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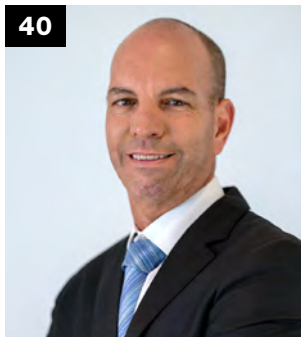
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Multi-State Progressive Jackpots

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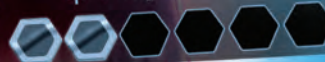
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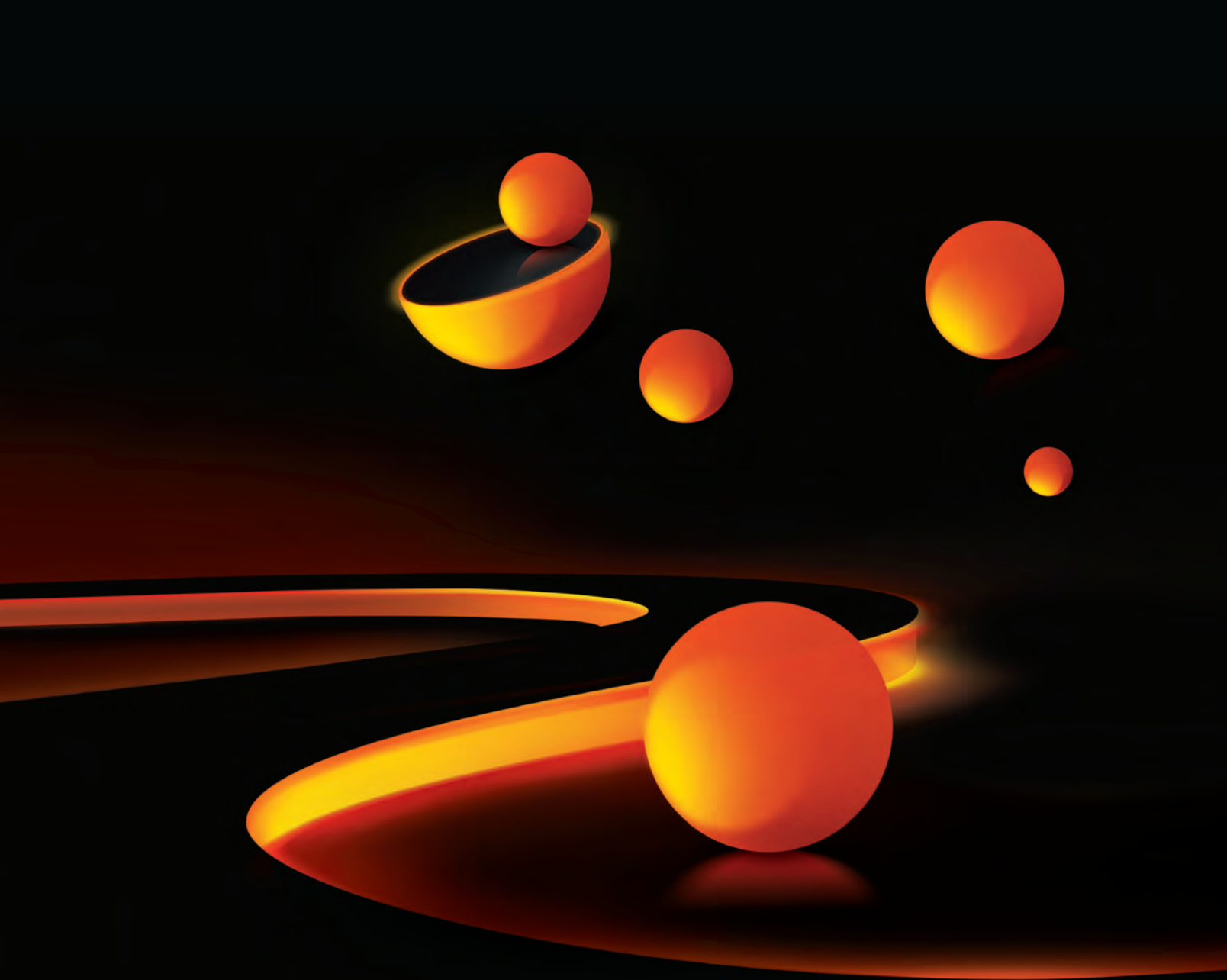
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 PGRI Lifetime Achievement Award
 Sharp Award for Good Causes
 Lottery Industry Statesman and Stateswoman Award
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From the Publisher

We look forward to seeing everyone at **PGRI Lottery Expo Nashville** (Sept. 11-13) and then **NASPL Milwaukee** (Oct. 30 to Nov. 1). For one thing, we are celebrating **Michelle Carney**, IGT and **Jeanna King**, Scientific Games for their selection by Rebecca Paul, president of the World Lottery Association and the Tennessee Lottery, and her lottery director colleagues to receive the **Major Peter J. O'Connell Lottery Industry Lifetime Achievement Award**. That will be at 4:30 pm Sept 12 at PGRI Lottery Expo Nashville. Then there is the ceremony to induct **Sarah Taylor** (Hoosier Lottery), **Jennifer Welshons** (Scientific Games), and **Keith Cash** (IGT) into the **Lottery Industry Hall of Fame** at NASPL Milwaukee at 2:00 pm. Nov. 1. See their bio's on pages 10 and 12. Congratulations to all!

I am so pleased that everyone is so excited about our focus on Artificial Intelligence as the theme for PGRI Lottery Expo. Only kidding, as I have had a little pushback on the basis that AI is not in widespread use within the lottery industry right now and that its future applications are uncertain. It is hard to argue with the fact that the future applications may be uncertain right now, but I still respectfully hold fast to the conviction that the impacts of AI will indeed be transformational and that the time to get clarity on the nature of those impacts and the power of AI, and how it will in fact apply to lottery ... is now. I so appreciate the leadership of **Drew Svitko** (Exec Director Pennsylvania Lottery and Chair of MUSL's Powerball Group) for exploring the ways in which Intelligent Systems will transform the way business and commerce are conducted, the way goods and services are produced, the way value is added, the

way the consumer behaves, the way we live our lives, and what this all means to Team Lottery. Drew's panel discussion kicks off PGRI Lottery Expo on Sept. 12. Intelligent Systems, predictive and data analytics and much more are already being applied within the lottery industry, but even these are merely setting the stage for the explosion of a new technological era that is in its infancy.

The articles in this issue focus not on AI but on the ways our industry is positioning itself for the changes that technological innovation is changing our world. The impact of technological innovation is an old story that has been told before. And the rejoinder of "yes, but this is different" has also been voiced many times before. The difference now is not just in the scale and impact (which will be decisively bigger than anything that has preceded it) but the speed at which it will happen. Some of you know that I am not a technologist. So who am I to presume to render predictions with such conviction. Frankly, a science degree is not a prerequisite for studying the current literature on these topics. And that is what we are trying to do, i.e. study the ways in which the transformational impact that Intelligent Systems will have on the world and then, more importantly, how Team Lottery can harness the power of AI/ Intelligent Systems to preserve its place in the hearts and minds of the hundreds of millions of consumers it serves.

A big theme of the feature interviews (**Jean-Luc Moner-Banet**, **Moti Malul**, **Julian Tietz**) in this issue is the importance of IT platforms that support the flexibility to integrate new technologies and solutions going forward. The somewhat over-wrought missive that "the pace of change has never been this

fast, yet will never be this slow again" is more apt today than it was when it first appeared five years ago. That is why it is more important than ever to always be running the most advanced technologies, integrating the most effective solutions, and constantly evolving to maximize the value we deliver to players and to lottery stakeholders. We can be sure our competition in the other game categories will be doing everything they can to entice lottery players to come over to their space, and that will include applying the most advanced tools to appeal to the next generation of consumers.

A little aside: A recent survey conducted by the Consulting and Research behemoth McKinsey & Company, encompassing 1,684 participants found that 79% of respondents acknowledged having some level of exposure to generative AI (like ChatGPT), and that 22% of the participants indicated that they have already integrated generative AI into their regular workflow. Of course, Gen AI is just one of countless AI tools being created as we speak.

Forging the pathway forward that serves the stakeholders of Lottery is a team effort. Thank you for your support, for coming to Lottery Expo Nashville and NASPL Milwaukee, and for sharing your thoughts and insights with me and our audience.

Paul Jason, Publisher
Public Gaming International Magazine



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YOUR NUMBERS

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Match any of YOUR NUMBERS to any of the MONSTER NUMBERS, win the prize for that number.



PGRI LOTTERY INDUSTRY HALL OF FAME

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

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

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

Induction Ceremony

The induction ceremony for Mr Farris, Mr Kötter, and Mr van 't Veer was held at EL Congress in Šibenik, Croatia on Tuesday June 6. See photos in this issue!

The ceremony for Mr Cash, Ms Taylor, and Ms Welshons, will be held at the NASPL conference in Milwaukee on Thursday November 2 at 8:30 am in Room 103 C+D+E, Street Level, Wisconsin center. We look forward to seeing you all there!

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



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

Keith's career in the Lottery industry started more than 30 years ago working nightshift on the manufacturing floor of Dittler Brothers (manufacturer of Instant Scratch-off tickets) and later moved to the same position at Scientific Games. From this entry level role in manufacturing, Keith consistently advanced through the ranks of Scientific Games. His career trajectory included positions in Production Control, Customer Service, Project Management, and Account Manager.

After more than 22 years with Scientific Games, Keith accepted a role with IGT as the Vice President and General Manager of Global Instant Tickets.



JENNIFER WELSHONS
Chief Marketing Officer, Scientific Games

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

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



KONSTANTINOS FARRIS
Group Chief Technology Officer, INTRALOT

Konstantinos is an accomplished and creative C-Level executive with over 30 years in both billion-dollar companies and start-ups, with multifaceted experience and impressive contribution to business formation and scaling up technological and operational developments in the Gaming, Fintech and Blockchain industries. Konstantinos started at INTRALOT in 1997. He combines business and commercial acumen with in-depth knowledge of the Gaming and the Fintech industries and in business leadership and cutting-edge technology domains such as IoT, Blockchain, Cloud and Agile. Science & Informatics, Technical University of Patras, Greece.



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

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



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

Appointed on 1 March 2017, Dr Arjan van 't Veer MSc has served as the Secretary General of the European Lotteries and Toto Association (EL) for six years. He succeeded Bernadette Lobjois after her retirement. Arjan was a member of the EL Executive Committee from 2013 until his appointment as Secretary General. He chaired the Legal Working group and the Responsible Gaming/CSR Working Group. He represented the Nederlandse Staatsloterij (The Netherlands), where he was the director of Corporate Affairs responsible for legal & regulatory affairs, public affairs and sponsoring.



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

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

Her reputation among her colleagues has been marked by her active participation in several lottery industry organizations.

See complete biographies in PGRI May/June issue and also online at LotteryIndustryHallofFame.com



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PGRI Announces Lottery Industry Lifetime Achievement Award Recipients



Honoring the 2023 recipients for their distinguished careers and a Lifetime of Dedication which has Contributed to the Great Success of Government Lotteries

Join us at 4:30 pm on Tuesday September 12 at PGRI Lottery Expo Nashville to celebrate the Lottery Industry Lifetime Achievement award ceremony honoring Ms. Carney and Ms. King.

Created in 1993 to honor Major Peter J. O'Connell, the first director of the Rhode Island Lottery, the Lottery Lifetime Achievement Award recognizes industry leaders who have, over a long tenure of service, made important contributions to the success of their peers and to the lottery industry, as well as to the lotteries that they serve. The recipients are nominated and selected by current Lifetime Achievement Award holders and join an elite group of industry leaders.

Major O'Connell was a pioneer in the lottery field and the evolution of instant ticket and on-line systems. After years of promoting the concept of a multi-state lottery, Major O'Connell served a two-year term as the first President of the Multi-State Lottery Association (MUSL), where in 1988 he was instrumental in launching Lotto[®]America, the predecessor of today's Powerball. In 1993, the Public Gaming Research Institute honored Major O'Connell with the Major Peter O'Connell Lottery Career Achievement Award presented for "the principles of high integrity, commitment to the quality of the lottery, dedication to the lottery playing public, professional independence and service to the state, along with tenure in office, as exemplified by Major O'Connell."

After serving in the United States Marine Corps during WWII, Peter joined the Rhode Island State Police, where he served with distinction for 25 years. During his tenure he held several top-level positions as he rose to the rank of Major. As chairman of the New England Police Intelligence Unit, he designed and implemented the New England Police Management School for State Police, which became known nationally. Major O'Connell was inducted into the Rhode Island Criminal Justice Hall of Fame in 2014.

In May of 1974, Major O'Connell was appointed by the governor to be the first Executive Director of the Rhode Island Lottery where he served until his retirement in 1993, making him the longest tenured Lottery Director in the United States at the time, and continues to be the longest serving tenure at one lottery. Major O'Connell passed away in 2021, just weeks shy of his 100th birthday. ■

Honoring the 2023 recipients for their distinguished careers and a Lifetime of Dedication which has Contributed to the Great Success of Government Lotteries



MICHELLE CARNEY
Vice President,
Global Lottery Marketing, IGT

Michelle Carney has dedicated much of her 23-year career at IGT to working collaboratively with lotteries, industry associations, and peers to help drive the lottery industry forward. For the past 15 years, she has engaged with state lotteries and their vendor partners to evolve the Powerball and Mega Millions multi-jurisdictional game portfolio in the U.S., and most recently was honored to be asked to lead the 2025 Mega Millions project-plan implementation. In 2007, she was immersed in developing the consumer questions and framework to inform a national approach to the evolution of multi-state games. Since then, Michelle has collaborated with the MUSL and Mega Millions working groups to implement six multi-jurisdictional game enhancements, including Cross-Sell, \$2 Powerball and \$2 Mega Millions — changes that have contributed substantial revenue for good causes. Another aspect of multi-jurisdiction game evolution was Michelle's role leading the Cash 4 Life project implementation, originally launched in NY and NJ in 2014. From 2015 to 2017, as IGT's Vice President of Strategic Customer Initiatives and Customer Advocate, she worked closely with CEOs and directors of all U.S. government-sponsored lotteries to develop, manage, and execute national opportunities to grow their lottery business.

What was most important to her when she first started in the industry was to earn the trust of customers: "I believe wholeheartedly in the mission of government-sponsored lotteries to benefit the good causes and people in the jurisdictions they serve. I wanted our lottery customers to know, and still do, that I am committed to listening to their needs and helping them responsibly grow sales to serve those beneficiaries."

Continued on page 20



JEANNA KING
Vice President, Creative Engagement
& Events, Scientific Games

Jeanna King's design career spans more than two decades at Scientific Games and a lifetime of dedication which has contributed to the great success of government lotteries. Today, she is the company's Vice President of Creative Engagement and Events.

Jeanna joined Scientific Games 22 years ago as a graphic designer. Since then, she's become a leader of the company's creative and marketing efforts supporting its global mission to help lotteries generate maximum funding for their good causes. Jeanna's creative talents and design vision allowed her to spearhead high-visibility creative projects, including developing Scientific Games' strong corporate brand identity and helping the company pioneer linked games and once-in-a-lifetime winners' events.

In her current role, Jeanna leads creative development and marketing campaigns with an internal team as well as external agencies that create engaging consumer-level materials for the company's lottery customers. She has provided branding expertise to more than 100 lottery marketing programs in the form of radio and television ad campaigns and point-of-sale materials, including many featuring popular licensed entertainment brands. Jeanna also leads Scientific Games' visual presence and renowned hospitality at lottery industry conferences and trade shows around the world.

Jeanna holds a Bachelor of Fine Arts with a concentration in Visual Communications from Auburn University in Alabama. She is a die-hard Auburn Football fan and a longtime participant in the Disney Princess Run and Half Marathon. She has dedicated her free time to generating awareness and funding for Rett Syndrome. Jeanna lives with her husband and daughters, Caroline and Aeryn, in metro Atlanta. ■

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Focus on Instants at Retail: Applying the most progressive strategies for driving Instants Sales at Land-Based Stores



As a four-decade veteran of the international lottery industry, Mark Michalko understands the importance of teamwork. He has worked on both the vendor side (IGT and Intralot) and the lottery side, serving as the first director of the California Lottery and now director of the North Carolina Lottery. So he knows what it takes for a plan to come together, which is what he has seen with the current success of the instant ticket product.

“I know for the North Carolina Lottery, as with most lotteries, reviewing the data is critical to making decisions on your portfolio,” he said. “Recently, we went back through our entire history of scratch tickets in North Carolina and looked at all the attributes of every product we’ve ever offered to determine a formula that tells us which type of game performs best when released at a certain time, with different game features, and in conjunction with other products. Our goal is to have a balanced portfolio of instant ticket products that are positioned for the best chance of success. It was a lot of work but instant tickets are so important to lottery, this type of analysis is critical.”

Across the country, lotteries and ticket vendors are constantly looking at their instant ticket programs to determine the best formula for success. Mark’s panel

took a deep dive into the strategies that lotteries are employing to strengthen their product offerings, provide customers with tickets they’ll purchase, and ensure that the incredible revenue stream created from these products continues. Joining Mark were instant ticket experts from the public and private sectors:

Mark Michalko, Executive Director, North Carolina Lottery

Matt Isaac, Senior Director Lottery Marketing, Pollard Banknote

Jeremy Kyzer, Vice President Sales, Scientific Games

Ryan Mindell, Deputy Executive Director, Texas Lottery

Tom Seaver, Director, Colorado Lottery

With almost no advertising budget, the Texas Lottery has relied on compelling scratch products to drive sales, particularly at the \$50 and \$100 price points. **Ryan Mindell** said careful planning has been one key to their success. “Planning more than a year out allows us to put different pieces in place and then make changes as necessary,” he said. “But ultimately, you want your portfolio to reflect player needs. We have players who now only buy \$50 and \$100 tickets, and that is driving much of our revenue growth. But many more people are buying \$5s, \$10s and \$20s. There might be people only buying crossword games.

So we need to have a diverse set of options and price points. The more varied your portfolio, the greater variety of play-styles you can appeal to and the greater the number of people you can attract to your products.”

At Pollard, **Matt Isaac** and his team uses data to study how different price points impact different player segments. “We need to position products so they have the greatest chance of success, not cannibalizing each other, reaching the right player groups,” he said. “Over the years, we’ve all looked at what the higher-performing per-cap lotteries have done and tried to emulate their best practices. Understanding the life cycle of games is also critical. You want to make sure you release a new game at the right time so it doesn’t step on a ticket that is still doing well. All these decisions are best made with detailed market data and player segmentation.”

A veteran of both the vendor and lottery sides of the business,” **Tom Seaver** focuses on creating and executing market strategies that give his team the best chance of success. “A well-rounded marketing strategy will look at the strengths of each of your tools and apply them to the messages that are most important to communicate to players,” he said. “For example, I have seen great work in Scratch category advertising, and equally great work for Scratch product specific support. Is one approach better

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Lottery



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“There is so much noise in the market – sports betting, casinos, iGaming – that lotteries need to differentiate themselves from all this competition to get the players’ attention.”

than the other? It depends on a lot of factors – including the objective (product specific is probably better for acquisition, for example). We are all making these decisions as to what we think is best for our lotteries based on our individual market conditions. We are all looking at what is going to deliver the best returns for our beneficiaries and players, and executing on that plan.”

Speaking as a lottery partner that supplies instant scratch games as well as digital game extensions and second-chance promotions to lotteries, **Jeremy Kyzer** said Scientific Games works with customers to rise above the noise and reach players with data-driven content. “There is so much noise in the market – sports betting, casinos, iGaming – that lotteries need to differentiate themselves from all this competition to get the players’ attention,” he said. “Portfolio management planning is more complicated than it was 5-10 years ago, given the range of price-points and other products. But working together, lotteries and their partners can drill down into the data to choose the right products to release at the right time. That is one key to success.”

Mark moved to the many challenges facing lotteries and their products. A number of states have seen sales of instants flatten or even decline, not something that the industry has faced in its history, or at least the last 40 years. “We are no longer a standalone industry,” he said. “We are facing competition from other gaming sources. In North Carolina, sports betting has now been approved. How are these challenges impacting lottery? What about macroeconomic issues such as inflation? How are all these factors impacting our instant ticket portfolios?”

While Texas doesn’t have as many different forms of gaming as some states, Ryan said he is under no illusion that the Texas Lottery is not impacted by competition. “Even without sports betting, I know that we are not insulated from competition,” he said. “Look at what happened to the lottery during COVID. With no theaters, cruise ships or casinos operating, everyone turned to lottery

for their entertainment. The challenge for us is - now that everything is back, how do we keep talking to the players who have come to lottery during COVID, but now have more options than ever appealing to them to spend their money in other ways? We need to have a broad view of where lottery sits in the entertainment world and work to provide our players with attractive and engaging products.”

Jeremy said some lotteries have found the key to keep those players engaged. “Higher price point games have worked wonders for a number of lotteries,” he said. “It was a product that was maybe missing from their portfolio and once offered, lotteries were able to convert people to becoming long-term players. Inflation, including gas prices, have impacted lottery sales. We’ve not seen correlations between inflation and instant game sales until 2022. Now there’s no denying that we’re getting impacted. It’s certainly something to watch.”

Matt had a different take on the impact of competition on lotteries. “I think the amount of advertising that’s been spent on sports betting and other forms of gaming have helped us,” he said. “To me, the more we see advertising for different forms of gaming, the more people will consider it as an accepted form of entertainment. And lottery will get included in that discussion. It is something to watch as now some states are looking to curtail the amount of advertising sport betting companies can run. Given the limits many state lotteries have on their advertising budgets, more attention to gaming is probably a good thing, at least in the near term.”

Tom pointed out an important downside to all the sports betting advertising. “At some points in the year, it’s hard to buy any time for lottery advertising,” he said. “If it’s an election year, we can almost forget about getting any lottery ads on TV. Traditional advertising is still important for us to create awareness so we definitely get squeezed at some point. It forces us to plan out many months in advance to lock in our buys. That’s quite a change for many lotteries.”

Another seismic change with instant tickets is how they are purchased. “Retail is still king, but many states now offer iLottery and players can purchase and play eInstant tickets as well as other products,” said Mark. “In North Carolina, we’ve seen a dramatic growth in that area, in fact about 25 percent of our draw play is now online. There’s no argument that retail will remain important to our sales, but now that people are becoming more familiar with buying products online, how do we satisfy both purchasing avenues?”

Matt said that lottery needs to maintain and grow some of the “old school” tactics that have made instant tickets so popular. “In-store promotions are critical,” he said. “The old rule of thumb is to place point of sale in a minimum of three places in their traffic pattern. With so many distractions at retail, in store promotion will help reinforce the purchase decision. They’ll see where the dispensers are located and they can have their minds made up by the time they reach the counter. If we’re not promoting in-store, retail sales will be hurt and we’ll especially not reach infrequent players.”

Online sales are not in the discussions in Texas, so Ryan and his team keep a strong focus on retail. “Whether you can sell online or not, you can’t neglect the importance of a strong retailer network and clear, concise in-store promotions,” he said. “At the same time, you need to look at ways to simplify the purchasing process. We’re working on in-lane sales which we believe will attract the younger player who just wants to get in and out of the store. Couriers are also present in Texas. We know they are selling to a much younger audience than the average age of retail customers. So there are options for everyone. They just look a little different state by state.”

Tom expressed frustration at the slow pace of iLottery expansion and said it has forced lotteries to be creative. “What is the fear about selling online?” he said. “The process of educating our legislators has been long and arduous but we need to keep doing it. In the meantime, couriers have shown that players want the online option, and it has been a good experience for Colorado. They are bringing younger players into the fold. It has helped us show that online and retail can successfully co-exist.”

Additional sales initiatives, such as the courier model, will continue to be driven by vendors, Mark said. “While lotteries have smart internal groups working on the many issues we face, there’s a lot we can learn from

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the vendors,” he said. “Portfolio management is so important and ticket printers have the data to help us with our planning. And they can provide us with information from lotteries across the world. How we work together, including management of our contracts, is critical to a healthy ongoing relationship.”

As North Carolina’s primary instant game partner, Scientific Games is constantly looking for ways to responsibly drive sales and streamline the planning process, Jeremy said. “Portfolio management and optimization is a constantly evolving journey and lotteries should lean on their partners to guide them on that journey,” he said. “In North Carolina, for example, we set up games to have a conservative quantity at the start as we don’t want to over-produce a product and have it in-market longer than intended. We then work with Mark’s team to make sure there are no gaps, consider re-orders, and decide when to pull a ticket from the market. And the relationship between us and the lottery and our goals is outlined in our contract. We are aligned for growth. When the lottery does well, we do well. That seems to be the intelligent path for a successful partnership.”

Matt continued on the contract discussion. “I think that lotteries that provide for secondary vendor contracts see great benefit because it allows innovation from a variety of sources,” he said. “At Pollard, we bring things to our clients, both primary and secondary, that have worked in other jurisdictions in the U.S. and around the world and show how they can be used in each lottery. We might have sales strategies

Michelle Carney, continued from page 12

In her current role leading a team responsible for the development of IGT global marketing and communications strategies, Michelle also leads the management of IGT’s relationships with industry associations such as the World Lottery Association (WLA), the National Association of State and Provincial Lotteries (NASPL) and European Lotteries (EL). Her contributions in this role have included helping to establish the framework for WLA partnerships between lotteries and vendors, and developing innovative concepts for retail and product execution through the North American and EL Design Partner Programs.

She has served on numerous industry panels and committees, and collaborated with lotteries around the world on new game development efforts, new product introductions and market execution, as well as working with the late Buddy Roogow on industry monitor game and price-point innovation for U.S. draw games.

“Michelle consistently brings her critical thinking

that are different from the other printers but would work well in a certain jurisdiction. The more information a lottery can receive from different sources the better decisions that can be made that drive sales and revenue.”

Ryan said that Texas has successfully employed the “all three” ticket vendor strategy and it has worked for them. “All three vendors come in and bring us all their best ideas, and we then pick which ones work for us irrespective of the vendor,” he said. “We weigh an array of different factors

“Let’s focus on providing players with the products they do want and support the retail network with the information they need to reach players and increase sales.”

– licensed brands, printing innovations, product nuances, press availability. I’m not sure anyone can grow a category by leaving any ideas on the table which is why I like this model. We get the best ideas from the experts in the ticket printing field, and then we choose the ones that fit best with the needs of the Texas Lottery.”

As someone who has worked for both vendors and lotteries, Tom brings a unique perspective to this type of discussion. “We’re a small industry so we can’t exclude anyone from business discussions because good ideas come from everywhere,” he said. “Look at the iLottery industry. They use different game developers to create different

games with an array of play styles. Why can’t that model work for instant tickets? In the end, we need to listen to our players. We are wringing our hands because of the drop in sales of \$1 and \$2 tickets. Well, since our players are telling us they don’t necessarily support those price points, why continue to force the discussion on how to grow those sales? Let’s focus on providing players with the products they do want and support the retail network with the information they need to reach players and increase sales.”

Mark wrapped up the discussion by

harkening back to his opening comments. “Data, data and more data,” he said. “We can’t have enough data to make the decisions that are so critical to our businesses. And we can’t just look at the ‘easy’ data like price-points and game attributes. We need to look at seasonality and timing of releases. When to pull games and put others in their place. This can only be done by working with our printing partners who work with lotteries across the world. Once we have the data, we can make informed decisions and create balanced portfolios for the future. The success of our industry depends on all of us working together towards one common goal.” ■

ability and keen business acumen to industry executive-planning and decision-making sessions while masterfully delivering complex execution plans,” said Jay Gendron, IGT Chief Operating Officer Global Lottery. “She respects the diversity of competing perspectives and is tenacious about chasing the details to get the job done.”

Before joining IGT (formerly GTECH) in 2000, Michelle began her career with Comcast Wachovia Center, working for the Philadelphia Flyers, and The Vanguard Group in Pennsylvania, followed by the Fleet Financial group. She was determined to succeed in what were then male-dominated business environments. Her early mentors taught her the importance of honesty, integrity, and perseverance, and she has always focused on understanding issues from the customer’s point of view as well as demonstrating sensitivity to the consumer journey.

Michelle’s career in the lottery industry has truly grown from the ground up, starting with her

earliest role as a senior market analyst at GTECH. By applying an entrepreneurial spirit of innovation and her commitment to building mutually beneficial, long-term business relationships, she contributed to the execution of the first in-lane solution in U.K., and, in 2005, the Florida Lottery’s terminal rollout retail-optimization plan and first digital signage implementation in the U.S.; led the development and execution team for Game Pro, a standalone system to test new monitor games, deployed in Rhode Island; the initial launch in Illinois of Pick n Play as a new category of instant online games; the execution of e-scratch in Kansas; and the launch of G3 (Generation 3) games, the precursor to today’s Fast Play games, in Minnesota.

“Customer First is a core IGT belief that has always inspired me,” said Michelle, “and that is genuinely how I feel about what we do for lotteries and for the industry.” ■

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STRATEGIC PLANNING WITH A SLICE OF STATE FAIR

The Board of Directors of the Multi-State Lottery Association (MUSL) convened in Des Moines, Iowa this past August to assess the organization's Strategic Plan and current trajectory following a year of record jackpots and sales – with FY23 product sales facilitated by MUSL totaling \$10.7 billion. The health and performance of the national draw games category was top of mind, as the summit coincided with a record \$1.602 billion Mega Millions jackpot being won in Florida. . .not to mention the four other billion-dollar jackpots produced by the Powerball® and Mega Millions® games over the last year.

For many Directors, the Des Moines summit was their first opportunity to weigh in on MUSL's Strategic Plan since the organization began holding planning sessions in 2017, with follow-up sessions held in 2019 and 2021. The summit also gave Directors the chance to tour MUSL's new headquarters, meet in-person with the central office's 21 staff members, and visit the world-famous Iowa State Fair.

"A lot of the success we've experienced this past year with Powerball and Lotto America, and how those products are managed, can be attributed to development initiatives identified in the first MUSL strategic planning session," said J. Bret Toyne, MUSL Executive Director. "Six years later, it's time to take stock, and make sure our organization and products are well positioned for the future."

Toyne has been tasked with synchronizing various committees, product groups, working groups and MUSL's dedicated staff to carry out the Board's objectives. The MUSL team consists of 21 full-time employees based in Des Moines and 6 part-time draw officials based in Tallahassee. MUSL staff provide



Sarah M. Taylor (IN), Matt Strawn (IA), Drew Svitko (PA), Lance Gaebe (ND), Helene Keeley (DE) in front of the Agriculture Building at the Iowa State Fair

the central infrastructure to facilitate multi-state games including draw services and reporting, accounting, legal, security, software development, communications and marketing support. Member lotteries contribute to the annual budget of MUSL, but the non-profit has a strategic goal of being self-sustaining, with operating expenses being offset in years of positive net revenue, including this past year.

To kick off the strategic planning session, Toyne



MUSL Board of Directors at MUSL headquarters in Johnston, Iowa.

asked the Directors to consider three overarching questions: How do we measure success at MUSL? What does the Association look like in 5 years? What are the Board's top priorities or ideas to develop over the next five years?

Prior to arriving in Des Moines, the Directors took part in anonymous surveys that were previously utilized during the 2017, 2019 and 2021 sessions. The recurring surveys allow MUSL to track its overall Board rating in key categories, including core values, governance and member satisfaction. A SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) revealed additional insights from Board members on the changing landscape of the lottery industry, with the growth of iLottery, iGaming, and sports betting.

"The strategic planning process has further underscored how vast and diverse our membership is," said David Barden, MUSL Board President and New Mexico Lottery CEO. "Despite having 39 Board members from 39 unique lotteries, we're all united by the common goal to see the products in our portfolios succeed."

To encourage greater participation and new voices, directors were divided into small groups

for several quick-fire rounds of "yes/no" to dozens of potential action items and initiatives. The on-the-spot feedback was effective and quickly solidified a group's consensus or led to further debate within the small groups. Directors were also given the opportunity to identify what categories they would like MUSL to focus its development efforts on.

"Having overseen MUSL's virtual strategic planning sessions in 2021, I know just how much work it takes to gather and process this valuable feedback from Directors," said Sarah M. Taylor, MUSL Development Committee Chair and Hoosier Lottery Executive Director. "This year, we had the opportunity to meet with our fellow Board members in-person, which allowed us to have both structured and casual conversations that often lead to those aha moments."

Over the coming weeks, Toyne and MUSL staff will integrate Director input into an updated Strategic Plan for Board

Continued on page 48

Fiscal Year 2023

MUSL Board Officers

President: David Barden (NM)
Vice President: Drew Svitko (PA)
Secretary: Mark Michalko (NC)
Past President: Sarah Taylor (IN)

Committee Chairs

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Development: Sarah Taylor (IN)
Finance: Rose Hudson (LA)
Legal: Norm Lingle (SD)
Marketing and Promotions: Rebecca Paul (TN)
Security and Integrity: Stephen Durrell (KS)

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CLARIFYING THE DIFFERENCE BETWEEN ILOTTERY GAMES AND ONLINE SLOTS/CASINO-STYLE GAMES

By **Mark Hichar**, shareholder of Greenberg Traurig, LLP, resident in its Boston office, and
By **Ed Winkofsky** shareholder of Greenberg Traurig, LLP resident in its Chicago office,
and Chair of the firm's Global Gaming Group.

More than a decade ago, gaming industry watchers began discussing the “convergence” of the lottery and gaming industries, driven in part by the move toward internet and mobile (collectively, “online”) lottery and gaming. Since then, lotteries and gaming operators have indeed competed, but the intervening years have also brought significant cooperation between them.

Many of the opportunities for cooperation have existed in regard to sports betting. For example, in New Hampshire and Oregon, DraftKings operates the online sports betting systems for the state lottery,¹ and in Rhode Island, Bally’s casinos host Rhode Island Lottery-operated video lottery terminals, casino gaming and sports betting (retail and online).² In other jurisdictions (e.g., Maryland, Virginia, West Virginia and the District of Columbia) the lottery is responsible for licensing and regulatory oversight of sports betting operators (and in Maryland and Virginia, casinos as well).³

As casino gaming and lotteries converge, however, and in particular in states where online lottery (“iLottery”) and licensed commercial online gaming (“iGaming”) coexist, disputes have arisen as to the difference between “lottery” games and slot/casino-style games.

In general, most states consider a “lottery” to be an activity involving “consideration,” “chance” and a “prize” – i.e., an activity in which one gives “consideration” for an opportunity to win a “prize,” where winning is determined by “chance” (in most states “predominantly” by chance



even though some skill may be involved). Thus, under this very general view, many casino games are “lotteries.”⁴ However, in states which have authorized iLottery and iGaming, the difference between the types of games is not clear, even where an attempt to distinguish them is set forth in the applicable law.

In Pennsylvania, for example, a law was enacted in 2017 (the “2017 Act”)⁵ authorizing the Pennsylvania Lottery and licensed commercial gaming operators to offer games online. When the Pennsylvania Lottery offered online games with similar features as casino games, licensed slot machine operators in the State brought suit, arguing that the iLottery games simulated slot machines in violation of the 2017 Act.⁶

The 2017 Act authorized the Pennsylvania Lottery to offer “iLottery games,”

including “internet instant games.” These were defined as

A lottery game of chance in which, by use of a computer, tablet computer or other mobile device, a player purchases a lottery play, with the result of play being a reveal on the device of numbers, letters or symbols indicating whether a lottery prize has been won according to an established methodology provided by the lottery.⁷

However, the law excluded from the definition “games that represent physical, Internet-based or monitor-based *interactive lottery games which simulate casino-style lottery games*, specifically including poker, roulette, slot machines or blackjack.”⁸

Pursuant to the 2017 Act, slot machine licensees were authorized to offer “interactive gaming.” An “interactive game” was

defined as:

Any gambling game offered through the use of communications technology that allows a person, utilizing money, checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term shall not include:

- (1) A lottery game or Internet instant game as defined in . . . the . . . Lottery Law.
- (2) iLottery under Chapter 5 (relating to lottery). . . .⁹

Neither the law nor the applicable regulations defined “simulate” or “casino-style” in the context of the 2017 Act,¹⁰ and thus Pennsylvania’s Commonwealth Court was called upon to determine whether the Pennsylvania Lottery’s iLottery games were prohibited “simulated casino-style” games.

After a five-day trial, including several witnesses from the lottery and gaming industries, the Court held in favor of the Pennsylvania Lottery, dismissing the complaint of the licensed slot machine operators and denying their claims for relief. The Court stated (emphasis in original):

Reading the respective restrictions in [the lottery law and the gaming law], the legislature intended that the Lottery and casinos expand their offerings and games into the digital space and for the two offerings to co-exist and, importantly, to be successful. . . . However, the legislature’s decision to prohibit the Lottery from simulating “casino-style” slot machines **does not reflect an intention to preclude** the Lottery from using features or characteristics that are not particular to a casino slot machine. Features **not particular** to a casino slot machine include those that are **generally** present or used in

digital gaming and media, in social or casual games, or in games beyond those offered by casinos (like traditional lottery products). To hold that the use and/or presence of features in slot machines, whether land-based or online, makes those features “casino-style” and subject to their **exclusive** use by casinos, would unreasonably restrict the Lottery’s ability to use modern and popular technology and game features that have their origins **outside** the casino industry in its iLottery games. Conversely, it would be unreasonable to preclude the casinos’ use of the same features in slot machines simply because they may also be used in iLottery games. The Court presumes the legislature did not intend such an absurd result.¹¹

The Court further determined that:

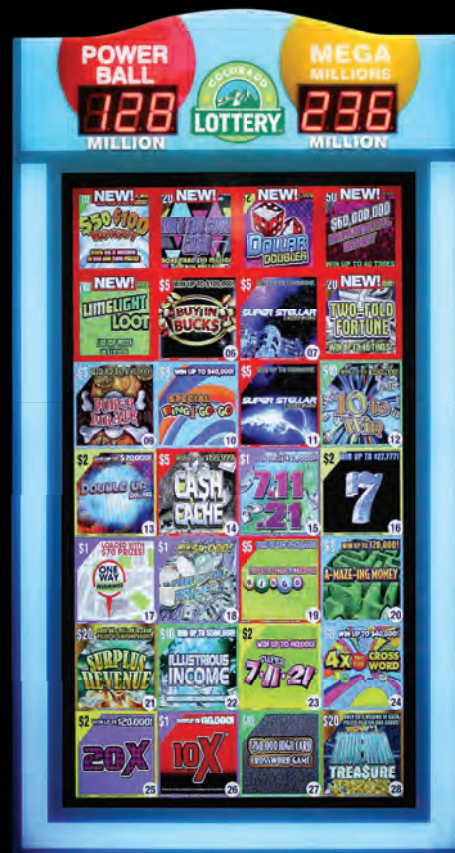
- “Casino-style” is defined as features that are particular to slot machines and not features that are generally present or used in digital gaming, in

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social or casual games, or in games beyond those offered by casinos.¹²

- [T]he following features of iLottery games ... do not simulate “casino-style” features, [and] their use in iLottery games does not constitute the simulation of a casino-style slot machine: the use of [random number generators], par sheets, and certification of mathematical models; the use of reveals like spinning wheels, similar to those used in the games Life or Wheel of Fortune, and cascading and/or exploding tiles; the use of [return to player] values that are similar to online slot machines; or the use of reveal all, auto play, bonus games, adjustable bets, and unlimited play/non-depleting prize pools.¹³
- [T]he use of spinning reels and pay lines *are* signature, iconic, or key features particular to casino slot machines Thus, these features cannot be used by the Lottery.¹⁴

The Court held that because the iLottery games offered by the Pennsylvania Lottery did not use any of the key features particular to casino slot machines, they thus did not simulate “casino-style” games and therefore the petitioning slot machine licensees were not entitled to declaratory or injunctive relief. After post-trial motions for reconsideration were denied,¹⁵ the decision was appealed to the Pennsylvania Supreme Court.¹⁶ Oral argument was held in that Court on April 19, 2023, and a decision is pending.

The Greenwood Gaming opinion, whether or not upheld on appeal, is specific to Pennsylvania and its state laws, and

other state courts may come to different decisions under different (or even similar) state laws. However, it is instructive as to how complex and difficult distinguishing between iLottery and slot/casino-style games can be.

Moreover, this issue may not be confined to Pennsylvania. A similar issue could arise in other states authorizing iLottery and iGaming. In Michigan, for example, the Michigan Lottery offers instant and draw games online, and a 2019 law authorized commercially licensed iGaming.¹⁷ The Michigan “Lawful Internet Gaming Act” authorized licensed operators to offer “internet games,” defined broadly, as:

a game of skill or chance that is offered for play through the internet in which an individual wagers money or something of monetary value for the opportunity to win money or something of monetary value. Internet game includes gaming tournaments conducted via the internet in which individuals compete against one another in 1 or more of the games authorized by the board or in approved variations or composites as authorized by the board. Internet game does not include a social media internet game as that term is defined in section 310c of the Michigan penal code, 1931 PA 328, MCL 750.310c.¹⁸

However, the Act provides that the Michigan Gaming Control Board (“MGCB”) shall promulgate rules regarding, among other things:

The types of internet games to be offered [by licensed iGaming operators], which must include,

but need not be limited to, poker, blackjack, cards, slots, and other games typically offered at a casino, but does not include pick numbers or other lottery games typically offered by the bureau of lottery under the [Michigan lottery law].¹⁹

The Rules subsequently promulgated by the MGCB provide that authorized games do “not include any of the following: pick numbers *or other lottery games typically offered by the bureau of lottery under the [Michigan lottery law]*; a lawful fantasy contest; or any lawful internet sports betting.”²⁰ However, it is not clear what games are “lottery games typically offered by the bureau of lottery,” as “typically offered” is not defined. As a result, it is possible that disagreements could arise as to what iGaming games are authorized.

In summary, as iLottery and iGaming expand in the United States, each state may have difficulty distinguishing between the types of online games the state lottery and licensed commercial operators may offer. The difference between online lottery and online casino games is not clear, and the difference may vary among states, as each state has different laws, histories and sensibilities regarding lottery and gaming. Perhaps the best guidance in this regard is to follow the words of the lower court in Greenwood Gaming, and assume that, by authorizing iLottery and iGaming, “the legislature intended that ... the two offerings [] co-exist and, importantly, [] be successful.”²¹ ■

¹ See the New Hampshire Lottery’s website at <https://www.nhlottery.com/Sports/DraftKings-Mobile-Sports-book> where DraftKings is described as the “Official Sports Betting Partner of NH Lottery,” and see the Oregon Lottery website at <https://www.oregonlottery.org/sports/> where DraftKings is described as the “Official Provider of the Oregon Lottery.”

² See the Rhode Island Lottery Sportsbook website at <https://www.sportsbethodeisland.com/sports> (last accessed August 11, 2023) showing Bally’s Rhode Island casinos as the Lottery’s “partners.”

³ In the District of Columbia, the DC Lottery also operates online sports betting itself – GamebetDC. See <https://gambetdc.dclottery.com/en/> (last accessed August 11, 2023).

⁴ See for example, In re *Advisory Opinion to the Governor (Casino)*, 856 A.2d 320 (R.I. 2004) in which the Rhode Island Supreme Court determined that a proposed casino would be a lottery facility, and that

poker and black jack, as well as roulette, craps and slot machines were “lottery games” for purposes of Article VI, Section 15 of the Rhode Island Constitution, which prohibits “[a]ll lotteries .. in the state except lotteries operated by the state and except those previously permitted by the general assembly ...”

⁵ Act of October 30, 2017, P.L. 419, No. 42.

⁶ *Greenwood Gaming and Entertainment, Inc., et al., v. Commonwealth of Pennsylvania*, No. 571 M.D. 2018 (Pa. Commw. Ct., May 25, 2021, post-trial motions denied by order filed September 8, 2021. Appeal pending, No. 76 MAP 2021 (Pa.).

⁷ 4 Pa.C.S. § 502.

⁸ *Id.* (emphasis added).

⁹ 4 Pa.C.S. § 1103.

¹⁰ See 61 Pa. Code § 876.2.

¹¹ *Greenwood Gaming*, pp. 34-35 (emphasis in original).

¹² *Id.*, at 46.

¹³ *Id.*

¹⁴ *Id.*, p. 44 (emphasis in the original).

¹⁵ *Greenwood Gaming and Entertainment, Inc., et al., v. Commonwealth of Pennsylvania*, Commonwealth Ct. of PA, No. 571 M.D. 2018, filed September 8, 2021 (“Greenwood Gaming”). Appeal pending.

¹⁶ *Greenwood Gaming and Entertainment, Inc., et al., v. Commonwealth of Pennsylvania*, Pa. Sup. Ct. Dkt No. 76 MAP 2021.

¹⁷ Michigan “Lawful Internet Gaming Act,” Act 152 of 2019.

¹⁸ MCLS § 432.303(q).

¹⁹ MCLS § 432.310(a).

²⁰ Mich. Admin. Code R 432.611 (emphasis added).

²¹ *Greenwood Gaming*, p. 34.

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Paul Jason: IT platforms and technological solutions can be quite expensive. Jurisdictions with large populations have the revenue and profit-generating potential to pay for the most robust IT infrastructures and advanced technologies. How can smaller jurisdictions with limited revenue potential afford to pay for that?

Jean-Luc Moner-Banet: The population of the French-speaking part of Switzerland is 2.5 million. Very small. And yet, our players expect us to provide the same quality of advanced features and benefits as are enjoyed by those in jurisdictions with the most sophisticated gaming platforms, technologies, and operations ... an IT infrastructure which costs more than our revenues can cover.

Our vision was to build an architecture that includes creative collaborations with third-

party operators as well as a multi-vendor system that brings in the very best-in-class in every aspect of the business. We communicated this vision to our IT central systems technology partner, IGT, who now provides the flexibility to deploy a variety of solutions provided by multiple technology partners. With the support of IGT, we now operate a business model that includes multiple suppliers, collaborations, and creative solutions that enable a small jurisdiction like Switzerland to deploy the most advanced best-in-class technologies. IGT provides the game and transaction engines for Swiss Loto, EuroMillions, Keno, etc., Electronic Instant Lottery, the player account management systems, and many other foundational systems functionalities.

But for sports betting, we have a different technology partner. The game engine, platform, and technology tools to operate

sports betting is very expensive. The sales and profit potential in our market-place could never support the kind of world-class operation and functionality that we want to provide our players. That challenge is exacerbated by the fact that technology is constantly changing and improving. Improving is a good thing, but shorter life-cycles make the cost of staying updated increase even faster. So we collaborate with La Française de Jeux in France (FDJ). As one of the largest gaming operators in the world, FDJ's sports betting engine, risk management tools, and sports book management system are world-class, second to none. So we collaborate with FDJ to deliver the benefits of their robust sports betting capabilities to our customers in Switzerland. Of course, FDJ is paid for their service, and we enjoy the benefit of a world-class sports betting system for a fraction of the cost

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ZEAL Instant Games enable instant winnings and thus directly fulfill one of the most important customer wishes while combining the lottery experience with a certain entertainment factor.

that would be incurred if we tried to build it ourselves.

A similar arrangement enables us to provide a world-class horse-racing offer. The French PMU (Pari Mutuel Urbain) is the biggest operator of horse racing in Europe. Like with FDJ, our collaboration with PMU enables us to deliver the best horse race betting to our players in Switzerland. Without these collaborations with FDJ and PMU, we could never offer these kinds of world-class playing experiences in sports and horse race betting as the cost would far exceed the profits we generate and therefore our ability to pay for it. Too, this SaaS (Software as a Service) type model provides us with the flexibility to migrate to the most advanced systems available quickly, easily, and inexpensively. So, we are optimizing the player experience and managing our costs in the short-term, and we are “future-proofing” our business by maximizing our flexibility to always be deploying the best-in-class products and services in the long-term.

This approach is enabled by Application Program Interface (API) technology?

JL Moner-Banet: Yes. API is what enables the inter-operability of multiple supplier ecosystems to communicate with each other. It is the interface that makes it possible to open our IT environment, our ecosystem to new suppliers. As new software solutions and applications are developed and made available in the future, API enables us to integrate them efficiently and cost-effectively. We have the flexibility to integrate native software applications, point-of-sale applications, and “front-end” customer-facing gaming platforms and other third-party solutions as they become available going forward. It is so important for smaller lotteries like Loterie Romande to have access to the best-in-class front-end applications and software that are being developed by the agile new companies of the future. For example, just think about how point-of-sale and transaction-processing technologies are changing. We need the flexibility to move to whatever platform the retailer requires in the future.

IGT has been a great partner because they support our vision for a new IT architecture that enables multi-vendor strategies and creative collaborations like we have with FDJ and PMU. IGT understands what we are trying to accomplish, their advanced cloud-based infrastructure supports the multi-vendor and technology partner

The project organization and management required for this new kind of IT architecture is very complex, involving hundreds of people from 20+ different companies working together.

approach, and they are helping us to build out the architecture to accomplish it. In fact, I would say that it would not have been possible without the full agreement and cooperation of IGT. And IGT itself remains at the center, the heart of the central server system. We appreciate IGT for their many core competencies. And they respect our need to always seek out and integrate the best-in-class even when that comes from a third-party. We believe that lottery operations of the future will involve this much more diverse set of technology partners, vendor relationships, and creative collaborations.

Does an effective API-enabled multi-vendor system require a cloud-based solution?

JL Moner-Banet: I'm not sure if it “requires” it, but we consider it to be essential. There is a large fixed and ongoing maintenance cost to the traditional computer hardware infrastructure. That upfront cost ties you to a legacy technology that is very expensive to either upgrade if that is even possible, or replace altogether. The Microsoft Azure cloud-based platform provides far more cost-effective flexibility to update as it is mostly about software-driven changes. IGT has managed the process of migrating us to this cloud-based IT platform and we appreciate their leadership.

Lotteries need to think carefully about how their IT infrastructure can evolve with their needs, and the needs of the market-place, into the future. Large computer rooms that require costly maintenance and then replacement after three or four years are probably a thing of the past.

Is there way to build into the RFP process terms that stipulate ways to determine pricing for products and services that don't exist now?

JL Moner-Banet: Not exactly. But you can, and we do, agree on principles about how to calculate the cost per hour for different kinds of engineering, software coding, licensing costs, and other things that can be

measured and valued in the present time. Of course, there will certainly be many things that we can't predict and can't know now how they should be measured and valued. But we do stretch to identify ways to calculate the costs for new integrations and other kinds of activities that require additional costs to be borne by the IT central systems partner. I would add that the project organization and management required for this new kind of IT architecture is very complex, involving hundreds of people from 20+ different companies working together. We may be on a steep learning curve right now, but it is quite clear that the ROI will be compelling in so many ways, not least of which is the optimal game-playing experience we're providing for our customers.

Before we close, I hope we might digress slightly to a topic that occurred to me when we visited you last year at your offices in Lausanne. I observed that you seem to have achieved a stable equilibrium when it comes to the work schedules and work-styles of your Loterie Romande team. I assume that involves flexibility to allow more flexible work-at-home schedules?

JL Moner-Banet: Yes. The changes required of us during the pandemic exposed us to the benefits of tools like video-conferencing and the feasibility of flexible work schedules. Today's knowledge workers in IT, marketing and other specialties now expect to be given the flexibility to organize their work to accommodate at least two days a week working from their home office. Further to that, more young people are asking to structure their jobs to require fewer hours of work overall, to reduce their work-load by 20% so that they can work fewer hours. They may have family obligations or other priorities for a different work-life balance, one that allows the work to be done in fewer hours. And they are not unwilling to discuss reduction in pay to accommodate their priorities.

Continued on page 48

The Science Inside the Scratch



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Taking the *Scratch Experience* to the Next Level

Six U.S. Lotteries Launch New 3-D Holographic-like Dimension Games from Scientific Games

The next phase of Scientific Games' global instant scratch game production expansion officially went live earlier this year at the company's global headquarters in Atlanta. The new technology is producing *Dimension* games with a three-dimensional holographic-like effect. Six U.S. lotteries have upped the scratch experience, taking it to the next level for their players with the new product.



Danielle Hodges

"*Dimension* is part of our long-term game innovation expansion plan. We've invested in research and production technology so our customers can offer new, exciting instant game entertainment experiences to drive sustainable revenues for their good cause programs," explains Danielle Hodges, Director of Global Instant Product Innovation and Development for Scientific Games.

The company's global innovation teams adopt trends from inside and outside the industry, exploring what's next, using analytics and testing with player research groups to produce strategically enhanced games.

Developed by innovation teams at Scientific Games' UK instant game production facility, *Dimension* technology was inspired by the latest trends in printing for higher-end consumer packaged goods. A number of innovative European lotteries were the first to launch the 3D games with success – including one game that broke sales records – and the company expanded its investment to bring *Dimension* to the U.S.

Science-based Innovation

The new technology produces holographic-like patterns on scratch games, including *Cracked Ice* and *Stella* (stars). *Spheric Lens* is the newest pattern that creates depth and movement at different angle refractions with spherical circles that simultaneously appear above and below the game graphics. Additional patterns are currently under development.

In September 2022, Scientific Games conducted a national survey of scratch players to gauge interest in strategic enhancements like *Dimension*. The findings? On a seven-point scale, 79% of players rated *Dimension* games 5+ for purchase intent. Purchase intent requires an action (a purchase to be made) versus another survey question such as product appeal.

Following the player research and product testing, the company's designers, printing technologists, product managers and market analysts, worked to perfect *Dimension* game samples. U.S. lotteries attending the World Lottery Summit in October 2022 got a first glimpse at the new games.

"Interest in *Dimension* games was immediate. By spring 2023, the first U.S. games were designed and scheduled for production," shares Hodges. "In Europe, games featuring *Dimension* vary across price points, while our first U.S. games are primarily positioned at the \$10 and higher price point."

Here's a look at the very first *Dimension* games to go to market in the U.S., as other lotteries plan for upcoming families of games, holiday and special occasion games.



Lucky 13

COLORADO LOTTERY

The *Lucky 13* concept goes back to the early days of the Colorado Lottery. However, in 2009 the Lottery introduced a 13-themed \$10 game that featured a prize structure with a minimum prize of \$13. Every prize level included the number 3, which was unlike any previous \$10 prize structure. The game was very successful, but Colorado Lottery Product Manager Todd Greco says it got lost in the mix.

Flash forward to 2023, the Lottery decided to reintroduce that prize structure in a new \$10 game.

The game was part of a group of number-themed games being launched at the same time, and one way to draw attention to this game was by adding a completely different look to the concept compared to all other games on sale at the time of launch.

“The number 13 theme, the color green which is very popular with players, and the *Dimension* printing technique made this game very noticeable,” Greco shares. “The \$10 price point has become the Colorado Lottery’s most popular category, and there are a lot of games offered at that [price point]. Adding the *Dimension* printing feature helped *Lucky 13* stand out among all the other \$10 games, and helped players notice the other features of the game, like the unique prize structure.”

Lucky 13 featured the *Cracked Ice* *Dimension* pattern.

“The *Dimension* pattern along with the color green is a great combination. Looking at the ticket is almost mesmerizing, as you really think you are looking into the depths of the ticket,” explains Greco.



Dimension Cracked Ice pattern



Dimension Stella pattern

777

COLORADO LOTTERY

The Colorado Lottery has used 7s theme games throughout its 40-year history. Greco says players like games with the number 7 included in the theme as they believe it’s lucky.

In late June the Lottery launched 777 at the \$20 price point enhanced with *Dimension*’s Stella pattern. Designed to appeal to players who are drawn to lucky number themes, 777 was part of a group of number-themed games, all offering unique features – ranging from non-traditional prize structures to unique new printing techniques. It was the first time the Colorado Lottery featured just the number 7 in a game’s name.

“Games that feature unique printing techniques like *Sparkle* or fluorescent and metallic inks stand out among the other games in the dispensers. And while players are used to seeing those features, the Colorado Lottery is always looking to add other ‘dimensions’ to the look and feel of our games,” he explains.

“We needed a \$20 game to replenish inventory at that price point. However, like most lotteries, players in Colorado are gravitating towards higher price points. We thought adding this new printing technology to one of our \$20 games would do just that.”

The 777 game launched in both a deep red and a rich blue with a \$1 million top prize.

“This game has everything going for it. Red tickets always stand out in the dispensers, the number 7 is a popular number theme and then adding a new printing feature like *Dimension* was the icing on the cake,” says Greco.

Ultimate Da\$h MAINE STATE LOTTERY



Dimension Cracked Ice pattern

Since 2011, lotteries have offered *Warehouse Dash*, a second-chance promotion where players enter their non-winning instant or draw game tickets into a second-chance drawing for the opportunity to participate in a *Warehouse Dash*. The red-carpet event is managed entirely by Scientific Games and can be tied to a themed instant game or offered as a stand-alone event.

A unique, once-in-a-lifetime winner experience for players, the *Warehouse Dash* extends the instant game experience. Winners are flown to Chicago for 90 seconds of total shopping fantasy where they dash through a warehouse and fill their shopping cart with as much merchandise as possible. Awarding six to 50

winners, the promotion can be scaled to meet the unique needs of the lottery's budget, players and brand.

The Maine Lottery's strategy is to have a diverse offering at each price point in its portfolio. The \$10 price point has been growing and more \$10 games are being added.

"We've offered the *Warehouse Dash* as a prize in our loyalty program in the past but never as a stand-alone game. Players who participated loved the overall experience of the *Dash* including being treated like VIPs and having control over what prizes they could get," says Mickey Boardman, Interim Director of the Maine Bureau of Alcoholic Beverages and Lottery Operations. "We posted a video of the dash event on social media and the feedback was tremendous. The big question was, 'How can I do that?'. *Ultimate Da\$h* will provide them with that opportunity."

The Lottery's team added *Dimension's Cracked Ice* pattern to the game design because they knew that special enhancements add value to the player experience.

"It was important to provide something that would make this game stand out without taking away from the other games. The *Warehouse Dash* component along with a chance to win \$1,000,000 fits well at the \$10 price point which allowed the prizes in the game to be substantial enough that it still appeals to players who may not be interested in the *Dash*."

Featuring graphics of a warehouse filled with merchandise awaiting winners, *Ultimate Da\$h* launched in late July.

"The ticket design really captures the excitement of the game by featuring the experience of a *Warehouse Dash* combined with a chance to win \$1,000,000," says Boardman. "The addition of the *Dimensions* [enhancement] brings the ticket to the next level by creating a unique look that will stand out in the marketplace."

\$250,000 Riches

NEW MEXICO LOTTERY

The first in the U.S. to launch a *Dimension* game was the New Mexico Lottery. Since launching in May, the *\$250,000 Riches* game – a first for the game concept as well – is the Lottery's top-selling instant game each week.

"Statutory payout constraints limit our ability to grow to the higher price points that are trending in the industry. In fact, we reintroduced the \$20 price point in 2022 after years out of market. With little room to boost payout, we search for other ways to differentiate the \$20s and that often involves *Strategic Product Enhancements* from Scientific Games," says Karla Wilkinson, Director of Gaming Products for the New Mexico Lottery. "We happened across international tickets printed with *Dimension* and were immediately captivated by the unique three-dimensional look.

We knew we wanted to use *Dimension*, and we even knew that we wanted to be first in the U.S. to do so." A \$20 game was coming up, so the Lottery decided to enhance it with *Dimension*. The 3D *Spheres* pattern and combination of black and gold make the game look every bit as rich as the prizes.

"We were drawn to the *Spheres* pattern – it was extraordinary. The depth and three-dimensional effect give an optical illusion that the pattern is actually coming out of the ticket," shares Wilkinson. "We chose a solid title font, selected strong money-themed symbols for the play area, and left the rest of the ticket black – all to maximize the *Dimension* effect. The result was the *\$250,000 Riches* game a truly striking and unique offering, providing something special for players and retailers."



Dimension Spheres pattern



Dimension Cracked Ice pattern

\$1,000,000 Riches

SOUTH CAROLINA EDUCATION LOTTERY

The \$10 price point is by far the most profitable price point for the South Carolina Education Lottery, which makes it a good place for the Lottery to invest in its portfolio. A \$10 game with an elevated top prize of \$1 million has always been a staple in the SCEL's portfolio. Because it's been a staple for so many years, the Lottery's product team is always looking for ways to differentiate it, and *Dimension* offered an excellent opportunity to make it pop at retail.

"We were drawn to this innovative print feature because of the subtle, but eye-catching layer of dimension it gives to tickets, as well as the variety of designs it offers. We chose the *Spheres* design for our \$1,000,000 *Riches* game to give it a classic, royal feel," shares Ammie Smith, Product Development Director the SCEL.

Scientific Games presented *Dimension* product samples to the team, and they liked them so much they opted to bring one of the designs to life almost exactly as presented. *\$1,000,000 Riches* launched in late August.

"Our \$10 million-dollar top prize games are some of our most popular, and we wanted to make sure we offered a ticket that would stand out in our dispensers – the 3D effect of *Dimension* does just that!" Smith adds. "We are confident that our players will be drawn to this ticket design. We look forward to utilizing even more of the *Dimension* designs on future games."

Waves of Cash

MASSACHUSETTS LOTTERY

"We are always looking to add variety to our portfolio of instant tickets and *Dimension* offers a unique visual appeal that exudes something special," says Tom Aiello, Instant Ticket Product Manager for the Massachusetts Lottery.

The Lottery's new Executive Director Mark William Bracken learned about *Dimension* games at the World Lottery Summit in Vancouver. He mentioned to Aiello that he'd like to offer their players a game with a 'fish-bowl' look using *Dimension*.

Inspired, the team returned from the conference and designed the game with the *Spheres* pattern. The \$5 price point, which typically includes more than 10 strong games and attracts a wide range of Massachusetts players, made for a good introduction point. The game launched in early August.

"We created a new game titled *Waves of Cash*, which features an underwater scene brought to life with bubbles utilizing the *Dimension Spheres* pattern, exhibiting a sense of movement. With exciting color combinations and two prominent bonus spots that extend the bubble imagery, this ticket is exceptionally alluring," shares Aiello.



Dimension Spheres pattern



Dimension Spheres pattern

Ultimate Da\$h

NEW HAMPSHIRE LOTTERY

The New Hampshire Lottery, as part of the *Warehouse Dash* second-chance promotion with the Tri-State Lotteries (Maine, New Hampshire and Vermont), is launching an *Ultimate Da\$h* scratch game featuring *Dimension*. The winners' event will take place in 2024.

"The lotteries that launched the very first *Dimension* products in the U.S. should be so proud of these innovative games. Our team has been excited to see the creative implementations come to life on real games, so much so that we've already began exploring new patterns and combinations of other printing techniques," shares Hodges. "Scientific Games is always looking to add more value to our partners' brands. We're continuing to invest in unique technology that allows us to create the best games to maximize proceeds for our customer's beneficiaries."



For more information on *Dimension* games, contact your Scientific Games representative.

Reliability in a Changing Retail Landscape

As retail transformation accelerates, innovation will support lottery's success — and reliability is crucial.



In a typical week for many households around the world, some type of digital-shopping activity now serves occupants' needs — from self-checkout in stores to groceries that were ordered via an app and delivered to the home. But the evolution of shopping is far from complete.

A cross-sector report issued last year by IGT's longtime trend-research partner Foresight Factory affirmed that the coming five years will see advances in

retail's evolution to omnichannel, with shopper-led preferences driving further changes to the brick-and-mortar model: "Brands will be expected to create a seamless experience whereby online and real-world channels complement one another."

Lotteries are listening to their players and working to accommodate their evolving preferences. Yet building and running new digital capabilities on top of existing retail systems can be complex. The same is true when reimagining and

updating retail environments to make the lottery-player experience meet consumers' changing preferences. IGT invested in developing OMNIA™ to enable the omnichannel experiences that both players and retailers expect lotteries to provide.





To support retail transformation, IGT applies its operator experience and deep cross-functional knowledge to develop tools that address different retail segments and formats.

NASPL conference attendees will get a closer look at new and upcoming products from IGT, in addition to those highlighted here.

For example, OMNIA's native integration of the retail and digital channels enables the same draw game at the core, regardless of the channel.

Other components and tools within OMNIA anticipate how lottery will function within various potential new retail models, helping to ensure the lottery industry's ongoing success in this channel.

These innovations are informed by IGT's four decades of industry-proven traditional lottery sales solutions.

"IGT has reimagined the lottery-consumer experience at retail using a player-centric, 360-degree approach," said Melissa Pursley, IGT Senior Vice President Lottery Product and Sales Development.

This approach accounts for the fact that all lotteries can benefit from the enhanced player connection that digital solutions

enable, whether they offer iLottery or not. A prime example is IGT's Connected Play functionality, an aspect of OMNIA that is

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.

focused on incorporating digital solutions into the retail-lottery journey.

By implementing OMNIA, lottery operators can see, for the first time, player-level retail lottery purchases, enabling in-depth data analysis and new ways to build player relationships and enhance player loyalty and retention.

Equipped for Retail Transformation

Another insight stressed by Foresight Factory is that the pandemic played no small part in driving changes to brick-and-mortar-retail because a great number of consumers – not just lottery players – began demanding contactless, cashless, and paperless transactions.

Retailers have also been dealing with labor shortages, a problem that self-service helps to ameliorate.



OMNIA™ is the next, pivotal step in IGT's 40-year history of driving reliable systems and technology innovations across the lottery value chain.

With performance, security, and system integrity at the forefront, OMNIA gives lotteries the means to digitalize the retail experience, whether a lottery sells iLottery games or not.

OMNIA encompasses specific touchpoints to solve for these needs and advance lottery's evolution within changing brick-and-mortar spaces — including clerk terminals that enable

contactless and paperless transactions, digital signage, self-service options, and solutions for In-Lane sales on retailers' point-of-sales systems.

"We leveraged our learnings and IGT's legacy of reliable retail solutions in developing these market-proven products, and continue to do so with a new line of solutions for retail that will be previewed at the upcoming NASPL show," said Pursley.

Attendees will get a firsthand look at IGT's new In-Lane enabling Lottery Link product and the Retailer Pro S2 terminal — plus other new retail lottery sales solutions — when the company showcases its latest innovations in Milwaukee.

Digitalizing Retail

As discussed, IGT's Connected Play offering, enabled by OMNIA, is designed to help lotteries deliver new player experiences via engagement with digital touchpoints.

And, through its mobile app offerings, IGT already provides customers with

some of the means to digitalize the retail experience. The My Tickets feature allows retail players to scan their paper tickets and store digital representations of those tickets. This digitalization lets lotteries track, organize, and notify players about their wagers. Players can also choose to save digital play slips as favorites or generate codes for purchasing again at retail.

"Our teams are motivated to apply leading-edge technologies and their expertise to serve customer, retailer, and player needs," said Pursley. "With OMNIA, we invested in developing a solution to create long-term value for these stakeholders and bring new opportunities for lottery growth via access to digital services in the retail environment." ■

Visit [IGT.com/OMNIA](https://www.igt.com/OMNIA) for more information or contact your IGT account representative.



A **40-year** history of driving systems and technology innovations across the entire lottery value chain.



The primary technology provider to **8** of the world's **10** largest lotteries. Combined with IGT's experience as a B2C operator, this footprint yields insights into lotteries' needs and challenges that no one else can offer and that drives the company's product roadmaps.



With more than **60** system deployments worldwide, IGT brings an unmatched track record of consistent performance, ironclad security, and proven system integrity.



Proven solutions, with **~380K** terminals installed and support for **43K** transactions per minute during the busiest sales hour of 2022's two billion-dollar U.S. jackpot.



IGT has earned **67%** of the U.S. market for self-service lottery vending machines, with more than **51,000** units currently deployed globally.

A long track record of dependability is built into the company's retail and self-service touchpoints and high-performing central lottery system.



NASPL 2023

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PROVIDING VALUE TO LOTTERIES THROUGH A BEST-OF-BREED GROWTH MODEL

Moti Malul
Chief Executive Officer, Neogames

neogames®

PGRI INTRODUCTION: The story of NeoGames is one of industry leadership. It has successfully combined a complete omnichannel technology suite with an innovative games portfolio and a wide range of services, spearheading the evolution of the iLottery market worldwide.

With a strong focus on enhancing the player experience through the provision of cutting-edge online technology games that appeal to a wide player demographic, NeoGames has augmented its growth with a series of strategic acquisitions. Designed to broaden its range of products and services across the full range of verticals, including sports betting and iGaming, the success of this strategy is evident in the decision by Aristocrat Gaming to acquire the group at a cost of over \$1 billion.

Moti Malul has been an integral part of the NeoGames journey. First joining the company in 2008, serving as the Executive VP of Global Sales and Customer Development, he was promoted to CEO a decade later and has overseen its most successful period yet. However, he remains as humble as ever, giving full credit to the whole NeoGames team for the company's incredible achievements across the last 15 years. Meeting at the EL Congress in Croatia, Moti sat down with us to discuss the future of online lottery and gaming in all its forms, and how NeoGames is perfectly positioned for further success as the global regulated market evolves faster than ever.



Paul Jason: What an amazing career trajectory you've had with NeoGames. I recall the presentations you were making twelve years ago to ramp up global sales some. And now shepherding the billion-dollar deal with Aristocrat, taking NeoGames to a new level again. It's just really wonderful and amazing to see all that you've done. Was there an abiding vision that guided your actions over the last fifteen years?

Moti Malul: Thank you Paul. At NeoGames, we are all indeed very proud of our achievements which are a testament to our vision. Our vision has always been "to be the

long-term partner of choice for lotteries, throughout their interactive journey". We always aimed to be the long-term partner that invests in our clients' success through collaborating to develop lottery-specific strategies that support sustainable growth, such as advanced CRM programs, smart OMNI channels solutions and others which are consistent with the expectations of all stakeholders. Short-term growth may be driven by effective player acquisition and retention strategies, and those are vital. However, it needs to be complemented with long-term sustainable growth that

also depends on an enlightened and effective responsible gaming program and staying aligned with the priorities of our political constituents and the sensibilities of the general public. One of the things we are very proud of at NeoGames is that we, knock on wood, have never lost a partner in the lottery industry over the 15 years of service to our customers.

Internally, our vision begins by nurturing a long-term partnership with each individual NeoGames team member. My personal philosophy is that the way to maximize value and service to the customer is to support the team that produces that value

and service. Our internal culture is one of mutual respect and appreciation, combined with high expectations for achievement, dedication to service, and a creative drive to effect digital transformation and long-term success for NeoGames clients.

We keep reminding ourselves that our success is measured by one thing and one thing only: the level of success that our customers have, and their satisfaction with the service we provide them with. That is why we see our goal not as producing the best products for the industry, but to create, or at least to play a role in creating, successful lotteries. That's where our focus is.

You also encourage your clients to adopt a best-of-breed model.

M. Malul: In our vision that I mentioned, we believe in “partner of choice” not partner of force. That means we need to prove ourselves every day to our customers and if they want to include third-party products, or that we integrate for them into other services, we will of course do that. We need to be focused on innovation and the quality of our products so that our customers will prefer using them. The lottery operator understands their business and their needs better than anyone else. We encourage them to be guided by their own assessment of how to meet those expectations and needs. And we think the community of commercial technology partners should do everything it can to enable the operator to select the best partner for every aspect of the business. We all like to think that every aspect of our portfolio of products and services is best-of-breed, for everyone. But that is for the customer – the lottery operator – to decide.

For instance, the client may want NeoGames' player-account-management system, but also the flexibility to integrate game content from multiple suppliers, or even select a sports betting solution or another part of the overall ecosystem. We all benefit when the client successfully implements a best-of-breed strategy for maximizing value to their customer – the players.

“We all benefit when the client successfully implements a best-of-breed strategy for maximizing value to their customer – the players.”

With the acquisition of Pariplay, NeoGames is becoming a powerful content hub as well as a content and product provider.

M. Malul: The third part of the NeoGames mission was “throughout their interactive

journey”. Our industry is ever evolving at a fast pace, as part of a journey we wish to be a part of as a strategic partner and advisor to our customers. That is why, when we saw that globally, more and more lotteries are moving into iGaming and online sports betting, we decided to buy leading assets as well as knowledge in these spaces so that we can enhance our partnership with our customers. We augmented our organic growth engines with strategic acquisitions like Pariplay, BtoBet, and Aspire Global, all with a focus on the player who wants more options, providing a broader range of choices and ways to connect and play. We have seen that this strategy has been successful, with major parts of our customer base already adopting these new offerings.

“Operators need an IT platform that facilitates flexibility to meet consumer expectations for a world-class user experience.”

So, the Pariplay value proposition, and the reason the Virginia Lottery chose Pariplay, is because the business of integrating is a matter of speed-to-market at the lowest cost? And Pariplay puts all content providers on equal footing right alongside NeoGames?

Moti Malul: Well, it is actually much more than that. Pariplay is the ultimate content hub in the industry, that has really become a marketplace. Whatever the game category or functionality, Pariplay creates a seamless integration process, enabling the operator to implement a true best-of-breed model. Pariplay has more than 100 content vendors connected to its Fusion platform, with eInstant game content, iGaming content, Bingo, Virtual Sports, Live Dealer and more. However, it is not only the technology that it handles, but also the entire service of seeking content based on lottery guidance, contracting, integrating, paying vendors, and so on. This means that customers will simply deal with their own strategy, with as little operational burden as possible. Pariplay has been very successful in doing this for iGaming operators, so it was seamless for us to bring these products and services to our customers. First was AGLC in Alberta, then Sazka and now Virginia. Content variety is seen as a strategy pillar, facilitated through a single and fast process, while allowing players

to enjoy the engagement features and functionality of the Fusion solution. With innovation taking place at a breakneck pace, operators need the freedom to choose and upgrade when and where they deem necessary.

Operators need an IT platform that facilitates flexibility to meet consumer expectations for a world-class user experience. That means the best games, the widest variety of gaming options, easy navigability over a broad range of game categories and intuitive access to an increasingly complex array of value-added functionality. It takes time and money to acquire the competencies and assemble the network of partners that enable the world-class player experience of the

future. Some lotteries may want to outsource those activities so they can concentrate on their primary mission of building their brand and engaging their audience.

However, it's a similar story for game content vendors that seek distribution easily and across multiple jurisdictions. That's what has made Pariplay a go-to option for many, at a growing pace.

Thankfully, we are seeing more and more RFPs with specific requirements to support this kind of content hub and service approach, enabling the fast and easy integration of game content from multiple suppliers.

NeoGames started with game development. And that has evolved into the NeoGames Studio.

M. Malul: Indeed. I believe we have been pioneers of eInstant games content, launching our first games in early 2006. We are excited to see that 17 years later, NeoGames Studio is a global leader and plays a key role in the evolution to a Lottery Ecosystem 2.0 that values the flexibility to meet and exceed the expectations of the players for more and better game content. Here is where NeoGames thrives, as we live in a state of constant change and creation. Lottery gaming is evolving to include elements of casual, social, and mobile gaming, to appeal to the broadest cross-section of player preferences. This

Continued on page 53

NEXT GENERATION TECHNOLOGY AND STRATEGIES FOR A NEW GENERATION OF ILOTTERY PLAYERS

Julian Tietz

Managing Director, ZEAL Instant Games



ZEAL

PGRI INTRODUCTION: Zeal introduced online lottery in the German market almost 25 years ago and continues to be the market leader for online lotteries in Germany. As a WLA Associate Member,

ZEAL recently announced its results for the first half of 2023, with a 15 percent increase in transaction volume and a 20 percent increase in new customers. Our goal now is to bring ZEAL's success strategies, products, and services to markets in the Americas as well as other markets in Europe.

Zeal's expertise is augmented by its diverse portfolio of products, services, and the markets it serves. The ZEAL Group's business model is unique in many respects, encompassing numerous other business models in addition to the traditional lottery sector. For example, ZEAL Group has a Ventures arm for the segmented promotion of and investment in up-and-coming companies with innovative products, services, and business models for the lottery sector. These collaborations and investments augment our own internal brain-trust and resources, providing valuable insights into the gaming and lottery sectors. Furthermore, the group successfully implements the online marketing of the Spanish lottery ONCE with its subsidiary ZEAL Iberia. This experience with direct online gaming operations informs our whole approach and appreciation for the challenges facing the lottery operator. With its subsidiary ZEAL Instant Games, the group successfully develops and markets virtual slot games from the areas of Instant Win, Scratch and Slots. These verticals are merging industry-wide as lottery players expect the games to be just as entertaining as those enjoyed by other online gamers, and ZEAL strives to position its traditional lottery clients with the tools to compete for the next generation of online gamers.

Zeal games are not only sold to the company's own B2C customers, but are primarily offered to a broad B2B audience through international partnerships. Through these partnerships, ZEAL distributes its extensive portfolio worldwide, including in the Americas (OR as the case may be, in North America). Through their games offering, lottery and online gaming operators get the opportunity to tap into new player groups and markets by offering their customers a whole new range of games and play-styles.

Julian Tietz leads the virtual slot games and online games business at ZEAL as Managing Director ZEAL Instant Games. Previously, he had already been working in various positions for ZEAL's portfolio of companies since 2017 and launched the expansion of the company's online games division.

Paul Jason: What are the benefits of partnering with ZEAL?

Julian Tietz: Due to our business model and our nearly 25-year company history in the online games and lottery market, we have developed an unerring sense of the needs and demands of the market. In our dual role as a B2C provider of online games to the consumer and B2B lottery partner, we appeal to different audiences in both the online gambling and the iLottery sector. We understand the needs of our B2B customers since we must meet those same standards ourselves for our own brands and platforms.

With our thriving online games business, we are able to offer our partners the best of two worlds, namely traditional lottery and innovative, cutting-edge online games. For this reason, ZEAL not only has

expertise in slot game development, but is also dedicated to the entire range of games like scratch cards or instant win games. Our partners can thus benefit from a wide product range that is guaranteed to hold the right product for each of their different target groups. Also, if our partners have specific ideas or requests for certain products, we can apply our robust creative resources to design, develop and implement games together.

One of our primary value adds is our ability to identify and connect with new audiences that lottery operators may not otherwise be reaching with their current methods. Our mission is to help drive in incremental increases in sales by bringing in new consumer groups, engaging with players who have a wide diversity of play styles and preferences.

What drives creative in the development of new games?

J. Tietz: In addition to classic scratch cards or instant win games, we also develop our own slot games such as Deep Dive, The Bookmaker or Treasure Volcano. The latter is especially important to us because it helps us to add our own creative influence to the growing world of slot games. This gives us complete flexibility when it comes to developing new game mechanics or addressing opportunities not yet taken up by the games sector. These competencies inform our whole approach to iLottery game development. We appreciate and respect the constraints that the lottery operator works within, we are vigilant at ensuring a very responsible approach to engaging players and building a dynamic online customer-base, and we are very good at adding entertainment value to traditional online lottery games. The best growth strategy is one that focuses on a responsible and healthy play-style that supports sustainable growth. We keep an eye on trends in the many industry categories that influence consumer attitudes and player preferences such as media, entertainment or news. Once we have identified an interesting topic, we take the next step towards designing a possible game. Of course, ZEAL also develops games from traditional slot industry themed worlds – because these tend to be the games that lottery players will like as well. Our portfolio is

“ONE OF OUR PRIMARY VALUE-ADDS IS OUR ABILITY TO IDENTIFY AND CONNECT WITH NEW AUDIENCES THAT LOTTERY OPERATORS MAY NOT OTHERWISE BE REACHING WITH THEIR CURRENT METHODS.”

more attractive because of this mix, as it combines traditional games with a variety of pop cultural influences that shape player preferences.

In addition, ZEAL cooperates with German state lotteries, which opens up additional opportunities for our partners. Furthermore, our existing partnership network offers our partners further advantages and inspiration.

What are the interesting trend-lines when it comes to play-styles and preferences of online games?

J. Tietz: First of all, the basic player expectations must be met. These include fast-paced gameplay, state of the art graphics and animations, innovative play styles and interesting themes and game mechanisms. It is important to master these functional areas in order to satisfy the customers and to offer them an immersive gameplay and a lot of player value. Ideally, a game gives the customer a sense of choice, control, and hope, even though it remains RNG (Random Number Generated).

In addition, players expect new features and innovations with each game. Traditional slots and lottery games work well, but new elements or even completely new game processes are always received well by customers. That's why we are constantly pushing ourselves to add new features to our games. Of course, our partners also benefit from this as it enables them to regularly offer their customers new themes and features through our games.

We should also not forget that, in addition to the fun factor, the primary player focus is on the reward, i.e. the opportunity

to win. That's why it is crucial for us to offer customers a satisfactory winning experience with each of our games. If this doesn't happen in the form of cash prizes, alternative rewards in the form of gamification elements such as achievements or experience-points can be effective to keep the player engaged and motivated.

What measures do ZEAL Instant Games take to acquire players and what are the methods for customer retention?

J. Tietz: We believe in the approach 'speed over perfection' and want to test as many new concepts as early as possible with real customers in a live or test environment to deliver the best possible products to our partners and players.

The key to building a successful product is the iteration of design, mechanics, and user experience. Through this mechanic, we have found that some of our simplest designs turned out to be the best performing games in the German market. Being as close to the customer as possible is more important to customer retention than any bonus promotion because the gaming experience itself is really the core of ongoing customer loyalty. Crediting additional free plays is no guarantee of continued play, certainly not like an enjoyable playing experience is. That is why we are always testing and validating our games with the target audience with data collection and feedback analysis that drives the optimal insight-driven performance of our games. This ensures a more engaging and personalized experience while maximizing cost effectiveness for both ZEAL and our partners. ■

The Mobile App: Gateway to the Modern Lottery Experience

Convenience is Calling

We all know that in the contemporary world, convenience is more than an aspiration – it's a necessity. "Time is a currency – one that consumers are looking to maximize," reports Foresight Factory, a leading global consumer trends agency. This determined quest for "speedy service" has taken us to everyday advantages we now take for granted: one-tap payments, 60-second news podcasts, and hyper-expedited delivery services. Of course, looming large and facilitating this convenience are ubiquitous mobile phones, used for a seemingly endless myriad of life's activities – from swiping to select a date to watching a movie, paying a bill to purchasing a plane ticket, "liking" a social post to yes, making a phone call.

With almost 100% of consumers confirming ownership in most countries around the world, mobile phones are everywhere. In fact, a recent Foresight Factory study

found that 99% of occasional and/or weekly lottery players own a mobile phone. No wonder jurisdictions are now providing responsible access to lotteries in the palms of adult players' hands via their mobiles – with no need for them to go to retail, or even log onto a computer. For instance, this ease of use has helped more than 163K Kentucky Lottery players and over 413K Georgia Lottery players download their state lottery apps in 2023.

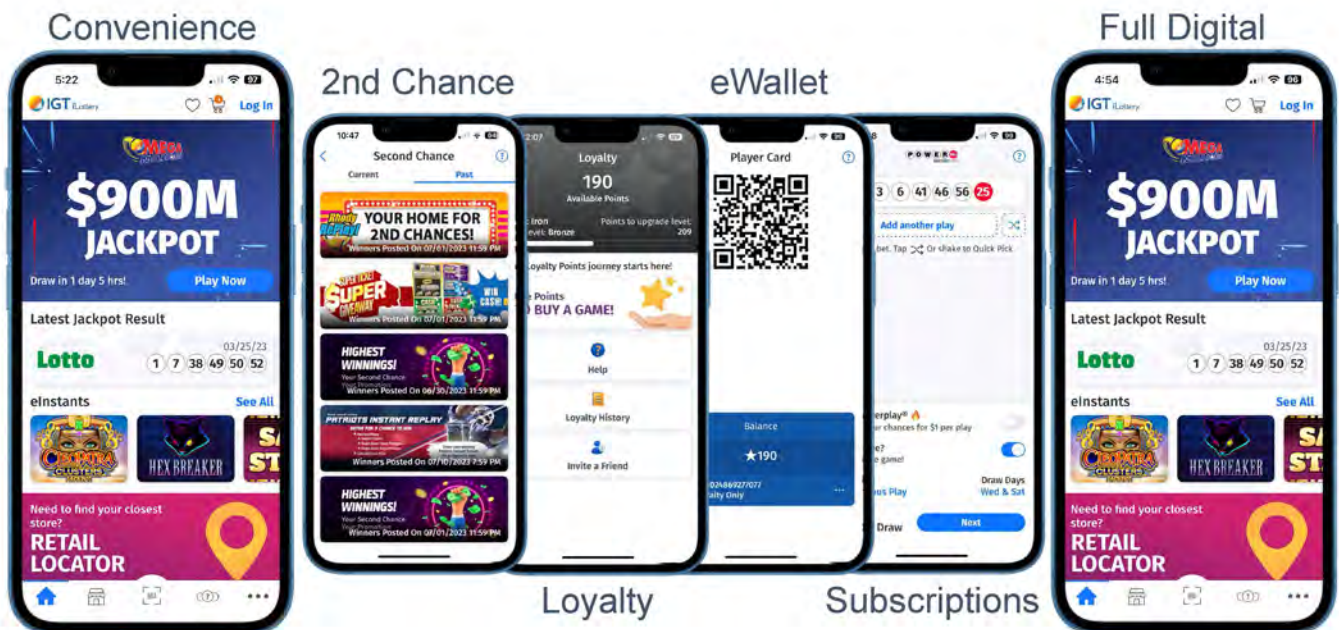
Offering mobile apps is a natural way for lotteries to strengthen their link to a younger generation of players. As a global leader in gaming, IGT is committed to helping lotteries deliver a convenient – and outstanding – mobile experience to players with engaging games, intuitive features, and helpful tools. **IGT develops and manages IGT's award-winning mobile app for lotteries, which are made available for both iOS and Android users and can be downloaded from the App Store or accessed via Google Play.**

C'mon Get App-y

When choosing/implementing a mobile app, lotteries benefit from architectures that enable some key factors for success. Chief among them is that **the app follows the latest industry standards. IGT utilizes the React Native framework, which ensures a lightweight, modular, flexible construction, enabling frequent updates and facilitating configuration changes and migrations.**

Another key is to establish a **clear product vision for developers to work toward as they shape the user interface and experience.** Common goals for lottery apps should include:

- Providing user-centric design
- Crafting a seamless and integrated experience
- Reducing visual and messaging clutter – apps developed by IGT aim for minimalism; for ideal usability, one core



When the question is, "Is there an app for that?" the response is yes – for future-forward lotteries that offer mobile apps to their customers, backed by the relevant Application Programming Interface (API) and services to help drive these experiences.

main action is typically the content hero of each user screen

- Displaying information based on hierarchy and prioritization
- Engaging for both veteran and new players

Foresight Factory emphasizes that consumer log-in, sign-up, and checkout experiences must run smoothly, as new customers need to see the benefits of purchasing from a new brand quickly. The same goes for lotteries. A clear and useful repository of Help information and in-app Help tools on a well-designed app can make sign up and purchase even smoother.

Their App-y Place

IGT's mobile apps enable lottery customers to make fast and seamless app changes to text, banners, and images, and push them live in real time.

Plus, while pure functionality and speed are key product attributes for today's consumers, it is important that a balance be struck between convenience and personality, too. That is why a colorful, engaging, branded mobile app is essential for a lottery's growing success.

Lotteries can help players seamlessly engage with user-friendly visuals and features. IGT developers include best-practice elements in their design such as:

- **Onboarding welcome screens**
- **"Parallax" scrolling** — more immersive browsing experience with added depth and 3D effects
- **Animations** for satisfying player engagement
- **Relevant and flexible lottery elements** and themes such as logos, branding, fonts

All Access

Accessibility is an important consideration, as it **is key that mobile apps be friendly and usable by all types of players of legal age, with varying levels of mobility and ability.** IGT helps our customers ensure compliance with the Americans with Disabilities Act (ADA). Each component is built with accessibility in mind. Features are tested to ensure adherence to accessible design standards

“

“For years, I've wished for an app that scans your scratch off tickets immediately here in WI. Voila! You can also see every scratch game available in state and check the jackpots for state and national lotto games. Very, very pleased Wisconsinite here!”

(3/15/23)

“About time!! Outstanding and innovative! This app gives customers security and comfort, knowing they can scan their own ticket without worrying if the store or gas station attendant is being truthful!! So glad they developed this app!!

(3/31/23)

“Great app. It makes life a lot easier.”

(5/4/23)

“Thank you WI Lottery!!! All of the most current lottery info at your fingertips. The ticket scanner also works great/fast. I will never again throw away a winning ticket I had mistaken for a loser. :) Not having to take a stack of tickets into the convenience store to manually scan to verify winner/loser is also great.”

”

Above are just a few recent positive testimonials from satisfied Wisconsin Lottery consumers about the ease of using the mobile app.

and guidelines for text contrast, utilizing relevant Plugins & Validator (speech support from Apple and Google) during design and development, enabling Voiceover (Apple) and Talk Back (Android), and user support.

IGT continually checks its apps for ongoing ADA compliance, reducing copy and using icons to help guide a diverse range of players in the appropriate direction. Developers can scale font sizes based on phones' text size accessibility settings. Alternative text, where necessary, is present to provide relevant labels for those players

who use screen readers. Contrast ratios are adjusted as applicable for compliance.

There's an App for That

There are generally two types of mobile apps for lotteries to consider for player enjoyment: the mobile convenience app and the mobile wagering app, both maximized when backed by the relevant Application Programming Interface (API) to help drive these experiences.

The **mobile convenience app** provides

players with the opportunity to check winning numbers, locate stores, retrieve draw and scratch ticket information, check for jackpot info, and sign up for alerts. Convenience apps do not accept wagers, bets, or payments of any kind through mobile applications.

New Jersey, Indiana, Florida, Tennessee, Texas, West Virginia, and Wisconsin have deployed official lottery convenience apps in partnership with IGT. Recently, as part of the ongoing contract extension with the Wisconsin Lottery through May 2026, IGT launched its enaaina Wisconsin Lottery

Convenience Apps



Wagering Apps



User-testing the latest mobile convenience and wagering apps helps ensure lotteries are delivering the convenient services and enjoyable experiences that today's players are looking for.

mobile convenience app. Enthusiastic players immediately began downloading it upon launch. **Great new feedback alert:** In the first month after the app became available (February 14 to March 13, 2023), there were 5.6 thousand smartphone downloads for the app —2.9 thousand on iOS, and 2.7 thousand for Android. **Player feedback has been uniformly positive; Wisconsinites gave the app a stellar rating of 4.9 out of 5 on the App Store!**

Configured per state requirements, convenience apps allow players to do some or all of the following:

View current winning numbers

Check current jackpots

Search past winning numbers and payouts

Get scratch-off game details and remaining prizes

Review “How to Play” information for all games

“Pick Numbers” to create and save favorite numbers

Utilize “Hot and Cold Numbers” to see most/least frequently drawn number trends

Locate the nearest authorized lottery retailers

Customize notifications

Shake their phone to select random numbers to play

Use “Ticket Checker” feature to scan ticket barcode or manually enter it to determine if they’re a winner

Scan a digital playslip at a retailer to (anonymously) purchase draw game and eInstant tickets, and even save it if desired to use every time they play

Access Responsible Gaming information

These features and more — with an additional layer of valuable components — are also offered via the **mobile wagering app** where legislation allows.

IGT has launched wagering apps for lotteries in Georgia, Kentucky, and Rhode Island. “We are proud of the smooth delivery and the encouraging reactions from players,” said Srini Nedunuri, IGT SVP, Global iLottery.

Players have the full range of lottery services at their fingertips and on the go,

with mobile wagering apps including the type of one-click purchase options that today’s consumers demand. As previously noted, backed with the necessary API and services, a versatile range of lottery offerings can include opportunities to play Lotto, draw-based games, numbers wagering, Keno, eInstants, and even Group Play (a digital version of the office “lottery pool” that reduces administration challenges). Wagering app users can also sign up for recurring subscriptions such as for draw-based continuous play or configured draws. Other wagering app elements include:

- **Second Chance:** Draw-based game/scratch ticket second chance entry, ticket and points-based drawing, bonus options
- **Loyalty:** Chance to earn points for wagers; points can be used for entry into second chance or to purchase games
- **eWallet:** Can be used at retail, for transactional or wallet purchases, “top ups,” claim winnings into wallet (low/medium wins) and digital playslips

With wagering apps, when players purchase draw games and play eInstants, for lotteries utilizing IGT’s Connected Play and iLottery solution, wagers are securely recorded against the player’s profile. Prizes can be paid directly to the player’s iLottery account/eWallet. Plus, the lottery will receive valuable player information.

All About the App-titude

IGT customers can benefit from the company’s experience with app best practices including:

Responsible Gaming session, purchase and deposit limits; time out and self-exclusion

Geolocation

App Store/Google Store compliances, approvals, and engaging presence

Compliance with guideline changes

Player permissions and privacy

Native framework

Analyze This

IGT’s back-end platform enables lotteries to learn about player behavior by storing

transactions and providing a 360-degree player view. IGT can help lotteries bring information together via predictive analysis and actionable data. Lotteries can access meaningful data about players and how they use their apps. IGT can also provide customers with analytic dashboards and track KPIs and conversions.

It’s Best to Test

To ensure ideal mobile app outcomes, user journeys should be backed with analytics, to optimize prior to launch. Apps that IGT creates for lotteries are fully user-tested. Users are also asked about their habits and purchasing behaviors through questions with rating scales. **User-testing provides IGT with key findings** that allow it to provide recommendations for their lottery customers, content creators, and designers, to make their apps fresh, friendly, intuitive, and relevant.

For instance, IGT recently conducted a study with players about the content most interesting to them on a mobile app home page to identify the most relevant information possible to feature there. **“We continue to user-test our product on an ongoing basis and iterate for future updates to benefit customers,”** said Emilia Ciardi, IGT Marketing Manager.

Freedom Forward

Foresight Factory believes convenience will continue to be valuable for the freedom it creates. IGT can provide the expertise needed to make convenience part of the lottery mobile app experience too. IGT iLottery experts furnish the content, creative, portfolio, delivery, operations, and player support to, as Foresight Factory calls it, “smooth bumps on the customer (and supplier) journey.”

Mobile phones — large and small, iOS and Android, are essential convenience tools. “IGT’s work with lotteries to bring mobile apps to life reinforces our commitment to deliver convenient, player-facing digital solutions, driving player engagement,” said Nedunuri.

IGT is excited for players to use their official lottery mobile convenience and wagering apps, and to work with lotteries to responsibly help generate revenue for lotteries, retailers, winners, and good causes. ■

review and approval. Top objectives identified during the summit included continuing dialogue and collaborative efforts with the Mega Millions Consortium and World Lottery Association, investing in Powerball brand research, and developing new draw-based games and add-ons to enhance current games.

"MUSL has gone to significant efforts to upgrade its digital infrastructure to support the rollout of new products and promotions," said Barden. "The new FLEX system is a game changer for us. We can hit the ground running knowing that we have supporting infrastructure behind us."

To cap off the summit, the Directors had the option to attend opening day of the Iowa State Fair. Iowa Lottery CEO Matt Strawn guided the Directors on a tour of the fairgrounds before their departures from Des Moines. Some of the directors who attended the fair had backgrounds in agriculture or participated in 4-H as youth, while other Directors had large lottery events planned for their own state fairs later in the summer.

"The motto of the Iowa State Fair is 'Nothing



Matt Strawn (IA), Adam Prock (MN), Drew Svitko (PA), Sarah M. Taylor (IN), Cindy Polzin (WI), Lance Gaebe (ND), Helene Keeley (DE), Hogan Brown (SC) visit the Jackpot Lambs in the Sheep Barn at the Iowa State Fair.

Compares.' The same is true for getting out of the Board room and connecting with your colleagues over a corn dog or while checking out the famous Butter Cow," said Strawn. "These Director relationships form the foundation of the

teamwork that is necessary for MUSL to continue successfully managing multi-state games and product development." ■

The IT Architecture and Strategy to Future-Proof Your Business continued from page 30

My oldest son, for instance, is a doctor who works in the emergency center at the hospital. Like all medical students and young doctors, he worked incredibly long hours for many years. Now he is determined to impose a more reasonable work-life balance, even cutting back to less than a full work-load. He wants more time for his family and for himself and is willing to forego some income to achieve this work-life balance. My second son is an IT programmer, and if it is a nice day, he takes the day off and works at night to get his work done.

People used to take three weeks of vacation in the summer. Now many are dividing their vacation time, maybe taking one week in the summer and the other days spread throughout the year. To be honest, it takes a new way of thinking for some of us in the older generation to adapt to the expectations of the next generation of leaders. As someone who has never taken all of his vacation time, it takes getting used to the work-style expectations of the next generation of leaders!

Is video-conferencing replacing in-person meetings?

JL Moner-Banet: I hope not. Of course, video was a godsend during the pandemic.

And I do think video-conferencing will continue to be a powerful productivity tool that reduces the need to travel as much and supports the new work-at-home schedules of many people. So, I do think we need to embrace the utility of video as a method of operation and collaboration. That said, no I do not think video-conferencing replaces in-person meetings. There is a distinct difference in tone and feeling of openness and connection between in-person and video-meetings. And so I hope that our business culture appreciates the importance of relationship-building that in-person meetings enable and doesn't lean too much on video-conferencing going forward.

For example, the European Lotteries Association executive committee meets multiple times a year. Those used to involve travelling to a place where we met in-person. We now conduct more than half of those meetings on MS Teams video. That is OK as it does save us a lot of travelling time. But we all still feel strongly that we need to meet in person as well. And as far as I can tell, most companies, including Loterie Romande, require the senior management team to be in the office at least three days a week.

How might different work-styles and life-styles affect the shopping behaviour and play-styles of lottery players?

JL Moner-Banet: Now that is the important question, isn't it. We have been talking about our own personal networks but, of course, these changes are happening in most industry sectors all across the world, certainly everywhere in western Europe and North America. We need to think about how the consumers organize their lives around completely different work and recreation schedules and how that will affect the way they play lottery. One thing is clear: the digital connection to the player will be more important than ever. Building and maintaining a world-class platform that supports a multi-faceted, feature-rich online relationship that includes dynamic 2-way communication is now mission-critical. More and more gaming and recreational options and digital strategies are competing for the attention of the consumer. Lottery will likely continue to have the advantage with our land-based network of retailers. But the battleground of the future will be on digital channels, and we simply must establish the same commanding presence online that we have always had at retail. ■

UNIQUE JACKPOT SIGNS THAT TAKE CONSUMER AWARENESS OF LOTTERY TO A WHOLE NEW LEVEL

Gregg Edgar, Sr. Lottery Consultant, Pro-Lite

For 42 years, Pro-Lite has transformed the way big ideas are communicated to a mass-market audience in sectors ranging from the Department of Defense (DOD) to retail giant Costco. The most eye-popping concept in the lottery space is the jackpot values. What commands more attention and interest than the possibility to completely change your life? To that purpose, and amidst this diverse portfolio of accomplishments, Pro-Lite's most notable triumph lies in its revolutionary approach to the lottery industry. By harnessing cutting-edge technologies that break away from convention, Pro-Lite is reshaping how lotteries engage audiences and bolster their brand.

Pro-Lite has consistently been at the forefront of innovation. As the first to introduce electronic jackpot signs to the market in 1999, Pro-Lite pioneered an era of dynamic digital displays. This innovation replaced static non-illuminated displays with vibrant, illuminated signs that not only presented information but captivated passersby. Pro-Lite's lighted signs set a precedent for the lottery sign industry.

Pioneering RF Communication

Going beyond illumination, Pro-Lite revolutionized communication methods by introducing radio frequency (RF) communication to jackpot signs. This groundbreaking advancement enabled wireless data transfer, ensuring real-time updates and accurate information. Pro-Lite's RF communication set a new standard for connectivity, eliminating manual updates, and elevating the player experience and confidence through accurate informative jackpot updates.

Inventing the "B" Billions Segment

Pro-Lite's innovation extended to segmentation with the creation of the "B" Billions segment. This concept, led to the invention and awarding of a U.S. patent for a display segment dedicated to showcasing the billion-dollar threshold. This innovation not only

provided an impactful visual representation of a billion-dollar jackpot but also simplified comprehension for players, adding an element of excitement as jackpots reached unprecedented heights.

EnSure: Promoting Accurate Jackpots

Central to Pro-Lite's mission is the EnSure technology package, designed to guarantee accurate jackpots, and elevate player trust. EnSure operates on three fronts:

Segment Integrity Detection: EnSure is equipped with the ability to detect burned-out segments on a digit and report such anomalies back to the lottery terminal. This proactive approach ensures that the displayed jackpot remains accurate and up to date without showing an inaccurate number.

Checksum Validation: EnSure incorporates checksum validation, a critical security feature that verifies the integrity of data being communicated between the terminal and the sign. This cryptographic safeguard guarantees the accuracy and authenticity of displayed information.

Time Out Feature: EnSure includes a time-out feature that ensures jackpot accuracy. If no communications are received within a designated timeframe, the sign is intelligently turned off. This feature ensures that Pro-Lite jackpot signs display the correct values after a draw has occurred.

Unleashing Creativity and Placements

Pro-Lite's innovation journey spans design and placement, empowering lotteries to



elevate visual brand and game awareness into new placements. These jackpot signs become more than informative tools; they transform into dynamic canvases for a lottery. Lotteries can infuse their identity, colors, logos, and games into the signage, elevating visual appeal and leaving a lasting and consistent brand impression on players.

Moreover, Pro-Lite's solutions offer unprecedented placement flexibility. These versatile signs can be positioned strategically in high-traffic areas, point-of-sale locations, or even as interactive kiosks. This adaptability ensures maximum exposure and engagement, revolutionizing how messages are conveyed.

A Growing Impact

Pro-Lite's innovative impact spans industries. As their unique solutions gain traction, more entities recognize the value of incorporating cutting-edge technologies into all elements of the marketing strategy. The adaptability of Pro-Lite's offering and willingness to venture outside-the-box in manufacturing, empowers lotteries to try new ideas and boldly go into the realm of the unconventional.

Closing

In a realm where innovation fuels transformation, Pro-Lite stands as a beacon of progress. With a remarkable track record of working with our lottery partners to find solutions that generate sales, Pro-Lite's inventive spirit is undeniable. With each technological stride, Pro-Lite lights the path forward, ensuring that lotteries captivate and inspire like never before. ■



INTRO

“What’s the next big thing you’re working on?”

It’s hardly surprising that Pollard Banknote would face that question whenever we go to industry meetings and trade shows. We have a well-earned reputation for innovation and many lotteries look to us to identify the leading edge of new products and solutions. Even so, it’s still a tough question for our team to answer because it’s hard to come up with just one “next big thing”. The truth is we are constantly innovating and investing in new products and features.

Our proven ability to find the next big thing reflects the fact that, for many years now, Pollard Banknote has been on a strategic path to expand our contributions to the lottery industry. We have done this by aggressively pursuing the best people to develop the best new technology and products, and by Pollard Banknote’s three pillars of lottery success: Outstanding Games; Retail Excellence; and Digital Innovation.

What are the next big things we want to share with lotteries? What innovations have we devised that will help improve player experiences and increase funds for good causes? Here is a medley of our current greatest hits.

THE OMNI WAY FORWARD

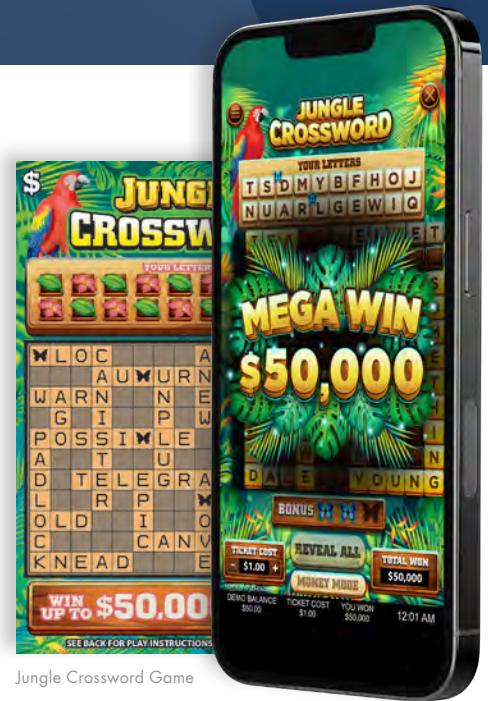
Pollard Banknote has been developing and unveiling digital innovations for decades. We debuted our first digital

game in 2009. In 2013, we hit a major milestone with the launch of the industry’s first standalone CashWord App. That was quickly followed with the industry-leading iLottery solution through our joint venture company, NeoPollard Interactive.

Underlying all these innovations is a dedication to employing omnichannel solutions to help lotteries – wherever they are in their digital journey – get to know their players to create fun and enjoyable user experiences.

The Pollard Digital Solutions team offers a suite of digital products and services that support and enhance overall lottery operations. There is our **PlayOn®** loyalty platform, which is designed to reach and engage with a broad set of players responsibly. And our industry-leading **Space Between™** games that add entertainment value to all players, including the critically important younger demographics. On average, seeing 25-40% of engagement in our **Space Between™** games involved players under the age of 35.

We understand that innovation and variety are critical to the success of iLottery and to that end, we have built games with a proven ability to create excitement for players. In addition to our traditional print instant tickets, we currently have more than 400 digital games available to the lotteries we serve. In addition, we’ve just launched a new line of instant games through our Pollard Digital Games Studio.



Jungle Crossword Game

Our highly successful joint venture, NeoPollard Interactive, commands 67% of the U.S. iLottery market. We’ve shown that iLottery creates a more engaging player experience, and helps lotteries grow revenue for good causes. Now, we’re building on that digital momentum with the introduction of our new Pollard iLottery Solution.

The Pollard iLottery Solution combines the most modern technology available with Pollard Banknote’s proven expertise and in developing, implementing, and operating large-scale iLottery solutions, both in North America and around the world. The underlying technology has been purposefully built to deliver a truly modular and agile solution that is currently poised to revolutionize the lottery industry.

We know from experience that iLottery is one of the most valuable tools to introduce new players into the Lottery ecosystem, which in turn helps lotteries boost engagement and revenues. iLottery accomplishes these goals by harnessing a wealth of data on player behavior that can be used to drive engagement in a responsible manner. Pollard Banknote's omnichannel approach provides a 360-degree view of players and a proven team of experts, to deliver industry-leading results.

NEW OPTIONS FOR HIGHER PRICE POINT GAMES

To ensure that we are always Delivering Outstanding Games – one of our core principles – we focus on designing exciting and eye-catching instant tickets. These include the bold new designs of the **ScratchFX™** line of products, along with interactive instant tickets like the newest **Big Ticket Pop-Up™**.

Another one of our most popular new products is **EasyPack™**, which offers all the fun and value of an oversized game in an easily vendible format. Each **EasyPack™** ticket opens like a large greeting card to reveal a game space that is double the size of other oversized games, for double the excitement. Delivered in fan-folded books, **EasyPack™** is designed to be fully compatible with standard dispensers and ITVMs, making dispensing a breeze for retailers. **EasyPack™** is the perfect way to add value to new ticket launches or introduce new, higher price points for core games.

DIVERSIFICATION OF RETAIL

In the US and Canada, lotteries currently rely on convenience stores for the majority of their sales; currently, over 70% of instant ticket sales are made at gas stations and convenience stores. But if lotteries want to pursue an expanded player base, they need to expand their array of retail channels.

Pollard Banknote's **easyVEND™**

in-lane ITVM is a secure way to get instant tickets into the checkout lanes

of multi-lane retailers such as grocery and dollar stores, as well as self-serve checkout lanes which have become so popular in recent years. Now, even when scanning their own purchases, the consumer can include lottery purchases in a single transaction. For retailers, this approach addresses their biggest friction points – shrinkage, administrative tasks, and balancing.

An in-lane menu board promotes the ability for customers to include instant tickets with other grocery purchases in a single transaction. The consumer identifies which ticket or tickets they'd like to purchase in addition to other items, and the



cashier programs the transaction on the POS screen. When the payment is completed, a cashier is asked to confirm the purchase on the **easyVEND™** controller screen, and the tickets are dispensed securely. This solution has been designed to seamlessly integrate with existing POS systems, with added digital technology to control the dispenser.

COME SEE FOR YOURSELF!

As the global lottery industry's leading partner of choice, we're thrilled to be showcasing these products along with a full suite of all of the latest and greatest innovations from Pollard Banknote at the NASPL Annual Tradeshow in Milwaukee, Wisconsin.

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Digital Innovation.

EL Congress in Šibenik, Croatia

Looking Forward: Lotteries of the Future

June 4-7, 2023: Scenes from the European Lotteries Association
11th bi-annual conference and tradeshow



1. WILL Reception 2. Arjan van 't Veer 4. Rebecca Paul 5. Andreas Koetter 6. Arjan van 't Veer and Marija Krnjajac 10. Reception
11. Leaders of WILL 13. Konstantinos Farris 14. Ollie Sarekoski and Andreas Koetter 15. Hansjorg Holtkemeier

is also a key area where we see immediate benefit with the Aristocrat opportunity; combining game development talent and the resources of Aristocrat with NeoGames' knowledge of the lottery space, to further our goal of becoming the supplier of choice for the games-of-chance operator.

Could you explain the mission and purpose of the Lotteries Entertainment Innovation Alliance (LEIA)?

M. Malul: I'm not sure that this is for me to explain, however it is rather simple. It's a consortium that was created by the four Scandinavian lotteries and FDJ (La Française des Jeux) to facilitate the introduction of new content while easing the RFP and selection process for game content providers to these government entities, through a single process and a single point of integration. We are proud and glad to have been chosen to play a role in the future of content for these innovative and advanced lotteries.

LEIA is the manifestation of a trend in content management and deployment that we see globally among lotteries. After the first phase of iLottery programs being centered around one or two game content vendors, they then wish to expand to a broader variety. While we don't foresee that the lottery industry will ultimately have the hundreds of content vendors that the iGaming industry has, we do see that the ecosystem of content vendors is expanding.

We have also announced a deal to provide content to the Pennsylvania lottery through SGI, who is their platform partner. We are in the process of integrating IGT content to Michigan and likewise, we will provide our content to Georgia which is an IGT platform partner. The pathway forward for iLottery platform partners is to support the lottery operator in its mission to meet and exceed the expectations of the players. And that means deploying the very best content from whichever suppliers are creating it.

A best-of-breed approach would seem to necessitate adjustments be made to the traditional Retail Central System RFP?

M. Malul: It doesn't have to be the case. We have already proven time and again across our customer base that the iLottery platform and solution can integrate very well with retail CGS systems to provide a full omnichannel approach and functionality that is much richer than that achieved by the CGS

vendors themselves, in many cases.

iLottery is a space with very specific, and very different knowledge, in both operations and technologies.

The features and functionality that are in a typical iLottery bid are so profoundly different to the features, functionality, service types and pace that are in a lottery retail systems bid. The landscape and leadership position of vendors, technology

“We are indeed pushing hard to deconstruct and reconstruct, creating new game attributes that will break down the barriers of entertainment value between different channels and sectors.”

partners, and content providers vary greatly in these different spaces. Being the best in one product or service category does not mean you're the best in the others. And the competitive marketplace of the future will not leave room for anything other than the very best in every part of the business. What's clear in the industry today is that the top 3 iLottery programs in the US are powered by NeoGames, a pure iLottery focused vendor and in my view that is due to the very good reasons that we've discussed here.

You build online games for the casino-style sector as well as the iLottery sector. Are there synergies between the two?

M. Malul: Creative energy and ideas can cross-pollinate to instigate new ways of thinking about playstyles and preferences. We learn what is out there not only in terms of casino games but also in social, casual and other mobile games, to adopt these innovations into our industry. But the technology that drives successful online slot games is quite different from that which is required to provide online instant games. For one thing, lottery instant games must operate within predefined win results tiers to select from. The price points are in many cases, different, and the math models are significantly different. However, the instant player experience now includes features and functionality that did not exist five or ten years ago. Bonus rounds, progressive jackpots and other features that enhance the entertainment value to the online lottery player are becoming much more widespread

and promise to raise the engagement factor for players who are used to stimulating and fun games.

There is no rule that says lottery games must be boring and less entertaining than casino-style content. In answer to the question, we are indeed pushing hard to deconstruct and reconstruct, creating new game attributes that will break down the barriers of entertainment value between different channels and sectors.

Does it seem like online casino-style game operators complain about iLottery games becoming too much like their online slots?

M. Malul: I don't believe that this will be the case going forward, as all the evidence points to iLottery and casino-style games growing alongside each other. For instance, iGaming launched in Michigan just over two-and-a-half years ago when the Michigan iLottery program was well underway and leading the market, and already, it is close to being the biggest iGaming market in the US. This is a state with the most mature iLottery business in the country. It was launched nine years ago and has reported a consistent growth record. If ever there was a market where iGaming would be challenged to compete with an established iLottery player base, Michigan would be it. But iGaming has achieved hugely successful revenues right out of the box. iLottery and iGaming are not only co-existing, but they are both thriving, and not only in Michigan. Similar patterns also exist in Pennsylvania, and of course we also see this trend in global markets outside of the US.

Another perspective is to examine what happened to other forms of gaming which naturally evolved due to technology, innovation and evolution. As examples, you can look at current Class 2 gaming which is so different to before, as well as electronic pull tabs or HHR (Historic Horse Racing), digital bingo machines and more. The basis of game rules in all these examples didn't really change, just how eInstants continue

Continued on page 57

Scenes from PGRI Lottery Industry Hall of Fame

Held on June 6 at EL Congress in Šibenik, Croatia



1: Hansjorg Holtkemeier, Doug Pollard, Jennifer Welshons, Sarah Taylor, Jennifer Westbury, Philippe Vlaemminck, Konstantinos Farris, Lynne Roiter, Andreas Koetter, Rebecca Paul, Ollie Sarekoski, Romana Girandon, Arjan van 't Veer, Friedrich Stickler, Ray Bates, David Gale 2. Andreas Koetter 3. Konstantinos Farris 4. Philippe Vlaemminck 5. Rebecca Paul 6. Romana Girandon and Arjan van 't Veer 7. Arjan van 't Veer 8. Ollie Sarekoski 9. Paul Jason 10. Paul Jason and Andreas Koetter 11. Andreas Koetter



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12. Andreas Koetter, Konstantinos Farris, Arjan van 't Veer 13. Susan Jason 15. Jennifer Welshons, Sarah Taylor, Rebecca Paul, Konstantinos Farris, Andreas Koetter, Arjan van 't Veer, Ollie Sarekoski, Philippe Vlaemminck 16. Hansjorg Holtkemeier and Arjan van 't Veer 17. Paul Jason 18. Arjan van 't Veer 19. Richard Bateson 20. Konstantinos Farris 21. Romana Girandon, Philippe Vlaemminck, Andreas Koetter 22. ArjPaul Jason and Andreas Koetter

increasing its attractiveness by means of eye-catching advertisements which hold out the promise of large prizes, and that these can be compatible with EU law and the theory of controlled expansion as developed by the Court.

An important public policy objective that is now being recognized by lawmakers and the Courts is the importance of providing a safe and secure alternative to illegal gambling. So today it is clear that application of monopoly protection for lotteries and attracting people to play lottery games for the benefit of society is considered to be an appropriate way to address illegal activities in a market.

The prohibition or limitation of private profit has been part of the way in which lotteries can be operated in the Member States of the European Union since the Courts started to render judgments on the different kinds of regulatory frameworks for games of chance. This was further explicitly confirmed by the Court of Justice in the judgments in the Finnish *Läärä* case and later also in the Swedish *Sjöberg* and *Gerdin* cases.

A prohibition/limitation of private profit therefore can serve both consumer protection and public order. This is also the opinion of the European Court's Advocate General in the recent *Admiral* case.

The Court confirmed way back in 1999 in a Finnish case that a monopoly regime under direct State control may be more effective in managing the risks and social costs associated with the gaming sector and in achieving the legitimate objective of preventing incitement to excessive gambling expenditure and combating addiction to gambling, than under a non-exclusive legislative framework. Moreover, the Court even considers a model of allocating the proceeds of the state lottery to charitable purposes more favourable than a licensing model with the taxation of profits:

“Although the sums thus received by the State for public benefit purposes could also be obtained by other means, for example through taxation of the various entrepreneurs who would be allowed to carry out the activities in question under a non-exclusive system, the obligation imposed on the licensed body to transfer the proceeds of its business is certainly a more effective means of setting strict limits on the profits resulting from those activities, in view of the risks of fraud and other criminal acts.”

So within a context of controlling gambling in a responsible way and protecting society against crime and illegal gambling, EU Member States are permitted to grant the exclusive right holders of Lotteries more extensive powers to maximise the return to society.

The current discussion on the Future of the EU is providing us with an interesting forum to put the role of Lotteries in Europe on the table. Innovation, social justice, access to education, a healthy lifestyle including sport, social rights & employment, protection of cultural heritage, access to broad cultural events, empowerment of diversification, attention to disabled, a greener world and a future oriented economy based upon the principle of good governance are all themes that require attention in this context and are all integral to the DNA of the Lotteries.

The conferral of exclusive rights to operate gambling to a single public body is an adequate measure in order to reach the objectives of limiting exploitation of the human impulse for gambling and to avoid the risk of crime and fraud related to games of chance.

It has been upheld, both by the EFTA Court and the Court of Justice of the EU, that a monopoly system can serve the aim of fighting addiction related to gambling more effectively than a system of multiple operators in the context of a non-exclusive legislative framework.

When seeking a particularly high level of protection, a Member State is entitled to take the view that it is only by granting exclusive rights to a single entity – which is subject to strict control by the public authorities – that it can tackle the risks connected with the gambling sector, thereby pursuing the objective of preventing incitement to squander money on gambling and effectively combating addiction to gambling.

Within this context of a restrictive market approach, the theory of ‘controlled expansion’ developed in the *Placanica* judgment came as an important clarification. The objective of drawing players away from clandestine betting and gaming – and, as such, activities that are prohibited – to activities that are authorised and regulated, may be entirely consistent with a policy of controlled expansion. But, in order to make the operators active in the sector subject to control and channeling the activities of betting and gaming into the systems thus

controlled, authorised operators must be able to represent a reliable, and at the same time attractive, alternative to a prohibited activity. As such, this may necessitate the offer of an extensive range of games, advertising on a certain scale, and the use of new distribution techniques. This was later confirmed in the case of *Pfleger*.

The Court later confirmed the possibility of controlled expansion with a view to protecting consumers to the extent that there is a large illegal market. This was previously also held, but in a slightly different way, by the EFTA Court.

So why does the government of Finland want to walk away from this “EU acquis” to which it contributed so much? The reason given is that there is a large and growing illegal market which obliges the government to open the market and provide more licenses.

What does this argumentation demonstrate other than that the lottery did do its part of the job in a strong, innovative and effective manner, and that it is the Government who failed in its tasks of law enforcement and its obligations under EU law.

In my article for *Public Gaming Magazine* (January/February 2023) “Fighting illegal lotteries, gambling & betting: urgent time for governmental action” I mentioned the following: “Illegal operators use a similar strategy everywhere. They enter markets where governmental authorities have other bigger priorities than to enforce laws against illegal gambling. They build market-share with little regard for making a profit. Once they have a strong customer base of players, they petition the government for license to operate legally and turn the underground economy into taxable revenues. Governments should not accede to this blackmail as that simply reinforces the incentive to operate illegally.”

In Finland, as everywhere, the illegal market is growing rapidly. Action is indeed required and urgent, but must also be well researched, economically assessed, responsible, and consistent. The Court of Justice of the EU does not say that a licensed market or a hybrid market (i.e. combining a monopoly with licensed operators) is not legal. The Court simply states that the policy must be consistent with the idea of protecting consumers and public order and requires a government to enforce its laws against illegals. Indeed, countries who did or intended to sign up to the *Macolin Convention* have a

legal obligation under international law to implement serious measures and policies to fight illegal gambling.

Opening a market up to multiple gambling licensees as Finland is not an effective way to combat illegals. Instead, the intense competition will end up stimulating consumer demand and even creating a fertile market for illegals to operate in.

In light of the peculiar nature of gambling, the Court of Justice of the EU and its Advocate generals affirmed several times already since 1993 that **free and open competition in the market of games of chance can have severely detrimental effects**. The general approach of free-market competition, as applied to most other services in the internal market, benefits the consumer in terms of quality and price. The EU wants the competitive market to drive the positive feedback cycle of increased production which reduces cost which in turn increases demand and so on. That underlying dynamic does not apply to a sector like gambling or Lottery where the goal is not to maximize consumption. Multiple operators of games-of-chance competing with each other inevitably results in increasing consumers' expenditure on gaming as well as their risk of addiction.

The positive benefits of the alternative to

liberalization is easy to establish. Governments and regulators should take regulatory actions, particularly in relation to:

- Implementing a strong monitoring system to identify the actual illegal market. There are systems available in the world that utilize anti-terrorist software, adapted to the gambling world, enabling governments and operators to get an exact vision of the illegal market in a territory.
- Geo-blocking: One aspect of channeling players from illegal operators over to the legal operator consists of preventing players from accessing these illegal operators in the first place (by geo-blocking illegal operators). This can be done in the gambling sector because Regulation (EU) 2018/302 of 28 February 2018 on addressing unjustified geo-blocking does not apply to gambling and thus permits geo-blocking for gambling services.
- Law enforcement: Fighting illegal gambling is a legal obligation under EU law (to maintain a consistent policy on gambling according to the CJEU) as well as in application of the Council of Europe Macolin Convention against manipulation of sport events (Article 11), where the fight against illegal sports

betting is defined and established as an obligation. A modern policy looks at the way to bring financial institutions, ISP's and media agencies under the umbrella of the fight against illegals. This requires strong legislation and cooperation.

- Reinforcement of regulatory regimes that support state lotteries, well controlled sport betting and safe land-based casinos: even more, governments should explore ways to provide more room for an attractive legal offer of games in a controlled manner. The Court of Justice of the European Union ("CJEU") refers to this as "controlled expansion", namely bringing attractive products with an appropriate form of advertising, and where necessary by using new distribution channels with an extensive range of games.

Instead of organizing the first conference on gambling in Finland, we may set up a simple course of European case law for the Government authorities, combined with an independent risk and economic viability assessment. The legislative pathway forward might then evolve towards recognition of the many advantages of the monopoly of Veikkaus, along with the numerous beneficiaries of the Lottery, the general public and the players, and Finnish society. ■

Implementing a best-of-breed growth model continued from page 53

to confirm to the same base rule of what is an instant game. However, the player experience in all these examples has evolved significantly, with entertaining features and visuals that simply did not exist in the past.

iGaming stakeholders should hopefully recognize this reality, support regulatory change that enables iLottery as well as iGaming, and embrace a future that maximizes options and the gaming experience for players. Constraining the consumer and the marketplace from going where it wants to go has never worked well and now it's a total non-starter as a business strategy.

So where do you see us as an industry going from here? What are the next innovation areas that we should be focused on?

It's a very interesting question because it is indeed in an ever-evolving state. Holistically, we should focus on improving three areas, apart from content which we discussed already.

The first is omni-channel. We have been leading the space for a while with super-successful solutions that our customers have launched. Whether it is remote ticket

cashing that has boomed in Virginia, or omni games launches across retail and online, this includes not only retail games having an online version but also pure "online-born" games which go into retail, as we have done for example in New Hampshire and Virginia. Seamless loyalty programs that run across retail and online are an important part of the mix, with retail cash-out of online wins and online claim centers. We have invested significantly in delivering all such programs to our customers and their importance will grow.

The second area is serving content to players. The portal and apps need to be personalized real-time in their approach. In a world where each of the lotteries will have more than 150 active games, you need to seamlessly segment and suggest them to players. NeoGames serves its customers with a huge mountain of data that can be learned from, not only in their own operations but also others. Pariplay as a content hub, for example, allows us to learn tastes and preferences on a vast global scale as well as locally within states, through our NeoCube BI suite that feeds into the lottery to personalize. We have apps and

portals that we provide to iGaming customers and we see the effect of this content personalization approach in an operator environment that sometimes has more than 1000 games.

And the third element which maybe connects it all is real-time marketing. We have the player's attention when they come to visit our "store" and we should engage with them right there and then. Sending emails is an after-the-matter thought process and is less and less effective as a sole tool. It needs to be augmented with real-time marketing that segments players and interacts, engages and offers them exclusively what they prefer. Our NeoEngage engine which we have implemented across our customer base in Europe as well as in North America is one such example, but this is only the beginning.

Beyond these three areas, which are already in play but will enhance in the next few years, we will start to see the introduction of AI. AI already plays a role in automated and smart customer service solutions, but it will move into all areas of operations sooner than we think. I believe it will ultimately boost the evolution of all product and service areas in ways we have not yet thought of. ■

THE UN-FINNISH STORY: WHERE IS THE GOVERNMENT OF FINLAND GOING WITH ITS NEW REGULATORY AGENDA?

By Philippe Vlaemminck, Partner Vlaemminck.Law

Finland has for decades been the example of good governance and innovation in the lotteries, betting & gambling sector. As early as 1996, Veikkaus had already explained at a European lottery congress

how they were operating games through the Internet. Under the leadership of Risto Nieminen, Jussi Isotalo and Olli Sarekoski, Veikkaus, a fully state-owned company, not only grew its lottery and gaming revenues in a smart and responsible manner, it became a leader in diplomacy, public affairs and public relations. Veikkaus was a true ambassador of the Finnish way of living with appreciation for nature, culture and sport and with a strong social and responsible ethic. Veikkaus did play a decisive role in the emergence of the Macolin Convention on match fixing. Long before negotiations even started to create the Macolin Convention on match fixing, Risto Nieminen highlighted the problem of match fixing during the WLA conference in Rhodos, Greece in 2008.

When the government decided to merge the three operators Veikkaus, Fintoto and Ray into a single entity, all put under the powerful Veikkaus brand, Finland was really the optimum showcase for the world lottery community: responsible, innovative and with a focus on service to society.

What went wrong? Why did the government choose the route towards liberalization instead of law enforcement?

As soon as the liberalization approach was announced, new Finnish gambling “experts” took the plan to conferences in Malta to announce to the international community of commercial online operators licensed in Malta the “good news: On Your Marks, the race to exploit the Finnish market will start soon”.

The impression is left that today’s governments may no longer understand or appreciate the important societal role of lotteries or are aware of the case law of the Court

of Justice of the EU that has shaped the way gambling and lottery can be regulated throughout the Union. Monopoly protection for lotteries in defense of Public Order, and against money laundering, and for protection of the consumer is allowed under EU laws. And in a democratic society, when a legislature sets up a monopoly, there is an obligation for the government to do everything to protect such monopoly according to its laws and commitments. Under European law we call this an obligation of “loyal cooperation”. There is a history to the evolution of these regulatory structures.

In 2010, under the previous Belgian Presidency of the European Union, the Member States adopted with unanimity the following declaration:

III. THE SUSTAINABLE CONTRIBUTION OF LOTTERY AND RELATED SERVICES TO SOCIETY

RECALLS that all EU Member States have different types of state lotteries or lotteries licensed by the competent state authorities, providing lottery services.

RECOGNIZES that contributions, in particular from state lotteries or lotteries licensed by the competent state authorities play an important role for society, via for example the funding of good causes, directly or indirectly where applicable.

AGREES that this specific role should be recognized in discussions at the European level.

Today, more than ten years later, this declaration is not yet fully implemented as a fundamental principle under EU law, although the Court of Justice did give us the necessary tools to do so in a number of cases. Lotteries stand for important non-economic values and societal principles that need protection just like economic freedoms need protection. That is why protection of Lotteries cannot be seen as an exception to or in conflict with economic freedoms, but of equal and constitutional importance to economic freedoms. The



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Court of Justice has in various cases affirmed principles that uphold and endeavour to support such equal recognition.

Recently, in *Fluctus* and *Fluentum*, the Court took a holistic view. The Court found that a system of organisation of the market in games of chance in Austria in which the advertising practices of the holder of the monopoly on lotteries and casinos is intended to encourage active participation in the games by conferring on it a positive image by virtue of the use of the proceeds for activities in the public interest, or by

Continued on page 56



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