promotional opportunities are shaped by the data collected from the players. CRM plays a pivotal role in the lottery's marketing strategies.

From the start of the program, players entered tickets into the platform to receive points to redeem for prizes and drawings. More recently, points are also awarded for surveys, games and watching videos. Social promotions are also popular, particularly wrapped around important dates, such as Halloween and Valentine's Day.

"We have taken our learned lessons and expanded our CRM program," Button said. "We now send out custom winning numbers emails, special offers, monthly campaigns, winner and jackpot awareness, digital couponing and app push notifications. The success is in our numbers – the FY22 open rate average for loyalty emails is 28% and the overall average is 48%. Both great numbers and above the industry average of 21%."

The lottery will continue to expand its CRM and loyalty programs. Players can be provided with engaging offers specific to their preferred sales channel (Online or Retail) and games. And the lottery is continuously looking for ways to make sure it is meeting its players where they are, both at stores or online.

NORTH DAKOTA

For a state of less than one million residents, the North Dakota Lottery enjoys wide support. This support is even more impressive when you consider that for the entirety of its 18 years of existence, the Lottery has

sold only five online games, including Powerball and Mega Millions, and does not sell scratch tickets.

The success of the Lottery's CRM program managed by Scientific Games demonstrates how compelling technology and promotional offers can motivate consumers. With just 480,000 residents over the age of 18, the lottery boasts more than 3,000 monthly average users and has seen over one million tickets entered into its loyalty program in the last fiscal year alone. Additionally, over 14,000 loyalty members have opted in to receive emails.

While these numbers are impressive and certainly provide a strong base for the North Dakota Lottery to spread their message and promote products, the Lottery did not rest on its laurels.

"Given the environment in which we operate, and the limits on our games, we need to be creative with our marketing and CRM program and how we communicate with our players," said Ryan Koppy, Manager of Sales and Marketing at the North Dakota Lottery. "We have always been proud of our loyalty program and how it provides us with a wealth of data to inform our marketing efforts. But we wanted more, and we worked with Scientific Games to create a program that would reach more players and get them active in our digital world."

In March 2022, the Lottery launched a CRM initiative with a key objective: Increase playership by strategically optimizing lifecycle migrations. Achieving this objective would not be easy but the Lottery started with a few advantages. Its loyalty program enjoyed active ticket entry from members, games are sold online, and the program enjoyed strong support from players.

Scientific Games' award-winning CRM team believes the key to success is reaching out to players at

The North Dakota Lottery has posted impressive numbers

important points in their activity lifecycle. The building blocks of this campaign were automated campaigns and personalized messaging. These automated workflows were built in six weeks and included 16 player journeys and 38 email campaigns. Players moved through activities designed to increase their conversion with the Lottery's website, supported by outreach from the CRM team.

What were the results? As with any campaign involving jackpot games, lotteries need to keep jackpot levels in mind when reviewing results. For the North Dakota Lottery campaign, data was analyzed with and without high jackpot levels. After Scientific Games implemented these workflows and campaigns, the Lottery saw increases in both data sets: a 234% increase in the uplift of monthly retail tickets entered and tickets purchased online combined.

Of course, the key question of any CRM initiative is "Did it increase revenue?" For this particular series of emails, the answer was a resounding "yes." In fact, the Lottery saw an increase in average online sales of more than 14%, with sales increasing even when jackpot levels were low.

Ryan said the North Dakota Lottery was thrilled with the outcome of this campaign and is planning for other similar efforts in the future. He has a few suggestions for lotteries that are planning CRM campaigns.

"Lotteries can sometimes overcomplicate marketing efforts but when you keep it simple, the outcomes can be substantial," Ryan said. "I would suggest minimizing challenges, leaning on your advantages, and identifying the key building blocks of your initiative. Personalization is important. Your players will respond more favorably to programs that are focused on them. It is critical to determine how you will measure success. And when the campaign is over, review how things went so you are ready for your next campaign."

*NC Lottery's Lucke Zone membership has enjoyed incredible growth*

NEW MEXICO

The New Mexico Lottery has created a robust number of opportunities and added value for their players.

For years, the Lottery has partnered with the Minor League Baseball team, the Albuquerque Isotopes, to offer players added value for any non-winning New Mexico Lottery ticket. From April through September, players can receive a BOGO offer with their non-winning tickets for baseball tickets. More than 3,000 fans take advantage of this deal each season.

But that's just the beginning. Despite its small size, the Lottery offers numerous second-chance promotions for players. In fact, they have not one, but three second-chance platforms for entries. Each platform is unique and offers special opportunities.

For example, linked multi-state games that feature interactive games live on the Lottery's My Rewards site, supported by Scientific Games. Players enter their tickets and then have an opportunity to play a fun interactive game that reveals their entries.

Collect 'N Win promotions like HGTV's My Lottery Dream Home are offered on an Alchemy3 platform. The platform allows players to collect symbols to fill game cards that earn bonus entries. This summer, the Lottery and Alchemy3 added even more value for players by using bonus codes.
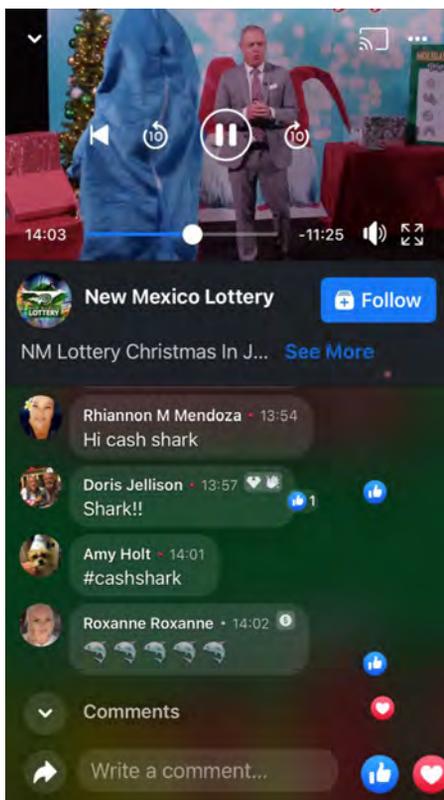
NM Lottery's "Cash Shark" helped celebrate "Christmas in July"

The codes offered bonus symbols when players used a code with entry. And unique codes were created for each advertising platform. For example, different codes were created for social media, emails, and live events. This enhanced success measurements for redemption and added even more value for players who followed and subscribed to multiple messaging outlets.

The third second-chance entry site is the Lottery's Promo Zone. This custom platform offers endless opportunities for added value for both Scratchers and drawing games. The Lottery can add a second-chance promotion tied to a game almost as soon as it has a lightbulb moment! And once the promotion ends, they can download entries and hold the drawing immediately.

Wendy Ahlm, New Mexico Lottery's Director of Advertising and Marketing said, "Our second-chance entry sites allow us to communicate directly with players, quickly add new, interesting offers, and offer automated alerts. Our players have responded with high engagement and active ticket entering on our sites."

Social media has also created endless opportunities for players. New Mexico Lottery began offering live events for players just this year and are increasing their followers and creating surprise and delight for players. When their Christmas in July, Holiday Scratcher reveal took place during SHARK WEEK, Cash Shark joined the fun with a cameo surprise appearance that resulted in joy and calamity.

Wendy and her colleagues at the NM Lottery are in lockstep agreement that strong CRM platforms and digital technology are great ways to engage players, motivate sales, inform customers and offer specialized products that specifically fit player preferences and needs.

ARIZONA

It has been a challenge for Arizona to strengthen its digital offerings to players. Legislative actions over the past two years have blocked the lottery from selling products online for many years to come and any digital programs must undergo a strict review process. But instead of bemoaning all they can't do, the lottery has instead focused on what they can do.

Leading the charge on their digital offerings is a robust and active Players Club. The site is a whirlwind of activity, from cash and prize promotions to free-to-play games to activities which result in

Arizona Adventure™ is one of promotions offered by the lottery's Players

points. You might not be able to buy tickets but the site provides Arizona players with an outlet for digital activity that rivals the most active of lottery sites.

A microcosm of Arizona's Players Club activity took place in July during the run-up to the $1.34 billion Mega Millions jackpot. With so much attention on the game and new players drawn into the action, the lottery saw 44,000 new registrations and more than 132,000 engaged players in July. Their CRM tools then allowed them to segment the Players Club membership by who had entered tickets into promotions during the run.

"We decided to take advantage of the increased activity and new membership and send a 'thank you' email to players who joined during the run up," said Chris Rogers, Deputy Director, Marketing and Products. "The email included a promotional code for 500 Players Club points. We saw this opportunity as a small gesture of gratitude to acknowledge players who helped with this incredible run."

This "small gesture" enjoyed incredible popularity:

- Open rate: 67%
- Clicked: 13,275
- Click rate: 33%
- Total code redemptions: 10,363

"The Players Club platform allows Arizona Lottery the ability to engage a user base of more than 500,000 at any time," said Rogers. "From homespun promotions like Arizona Adventure™ and Bingo & Crossword Giveaway, to earn and burn point activities like surveys and coupons, we have the ability to be strategic and proactive in our approach to maintaining player interest long after the initial ticket purchase has been completed at retail." ∎

14. WICS-TV, the NBC affiliate in Springfield, Illinois, gained a shining star when Rebecca joined the team in 1977.

15. Now a regular part of programs at lottery industry events around the globe, Rebecca joins industry CEOs at a NASPL conference in Providence, Rhode Island in 2013.

to ensure that they only operate their brands in jurisdictions where they have authorization. The committee also recently developed a set of useful letter templates, one for multi-jurisdictional entities and one for suppliers. These templates can be used as needed and deemed appropriate by the affected jurisdiction to inform regulators and stakeholders that brands are being operated without the appropriate authorization.

The ILBC continues to grow new partnerships such as with the Asian Racing Federation Council on Anti-Illegal Betting & Related Financial Crime. And we have worked together on publications and at various industry webinars and events.

To what extent can the WLA help lotteries inform and educate their political stakeholders about regulatory issues in general and illegal online gaming in particular?

R. Paul: Lotteries will request information or data from us and we are pleased to provide assistance. But the WLA does not intervene directly in political matters. That is out of our purview.

The shared experience and learning can go in both directions, right? Large mature lotteries learning from emerging markets as well as vice-versa?

R. Paul: There are lotteries in Europe and South America that have been operating for centuries. Some of their games have a cultural significance that has taken on a life

of their own completely apart from modern marketing and promotional initiatives. El Gordo in Spain is a perfect example. The centuries-old alchemy that inspires such a nationwide embrace of a lottery game is quite remarkable. But even though it is not realistic to try to transplant El Gordo into our own marketplace, we can learn from the wide variety of ways lottery gaming connects with its audience. Seeing how other markets operate, how other lotteries connect with their customers, and the diversity of game concepts and value propositions offered present possibilities and potential for us all. And WLA educational seminars and conferences afford us the opportunity to share these valuable experiences and insights.

We think of mature markets as being more technologically advanced. But, perhaps paradoxically, widespread consumer adoption of new technological platforms can be accelerated when it is not constrained by a legacy infrastructure. For instance, emerging markets have a less-developed land-based communications and telephone infrastructure than mature markets. That actually became an advantage when cellular technology became available. Their ability to move forward with next generation technology was not constrained by the ball-and-chain of legacy systems. Going forward, I think we can expect to see as much innovation coming out of emerging markets as we see in mature markets. We

can learn a great deal from those who operate under much different conditions, in different cultural and regulatory environments, and in different stages of market development.

Another example: The U.S. has a highly developed consumer market, but is in the infancy of developing its sports betting market. So, there is a lot to learn from our counterparts in other parts of the world. And Europe is technologically advanced and more mature than others like the U.S., but they learned from the success of instant games in the U.S.

How does the WLA nurture such a mutually supportive relationship with the regional associations?

R. Paul: Each regional association is represented by its own member on the WLA Executive Committee. The WLA works together with the regions to coordinate the most effective approach towards serving the membership of all the associations. From joint seminars, to shared resources, we learn from and help each other optimize the support we give to lotteries worldwide.

The WLA Global Lottery Data Compendium (GLDC) really showcases how amazingly successful the global community of lotteries is at raising funds to support good causes. Are there other features of the GLDC you'd like to share?

R. Paul: The GLDC also provides valuable business intelligence for WLA Members on

16. Rebecca joins Desiree Rogers and Sharon Sharp in 1991 for a reunion of former Illinois Lottery directors known as "Three of Hearts."

17. "Miss Indiana" (pictured on far right) shines at the Miss America pageant in 1973, where she earned the honor of 4th runner-up.

ways to access and use member profiles that were unavailable in the paper format.

This electronic version includes additional new features such as:

- A built-in exchange rate (World Bank) that allows instant conversion of annual sales figures into different currencies.

- An option to select multiple years so users can compare annual figures.

- A filter that allows users to find information for all lotteries by region or by country.

It has been almost four years since we were all together at the World Lottery Summit in Buenos Aires. It seems like the WLA has taken advantage of this time to enhance its communications strategies and methods to stay connected with its membership.

R. Paul: Improving the lines of communication and outreach has always been an important WLA objective. The last couple years, though, have prompted us to think about how we might further enhance these services to keep our global community of members and partners informed on the latest news and other relevant topics. We have initiated and continue a variety of strategies to meet this goal, including:

- A weekly, informative newsletter prepared by our colleagues in Lausanne.

- Regular updates on our website that feature corporate and member news.

- Increased blog content.

- Our WLA magazine, which is published three times a year and focuses on pertinent themes.

We are also ramping up our presence on social media and creating more video content on our YouTube channel. We believe that our members can learn much from each other, and we strongly encourage you to share your news with us by visiting the About Us section of our website. And finally, we continue to digitalize our services to bring you these products in a more accessible, easy-to-use manner.

I would like to close by thanking everyone for supporting the WLA. I hope you enjoy or (as the case may be depending on when you read this) enjoyed the WLS in Vancouver, Canada! ∎

the state of the lottery and sports betting sector worldwide. It is a big and ongoing project carried out by the talented and dedicated team at the WLA headquarters in Switzerland. Now in its ninth year, the GLDC includes a number of key performance indicators, such as sales revenues and funds returned to good causes. All the information is sourced directly from our Regular and Associate Members, and the indicators are carefully selected to ensure compliance with competition laws. We know this resource is appreciated by everyone because the influx of inquiries starts to build up when we are finishing the next edition. The GLDC wouldn't exist without the input of all our members, and we appreciate everyone's participation. In fact, the 2021 edition of the GLDC received data from 88% of members despite the difficulties of the global pandemic. The 2022 edition will be made available to delegates of the World Lottery Summit 2022 (WLS 2022) in electronic format. Hard copies will be distributed to WLA Lottery Members and WLA Associate Members immediately following the summit.

The GLDC also has contact and other information about the lotteries, right?

R. Paul: As part of the continued path of digitalization of our products and services, we have been busy over the past two years developing the e-Compendium member directory as an extension to the WLA website. Importantly, the website offers

Scenes from PGRI Lottery Expo • Sheraton Times Square • New York City, August 31, 2022

1. Lori-Denton and Simon Jaworski 2. iLottery Panel 3. John Martin 4. Lianne Paturel 5. Mike Purcell 6. Rodney Wilson and Cherie Norman
8. Merv Huber, Pat McHugh, Amy Bergette 9. Lori Denton 10. Brad Thompson 11. Ryan Mindell 12. Jason Lisiecki 13. Stephen Ortiz
14. Khalid-Jones, Stephen Ortiz, Stephen Durrell 15. John Martin and Paul Jason 16. Lianne Paturel 17. Max Goldstein, Jim Carey, Brad Thompson
18. Lottery Promotions Panel 19. Gary Grief 20. Lianne Paturel 21. Rebecca Paul

Scenes from PGRI Lottery Expo • Sheraton Times Square • New York City, August 31, 2022

1. Ailsa McNight 2. Don Silberstein 3. Simon Jaworski 4. Sarah Taylor 5. Paul Jason 6. Julin Shaw 7. Short Term Results Panel 8. Simon Jaworski
9. Creating Alignment Panel 10. Amy Bergette 11. Brooks Pierce 12. Drew Svitko 13. John Schulz and Rebecca Paul 14. Riva Richard and Brad Thompson
15. Pau Jason 16. Rebecca Paul 17. John Schulz 18. CRM Panel 19. iLottery Panel 21. David Barden 22. David Barden, A my Bergette, Brad Cummings, Mike Lightman

Scenes from PGRI Lottery Expo • Sheraton Times Square • New York City, August 31, 2022

1. Merv Huber 2. Max Goldstein 3. Lorne Weil 4. John Schulz 5. Merv Huber and Drew Svitko 6. Merv Huber and Ailsa McNight 7. Gretchen Corbin 8. Jordan Garcia 9. iLottery Panel 11. Angela Wong, James Maida, Sean Athey, John Dillon 12. Brad Thompson 13. Susan Jason 14. Drew Svitko, Matt Strawn, Armando Perez Cruz 15. John Martin and Gretchen Corbin 16. Paul Jason and Ailsa McNight 17. Lori Denton 18. Lorne Weil, Jay Gendron, Matt Strawn 19. Brad Cummings

Scenes from PGRI Lottery Expo • Sheraton Times Square • New York City, August 31, 2022

1. Frank Suarez and Bishop Woosley 3. Gretchen Corbin 4. Frank Suarez 5. Gary Grief 6. iLottery Panel 7. Audience Polling 8. Armando Perez Cruz and Gregg Edgar 9. Marcus Glasper 10. Bishop Woosley 11. Gregg Edgar 13. CRM Panel 14. Jay Gendron 15. Marcus Glasper Stefano Monterosso Gretchen Corbin 16. Brad Cummings and Mike Lightman 17. Jennifer Westbury and May Scheve Reardon 18. Armando Perez Cruz 19. Matt Strawn 20. Stephen Durrell

Scenes from PGRI Lottery Expo • Sheraton Times Square • New York City, August 31, 2022

1. Drew Svitko and Marcus Glasper 2. Jordan Garcia, Amy Morin, and Khalid Jones 3. Mike Lightman 6. Nat Worley 8. Lottery Promotions
9. John Martin 10. Stefano Monterosso and Gretchen Corbin 11. Audience Voting 13. Rebecca Paul 14. Driving Results Panel
15. Creating Alignment Panel 16. Tonya Beenders 17. Jim Carey 18. Jennifer Westbury

Hall of Fame Induction Ceremony

PGRI Lottery Expo, Sheraton Times Square, New York City, August 31, 2022

1. Paul Jason, Drew and Gretchen Svitko 2. Susan and David Barden 3. Drew Svitko 4. David Barden 5. Hall of Famers
6. Rebecca Paul, Susan and David Barden, Drew and Gretchen Svitko, Gary Grief 7. David Barden and Drew Svitko 8. Susan and David Barden, Drew and Gretchen Svitko
9. Drew and Gretchen Svitko 10. Paul Jason and Gary Grief 11. Rebecca Paul 12. Drew Svitko and Gary Grief 13. Susan and David Barden 14. Rebecca Paul

PULSE
of the
Industry

NORTH AMERICAN NEWS

Arkansas Scholarship Lottery's (ASL) launches new LOTTO draw-game in Sept

Wyoming Lottery launching keno game Sunday as lottery branches out into bars, other businesse

Scientific Games named South Dakota Lottery Lottery's Exclusive Instant Game Partner

Scientific Games' new PlayCentral Powered by SCiQ retail technology has increased instant game self-service sales an average of 19% at participating Pennsylvania Lottery retailers

The advanced technology from Scientific Games gives lotteries unprecedented access to real-time data and industry-leading analytics to optimize game portfolio management, inventory control, marketing and promotions.

Texas Lottery will continue to entertain its players with Scientific Games' world-leading scratch ticket

games, licensed brands and innovative, custom promotions under a new contract that extends the successful partnership through 2034

Also included in the new contract is SCiQ, a ground-breaking lottery retail technology ecosystem from Scientific Games that improves in-store display and security for scratch tickets, and offers retailers inventory, marketing, accounting and operational efficiencies.

Texas Lottery Commission has moved its headquarters to 1801 N. Congress Avenue Austin, Texas 78701

IGT Signs Four-Year Contract Extension with New York Lottery to Continue as Primary Technology Supplier

As part of the extension, IGT will launch a new claims and payments system. IGT will also continue to provide the New York Lottery with its lottery central system and related technology, retailer training, field services, call center support, instant ticket warehousing and distribution, and upgrades to the infrastructure.

IGT to Introduce Self-Serve Lottery Terminals in Ontario via 15-Year Contract with OLG (Ontario Lottery and Gaming Corporation)

This agreement marks the first time that self-serve technology is expected to be available to lottery players in Ontario. The contract will run until June 2027 and includes 10 additional one-year contract extension options. "As OLG embarks on the next evolution of lottery play

in Ontario, we will work with key partners like IGT to deliver responsible, secure and convenient access to player-favorite lottery games," said Duncan Hannay, OLG President and CEO. "The introduction of self-serve lottery technology throughout Ontario would allow us to continue to drive sales and maximize revenue for provincial priorities for the benefit of the people of Ontario."

Ontario Sports Betting: OLG Overhauls/tunes up Self-Exclusion and Responsible Gaming Program Amid iGaming Growth

IGT Completes Sale of Italian Commercial Payment Business to PostePay S.p.A. for €700 million

Matt Wilson, Light & Wonder's Executive Vice President and Group Chief Executive of Gaming, has been appointed interim Chief Executive Officer while also continuing in his current role

In connection with the appointment, Barry Cottle has stepped down as President and Chief Executive Officer and a member of the Company's Board of Directors and will support a seamless transition as a consultant.

Gaming Laboratories International (GLI®) Promotes Angela Wong to Vice President of Global Lottery Solutions

In her new role, Angela will join the GLI Global Leadership Team and continue to provide strategic direction for the GLI Group's array of lottery services. She will focus on growing GLI's portfolio of engagements within the lottery industry and producing highly suc-

cessful outcomes for the company's clients.

West Virginia iGaming Spikes in August and Sports Betting Outperforms Too

BCLC: How a Gambling Corporation Transformed into a Social Purpose Company

Delaware iGaming revenues set new records every month

NeoPollard Interactive Congratulates The New Hampshire Lottery On A Succesful FY 2022 In iLottery Sales

FY 2022 marks the fourth year of iLottery operations for the New Hampshire Lottery, boasting a remarkable 30% year-over-year growth in net gaming revenue to more than $36 million, and the introduction of a host of new and exciting products and games for its players.

NeoPollard Interactive Celebrates an Incredible FY 2022 in iLottery for the North Carolina Education Lottery

Over the past fiscal year, the NCEL has seen a remarkable 26% growth to reach $81.7 million in online draw game sales, which include Mega Millions, Powerball, Lucky For Life and Carolina Cash 5. Draw-based games purchased online now represent an impressive 20% of the Lottery's total draw game sales (for the same games offered at both retail and online), and 76% of online draw-based game purchases were made via mobile devices.

Furthermore, there have been significant advancements to the NCEL's Online Play program in FY 2022, with expanded payment options, such as PayPal becoming available, and a responsible gaming enhancement that gives players added visibility into their responsible gaming limits. These innovative and cutting-edge developments deliver further value to the Lottery's players and additional opportunities for them to play their favorite online games where they want, when they want, in a safe and responsible manner.

Jackpocket Offers a Year's Supply of Free Lottery Tickets* in New Sweepstakes
America's #1 Lottery App Gives

Now through September 18, 2022, Jackpocket, the leading third-party app in the U.S. to provide a secure way to order official state lottery tickets, is giving players the opportunity to win exciting prizes, including a year's supply of lottery tickets.

Five first-prize winners will receive free lottery

credits for a year (equal to $2 in Jackpocket credits per day for 365 days) to play their national or state lottery games of choice. Additionally, there will be 15 second-prize winners who will receive free lottery credits for a month (equal to $2 in Jackpocket credits per day for 31 days) and 25 third-prize winners who will receive free lottery credits for a week (equal to $2 in Jackpocket credits per day for 7 days).

RFP: The Pennsylvania (PA) Lottery - Full-service advertising agency

RFI: New Hampshire Lottery Commission for iLottery Vendor

Job: Alberta Gaming, Liquor & Cannabis (AGLC); Online Gambling Specialist

Lottery.com plunged into NASDAQ turmoil as multiple Board members resign

SPORTS BETTING AND CASINO GAMBLING

AGA: US commercial gaming well positioned for a second consecutive record-setting year

Disney CEO Says Sports Betting Is a Reason for Keeping ESPN

NYSafeBets: New Website Launches To Help Bettors Navigate New York's Sports Betting Market

Sporttrade launches first and only regulated sports trading platform in New Jersey

Sports Betting Is Revving Up Ad Spending for Fourth Quarter

Local Sports Betting Ad Spend to reach $1.8 billion in 2022, a sizable jump of 80% from 2021. By 2024, ad spend for the category is projected to total $2.9 billion.

Virginia sports betting revenues jump sees 63%, from $1.87M in June to $3.06M in July

Maryland Application Process for Mobile, Facility Sports Wagering Licenses Began in September

New York Online sports betting sales top $10 billion with start of NFL season

Sports wagering goes into full launch in Kansas

Kansas sports betting: 100,000+ Missouri wagering attempts blocked since legal market launch

Ohio Sports Betting Market Must Legally Launch by January 1, 2023

The OH Casino Control Commission (OCCC) has approved the first 200 sports betting licenses out of the 650+ applicants.

Amazon chooses DraftKings as sponsor and odds provider for Thursday Night Football

Casinos, Native American tribes, and Major League Baseball are betting the most money ever on 2 competing California ballot initiatives

Massachusetts regulators to take their time with sports betting launch; Treasurer Deborah Goldberg pushes for Lottery protection in rules

WORLD NEWS

WLA presents key activities at Asian APLA regional lottery conference

Cracking down on illegals: Kindred Could Face Fine of up to $42.7m if It Continues to Operate in Norway

Call for Participation - Women's lottery leadership programme in Europe 2022-2023

"WILL continues to grow, creating a path for talented and passionate women to realise their full potential in the lottery sector. Both mentors and mentees will benefit from this experience and contribute to build an environment that not only accepts diversity, but also celebrates and promotes it," Stéphane Pallez, EL 1st Vice-President and CEO of La Française des Jeux (FDJ)

Please send an email to the WiLL coordinator (Melissa.Jacquerioz@european-lotteries.org) confirming your interest in the programme along with your resume by 30 September 2022.

Too, see page 37 of this issue for more on the EL and its WiLL initiatives.

Camelot withdraws National Lottery appeal

Camelot will withdraw its appeal over lifting of an automatic suspension, allowing the Gambling Commission to grant the licence to Allwyn Entertainment UK. Instead, Camelot will pursue a damages claim over the National Lottery licence award.

Danske Spil grows first half revenue despite lottery and sports decline

Australian government commences wide ranging online gambling inquiry

The Dutch Gambling Authority, Kansspelautoriteit (KSA), has announced that its research programme into problem gambling will commence later this year.

Mauritius: Small lottery big impact

WLA member Lottotech Ltd. has become the first lottery in the African region to obtain the WLA responsible gaming certification level 2, 3 and then 4 twice.

Singapore among jurisdictions most opposed to online gaming

Almost six in ten Singapore adults think online gambling should not be allowed, the fourth highest globally.

The Burkinabè National Lottery renovates infrastructure in Loumbila to the tune of 580 million FCFA ($900,000)

Kyrgyzstan – A bill legalising gambling in the country has been signed into law

Ireland appoints Anne Marie Caulfield as CEO of first gambling industry regulator

Peru's Gaming Regulator Fines More Than 30 Casinos Over Violations

IGT PlayDigital Grows Partnership with SKS365 Group via Expanded Content Agreement in Italy

IGT PlayDigital has grown its partnership with SKS365 Group through an expanded multi-year content agreement. SKS365 Group is the international sports betting and gaming operator of Planetwin365 casino and one of the largest operators in the Italian market.

Greek OPAP H1'22 Gross Gaming Revenues (GGR) landed at €899.3m vs €570.1m in H1'21, higher by 57.7% on the back of retail estate being fully operational throughout 2022 and resilient demand

INTRALOT Group announces financial results for the six-month period ended June 30th, 2022

Macau Gambling revenue falls short of expectations – not only due to the pandemic but also to mainland China's anti-gambling measures

Greenberg Traurig continued from page 35

[1] Andrew Crowe, Senior Vice President, Business Development, Sightline Payments, at PGRI's 2021 Nashville Conference Roundtable Discussion "Data and the "Digital Mentality' are Re-Shaping Lottery's Future." (the "Nashville Panel Discussion"), reported in Public Gaming International, March/April 2022, p. 57.

[2] Connecticut Department of Consumer Protection regulations at 12-865-13(p).

[3] See the Michigan Lottery's responsible gaming information at https://www.michiganlottery.com/responsible-gaming.

[4] See the New Hampshire Lottery's responsible gaming information at https://www.nhlottery.com/iLottery-Games/iLottery-FAQs#How-to-Set-Deposit-Limit.

[5] See the Pennsylvania Lottery's responsible gaming information at https://www.pailottery.com/p/responsible-gaming-policy/#:~:text=By%20law%2C%20players%20must%20be,and%20ages%20of%20all%20players.

[6] Rhode Island Lottery Rules and Regulations, Rule 20.26, at https://rilot.com/content/dam/interactive/ilottery/pdfs/about-us/RILotteryRules.pdf.

[7] See https://www.valottery.com/aboutus/faq "Can I exclude myself from buying games online?" and "Is there a limit to how much I can deposit into my account wallet?"

[8] See DC Lottery's responsible gaming information at https://dclottery.com/en/view/responsible-gaming.

[9] See the Virginia Lottery website at https://www.valottery.com/aboutus/blog/gamingcontrols\ explaining that a player may not deposit more than $5,000 in any 30-day period, and that such maximum deposit amount can be lowered at the player's discretion.

[10] While some purport to offer an opportunity to self-exclude, most leading unlicensed sports betting sites reported to be taking wagering from players in the U.S. do not offer other detailed protections. See, for example, certain terms of use at https://www.bovada.lv/responsible-gaming, https://www.betus.com.pa/terms-conditions/ and https://help.betonline.ag/knowledge-base/responsible-g/.

BetUS Other than an opportunity to self-exclude, Bovada offers none of opportunities to set limits on deposits and wagering sessions.

[11] See Mr. Henwood's remarks quoted in Action Network, "Despite Growth, Legal Sports Betting Still Just a Fraction of Illegal Market," by Ryan Butler, last updated December 11, 2021, at https://www.actionnetwork.com/general/despite-growth-legal-sports-betting-still-just-just-fraction-of-illegal-market.

[12] See letter from William C. Miller, Jr., President and CEO of the American Gaming Association to Hon. Merrick Garland, Attorney General, U.S. Department of Justice, dated April 13, 2022 (the "AGA Letter") at https://www.americangaming.org/wp-content/uploads/2022/04/AGA_DoJIllegalGambling-4.13.22.pdf.

[13] See AGA Letter, pp. 1-2.

[14] See "Illegal Lottery Operations in Spain, Portugal and UK Come to an End," by Erik Gibbs in casino.org, June 30, 2022 at https://www.casino.org/news/illegal-lottery-operation-in-spain-portugal-and-uk-comes-to-an-end/.

[15] Richard Bateson, Chief Commercial Officer, JUMBO Interactive, at the Nashville Panel Discussion, reported in Public Gaming International, March/April 2022, p. 57.

VLAEMMINCK.law

THE GLOBAL RFP:
FROM 2006 TO MOROCCO

By Philippe Vlaemminck & Dawid Muller*
www.vlaemminck.law

The **WLA** website describes the lottery business model as:

*"In each recognized jurisdiction, typically either a country or a state or territory (within a federation), a national lottery is given an exclusive license to operate lotteries. In return for this exclusive license, **the lottery must operate its business of offering fun and entertaining games to the public under strict regulation, exercising responsibility with respect to minors and vulnerable groups, and returning all or most of the profit generated from its games to society.** In this way, state lotteries constitute a sustainable source of income for the public good. In practice, the lottery business model ensures that there is a direct correlation between playing the games of your local state-regulated lottery and supporting your community. Every time you play, your community wins."*

But how does a jurisdiction find an operator who will responsibly offer fun and entertaining games under strict regulation, whilst returning all or most of the profit generated from its games to society?

The Request for Proposal (RFP) process is the popular choice to find the 'right' operator. Less formal processes are available, but such processes may fail to identify the best operator (vendor) and the best plan for accomplishing the described lottery (the project). We agree that the RFP is the better process because it can solicit bids from qualified and experienced lottery operators in an open and transparent manner. The process is necessarily comprehensive and requires applicants to submit huge amounts of information. This is necessary to enable issuing authorities to find the right solution, the best financial model and the right operator for its lottery activity. The RFP is not only able to procure the 'right' information from applicants, but it also provided clear evaluation methods and criteria.

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Unfortunately, the process is not infallible.

For example, in 2000, the UK RFP process compelled the Gambling Commission to negotiate an interim license with the incumbent to extend the process. They declared that the process "did not run smoothly" and that they had to reject all the applications "because they failed to satisfy the statutory criteria." The appropriateness of the RFP process, the fallibility of it and the World Lotteries Association's strategy to support new and developing lottery jurisdictions must have played a role in the decision to develop the Global WLA RFP Standard Template in 2006 for use by any lottery in any state, province, or country worldwide. The introduction of the Global RFP (so named in the standard) was well accepted.

The Global RFP recommends the content, format, and policies that should be included in the RFP. It recommends the structure and defines recommended standard text. It does not dictate that the recommended text should be used, and users are free to add or change requirements in the standard text. Text in the RFP is extremely important because if the RFP is not well-written, the submitted proposals may not meet expectations and the authority may not find the 'right' operator. But this standard was written 16 years ago, and recently authorising authorities are more willing to make comprehensive changes to the Global RFP or use their own RFP documents. So, this is our question. Is the Global RFP still relevant today? Or perhaps more important, Does it still constitute best practice?

Before, we address the question, we must highlight three matters.

(1) We have worked recently with RFP

processes on the African continent hence our research will focus on the outcomes of RFPs on this continent. Even though we do not refer to them, we know that similar outcomes are experienced elsewhere in the world. We also believe that African jurisdictions which are answering our call to update their ancient legal frameworks will seek a standard like the Global RFP when they start their operator selection process. For them, this is important.

(2) When we started our research, we knew that a review may be difficult because of the veil of confidentiality that is pulled over RFP processes. Fortunately, we found on the internet reports that provide reasons for and reviews of RFP outcomes. Legal reviews of the outcomes of RFP processes provided an invaluable insight into the successes and shortcomings of previous RFPs.

Lastly, we confirm that we do not evaluate or question the merits of any decisions made by an authorising authority. This is not the intention of this article.

Botswana: After consulting the Global RFP, Botswana published an RFP (termed Request For Applications For the National Lottery License) on 8 May 2017. Applicants submitted their applications on 12 October 2017. This RFP confirmed that the RFP evaluations process will be concluded on 9 March 2018 and that the preferred applicant would be announced on 15 June 2018. The preferred applicant was not announced until 6 June 2020, nearly two years later. The first delay came because a bidder successfully interdicted the authority from continuing with the process. The bidder won the right to submit documents that were initially denied by the authority through an arbitration process that is provided for in the RFP. The arbitration process lasted two years and the initial sales predictions, committed financial resources and availability of technology partners became an issue. But the wait for their own national lottery is not over for the Batswana people. Contract negotiations with the preferred bidder could only commence six months after the announcement because of legal challenges launched by the reserve applicant because key RFP conditions and criteria were flaunted – rendering, in their opinion, the process illegal and irregular. To make matters worse, in April 2021 the issuing authority announced that the preferred applicant did not have the funding required to launch the lottery. The authority commenced negotia-

tions with the reserve applicant. There are still no lottery operations in Botswana.

Tanzania: After what they believed to be a successful request for proposal (RFP) process based on the Global RFP, Tanzania announced an operator for their national lottery on 4 February 2015. The RFP required that the national lottery employ a retail network supported by a modern digital platform. On 22 May 2016 the national lottery started selling tickets on the digital platform only. The retail network was never implemented, the lottery failed to deliver revenue targets and grinded to a halt.

Does the Global RFP still constitute best practice?

Malawi: Lottery operations in Malawi stopped in 2012 because until then the efforts of the Malawian regulator to secure an operator was hampered by operators who pulled out before rollout or were unable to honour promises. Malawi consulted the Global RFP and published the invitation for tenders in May 2014. A preferred candidate was identified, and a license agreement was signed. But the national lottery was not launched because the operator could not secure the required funding to buy the promised lottery infrastructure.

The Global RFP induced process also seems to have an inability to survive legal scrutiny. In fact, these RFPs seem to invite legal scrutiny and it will appear as if the process is so complex and detailed, that authorizing authorities find it difficult to stay within the boundaries of its own RFP process.

South Africa: Although the authorising authority drafted the RFP following best practises set out in the Global RFP in 2006, the process did not survive legal scrutiny. The lottery was suspended for six months following a High Court decision that the authorising authority failed to implement a condition banning the involvement of political office bearers. Contributions to good causes and charities stopped and the lottery lost hard-earned market momentum against its closest competitors. In 2013, the

RFP was extensively revised introducing and emphasizing corporate social responsibility aspects (most notably skills development and local content requirements) and providing for the inclusion of bid submissions on good causes contribution values and social responsibility plans as annexures to the intended license. Again, this process did not survive legal scrutiny and the license agreement signed with the preferred applicant was declared null and void because the signed license agreement deviated from the RFP and other legal standards. Again, it was the absence of the necessary financial resources at the time of signing the license agreement that led to the failure of the RFP process.

The South African court decision highlighted (Botswana experienced the same) the plight of applicants in Africa. An applicant requires the signed license as collateral to secure the necessary funding and the authorizing authority requires the evidence of committed funding before they will issue the license.

In both 2006 and 2014, the court ordered that the process be reviewed by the authorising authority. In both instances, the preferred applicants were allowed to mend the "deviances", and both became the operators of the National Lottery.

As South Africa made changes to their RFP document, so did they increase the timelines needed to complete the RFP process. For the first RFP published in 1998 it took ten months from RFP publication to signing the license, in 2006 it took one year and nine months, and in 2014, two years and two months to the conclusion of the valid license. A re-licensing process has an adverse impact on lottery operations and it is not ideal to allow for an extended period of time.

Considering the above experiences in the listed jurisdictions, it leaves one perplexed on how these complex and detailed processes failed to review and confirm a critical requirement for a national lottery, being committed finances.

United Kingdom: The latest RFP issued in the UK has captured the attention of the lottery world for the last two years and therefore their RFP should be considered in this discourse. Our research confirms that this RFP is very different from the Global RFP. The competition for the UK National Lottery (as they term their RFP process) introduces a separate Request For Information (RFI) process. The RFI is conducted by way of a selection questionnaire to identify

applicants with the relevant professional and technical capacity and capability, as well as the financial and economic standing, to run the UK National Lottery. The identified applicants were then invited to participate in a closed tender-type RFP (called the Invitation to Apply). There is no doubt that the introduction of a separate RFI process has ensured that only 'worthy' bidders continue the competition and has reduced the amount of information to evaluate. However, on the downside, it may well create the opportunity for early legal scrutiny of this process that may allow for the interdiction of the start of the RFP phase.

The evaluations of the invited bids are conducted in two stages with applicants allowed to obtain feedback on the strengths and weaknesses of their application, and areas for improvement, ahead of submitting their final bid. In the second stage, the bidders will update their applications and submit a final bid.

The UK RFP process introduces a more elaborate and extended process that will be more time consuming. The new process prompted the authorising authority to extend the incumbent's license for six months to extend the timeline for the submission of final applications. This was done following representations from Applicants and experience from the evaluation of the first bid submissions. The amended timeline saw four weeks added to the submission of final applications stage and a further six weeks for evaluation. According to the authorising authority the extension allowed bidders to further refine their proposals and for the Commission to evaluate.

At this point, we can conclude that the Global RFP may require comprehensive responses but that the detail so required is not always sufficient to enable authorising authorities to determine whether an essential requirement (like if applicant has access to sufficient funding) is met. Jurisdictions like the UK and South Africa have made changes to the requirements, apparently to improve submissions, but these changes have extended the RFP period to over two years. And that for a license that is intended to be issued for a period of 10 and 8 years respectively. This re-licensing process has an adverse impact on the incumbent and lottery operations. The duration thereof should be kept as short as realistically possible.

Coming to **Morocco.** Under the leadership of the **Director General, Mr Younès EL**

MECHRAFI, the **MDJS** initiated a process to review and rethink the Global RFP. Staff of the MDJS and world-class experts evaluated the Global RFP, its performance, and associated risks to create a re-oriented Moroccan RFP. According to Mr EL MECHRAFI a rigorous methodology was adopted to ensure that the revised Global RFP will ensure the selection of the best applications in line with pre-established company objectives. He directed the reviewers to ensure that bidders address a large variety of issues including financial models, business plans, technology solutions, transfer of knowledge, transition plans, roll out plans and potential integration of various tasks into the MDJS. He confirmed his satisfaction with the delivery of a formal document with clear guidelines and specifications of what is required.

The Moroccan RFP remains based upon the Global RFP, but this 'old' format was adapted to Moroccan market conditions and regulations. The effect of these amendments is to modernise the Global RFP. The Moroccan process retains the original procedure: publishing one comprehensive RFP document that provided for an evaluation process conducted in three stages; (1) eligibility and capacity, (2) technical and (3) financial. The first stage is an RFI-type process and is not conducted as a separate process. In our opinion, the separate process works because it sets clear and stringent eligibility and capacity criteria confirming that the MDJS requires submissions from experienced and revered operators.

For Stage 3 and 4, this RFP contains a list of detailed requirements for all aspects of the MDJS operations, marking them as critical (mandatory), important or desired. It further confirms the type of response required being full or just an acceptance. Mr EL MECHRAFI believes that all the applicants knew what was expected of them and what to expect from an evaluation standpoint. Potential bidders were clearly comfortable with the process and the requirements with six applicants submitted bids for the sports betting licence and four for the license to operate lottery games. Mr EL MECHRAFI is very satisfied with the response because now Morocco has a better chance of finding the ideal solution. Multiple bids do provide a variety of solutions and financial models, allowing the issuing authority to choose the one that best meets its needs.

The Moroccan RFP moved its focus away from cost orientation and sought to find

an operator more dynamic in its approach to future improvements. A new gaming observatory is set to be established to drive technological development and advancement. This should enable the selected operator(s) to cooperate with the MDJS to implement and innovate new dynamic operational approaches.

With this RFP, the MDJS has created a future oriented strategy and a strong investment in corporate social responsibility. Bidders not only had to explain technology and innovative business plans but had to consider what it can do for the greater good of Morocco. Matter like skills transfer and job creation was demanded to be top of mind.

As a result, MDJS is now well prepared and confident to address the future and the transition period. They are now equipped with the necessary means and tools. And the RFP is on track to conclude its purpose before the end of the year minimising the adverse impact on current operations.

This is where we end our journey with the Global RFP. A journey that started with its birth in 2006 to the latest updated 'model' in Morocco.

The current Global RFP is old and needs an urgent revision. The success of the Moroccan RFP confirms that the Global RFP will remain relevant if it is subjected to a rigorous review process. It can deliver the desired results if it is updated to modern standards and the demands of the jurisdictions it is intended to serve.

For the review process, there are lessons to learn from the UK and Moroccan processes. We must point out that these two processes must still conclude and there may still be knowledge to gain. The immediate future will provide an opportunity to deepen the research for a proper review of the Global RFP. The result of a successful review will benefit us all.

Mr. EL MECHRAFI has been a pioneer in the movement to strengthen the dialogue among lotteries in Africa through the African Lotteries Association to ensure that these lotteries can reap the benefits of ongoing cooperation and support within the WLA community. There is no doubt that a new Global RFP can benefit African jurisdictions and others worldwide. Lottery leaders will do well to follow the example of the MDJS. Coming to view now are that Ghana and South Africa are about to embark on such a process. ■

Playing

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to drive a sustainable tomorrow.
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SG
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