



Lotteries and Internet: What about Social Media?

By Philippe Vlaemminck & Beata Guzik

The internet provides Lotteries massive opportunities to enter into new ways of distribution. On both sides of the Atlantic, there is today consensus that Internet is a useful, and almost everywhere a legal, means of distribution for Lottery operators. This appears clear from the ruling of the Court of Justice of the European Union in the French Zeturf case and from the recent opinion of the U.S. DoJ. Both approaches are strongly supporting the essential government competence to regulate and oversee the lottery activities and the use of Internet. However, as we all know, the political and legal battle on both sides of the Atlantic far from being ended. Opponents of the Lotteries and the Good Causes model they stand for would still prefer to see the Internet opening up gambling activities to a larger world in order to increase private profit. That this will cause damage to the Lotteries, and also to society as a whole, is clear. Nevertheless, we need to continue to communicate our message to our current stakeholders, and to the generation of the young adults.

This brings us to another dimension. Internet is indeed a tool of mass entertainment and social communication. As Lotteries address a large, undefined group of people to entertain them with low-risk products for the benefit of society, they are at risk of seeing their consumers move into new so-called “free” games, offering various forms of entertainment to a large group of mostly young adult and modern consumers. Those people are not necessarily understanding the message and role that Lotteries perform for society, but they are essential for the future of the Lottery business. The reason they do not perceive lotteries as playing a meaningful role in their social media circles is that Lotteries do not use their (social) media platforms enough to communicate their message. Too, often the discussion about how to bring/keep young adult players on board is focused solely on marketing and product development. But this new generation wants more. They want to understand why we do this. The world economic crisis is creating a generation which is simply more critical of business, more discerning about who they do business with, and yearn for a deeper affiliation with the people they do business with. They understand and use the power of the social media, often to express critical notes, to influence business operations, and to assert a political voice.

Social Media are a threat and an opportunity, depending on how we look to these tools and platforms. Facebook is launching an IPO. Zynga CEO Marcus Pincus has stated clearly his intention of getting into internet gambling. It is clear that social media gaming will play an important role in the way gambling and lottery evolve. Countless articles are appearing on the Internet talking about the impact of social gaming on Facebook and the potential of real money gambling for social media sites. On-line poker operators in the UK say that they explore the way to use social media for real money gambling³. According to some articles, I won't take long before the step towards the US market would be taken. Remote gambling operators, especially from the UK, are preparing to look for access to the

US market.

In the meantime, several Lotteries are on social media and use it as a tool to keep their customers informed about events and everything the lottery is doing. That's good. However, the message needs to be expanded to address the wide variety of interests that the socially networked player wants. We need to develop relationships with our players that will compete with the likes of Zynga and other “free” games.

Social Media can provide the “connective tissue” so often quoted in studies analyzing the previous US presidential election campaign where the use of social media has for the first time been embraced by election strategists. It brought together the old and the new, made participation easy for a much wider audience than ever before, and many would say influenced the outcome of the presidential election.

In the European Union, a law professor posted an article with the question: “Why the Court of Justice of the European Union should embrace (some) social media”. The title of the article was; “let's make the European Court tweet!”. Using social media could inject openness into the EU judiciary. Both the US Supreme Court and the UK Supreme Court opened twitter pages. Now, other EU institutions are exploring ways to bring their message to the broader group of stakeholders so that they have a better understanding of the legislative activities.

Lotteries all around the world and their various regional associations, including NASPL, European Lotteries, and the World Lottery Association, have a growing political and regulatory task and need to strengthen both the cooperation and the advocacy to their stakeholders as well as the political and judicial institutions. Isn't it time to use the Internet, and more in particular the Social Media platforms, to actively reach out to their audience, to use the connective tissue of these media to enhance their message?

We are working hard to strengthen the cooperation between Lotteries by developing the social network of lawyers and enlarging the debate. The WLA has an open forum on LinkedIn. We intend to set up a more focused direct group linking lottery lawyers and public affairs experts around Europe and the world to have a more structured dialogue with each other. The Belgian National Lottery has a large experience in using the social media in their stakeholder relations, and monitoring what is said about them on social networks. That is what we equally need to do a larger scale on both sides of the Atlantic.

Our Altius team is also working on this two dimensional programme of internal and external communication. The idea is to use this in order to deliver our regulatory ideas, solutions and answers to a broader group of stakeholders who would like to depend on us to help them keep informed of these issues. We want to embrace social media and use the vehicles and tools it provides to the benefit of Lotteries and their vital role in society. ♦

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