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Retailer Marketplace.

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P R O F E S S I O N A L

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## Virginia Lottery Launches Industry's First MDI-licensed The Apprentice™ Ticket

The Virginia Lottery recently launched a new, reality T.V. based instant game, "The Apprentice™" this month. Virginia is the first state to launch the game featuring the extremely popular Donald Trump and the hit reality show. The Apprentice is a recent addition to the licensed product portfolio of MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation.

The new \$5 instant ticket offers players 16 chances to win, with a top prize of \$100,000.

*"The Apprentice was the first show of its kind in reality television and its popularity, especially with advertisers, continues to rise each season. Donald Trump and his advisers are instantly recognizable and a lottery ticket based on the show and its larger than life star will stand out among any lottery's instant ticket line up,"* said Steve Saferin, MDI president.

The Lottery is supporting this popular property with a full TV, radio and POS campaign designed and produced by Barber Martin Advertising, the Lottery's advertising agency. MDI supported this campaign by securing featured scenes and images from the television show as well as all approvals from Mark Burnett Productions and Donald Trump.

## Niedersachsen Chooses Scientific Games

Scientific Games announced that its German subsidiary Scientific Games Honsel GmbH was awarded two contracts with Toto-Lotto Niedersachsen GmbH, the state lottery of Niedersachsen based in Hanover - one to supply instant lottery tickets, and the other for distribution and consulting services. The two contracts begin March 1, 2006 and will run for five years, with options to extend for additional two-year increments.

Scientific Games Honsel will handle the supply and distribution of instant tickets throughout Lower Saxony for Toto-Lotto Niedersachsen, including shipping, warehousing, communications, and will advise on game design and marketing issues. Revenues to Scientific Games Honsel will be based on a percentage of sales.

## GLI Receives Testing Lab Permit in Mississippi

Gaming Laboratories International has received an Independent Testing Laboratory permit from the State of Mississippi Gaming Commission - the first independent testing lab to receive such a permit. Under the terms of the permit, GLI will test gaming devices and systems for the state and will provide test results directly to the Mississippi Gaming Commission for review. The commission will review GLI's results and, when applicable, issue certification reports to the industry.

## MDI Signs Felix the Cat

The popular animated character Felix the Cat® is available to state lotteries now that MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation, has signed an exclusive agreement with GoodTimes Entertainment



for the rights to license the extremely popular brand. The new agreement gives lotteries the rights to Felix and his friends' names and likenesses for all lottery games. It also gives lotteries the option to offer second-chance drawings for sought-after Felix merchandise.

## WPT Aims for Second Big Hit

WPT Enterprises, Inc., the creator of the WORLD POKER TOUR® (WPT), will soon unveil its newest venture, the PROFESSIONAL POKER TOUR™ (PPT)—a series that capitalizes on the global poker mania, but showcases only the top 250 players in the game. "All pros...all of the time."

Players must first qualify for their PPT Card based on a point system that takes into account previous performances, just like on the professional golf tour.

The game remains the same, but the television shows will be distinctly different from the WPT. The PPT has a different commentating crew, including Mark Seif, who recently won two gold bracelets at the 2005 World Series of Poker. The PPT shows focus not just on the Final Table, but also highlights in the preliminary rounds...more of the famous faces laying it on the line and going "All-In."

The tournaments are \$500,000 "free-rolls," which means that the PPT puts up the prize money—the players do not have to "buy-in" with their own cash. Viewers will see a different and more muted color palette—including a navy blue felt table. Play is timed, so that each player must make a decision to call, raise or fold within 90 seconds or the hand is called dead. Count on even more exciting drama from the PPT! The PPT will be offered to the international market in time to debut the new shows in early 2006. There will be 48 hours of programming in the package.

## Pollard Signs Quebec, Unveils New ITVMs

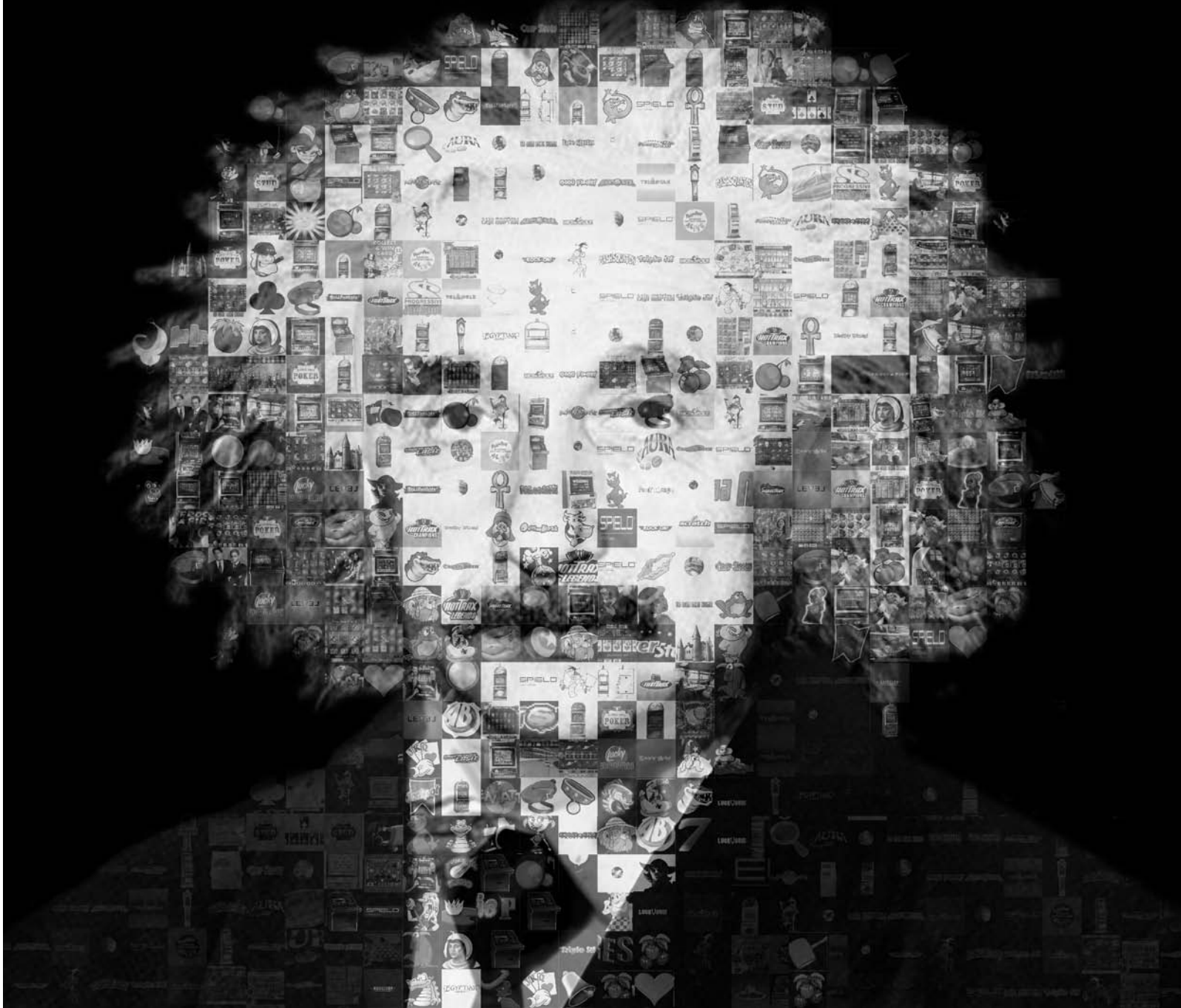
Pollard Banknote announced a new, five-year contract to print three of Loto-Quebec's annually released games. Pollard will print Edition Spéciale and Celebration games, as well as Jeux Tele Ponctuel, an instant/passive game that ties into a televised prize draw. This is the first contract directly between Pollard Banknote and Loto-Québec, although the company has provided tickets to Loto-Québec for the past 17 years through a contract with Canada's Interprovincial Lottery Corporation (ILC).

## Dominican Republic to Accept GLI Certification Reports

The Dominican Republic Casino Commission authorized acceptance of GLI certification reports in a late-September meeting, making GLI the first independent testing lab to have its certification reports accepted in the jurisdiction. Tests on equipment destined for the Dominican Republic will be conducted at any of GLI's worldwide locations, and certifications will be issued through GLI's world headquarters in New Jersey. ♦







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## Australia

Exciting changes are in store for the Tuesday night Oz Lotto game. Re-branded 'Super 7's Oz Lotto', the revised game format will feature seven winning numbers, instead of six, plus two supplementary numbers, drawn from 45 balls. The number of prize divisions is also increasing, from five divisions to seven, and the jackpot now has the potential to reach up to \$30 million. The changes are a result of customer feedback and extensive analysis with the National Lottery Bloc. The game change will take affect across all Australian states and territories.

## Bhutan

All Stars Entertainment and Playwin Infravest teamed up to launch an online lottery in Bhutan. The Lottery, which launched on October 1, offers a range of games that can be played hourly, daily and weekly, with jackpots that reach Nu 10 million-plus. Draws will be televised on the India Zee TV network.. The games can also be played online at [www.myplaywin.com](http://www.myplaywin.com) using a ITZ cash card, which is available for sale at the terminals.

## Czech Republic

SAZKA, the largest lottery operator in the Czech Republic, has adopted a document entitled the Ten Principles of Responsible Gaming, which is addressed to the non-gaming public as well as to the trouble free, hazardous and troubled groups of players. The document views betting and games as socially responsible entertainment, which offers excitement and interesting winnings to players and raises funds for public welfare purposes.

## Germany

Germany's Lotto game recently turned 50. Germans reportedly spend more than five billion euros (US\$6 billion) each year on Lotto. In 2004 they spent a total of 30 billion euros on gambling games such as Lotto, roulette, and gaming (slot) machines.

## Hungary

Hungarian State lottery company Szerencsejatek Rt. gaming revenue reached HUF 76 billion, exceeding the pro rata target, and putting the lottery on track to exceed its annual target for gaming revenue of HUF 119.5 billion by 10 percent this year. Last year Szerencsejatek had revenue from gaming of HUF 111.5 billion.

Szerencsejatek plans to introduce new games in November which are expected to generate additional revenue of HUF 4bn-5bn. The new games, as well as old ones, will be available in pubs and restaurants, expanding Szerencsejatek's network. Szerencsejatek plans to add 400-450 lottery ticket terminals next year to its existing network of 4,000 terminals.

## Israel

Mifal Hapayis will start running online lotteries within the next five to six months. The Lottery signed a contract with Intralot for design, development, supply and maintenance of a new interactive system – E-Payis. The new system, based on Intralot's B-On platform, will support five main games: Chance, 777, Keno, 123 and Lotto, including its vari-

ations (regular, subscriber, and group) and will support four languages, Hebrew, Russian, Arabic and English.

## Italy

De Agostini S.p.A. and Lottomatica S.p.A. announced that the planned merger by incorporation of Lottomatica S.p.A. and FinEuroGames S.p.A. into Newgames S.p.A., has been approved. The merger plan had previously been drawn up by the respective board of directors of the companies above and approved by them on July 21, 2005.

Following the merger, the merging company's shareholding will actually reflect Lottomatica's current one, except for the control stake (equal to 55.07% of share capital) in the merging company which will be held directly - and not indirectly - by De Agostini S.p.A., that will also continue to hold, through the controlled company Nuova Tirrena, a further 2.98% stake in the merging company. Moreover, with effect from the effective date of the merger, the merged company will adopt by-laws almost identical to those of Lottomatica currently in force, including the name "Lottomatica S.p.A.", move the registered office to Rome, Viale del Campo Boario no. 56/D and appoint the same corporate bodies of Lottomatica currently in office.

## Myanmar

The Myanmar Finance Ministry's Internal Revenue Department, which has been selling lottery tickets for 50 kyats (about US\$0.04) each, will increase the price to 100 kyats (US\$0.08) starting in November. The top prize of the lottery, which had been 30 million kyats (US\$25,000), will be raised to 50 million kyats (US\$41,500) in December.

## New Zealand

The New Zealand Lotteries Commission launched Big Wednesday, a game that combines a top cash jackpot with luxury goods. Tickets went on sale Monday, October 17 and the first draw was Wednesday, October 26. The game was devised after research told the Lottery that Kiwis' ultimate lifestyle would be to have a lot of cash as well as luxury cars, boats, and overseas travel.

The first week of the game began with a top prize of \$2 million cash, a Porsche 911 Carrera and a Range Rover Vogue V8. If no one wins, the cash prize will roll over (up to a maximum of \$30 million) and even more luxury prizes will be added. NZLC will offer a weekly second chance prize of either \$25,000 or a Mercedes Benz.

## South Africa

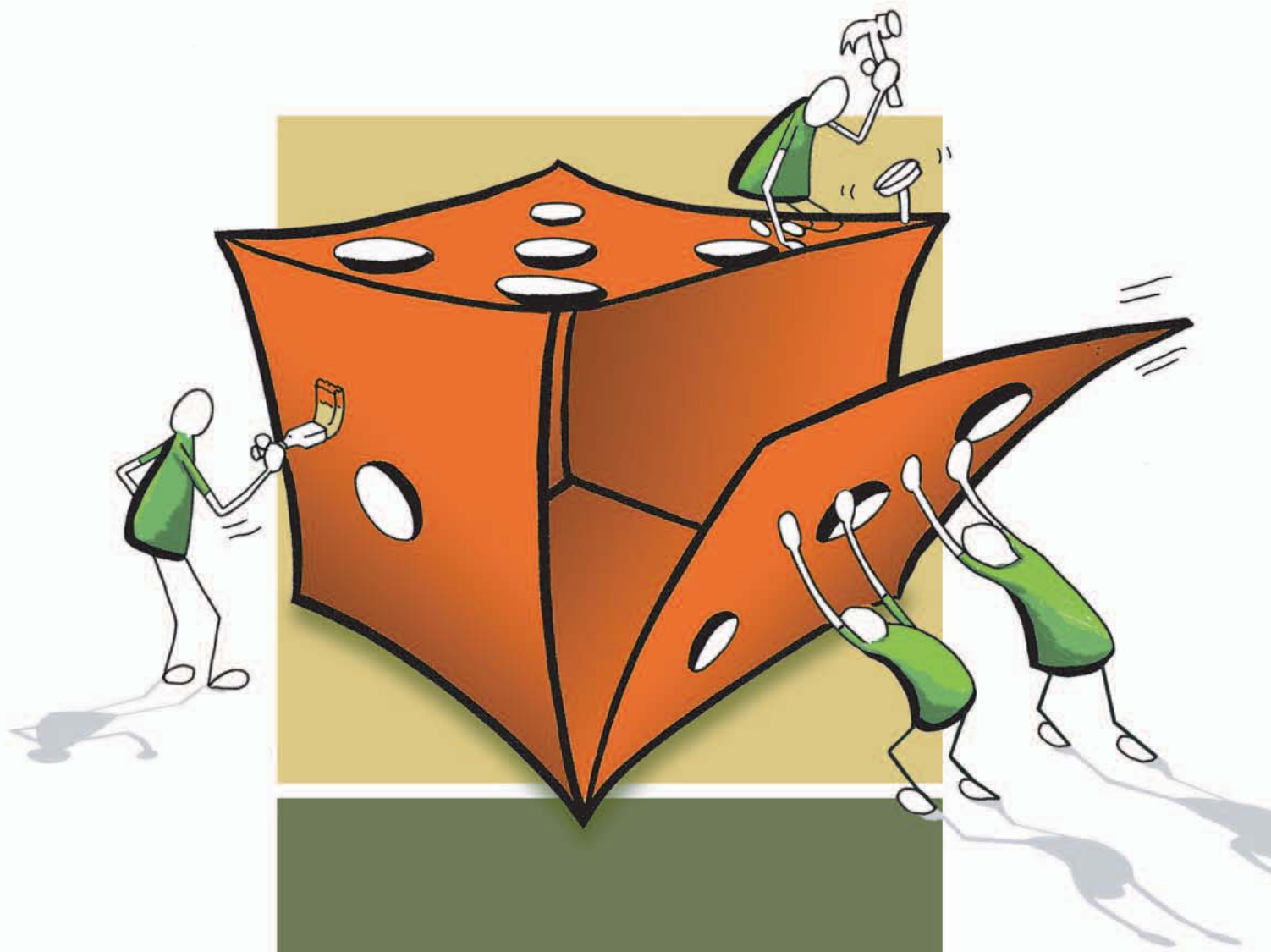
The bidding for the second South African National Lottery License has begun. The closing date for bid submissions is the end of November. Five companies have sent in their submission after paying a R50,000 fee. The NLB will not name the companies until after the tender closing date. The current license, held by Uthingo, will expire in March of 2007.

## UK

Several companies have confirmed their intention to bid for the UK National Lottery license. The confirmed candidates include Camelot; and Intralot and Hilton-Landbrokes. Gala, who was rumored to also participate in the bid, has pulled out after acquiring Coral Eurobet, choosing to focus on the integration of two businesses. ♦

**CORRECTION:** In reference to a blurb titled "Oklahoma, Kentucky Choose Scientific Games" that appeared on page 2 of the September 2005 issue of *Public Gaming International Magazine*.

PGI reported that KLC was converting to the Scientific Games Cooperative Services model. Due to erroneous information provided to PGI, the nature of the Kentucky Lottery contract renewal with Scientific Games was incorrect. The KLC/Sci Games contract has, since 2002, been an agreement where Sci Games is paid based on a percentage of sales. ♦



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# A Common Mission: Revenue Growth

By: Lorne Weil, Chairman & CEO of Scientific Games

I believe lotteries around the world, large and small, share a common mission: to discover or learn more about new products, services and ideas that will assist in increasing beneficiary revenue. That is the responsibility of lottery organizations to their beneficiaries and the communities they serve.

A major supplier to the lottery industry, Scientific Games inherently takes on the responsibility of its customers. Ours is not only to keep up with the demands of this increasingly sophisticated business, but to take a leading role in developing new products, technologies, and services that will foster steady and stable growth in the industry.

As sophisticated as most lotteries have become, however, there is still some resistance -- both externally and internally -- to embrace change. For instance, in the United States most lotteries have a legally mandated percentage of revenue they must return to their respective beneficiaries. That often prevents higher payouts and therefore higher profits.

Some international lotteries are not able to maximize sales because their methods of distribution are limited. In the U.S., lotteries are prohibited from selling games over the Internet. These legal and political restrictions can (and do) inhibit growth.

Internally, there is sometimes a resistance to change. Remember that old saying in the lottery industry? "I don't mind being a pioneer; I just don't want to go first." That is okay on the lottery side. It is not the job of a lottery to assume risk. But as a supplier, it is our job to research, develop and, yes, to pioneer new products or services that will allow our client lotteries to achieve their goals. That involves investment and a level of risk.

At Scientific Games we consider this an investment in our industry's future, as well as an investment in our own future and that of our shareholders. At NASPL '05, Scientific Games displayed and demonstrated 16 products. Each was developed to generate revenue, directly or indirectly, supporting sales, distribution, efficiency, research or a means of giving players more fun.

In addition, our acquisition of MDI Entertainment has added a level of fun and excitement to the instant ticket side of our company. I need only note that in 2005, the face value of MDI licensed product games will total \$2.5 billion, nearly 10 percent of the total instant ticket sales in the U.S.

Although space doesn't allow me to highlight each and every product and service that Scientific Games has developed to increase lottery revenue, I will mention three that are proven revenue enhancers. They are the Scientific Games Cooperative Services Program, the Electronic Game Card and the Multiplier™ and Multi-Hand Easy Win™ online



game concepts.

## Scientific Games Cooperative Services Program

This program started decades ago with the New York Lottery. It was called Shared Risk - not a good name for a lottery program, but a great start for a business model that has ultimately revolutionized the instant side of the lottery business. This unique and customized Scientific Games program is a proven driver of incremental revenue.

From FY' 03 to FY'04, the instant ticket growth rate for SG's CSP customers was 31 percent. The rest of the industry had an overall growth rate of 10 percent.

In June 2004, the Italian Monopoli di Stato jumped many hurdles and adopted the progressive Cooperative Services business model. It was worth it. Gratta e Vinci ticket sales have grown from 165 million to over 1 billion in just over a year.

## The Electronic Game Card (EGC)

The Iowa Lottery was the first to test and then offer the EGC to players throughout the state. Iowa calls it Quarter Play. We call it a success and a new way to bring extra fun and excitement to players and incremental revenue for the Lottery. The 80-play, driver's license-sized electronic card sells for \$20. Iowa retailers and players love it and the Kansas Lottery will launch its version soon. Public Gaming Research Institute awarded the EGC Product of the Year status, and it was selected as the Best Instant Ticket Product of the Year at NASPL '05.

## New Online Games

I am now going to jump on my "bandwagon." It is clear that without huge jackpots, U.S. lottery online lotto games do not bring in stable revenue. In FY'05, online lotto game sales in the U.S. declined by about nine percent, while instant sales increased by 14 percent. Why? Instant games are fast and fun and the odds of winning a prize are better. Players are willing to pay for that fun with the most popular games at \$2, ranging up to what is now a common \$10 or \$20.

At Scientific Games, we believe our new Multiplier™ and Multi-Hand Easy Win™ online games can deliver more fun, more entertainment and more winners at a higher price point that players will respond to just as they have done on the instant side with more play and more revenue.

These are just a few ideas to consider as each lottery faces the challenge of generating steady, stable and growing revenue year after year. Scientific Games shares the challenge of our customers and our industry and will continue to invest in and deliver the best the industry offers. ♣



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# Dansk Tipsjeneste – Launching Internet Instants

In September, 2005, Dansk Tipsjeneste, the Danish Lottery, launched six Instant scratch games on the Internet. The new games – Crossword (Bogstavjagt); Eldorado; Sea Battle (Sænke Slagskribe); Miniquick; Quick Lucky Number; and Quick Match 3 – complement other Internet games sold by the Lottery.

Dansk Tipsjeneste has been selling games over the Internet since 2001. In addition to Internet Instants, Dansk Tipsjeneste currently sells Sports Action games, Lotto, Keno and Joker.

Dansk Tipsjeneste's Internet games are supplied by Betware, the company that also provides the Internet platform for the Lottery, and bet outcomes for the games are generated by Szrek2Solutions' Trusted Play™ system.

Public Gaming International recently had the opportunity to talk with Dansk Tipsjeneste Director of IT Jorgen Falsvig about the Lottery's launch of Internet Instants.

**Public Gaming International (PGI):** *Dansk Tipstjeneste recently introduced instant betting over the Internet. What were the biggest concerns and challenges concerning introduction of instant betting?*

**Jorgen Falsvig (JF):** The biggest concern was how to ensure that a random numbers generator was able to make sure that we maintained the pay back percentage correctly. We were also concerned about compulsive gambling. Therefore we have introduced some very tight limits for how much a customer can scratch per day, week and month. Security and audit are always an issue. We live with that every day.

**PGI:** *What were the main technical challenges?*

**JF:** We only had about six months from the start of the project to the first day of sales. That was a challenge when we had to start with a blank sheet of paper and no experience. We have special attention on performance, but until now we have not experienced problems. An important issue was how to make sure that a customer was able to continue scratching the ticket after having reconnected in case of a broken internet connection.

**PGI:** *How are customers responding to the new games?*

**JF:** Very positive! We have seen customers who we never expected to buy a scratch ticket in the retailer environment. They find scratching on the Internet great fun.

**PGI:** *How are the games performing compared to non-Internet instant scratch games?*

**JF:** We have just started, so it is too early to compare.

**PGI:** *How long have the new Internet games been in development?*

**JF:** We used six months for development.

**PGI:** *Do the internet games have bricks and mortar equivalents on the market in Denmark or are they stand-alone games?*

**JF:** All our games on the Internet you will also find in the retailer network, but it might change in the

future. We expect to have games for the retailers and games for the Internet.

**PGI:** *What were the main criteria for selecting suppliers for instant betting over the internet?*

**JF:** The suppliers skills and know how, and understanding of all the possibilities interactive channels open up for the lottery and the customers.

**PGI:** *How would you characterize Szrek2Solutions and the product they deliver?*

**JF:** They have extremely high knowledge of the lottery business after having been working for one of the major suppliers for many years. We knew from an earlier project that they were highly professional in all aspects. Their products are very advanced, ahead of the times and secured for the future.

**PGI:** *Was the Trusted Play system easy to implement?*

**JF:** No implementation is easy, but they solved all problems fast and efficient.

**PGI:** *Is Trusted Play performing up to expectations?*

**JF:** Absolutely

**PGI:** *Do you see a scenario where Dansk Tipstjeneste will use Trusted Play for other Lottery games?*

**JF:** We sure will use the solution for more random drawings; for example, Keno.

**PGI:** *Is Dansk Tipstjeneste working on other product categories to introduce into Internet play?*

**JF:** We are always looking for new games and facilities to make our Internet solution attractive and competitive to all customers

**PGI:** *In your opinion, what are the biggest challenges concerning Internet betting for lotteries in the U.S. as well as other parts of the world?*

**JF:** Understanding the benefits and limitation of the internet are very important. Security must be in place always or you will be out of the market in a second. It is also extremely important to listen to the customers. They might have a very clear request for navigation and information. ♣





# Oklahoma Lottery First-Week Sales Hit \$12.6 Million

## Education and Players Win

When instant ticket sales began on October 12, the Oklahoma Lottery joined 41 other U.S. jurisdictions continuing a lottery legacy that dates back nearly 400 years. Enthusiastic lottery players throughout the state began purchasing Oklahoma Lottery instant scratch-off tickets at 5:01 a.m. Central Time. By the time the first four instant games went on sale, the Lottery had shipped tickets with a retail value of \$21.5 million to nearly 1,200 retail outlets in virtually every county in the state.

*"We had people in their nightclothes waiting to buy at 5:01 a.m."* Cantana Dixon, a clerk at the Love's Country Store at NE 122 and Interstate 35 in Oklahoma City, commented.

When Quan Tran, owner of Friendly Foods, 2029 NW 12, opened his store at 8 a.m. Wednesday, he already had a line of people outside waiting. And the excitement continued throughout the day as players flocked to the fifteen radio remote celebrations held in Oklahoma City, Tulsa, Muskogee, Lawton, Enid, McAlester, Stillwater and Ardmore.

The first instant scratch-off winner in the amount of \$2 was cashed at 5:07 a.m. Central Time in Enid. By early afternoon, James Glover of Oklahoma City came in to Lottery Headquarters to claim his check for \$5,000. As the days passed, the winning continued.

After one week of sales, players had redeemed prizes totally \$5.5 million.

Many of those were top prizes including:

- Forty nine (49) Players each won \$777 winners in the \$1 Lucky 7's game
- Twenty eight (28) Players each won \$5,000 in the Lottery's two \$2 games, Rush for Cash and Oklahoma Gusher
- One player, a Hurricane Katrina evacuee, won \$25,000 in the \$5 game, \$25,000 Jackpot.

*"Whether it was to support education or taking a chance at big money,"* Conoco manager Bill Deal said his customer flow was up 50 percent with Wednesday's lottery launch. Other retailers shared his experience as stores were eager to replenish their stock of instant tickets. In the first week, the Oklahoma Lottery issued more than 96,000 packs of tickets to its statewide network of retailers. A breakdown of this number shows that 72,000 packs were issued during the initial allocation; another 24,000 packs have distributed in the last six days as a result of 685 new orders from retailers.

*"We're extremely pleased with our first full week of sales and very gratified to know that players are having fun and that the flow of new money for education in Oklahoma is off to a great start,"* said Jim Scroggins, executive director of the Oklahoma Lottery. *"Perhaps the most encouraging sign we've seen since the launch is that retailer reorders are strong, which suggests that our four games are being well-received by players."*

Estimated sales for the inaugural week of operations were approximately \$12.6 million, or approximately \$1.8 million per day during week one. Estimated sales are based on ticket activations and ticket pack settlements.

*"We are confident that the Lottery sales will meet our goal of generating \$65 million in net revenue for our first fiscal year"* said Scroggins. *"We have now begun to make our mark, bringing important new money to education that will benefit people and programs in our state for many years to come."*

The number of retailers, estimated at just over 1,200 at the time of launch, had grown to more than 1300 by the end of the third day after launch, with 300 additional retailers approved for installation at that time. ♣



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# Market Research Methodology A New Approach

By Phil Kopel, President Kopel Research Group, Inc. and Dr. Tchicaya Ellis Robertson, On-line Product Manager, Illinois Lottery



Phil Kopel



Dr. Tchicaya  
Ellis Robertson

This article discusses issues and concerns with respect to traditional market research methods for product development and offers an alternative research solution.

## Market Research Design

Historically with respect to market research in the lottery industry, the starting point for product development is often with focus groups for the purpose of qualitatively identifying player perspectives of an existing game and/or understanding interest in or appeal of alternative game concepts. While focus groups are the perfect strategy for certain lottery research projects, when used in isolation, focus groups can be costly both in terms of the cost to plan and conduct a focus group and in terms of the cost involved in launch decisions that don't pan out in the marketplace.

There are three questions that typically precipitate game development research:

1. Will players (and potential players) like this game? If so,
2. How many people will play the game?
3. How much will they spend?

Most agree that we cannot obtain meaningful answers to the latter two questions from a focus group. Yet we employ them in our research methodologies on a regular basis, usually in isolation of other methodologies. The

research plan usually resembles that depicted in Diagram 1.

## Diagram 1: Typical Game Development Research Process

As part of the process to recruit participants, focus group facilities maintain a large database of people that live in proximity to the facility who express an interest in participating in focus groups. These people typically complete a form that identifies their demographics and purchasing habits for future studies. When a study is commissioned, potential focus group participants are then telephoned based on their pre-screened information and recruited based on how they respond to the survey screener. The participants are recruited based on meeting specific game play, demographic and geography criteria; therefore, the results are not easily generalized to the overall population. The participants are already "different" from the general population in several ways:

- 1) the participants are only representative of the defined group for which they were recruited.
- 2) the participants are not geographically dispersed throughout the marketplace, and
- 3) the participants are self-selected volunteers that are practiced at voicing their opinions.

Given these factors alone, focus group results are inappropriate for the purpose of estimating total sales/revenue for new games and even more

inappropriate for estimating the size of the market.

Another problem is that in the short time period in which the focus groups are conducted (about 1 1/2 hours), the moderator needs to convey the various game concept designs and elicit opinions from the participants with little time for them to formulate an opinion. The opinions can be knee jerk reactions rather than well-thought out responses. Some might say, consumers don't have very much time to make decisions in the real marketplace, and snap decisions that players make in focus group settings is more like the real world. While this is a plausible argument, it does not fit well with the objective of estimating bottom line results.

The most important and often forgotten purpose of focus groups is to understand the perspective of a defined targeted group that has a specific game play behavior (answering question #1 posed earlier, "Will players like this game?"). The participants may all agree on some points but may also diverge wildly in their opinions raising more questions than answers. This is very typical in focus group research, which is why the views that are generated from focus groups need to be validated in a quantitative survey of a representative random sample. It is unwise to make major decisions with respect to launching new games or modifying prize matrices from focus groups alone. Too much is at stake.

Lotteries often choose to perform focus groups to make their decisions leaving out the more important quantitative research. Perhaps part of the reason is that historically quantitative research was difficult and expensive to perform, for example:

- A telephone survey could be conducted so that it is representative of the jurisdiction but it is virtually impossible to properly present the concept. The respondent cannot see game artwork, play slips or prize matrices, so trying to describe a new concept is relatively futile.
- A telephone survey can be coupled with a follow-up mail survey. This methodology can provide the ability to achieve a representative sample as well as the ability for the respondent to see the concepts. However, the most significant hurdles are the high cost to implement, since it requires pre-screening the respondents and mailing out material. In addition, there is a fairly long time frame needed to field a mail survey coupled with the wait for the questionnaires to be sent back and risk that they may never be returned. In the end, mail surveys are administratively intensive.
- A mall intercept survey has often been used for quantitative purposes; however it has several limitations as well. Respondents are intercepted while shopping in a mall which contains significant bias since the universe of people interviewers intercept are those that frequent

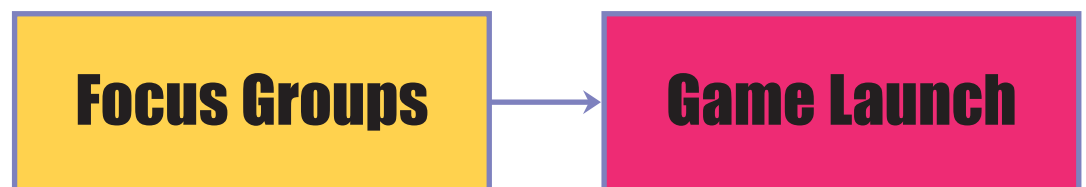


Diagram 1: Typical Game Development Research Process



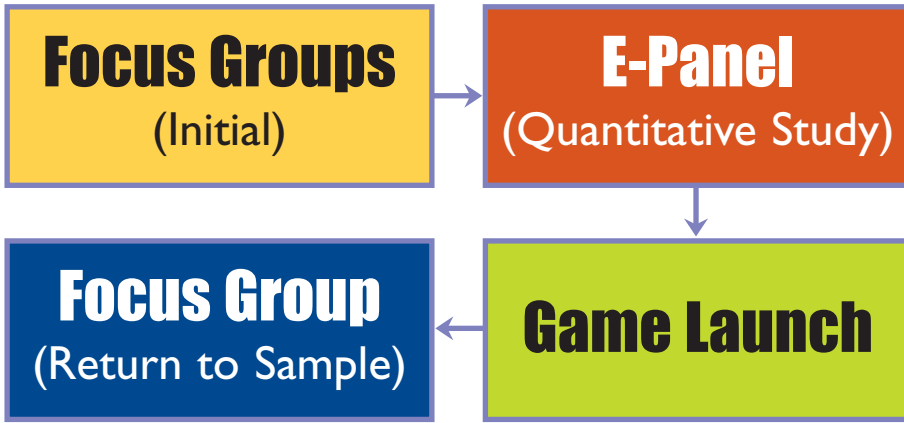


Diagram 2: Optimal Game Development Research Process

the mall. The make up of the mall's customer base is subject to the types of stores located in the mall, which also correlates with geographic and demographic factors.

### A New Approach to Marketing Research

Product sustainability is not based on trial or first purchase occasions, it is judged by repeat purchase after some product learning has occurred. One way to better assimilate the learning curve is to combine the typical focus group strategy with a return-to-sample approach. In order to answer all three critical questions pertaining to new game development, lottery researchers should add a quantitative research component to the mix. A better research approach would resemble the process depicted in Diagram 2.

### Diagram 2: Optimal Game Development Research Process

The initial focus group allows you to determine whether players even like the proposed game concept, and identify any fundamental game design problems. This step should help to refine the concepts for general market acceptance testing via a quantitative study (e-panel). After the e-panel, which allows for better estimates of market size and sales projections, compared to that which results from focus groups, the players that were exposed to the concepts in the e-panel can be called on again (return to sample) to help with marketing initiatives such as positioning and messaging.

The key point here is that players have had some time between their first exposure (in the e-panel) and the second exposure (return to sample focus group) to provide valuable input regarding the marketing strategies to be employed. This may sound like a very expensive endeavor, but compared to multiple-location focus group projects or very expensive quantitative research methodologies, this three-pronged approach can be comparable in price and superior in results.

### Recruitment/Sampling

One increasingly popular choice for finding research samples is Lottery Players Clubs or Internet panels or e-panels as they are sometimes called. E-panels can be developed over time via a Lottery Players Club or be leased, for lack of a better word, from national panels for other consumer goods. E-panels and Players Clubs can be used as a recruitment solution for preliminary focus groups; quantitative web-based surveys; and follow up focus groups. Rather than conducting few studies and turning each research project into a major event, an e-panel provides the opportunity for the research to be conducted on an ongoing basis.

When lottery players sign up to be in the Lottery Players Club (or recruited from a survey to be participants for future online surveys), they provide demographic, geographic and lottery play behavior information that can then be used in the future. If a focus group study needs to be performed among regular and non-players of a game, for example, the focus group facility can be provided with a targeted sample from the Players Club database avoiding the pitfalls inherent in the typical recruitment.

- Recruitment from the player's club ensures that the people are being recruited for the right reasons, since they match specific criteria and are not "professional focus group participants".

continued on page 20...

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# Ethics at the Forefront

## As North Carolina Prepares for Lottery

The North Carolina Lottery Commission tackled many issues in their first meeting, not the least of which was spelling out how the commission would operate on an ethical level.

No statewide ethics law exists for North Carolina. Governors have issued executive orders outlining rules for members of boards and commissions; indeed, Governor Easley issued executive order barring his appointments to boards and commissions from using their office for financial gain of any kind. Still, there are gaps in the guidelines, and the Commission, knowing that integrity is the cornerstone of any lottery, worked to close those gaps immediately.

The Commission decided that business meetings with potential suppliers have to be conducted through committee meetings – no one-on-one dinner meetings with suppliers would be allowed.

Commission members must report gifts of \$200 or more, \$100 if the giver does business with the state, and must also sign an annual financial disclosure report listing assets in excess of \$10,000 in value.

The Commission has been ordered to make “every effort to avoid even the appearance of a conflict of interest,” and to date, they’ve been doing everything possible to obey that order. Board member Kevin Geddings has recused himself from votes involving the selec-

tion of a lottery vendor as a PR firm that he owns at one point employed Alan Middleton, who eventually became a VP for Scientific Games.

### Other Agencies Prepare

The Lottery Commission isn’t the only state agency preparing for the Lottery launch. The state Division of Alcohol Law Enforcement (ALE) and the state Department of Health and Human Services (DHHS) are beginning preparations of their own.

ALE, which already monitors 17,500 venues under the state’s beverage laws, is gearing up to monitor the estimated 6,000 lottery vendors that will need to comply with lottery law. ALE will need an estimated 29 additional officers to handle the expanded case load. In addition to training these 29 agents, the 80 street-agents that are already working for ALE will need to be trained to handle Lottery issues. ALE expects to take up to a year to be able to handle the lottery case load at full strength.

DHHS will also be preparing for the Lottery launch. The agency will be responsible for ensuring there is a network of certified counselors who can deal with the problem gambling issue.

### Gaming Machines

One issue that has yet to be resolved is what to do with the state’s gaming machines.

It’s estimated that North Carolina houses some 10,000 video poker machines, and the Lottery law allows the Lottery Board to incorporate “games traditional to a lottery or that have been conducted by any other state government-operated lottery.”

While the law may allow it, the Commission has yet to indicate whether it will allow the machines or ban them from venues that sell lottery tickets. And, while the Commission hasn’t given official word as to its gaming machine stance, the general mood one can derive from the various quotes associated with the question is that the Commission is not interested in endorsing gaming machines.

### Website Launched

The Lottery Commission may not be quick to give its stance on gaming machines, but it wasted no time on taking the Lottery online.

The state recently launched the Web site <http://lottery.nc.gov/> with information about the lottery and a job description for the lottery executive director's position (see sidebar).

The Web site also provides information on commission members, meeting dates, agendas and minutes, as well as for potential retailers and vendors.

It’s unclear whether this will become the lottery's permanent site. ♣

### North Carolina Education Lottery Executive Director Opportunity

The North Carolina Education Lottery is seeking a qualified individual to serve as its first Executive Director. The Executive Director will be responsible for the implementation and daily operation of one of the nation’s largest state-run lotteries benefiting public education. The Executive Director will be accountable to and serve at the pleasure of the NC Lottery Commission. Qualified candidates should have significant management experience. Lottery operations experience and/or large business process, preferably start-up, experience is absolutely essential. This experience should include personnel management, contract and financial management, public relations, and a demonstrated record of leadership and integrity. Compensation will be commensurate with the level of qualifications and experience. For an application and more information on the position please visit our web site at [www.lottery.nc.gov](http://www.lottery.nc.gov). Please send your resume with a letter of interest that includes your salary requirements to Dr. Charles Sanders, Chairman, North Carolina Lottery Commission, c/o Fran Wilkinson, 20301 Mail Service Center, Raleigh, NC 27699-0301 or by email at [casanders@mindspring.com](mailto:casanders@mindspring.com). Application deadline is October 28, 2005. ♣



# Category 2 and 3 Regulations Limit License Opportunities



The Pennsylvania Gaming Control Board unanimously approved regulations governing Category 2 and Category 3 gaming facilities and those governing the Board's chief enforcement arm, the Bureau of Investigations and Enforcement. These regulations (as are all PGCB approved regulations) can be viewed at [www.pgcb.state.pa.us](http://www.pgcb.state.pa.us) after clicking on "regulations".

Some of the most glaringly significant portions of the approved regulations declare that in order to be eligible for a Category 2 license a company must supply a sworn statement that "neither the applicant, nor any of its affiliates, intermediaries, subsidiaries or holding companies is eligible to seek a Category 1 slot machine license." Category 3 language is similar, differing only in the respect that applicants also cannot be eligible for a Category 2 license.

The new Category 2 and 3 regulations aren't what some of the larger gaming companies were hoping for. Some of the larger potential licensees already knew they would not be able to hold more than one Category 1 license, but some, like Harrah's (which owns 50 percent of Chester Downs Casino and Racetrack) and MTR (is building a new \$100 million thoroughbred racetrack and slots parlor in Erie called Presque Isle Downs) were attempting to acquire a stand-alone slots casino license in addition to a Category 1 license.

In other news:

- The PGCB has extended the deadline for submission of applications for conditional Category 1 operating licenses to Dec. 28, 2005, from the previously announced deadline of Oct. 31, 2005.
- The Pennsylvania Horse Racing Commission has issued thoroughbred-racing licenses to three facilities that will be eligible to apply for either form of Category 1 gaming license. The Pennsylvania Harness Racing Commission has also licensed three facilities that will be eligible. The final gaming-eligible license will be issued by the Harness Racing Commission.
- Because the final harness license has not been issued, the Gaming Control Board has also extended the deadline for receiving both conditional and permanent Category 1 gaming license applications from the recipient of the final racing license. That deadline is now 30 days from the harness commission's awarding of the racing license. ♣

## Bangor Raceway Update

The temporary slots facility (Hollywood Slots) at Penn National's Bangor Raceway has started installing machines for its November launch. The first shipment included 230 slots. Hollywood Slots will operate 475 machines until a permanent, 1,500 machine facility opens. ♣

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# Build a Happier Retailer Network Through the Retailer Marketplace



A happy retail force is a key ingredient to healthy lottery sales figures. Lotteries have known this for many years, and many lotteries have viewed retail-

ers as customers for several years. But, retailers are also businesses, and like any other business in the world; they are ultimately in it for themselves. With all due respect to JFK, they are more interested in what their Lottery can do for them than what they can do for their Lottery. Now there is a new company, Relationship Marketing Systems (RMS), focused solely on helping lotteries provide inexpensive, yet powerful rewards to their retailers.

"For years we have heard the state lottery mantra 'We wish we could do more to benefit and incentivize our Retailers,'" said Andy Amada, President and CEO of Relationship Marketing Systems.

"Our only focus is the development of new Relationship Marketing programs that Lotteries can deploy inexpensively at any time, which will open new and non-traditional market niches providing direct, immediate and valuable benefits to un-served and under-served player categories, as well as Lottery Retailers. Of course, this in turn will benefit the Lottery by driving new revenues directly to their bottom line and generating more profits for their beneficiaries. We believe that our 21st Century relationship marketing strategies will create a Golden Triangle of interaction that will constantly benefit all three of the participants – The Lottery, The Retailer and The Player."

At NASPL 2005, RMS unveiled a new product, the Retailer Marketplace®, which they expect to officially launch on January 1, 2006.

## Retailer Marketplace

The RMS Retailer Marketplace is a turn-key, one-of-a-kind program that state lotteries can offer to their Lottery Retailers that requires no RFP, no legislation, and no security concerns. Installing it is as simple as adding a link to the lottery's existing website.

For the first time ALL Lottery Retailers will be able to market directly to and offer special promotions for Lottery Players. This means that whether a retailer is big or small, they now have the ability to advertise directly to the Lottery Players who live in their part of town.

Everybody wins with the Retailer Marketplace. Retailers will win by offering promotions that give new reasons for Lottery players to patronize their establishments – especially in times when jackpots are low. Players win because retailers are offering them discounts and/or special deals/promotions to attract them to their store for other reasons than just to buy a lottery ticket. The benefit for the lottery is twofold. When players return to the retailers they will probably 'instinctive-

ly' buy more lottery tickets, especially instant tickets and other 'impulse' lottery products. Secondly, the Lottery will benefit from positive Retailer and Player goodwill.

Each participating Retailer will receive a full-page website, featured in a special RETAILER MARKETPLACE available through a link on the Lottery's website. After logging in, players will be able to see information on all the surrounding Lottery Retailers, appearing as a list of links and on a special map. When a Player clicks on the Retailer's link – a full page Retailer website pops up where players can find detailed information about the store, and any store promotions and 'special deals' just for them – they can even print coupons. All this will drive customer traffic back to the retailer, and more traffic means more profits for the Retailer.

It's important to mention that retailers will get out of the Retailer Marketplace what they put into it. They will be responsible for the quality of information and the overall lure of the promotions that appear on their sites. But, while retailers will be responsible for providing information for and maintaining their site, each Lottery will have ultimate control over the content the retailers provide. If a Lottery doesn't want certain information on a retailer's site, RMS will see to it that content doesn't appear.

"The Lottery will set the standards for the content," said Amada. "RMS will make sure each web page conforms to those standards, and has a consistent, professional, and inviting appearance. Retailers will be able to create their web pages themselves in just a few minutes utilizing RMS's easy-to-use Retailer Webpage Toolkit® that includes dozens of attractive, pre-designed templates, or they can choose to have us do all the work for them for a very nominal fee. The easy to use site will allow retailers to change the content of their webpage at any time, to offer new bargains, coupons, and promotions."

## Cost Effective

RMS can deliver this unique marketing opportunity for a very nominal charge. The monthly service fee for each retailer will be less than \$10 if paid for by the retailer and less than \$5 if paid for by the Lottery. The fee for each coupon or coupon change will only be \$1. Each change will be reviewed by RMS prior to display to make sure it meets the standards set by the Lottery. The Retailer

continued on page 20...

Route	Day	Label	Address	City
Route 01	AL	A & M STOP	4010 N 19TH AVE	PRICHARD
Route 01	AL	CALDWELL STORE 08110	5020 W GLENDALE AVE	PRICHARD
Route 01	AL	PARTY STOP	5040 N 19TH AVE 3	PRICHARD
Route 01	AL	DMT 1220086	5030 N 19TH AVE	PRICHARD
Route 01	AL	HELL 005	5020 W DUNDRAE AVE	PRICHARD
Route 01	AL	7-BLVDN STORE 2000D	5020 W GLENDALE AVE	PRICHARD
Route 01	AL	CIRCLE K 3748	5020 N 19TH AVE	PRICHARD
Route 01	AL	AKERWOODS 510	5030 N 19TH AVE	PRICHARD
Route 01	AL	CIRCLE K 3491	5040 W GLENDALE AVE	PRICHARD
Route 01	AL	CIRCLE K 3490	5020 W GLENDALE AVE	PRICHARD
Route 01	AL	WALKER 1220086	5030 W GLENDALE AVE	PRICHARD
Route 01	AL	DEITY FOOD STORE 604	5040 N 19TH AVE	PRICHARD
Route 01	AL	SABA'S TEXACO	1302 W NORTHERN AVE	PRICHARD
Route 01	AL	FETO MARKETPLACE 623	1015 W GLENDALE AVE	PRICHARD
Route 01	AL	VILLAGE MARKET	2202 W SPOTSWOOD AVE	PRICHARD
Route 01	AL	APOLLO ROAD 5770EAF	5041 N BLAKE CAUTION HWY #14	PRICHARD
Route 01	AL	CIRCLE K 3491	5040 W GLENDALE AVE	PRICHARD
Route 01	AL	CIRCLE K 3490	5020 W NORTHERN AVE	PRICHARD
Route 01	AL	TAYLOR GAS & AUTO	1949 W GLENDALE AVE	PRICHARD
Route 01	AL	A & A 99 CREDIT STORE FLEET MARKET	5034 N 19TH AVE	PRICHARD





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# ORMS™

## Relationship Marketing Systems

### 21ST CENTURY MARKETING SOLUTIONS FOR LOTTERIES, RETAILERS & PLAYERS.

# SCS™

subscription club services, LLC

# Retailer Marketplace™

Discounts, Coupons & Great Deals!

**Premium Player Subscription Programs** can be the centerpiece of consistent, new revenue streams from untapped market niches NOT TIED to the size of the jackpot. Builds ADDITIONAL PLAY from current players and attracts and serves NEW players from currently underserved and unserved categories: *the more affluent, the homebound, travelers, the very busy and many more.*

For more details on any of our programs, call us for a free copy of our RMS DVD, or check it out on the web.

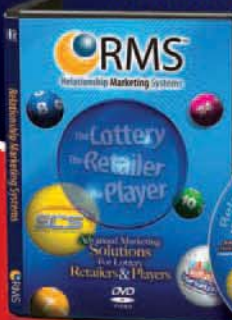
#### No RFP, No Legislation, No Security Concerns

Each retailer will be able to advertise directly to lottery players near their location via their own custom Retailer Web Page. Implementation is as simple as adding the Retailer Marketplace link to the Lottery's existing website. Generates more foot-traffic back to the Retailers, especially at low-jackpot times. Promotes Lottery goodwill with both Retailers and Players. Results in more sales for the Lottery, not tied to the size of jackpots, especially on impulse items like instant tickets.

## Relationship Database Management

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State of the art design loaded with information, benefits, and fun. Your player database can become a low-cost relationship marketing platform from which any lottery program can be successfully launched and marketed.



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## Montana Lottery and INTRALOT Sign Contract to Save State \$14 Million

The Montana Lottery recently signed a new contract that is expected to save the State of Montana close to \$14 million over the next 7 years. The contract is for systems and equipment to run the Montana Lottery operations.

*"This is exactly the kind of savings I have asked all Directors to find within their departments,"* Said Governor Schweitzer. *"This is just the tip of the iceberg for making state government more efficient."*

The Lottery issued a Request for Proposal for operation of their 600-plus retailer network in June. That Request included communications, software, and hardware to support the network. The Lottery received three responses from the following firms: GTECH; Intralot USA; and Scientific Games International.

After a rigid evaluation process, Intralot USA had the highest scoring offer. With approval from the Montana Lottery Commission at their September 28 meeting, the Lottery entered into contract negotiations with Intralot, signing the final contract on Tuesday, October 11.

The project entails a technology upgrade including new technologically advanced gaming equipment, software and related services

As part of the contract, INTRALOT will install its LOTOS™ O/S On-line and Instant Gaming Computer System on the IBM AIX platform and provide the Lottery with a minimum of 750 of its CORONIS full-function, high-end compact terminals for retailer locations across the state. In addition, INTRALOT will be installing a state-of-the-art satellite network to link retailer terminals to the central system. INTRALOT is placing significant emphasis on increasing sales through the development and implementation of customized and innovative marketing and promotional programs. It is a seven year contract with the option of three one-year extensions.

The new contract will save the State of Montana money in two ways. First, under the current contract with Scientific Games, the state pays a per-transaction cost of 8.35%, compared with 5.8% in the new contract. This is estimated to save \$6.8 million over the initial seven-year term. Second, the state will save approximately \$7.1 million in equipment costs. Under the old contract, the Lottery purchased all equipment; under the new contract, the equipment is included in the base price. The total savings are estimated at \$13.9 million.

According to George Parisot, Montana Lottery Director, this conversion provides an opportunity to completely reinvent the Montana Lottery. *"With state-of-the-art equipment, and a new partner, Montana citizens will see a dramatic transformation,"* he says. *"We look forward to introducing many changes for the benefit of our retailers and players."* The current contract expires on March 30, 2006. Intralot has already begun setting up offices in Helena and planning for the switch on March 31. It is expected the company will employ local staff in Montana.

INTRALOT S.A. CEO, Mr. Constantinos Antonopoulos said: *"We are very pleased to have signed this contract with Montana Lottery, which, following the Nebraska successful operation, confirms and strengthens our position in the US market."*

Tom Little, President and CEO of INTRALOT, Inc., stated that, *"We are extremely pleased to implement another one of the company's numerous combined On-Line and Instant Gaming Systems in the United States, and we look forward to a long and successful relationship with the Montana Lottery."* ♣



Montana Lottery Director George Parisot



President and CEO of Intralot, Inc., Tom Little



# The Winning Combination

## How to Run Outstanding Internet Contests



3,000. By recent estimates, that's the number of daily marketing messages to which the average consumer is exposed. Unfortunately, research has shown that most consumers cannot recall very many of those messages when polled 24 hours later.

In an era of shortened attention spans and media overload, every medium has to be used to its fullest. So it stands to reason that the most interactive of mediums, the internet, must comprise a part of any successful lottery organization's marketing mix. Fortunately, contests and sweepstakes, long recognized as very effective ways of acquiring prospective customers and driving increased sales for lotteries, take on a whole new light when implemented online.

Virtually every lottery organization has operated a contest or sweepstakes at one time. Participation in contests has grown to become one of the top five internet-based activities. However, their ubiquity poses an inherent challenge – since everyone runs promotions, how do you make your lottery organization's promotion stand out?

Ultimately, every promotion has one clear objective – to convert prospective customers into actual customers. But an outstanding promotion doesn't stop there. An outstanding promotion offers an opportunity to learn about a company's customers before they even become customers, to model the purchasing process, to build a strong sense of brand and to affect virtually all facets of a company.

In order to end up with an outstanding promotion, certain key success factors must be kept in mind:

### 1. Align your promotional strategy with overall business strategy

*A successful contest can offer many benefits:*

- Build long-term relationships with customers,
- Learn about consumer preferences,
- Model behaviour before any item is sold,
- Offer psychographic profiling,
- Perform detailed research,
- Test new product/service ideas, and
- Broadcast a focused message to the masses.

Therefore, it's important that internet promotions fit within the organization's overall business strategy, of which the marketing strategy is only one component. Consideration must be given to customer relationship management, product design, communication, customer service and customer education. By starting with an understanding of what impact a contest can have, it is more likely to meet expectations.

### 2. Execute the promotion as part of an integrated, long term tactical approach

Having a strategy that is integrated with the organization's overall business strategy is key. However, it is also important to have a good tactical plan in place to not only turn the strategy into reality, but to also leverage other ongoing activities. All too often, contests become 'one-hit wonders', leaving in their wake thousands of unused email addresses/ profiles and customers wanting more.

The implementation plan must cover exactly what will happen before, during and after the promotion. It must include why and how entrants will continue to be engaged, at what intervals, and in what way they will ultimately be converted into paying customers. Finally, it must leverage other activities and campaigns so that the message is reinforced at every opportunity.

### 3. Create, deploy and manage promotions according to rigorously defined mission-critical quality standards

This particular point is especially important in the lottery industry. When deployed, online contests become an extension of a brand and image. As a result,

they should receive the same attention to detail as your organization's core business. Unfortunately, this is often not the case and errors sometimes abound, ranging from simple spelling errors, more serious functionality issues and potentially damaging legal compliance problems.

In order to build rather than damage brand equity, it is important to apply the highest level of quality assurance. A contest site should be completely error-free, flow smoothly and in an expected fashion, offer easy-to-access assistance, and be presented to entrants in the most user-friendly fashion.

### In Summary

The use of innovative promotions can yield tremendous returns on investment for lottery organizations.

By following a disciplined approach, internet-based promotions can be transformed from interesting to outstanding. They can add tremendous value to lottery organizations wishing to build and expand customer relationships. Outstanding campaigns can promote brand, and the dream and entertainment that every lottery organization needs to elicit with consumers in a world where new competition lurks around every corner. ♦

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# Ingenio: A Variety of Games and Sectors



## Microbes

Your mission in Microbes: To eliminate all the bugs found in your sight.



## UFO

Turn humans into extra-terrestrials...what's more fun than playing UFO?



## Fruit Race

Who will win the race: the banana, the kiwi or the cherry?

In December, Ingenio will turn seven years old. Since it came into being, the research and development subsidiary of Loto-Québec has made much headway with its 50-member team.

"Sure, we're a small team, but one that is curious and visionary, always looking to go that much further in exploring new gaming areas, while seeking partnerships with other pioneering lotteries," points out Nathalie Rajotte, Director General of Ingenio. Today several discussions are still ongoing with state Lotteries regarding research initiatives in very specific areas. Regarding the casino sector, alliances between Ingenio and major players in this area are in the works. These alliances could lead Loto-Québec's subsidiary to play an active role to enrich the game offer in the world of casinos, just like the breakthroughs that it continues to make in the lottery sector.

## A patented concept with many forms

"The instant multimedia lottery is now taking on several forms," explains Ms. Rajotte. Ingenio's line of games includes some 50 products divided into three main categories that can be or about to be marketed. Game distribution can be done via the Internet or CD-ROM, and access codes, which define the outcome of the game, can be sold using a traditional instant-based lottery ticket or via an online electronic transaction. "Ingenio's patents in this area are not limited to the means of distribution," specifies Ms. Rajotte.

## Internet is dominating

Over the past two years in North America, the Web downloading of Ingenio's games is by far preferred over CD-ROM distribution. We should point out that most state lotteries that choose Internet distribution do not, however, sell the access codes online. To play the Web based lottery game, the consumer must purchase an instant lottery ticket containing the access code for the given game at a lottery ticket retailer.

"The interesting thing about the Internet as a means of distribution is that it makes it easy to have state lotteries offering a wide range of games through a single portal, thus meeting consumers' demand for variety," explains Ms. Rajotte. The game portfolio can be divided into many categories based either on the game duration, price or theme.

One of Ingenio's game categories is comprised of interactive games that generally last longer than 10 minutes. The multimedia entertainment and interactivity aspects are very important in this game category, which has been developed for computer game players – more complex games which often have higher winnings. This category includes Casteldor (inspired by Mahjong), Mini golf (which can be played by four people), Detective (a game of deduction) and Solitaire Riches (a classic game of card).

A second category is made up of games that provide less than 10 minutes of entertainment. These games are sometimes grouped by theme. All the popular versions of Slingo® fall into this group, i.e. Cyber Slingo®, Wild 7 Cyber Slingo® and the latest one, Double Up Cyber Slingo®. This category also contains the Casino games, including Hold'em Poker, Black Jack and Slot Machine.

## Quick Games

In addition to the previous categories, a new family based on the principle of offering a vast choice will appear on the market in 2006: Quick Games. By purchasing an instant lottery ticket for this kind of game, the consumer will receive a code that he can enter in his computer in the Quick Games section, which includes a series of comical games that last under 2 minutes. To find out the lottery outcome of his ticket, the consumer can play any of the 12 to 24 regular games offered. According to Ms. Rajotte: "It will be easy for a state lottery to regularly change what it offers as Quick Games since it will not have to change lottery tickets."

The ideal way to market these games in order to establish best practices in the interactive multimedia lottery products sector is still in its initial stages. "We must remember that this type of lottery was introduced on the market only a few years ago, and we have to create a completely new client approach," says Ms. Rajotte.

Exploration, research, collaboration and development...these are recurring themes in the daily life at Ingenio, ones that are essential for renewing the industry. ♣

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- The recruitment process is quicker and should be less costly, since most of the screening can be implemented by initial filtering from the Player's Club or existing e-panel registration survey and then validated during the screening and recruitment survey.

### Quantitative Web Surveys

An economical and well-respected alternative to expensive quantitative research techniques is the Internet survey. Early adopters to the Internet were very different than the general population, rendering Internet research a poor vehicle for gaining market knowledge. More recently, Internet usage is extremely prevalent with penetration rates as high as 90% in some markets, making those accessible to the Internet less of an anomaly and more representative of the general population.

A web survey offers a variety of benefits over the historic (telephone, mall-intercept and mail) quantitative methods.

- The respondents from a Lottery Players Club research panel are geographically dispersed throughout a jurisdiction.
- The composition of the panel includes all demographics and lottery play behaviors.
- A survey can be weighted to match the known play behavior percentages from a benchmark study so that the findings can be representative of the defined population.
- Respondents take a survey on the Internet at a time of their own choosing.
- Participants see (not just "hear") the questions and answer choices. Every interview is conducted precisely the same way, without interviewer bias or error.
- Individuals can take as much time as they need to think about the answer to a question.
- Pictures, sounds, and video can be incorporated into an Internet survey.
- Panelists are conscientious in answering survey questions because they often have an interest in the outcome.
- Internet questionnaires can be longer and more detailed than telephone or mall-intercept surveys because respondents are already on their computers and are not being taken away from other activities. Internet surveys also eliminate the need for socially desirable responding (i.e., saying only what makes them look good) because their identity is concealed from the group.
- Unlike a mail survey, an Internet survey can adapt to how the respondent answers previous questions, respondents only see questions that pertain to them.

Sometimes a questionnaire needs to be revised, or artwork needs to be re-designed, or methodology and prize payouts need to be adjusted, which requires follow up. In an e-panel study, follow up web surveys can be quickly redesigned and replicated to validate previous findings and performed timely and cost effectively. This new ability is very important.

### Follow-up Focus Groups

A web survey that is connected to a Players Club provides the opportunity to conduct follow-up focus groups based on how the respondents answered the questions. Have you ever conducted a quantitative study and wished you understood why some respondents answered in a particular way? This new approach allows you to capture that information efficiently and effectively.

Respondents can be filtered from a quantitative study and recruited into focus groups. For example, one group may be defined as those that strongly liked one new game concept over an alternative one. The opinions of each group can be contrasted with each other for validity and insight.

Using focus groups for follow up research can be quite valuable. The focus group participants have already seen the concepts, so when they are recruited, they come to the focus groups prepared to discuss the concepts and the moderator is able to dig deeper into the relevant questions at hand.

### Summary

Market research should be an integral ongoing process, not performed just prior to making a final decision for political purposes. Lotteries should consider developing programs of research that build upon one another rather than conduct very expensive, disjointed, ad-hoc research projects. Concepts should be designed, tested, tweaked and re-tested regularly to validate the findings under varying circumstances. Both qualitative and quantitative methodologies have their place in lottery research programs and we, as lottery research professionals, need to make the most of our research dollars by employing new research strategies that are both economical and practical. ♣

### The Authors:

Philip Kopel, President, founded Kopel Research Group, Inc. [www.kopel.com](http://www.kopel.com) in 1989. Phil has managed a diverse variety of research projects for many lotteries throughout the United States and Internationally. The company provides comprehensive lottery market research solutions including; benchmark studies, research panel management, game design concept analysis, player segmentation analysis, game mix optimization, sales forecasting and retail agent feedback and satisfaction analysis.

Dr. Tchicaya Ellis Robertson is the Online Product Manager for the Illinois Lottery. Prior to joining the Illinois Lottery, she had been the Director of Research & Planning for the Maryland Lottery since 1999. She has designed and managed the implementation of dozens of research projects. Her previous and current responsibilities include sales analysis and forecasting as well as program evaluation. In her current role she also manages the online gaming systems contract and is responsible for new games and promotions that enhance the online product portfolio and increases contributions to the Common School Fund.

## Build a Happier Retailer Network Through the Retailer Marketplace . . . continued from page 14

Marketplace will offer the Retailers a unique and very inexpensive marketing opportunity that will help them drive more foot-traffic, especially important at times when jackpots are low, and thus generate more profits.

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# California State Lottery Celebrates 20 Years of Fun and Games

The California State Lottery is proud to celebrate its 20th anniversary. On October 3, 1985, the Lottery sold its first Lottery ticket and within 24 hours sold \$21.4 million worth of California's first Scratchers® game – "California Jackpot." Twenty years later, the Lottery continues to focus on maximizing sales in order to help support public education, resulting in a banner year of record breaking sales of \$3.33 billion.

For the fifth consecutive year, the California State Lottery raised more than \$1 billion for public education by providing \$1.17 billion to California's classrooms. Over the past 20 years, more than 1,800 Lottery players have become millionaires, and more than \$23 billion has been paid to winners. The Lottery retailers have been big winners too by ringing in \$2.9 billion in bonuses and commissions.

During the Lottery's 20th anniversary year many new and exciting games were introduced to the already fun and entertaining. Some of the games included:

- The popular "Crossword" game and the exciting Star Wars Scratchers. The Star Wars game was released in conjunction with the highly anticipated film Star Wars: Episode III – Revenge of the Sith.

- MEGA Millions on June 22, 2005. Results of the first day of tickets sales produced a record breaking \$2.4 million. MEGA Millions was launched in California by holding the first California MEGA Millions draw at the Paramount Studios in Hollywood, hosted by American Idol, Carrie Underwood.
- The "Next Millionaire" Scratchers. This ticket gives twenty players the opportunity to win the top prize of one million dollars! Fifteen lucky players can instantly scratch a \$5 ticket and uncover their million dollar prize. The remaining five players win by entering their non-winning tickets on the California State Lottery's website or by mailing their tickets for a second chance drawing. What a way to win a million dollars and celebrate 20 years of Lottery fun and games!

The California State Lottery Commission and its dedicated workforce (many who have been here since the Lottery's start-up) look forward to building from this year's accomplishments in maximizing Lottery revenue for education. ♦



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# People



**Dr Anne Wright** CBE became Chair of the UK National Lottery Commission on October 16, 2005, taking over for Timothy Hornsby. **Sarah Thane** CBE has been appointed a Commissioner succeeding Jo Valentine whose term finished in September. Dr Wright holds a number of non-executive roles including Member of the Armed Forces Pay Review Body and Board Member, English Partnerships. Former posts include Chief Executive of the University for Industry and Vice-chancellor and Chief Executive of the University of Sunderland. Since 2001 she has been an e-learning consultant. Sarah Thane is an independent consultant on broadcasting regulation, currently advising the BBC Governors on regulatory and compliance matters. She is a non-executive director of Films of Record, an independent film production company, and has recently been appointed a Justice of the Peace in West Suffolk.

**William Rickman Sr.**, who purchased historic Delaware Park partnership in 1983 and helped revolutionize it as a racino, died September 30 in Rockville. He was 84. Rickman was an active Thoroughbred owner and breeder up until the end – even achieving a posthumous stakes victory when Ebony Star won the Delaware Certified Distaff Stakes on October 2 at Delaware Park.

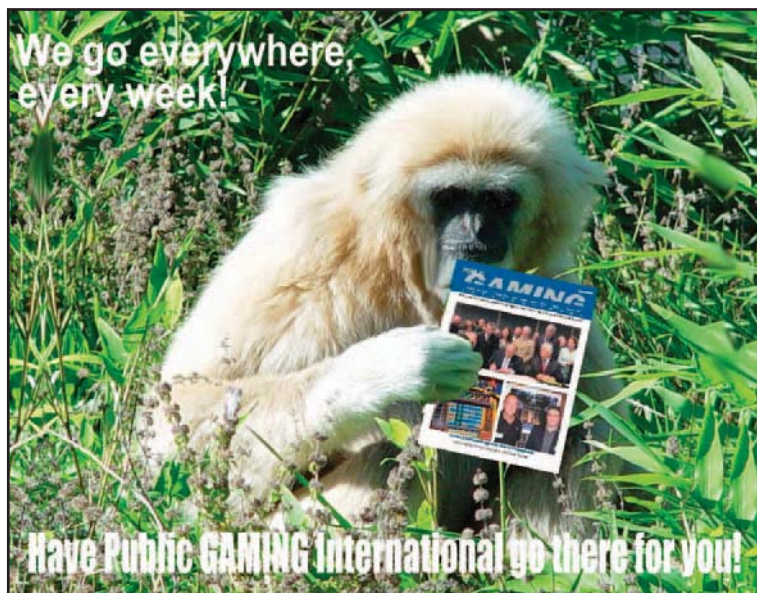
New Mexico Department of Public Safety spokesman **John Francis** was named as a board member to the New Mexico Lottery Authority by Gov. Bill Richardson. His appointment is subject to approval by the senate during the next legislative session. As a police officer, Francis will be expected to help improve the security of the building and the equipment used by the Lottery. In addition, he will look to make retail locations and Lottery customers safer.

**Thomas M. Kauffman**, the first and only director of the

Pennsylvania Horse Racing Association, is leaving his position to pursue other career opportunities. Chairman **Mike Jeannot** will take over as the contact person for the association, which will soon move its headquarters from Harrisburg to Pittsburgh.

Cincinnati Mayor **Charlie Luken**, an outspoken supporter of bringing casinos to Ohio, has been appointed to the state commission that regulates and licenses horse racing. Luken, who announced earlier this year that he will not seek re-election and whose term expires Dec. 1, was appointed to the Ohio State Racing Commission by Gov. Bob Taft. Luken replaces **L. Rainy Gates Stitzlein**, who resigned. Luken will fill the vacancy immediately, as state law allows Luken, a Democrat, to finish out his term as mayor while serving on the state commission. Luken has said he supports a movement that seeks to amend the Ohio Constitution so that residents of each city can decide whether to have casinos.

WPT Enterprises, Inc. has added noted format sales consultant **Matthew Ody** to its sales team at MIPCOM, as part of the company's introduction of its hugely successful WORLD POKER TOUR® (WPT) format into the international market. Ody will assist WPTE as it unveils at the show a new type of format sale – designed to produce substantially higher broadcaster returns through built-in, ancillary revenue streams. Ody has held high profile roles at Endemol Entertainment, NBC International and Reeves Entertainment, before launching his independent film and television production company, focusing on consulting and international distribution for the film and TV production community. He currently represents TNA Entertainment, Debmar-Mercury, Hallway Group Productions and Go-Kart Films, Inc. ♣



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# Video

# News

## Mississippi Casinos Take Step Towards Land

The Mississippi House Gaming Committee passed legislation that would allow casinos to locate within 800 feet of the water's edge. Casinos would also be allowed to build along the southern end of U.S. Highway 90, which runs parallel to the beach.

## Maine Approves Bally Slots

Bally Gaming announced the Maine Gambling Control Board unanimously approved issuing Bally a permanent license to distribute gaming devices and associated equipment in Maine, clearing the way for Bally slot machines to be installed in the Hollywood Slots at Bangor gaming facility scheduled to open in November.

## Mississippi Machine Assessment

The AP recently reported that Hurricane Katrina silenced about 18,000 slots at Mississippi's floating casinos. Some were washed into the sea. Looters ran off with others. The vast majority, about 75 percent, were destroyed. Some machines are being sent back to machine vendors to be scrapped or repaired, but vendors may have to rewrite the machines' software for fear that a machine could have been broken into and stolen the software.

## West Virginia Lottery Directed to Tighten VLT Rules

Following a directive from Governor Joe Manchin to tighten controls on the state's limited video lottery industry, the West Virginia Lottery filed an Interpretive Rule with the Secretary of State's Office calling for new locations to be located at least 300 feet from churches, schools, childcare centers, public parks and gas stations. The only stipulation referring to distance under the original Limited Video Lottery Act requires bars and taverns to be at least 150 feet apart. If adopted by the Lottery Commission after public comment and review, the rule would also close a loophole related to the criteria that fraternal and veterans' organizations must meet to operate more than five machines at each location. Fraternal and veterans' groups may have up to 10 machines, while bars and taverns are limited to five.

Lottery Director John Musgrave said the federal tax-exempt status provided fraternal and veteran organizations has been the Lottery's only guideline for determining the number of machines allowed at a specific location. As a result, it leaves room for "creative organization" to operate the maximum number of machines allowed.

To close the loophole, the proposed rule requires new applicants to have been an existing chapter or local unit of a national tax-exempt fraternal society on the first day of January 2001.

Musgrave emphasized the proposed rule would apply only to new Limited Video Lottery applicants.

## New Gaming Machine Regulations in New Zealand

New regulations to prevent and minimize the harm caused by

gambling, including pop up messages on gaming machines showing how much money has been won or lost, came into effect in New Zealand. All gambling operators with gaming machines in pubs, clubs, casinos and other venues are required to adhere to the new rules.

From October 1, all new gaming machines must: at a gambler's choice, display information about the games on that machine and about the gambler's session of play; automatically interrupt play, at intervals of no more than 30 minutes, provide information including how long that session of gambling has been and how much money has been won or lost, and must ask if the gambler wishes to continue.

In addition to these rules, jackpots can no longer be advertised outside a gaming venue, the word jackpot or any other similar word cannot be published in a way that gives the impression there is a gaming machine jackpot at the venue; and there must always be staff who have had problem gambling awareness training at the venue when gambling is available.

## SmartGames Opens Kiev Facility

SmartGames has opened a production site in Kiev and started selling medium-price slot machines (priced \$4,000 - \$6,000) for the Ukraine market. The company says it has installed 100,000 slots in Ukraine.

## OLGC Contributes to Harrah's Employee Recovery Fund

In the largest donation by a third party to date, the Ontario Lottery and Gaming Corporation has donated C\$250,000 (US\$211,700) to the Harrah's Employee Recovery Fund, Harrah's Entertainment, Inc. The OLGC made the donation as part of a C\$1 million (US\$855,000) contribution to Hurricane Katrina relief efforts in the United States.

The OLGC is the owner of Casino Windsor, which is operated by Harrah's. The Harrah's Employee Recovery Fund was seeded with a \$1 million allocation by the Harrah's Foundation. To date, \$2.18 million has been contributed to the fund, including nearly \$500,000 from Harrah's employees.

## Manitoba Lotteries Increases AFM Funding

A 25 percent increase in funding from Manitoba Lotteries to the Addictions Foundation of Manitoba (AFM) is going to help the AFM enhance and implement a significant number of programs. The AFM will use the additional funding (an additional \$500,000) for an enhanced problem gambling helpline, a new website, research projects, a number of public awareness initiatives, and updating training programs for AFM staff who work with problem gambling clients. The additional money will also provide permanent funding for the two Responsible Gaming Information Centres (RGIC) at the Casinos of Winnipeg and the residential treatment program in Brandon. ♣

# WWW on the internet

## **Boss Media Supplies Gaming System to Bonnier Entertainment and Folkspel**

The Bonnier Group's Bonnier Entertainment business area has selected Boss Media as supplier for its new gaming activity. Bonnier is to launch [www.bingolotto.se](http://www.bingolotto.se) through a cooperative agreement with the Folkspel gaming company. With this investment, the Bonnier Group is taking its first step into the market for gaming that involves money.

*"We are active in the entertainment industry and an increasing portion of households' entertainment budget is being spent on various forms of gaming. This makes it a natural step for us to become involved in this industry. An added benefit of our cooperation with Folkspel is that it gives us the possibility to support Swedish sports clubs and associations,"* says Helena Forsell, Project Manager for BingoLotto.se.

Under the terms of the contract, Boss Media will supply a well-tested system for bingo gaming on the Internet, with Bonnier and Folkspel also gaining the possibility to expand into other gaming products and distribution channels over time. As a result of the contract, Bonnier will outsource its customer service for gaming to Boss Media.

*"Proximity and stability were our criteria when we selected Boss Media. We now have access to a tested gaming system and proximity to product development. If everything proceeds according to plan, we will have, in cooperation with Folkspel, a considerable market share for digitally distributed gaming within a couple of years. The key is to take the right game to market using the right channel. With regard to marketing of gaming products, we have sufficient channels for this within the Group,"* says Helena Forsell.

*"Boss Media's extensive experience of digital gaming solutions can be considered a guarantee of quality,"* says Leif Flatow, President of Folkspel. *"We are full of confidence regarding the launch of BingoLotto on the Net - and, naturally, a well-functioning system is an important requirement for success."*

Bingo products are a focus area for Boss Media, which previously was best known for its casino and poker products. In the digital gaming world, bingo is foreseen as the gaming product that will attract the most new players as a result of its softer gaming form, with greater focus on entertainment than big prizes.

*"Bingo has the potential to be the next mass-market product in the digital gaming market. While casino gaming attracts men, bingo succeeds in attracting women,"* says Peter Bertilsson, President of Boss Media.

## **Tanzanian Lottery to go Mobile**

Tanzanians will reportedly be the first on the African continent that can play the lottery with a regular mobile phone. Selcom Gaming, the Tanzanian lottery operator, has partnered with Openlot Systems to launch a mobile lottery within five months. The lottery offers both sports betting and numbers games.

Consumers will pay with their mobile phone using SMS. Prizes will be redeemed through a player account. An age check is performed and Openlot's SMS Secure technology will provide end-to-end security. Players will be informed about the results of the games in either English or Swahili

through the phone, the Internet or call center and receive an SMS text message if they have won a prize. Winners will be directed towards a partner bank branch where they identify themselves and receive the prize money. Regulators and lottery management can follow ticket sales in real-time.

## **Oklotterypost.com**

Oklotterypost.com opened its virtual doors as an online resource for the millions of Oklahomans who hope to strike it rich playing the new Oklahoma Lottery. Oklotterypost.com is the latest creation of URLJet.com, a small local domain development firm based in Oklahoma City. The site is free and does not cost anything to join or post comments to the discussion boards.

Oklotterypost.com aims to keep lotto players up to date with in-depth articles on how to play the lottery, spot scams, deliver timely news and resources, and foster a community spirit with lottery players all over Oklahoma through discussion forums. Oklotterypost.com offers instant lottery results and news through the "Lottery Alert" system. Lottery Alert gives instant notification of growing jackpots, winning numbers and tips on playing the Oklahoma lottery. <http://www.oklotterypost.com>

## **Pegasus Signs with ILLF**

Pegasus Gaming Corp. has completed a lottery licensing agreement with the International Lottery in Liechtenstein Foundation (ILLF). Under the terms of the agreement, Pegasus and its licensees will become authorized re-sellers for the government run National Lottery, and will share in a percentage of the revenues based upon a sliding scale.

## **WPTonline.com Explores Affiliations**

WPT Enterprises, Inc. will be debuting its media affiliate program for WPTonline.com at MIPCOM. In addition to having a variety of multi-player poker games, ring table games, Sit & Go and Multi-table Series tournaments, WPTonline.com will feature a customized version of the WagerWorks Poker Software. Designed with the input of WPT, the software showcases a completely new graphic package to match the WPT television experience as well as advanced game features catered towards the avid poker player.

## **CYOP Targets Chinese Poker Market**

CYOP Systems International Inc. is embarking upon its strategy of marketing its new Chinese poker software to large portals and online companies. The Company is now in a position to expand its licensed online Chinese Poker software into the Asian markets by developing relationships with existing portals and gaming operators who are looking to increase their content. The Company's backend licensed CrediPlay financial systems and Poker games have been localized into Traditional and Simplified Chinese, allowing for the software to be deployed globally. The software may be viewed at [www.CrediPlay.cn/Poker](http://www.CrediPlay.cn/Poker)

continued on page 26...

# RACINO NEWS

## Massachusetts Senate Calls for Racinos

The Massachusetts Senate approved a bill that would extend the state's simulcasting law through 2007, would allow the installation of 8,000 slots at the state's four racetracks, and would create a Lottery and Gaming Commission which would cover any lost Lottery revenue to cities and towns caused by the expanded gambling. The 26-9 vote, which included two recusals for ethical conflicts, means that if the bill passes the House and MA Governor Mitt Romney issues a veto there are enough votes in the Senate to override the veto.

Under the bill four tracks would each add up to 2,000 slot machines, which the state would own, 60 percent of the machine revenue would go to the state and each track would be required to pay a \$25 million licensing fee every five years. The bill would send the estimated \$350 million-plus in annual revenue to local aid, the General Fund and the rainy day fund – a budgetary reserve. If enacted, the law would require each track to pay a \$25 million licensing fee every five years. The bill now moves to the House.

## Penn National Acquires Argosy

Penn National Gaming Inc. secured final regulatory approval from the Illinois Gaming Board for its plan to acquire Argosy Gaming Co. Penn National informed the Board that it would divest two of Argosy's Illinois casinos (one in Alton and one in Joliet) within 15 months of acquiring Argosy in order to secure the Board's consent. After the divestiture, Penn's market share in Illinois will drop to 15 percent.

The acquisition means Penn now owns a gambling empire trumped only by Harrah's and MGM Mirage. The acquisition also diversifies the company's cash flow and creates a geographic mix of properties.

## School Board Supports Kentucky Racino

The Jefferson County School Board has decided to push Kentucky lawmakers to allow gaming machines at tracks in an effort to gain revenue for education. The Jefferson County Teachers Association has already voiced support for the racino issue.

The Kentucky Equine Education Project, a horse industry lobby, is drafting a bill that would put expanded gambling on the ballot next year. Such a measure would need approval first from three-fifths of the General Assembly. Supporters have estimated that eight casinos in Kentucky would generate about \$400 million annually for the state.

## Bangor Racino Municipal Beneficiaries Chosen

November 4 is set as opening day for Hollywood Slots at Bangor and the host city has come up with a plan on how to use its share of the slot revenues. At the top of the list is replacing Bangor Auditorium and Civic Center, which they expect to start by 2010. Other uses for the

money include costs associated with relocating the Bangor State Fair, reimbursing the city's General Fund for costs related to bringing the racino to Bangor, and replenishing the city's unexpended fund balance when it falls below target.

The City is estimating that it will take in \$1.5 million annually from the 475 slot facility. They expect that figure to rise substantially once Penn National launches the track's 1,500 machine facility.

## Pennsylvania Board Limits License Opportunities

The Pennsylvania Gaming Control Board adopted final regulations that bar anyone seeking a slots license for a racetrack from also applying for a license for a stand-alone slot machine casino. The decision could have ramifications in Harrah's (owns 50% of Chester Downs Casino and Racetrack) and MTR's (building a new \$100 million thoroughbred racetrack and slots parlor in Erie called Presque Isle Downs) attempts to acquire a stand-alone slots casino license.

## \$417,565 Jackpot Hit at Delaware Park

A Wilmington-area resident and Delaware Park Player Rewards Club member, has won a \$417,565 jackpot on one of Delaware Park Racetrack & Slots' Wheel of Gold state-wide Progressive Machines. To date, this is the largest single payout in Delaware video lottery history, far exceeding the previous record amount of \$160,000.

## Arkansas Gaming Proposal

Arkansas Attorney General Mike Beebe certified the name and ballot title of a proposal to place a measure on next year's ballot authorizing gambling and lotteries. The certification allows Rep. Charles Ormond, D-Morrilton to collect signatures for the proposal, which would amend the state constitution to create the Arkansas Commission on Lotteries and Wagering, a statewide lottery, gambling at two Arkansas tracks as well as gaming in any county that authorize it. The commission also would regulate charitable bingo.

Finally, the proposal would reportedly make Ormond the first director of a commission that would oversee the gaming activities. Ormond would need to obtain in excess of 80,000 signatures to get the measure on the ballot for the November 2006 general election.

## Teamsters Set Sights on Manitoba Lottery Workers

The Teamsters union has filed an application with the Manitoba Labor Board to represent Manitoba Lotteries workers. The 1,300 employees are currently members of the Manitoba Government and General Employees Union (MGEU). Employees of two Winnipeg casinos, the Lottery warehouse and VLT technicians all will be asked to vote on whether to stick with the MGEU or go with the Teamsters. ♣

*On the Internet...* continued from page 25

## Singapore Launches Problem Gaming Site

Singapore has launched a Web site for problem gamblers as part of the government's plan to address concerns over a possible spike in bankruptcies and gambling addiction, four years ahead of the sched-

uled opening of two casinos. The National Council on Problem Gambling Web site was officially launched last Monday, and contains stories from gambling addicts and a "self test" for citizens. <http://www.ncpg.org.sg> ♣



# Games People Play



## MDI's World Series of Poker® and World Poker Tour™ Brands Are at the Top of Their Game

MDI Entertainment, a wholly-owned subsidiary of Scientific Games Corporation has cornered the market in Casino-style/poker game play, with their unequalled World Series of Poker® and World Poker Tour™ games, two of the most popular sporting events in the world.

While copycat play styles have surfaced within the Lottery industry, most states have adopted the true grand champions of poker tournaments – World Series of Poker (WSOP) and World Poker Tour (WPT) – based on their incredible brand equity and unparalleled performance.

According to Steve Saferin, president of MDI, "Lotteries told us that they want to reach a younger adult demo but all poker games are not created equal. Both the WPT and WSOP dominate poker TV ratings and the best way to attract 18 – 40 year old viewers is by giving them the brands that are most familiar to them."

"Lottery players are very savvy and they want to experience what they see in the media, maybe dream a little right along with the tournament contestants. That is what MDI's poker licensed games can provide," Saferin said.

To date, 14 lotteries have offered the games with Texas Hold 'Em style play in their instant ticket line up, with three states reprinting a new version of the game. The price points ranged from \$2 to \$10. Five more states will be launching similar games within the next four months.

Virginia was the first state to sell the WSOP instant ticket. John Shiffer, the Virginia Lottery's product development manager, said the game had a very strong launch. Sales

indexed 70 percent above average for the first 12 weeks of the game and remained well above average during the life of the game. "It is one of the best games we have ever launched," Shiffer said.

In March and again in June, the Michigan Lottery launched WPT to great success and will launch WSOP in December. Glenn Strong, instant games product manager of the Michigan Lottery, said, "Both of our first two games sold extremely well, selling out in less than six weeks. We're frequently asked by our players, retailers and sales reps when we're going to run the game again!"

With its debut in 1970, the World Series of Poker has exploded recently and is now considered the largest, most prestigious and most media-hyped gaming competition in the world, with no end in sight. According to recent ratings, WSOP on ESPN averages 1.4 million viewers while WPT on the Travel Channel, with 76 million subscribers, averages 1 million viewers. This season, the World Poker Tour is featuring some of the hottest new up-and-comers with loyal fans following their every move.

"These events are ever-evolving, keeping the interest levels at all-time highs," Saferin said. "2003 saw major names resurrected from years past, like Johnny Chan and Chris Ferguson. And, with the rise of Thomas 'Thunder' Keller and Gavin Griffin, 2004 became known as the 'Year of the Young Guns'. We may not know what the future holds, but we know the WSOP and WPT lottery games aren't going away any time soon!"



## PAC-MAN™ Sells Out in Michigan

Michigan Lottery players gobbled up the state's new PAC-MAN™ Mania instant ticket, clearing the game off the shelves in just two weeks. PAC-MAN™ Mania went on sale in Michigan on September 6, 2005. PAC-MAN Mania sales for the initial two weeks were over \$3 million. Sales were exceptional, with the game coming in at \$370,000 above the two-week average of the previous eight games at the same price point. Michigan's \$2 instant ticket featured 10 ways to win up to \$20,000 and a chance to instantly win one of 20 PAC-MAN arcade games. Advertising support for the game included dedicated radio spots. Glenn Strong, Michigan Lottery instant game product manager, said \$2 games have been very strong in Michigan this year with a three percent increase in sales over last year. ♣

# RoundUP

## British Columbia

The British Columbia Lottery Corporation announced the launch of a second Scratch & Win game as part of their long-standing marketing partnership with the Vancouver Canucks. The \$10 Canucks Scratch & Win ticket is available for purchase through all lottery retailers... while supplies last. The first set of tickets released in 2003 sold out in weeks.

The Canucks Scratch & Win 2005/06 ticket offers players the chance to win \$2.2 million in cash and prizes, including two top prizes of \$100,000. Among the ticket's features, players can enter a Bonus Internet contest for the chance of a night in a luxury General Motors Place suite and an opportunity to meet a player one on one. Other prizes include Canucks road trips, autographed hockey sticks, 2005 Canucks replica jerseys and Canucks game tickets.

The first two Canucks players featured on the six collectible tickets are Trevor Linden and Ed Jovanovski. Todd Bertuzzi, Brendan Morrison, Markus Naslund and Dan Cloutier tickets will be available in the coming weeks.

The release of the ticket is part of a marketing partnership between BCLC and the Vancouver Canucks/Orca Bay Sports and Entertainment that was established in 2003. Their business relationship includes both marketing initiatives and sponsorships designed to create revenue and profit opportunities for both parties.

## Colorado

The Colorado Lottery has requested bids from consultants to look over its operations and suggest improvements. The contract, which has a cap of \$150,000, will go to the bidder offering the lowest documented quote.

## Michigan

Michigan retailers who sell a jackpot winning ticket for either Mega Millions or Classic Lotto 47 will now receive a boosted commission. For selling a jackpot-winning Mega Millions tickets, retailers will now be paid a \$50,000 bonus, up from \$2,000. And for selling a jackpot-winning Classic Lotto 47 ticket, retailers will now receive a \$5,000 bonus, also up from \$2,000. Of the 12 states that sell Mega Millions tickets, Michigan is now in the top five with regard to retailer commissions for the game.

## Missouri

Missouri Lottery Pick 3 players had a chance to win thousands more with the Lottery's new "Pick 3, Take 5" promotion. When players made a \$3 single-ticket purchase for a drawing during the promotion, which ran through Oct. 22, they received a free \$1 SHOW ME 5 Paydown ticket.

## New York

The New York Lottery is preparing to launch two new lottery games that will coincide with the King Kong movie scheduled for release on December 14.

The King Kong Millions scratch ticket will offer the Lottery's largest scratch prize ever - \$8 million, while a separate drawing on December 5 (conducted atop the Empire State Building) will have a jackpot of at least \$50 million.

For the draw game, the Lottery is offering one play for \$2, three

plays for \$5, and 7 plays for \$10. In addition to the \$50 million jackpot there will be five second-place prizes of \$1 million each and ten third-place prizes of \$100,000 each. The games launch on November 2.

## Ontario

Barrie Charity Bingo at 52 Bayfield Street will be the first of five Ontario bingo sites selected for a bingo revitalization project. Ontario Lottery and Gaming Corporation, Boardwalk Gaming Centre Barrie and the Barrie Charity Bingo Sponsors Association have partnered to launch a pilot project to revitalize the charity bingo industry.

Highlights of the revitalization pilot project include extensive renovations to the bingo centre itself to offer players a more comfortable and enjoyable environment, the testing of electronic bingo games, enhanced customer service, and a new revenue-sharing model among the bingo centers, charities and the province. Electronic bingo will give players the option of playing games through computer terminals and/or hand-held devices as a compliment to playing traditional paper bingo cards.

The Ontario Lottery has received a prestigious Diamond Award for its partnership in Ontario's AMBER Alert program. Diamond Awards are bestowed in seven categories by IT professionals and members of the public sector, and OLGC was acknowledged for excellence in the "Serving Ontario's Citizens Better" category.

## Oregon

The Oregon Lottery has decided to extend the term of their agreement with Oberthur Gaming for an additional three years until July 2008. The original contract, executed as of July 28, 2004, named OGT the Lottery's Primary Instant Ticket Contractor and included the option to extend for five additional years.

## Pennsylvania

The Pennsylvania Lottery conducted a "Buy 5 And Get 1 Free" Powerball with PowerPlay ticket promotion throughout October. To get a bonus \$2 Powerball with PowerPlay ticket, a player had to purchase five \$2 Powerball with PowerPlay plays for the next Powerball drawing. All five tickets, \$10 total, had to be purchased for the next Powerball drawing; advance play was not included in this promotion.

The Pennsylvania Lottery has been selected to host NASPL conference and tradeshow in September 2008. The conference will be held in Philadelphia. This is the first time in 31 years that the Pennsylvania Lottery has been selected to host a NASPL convention; Hershey was the site for a smaller industry convention in 1977.

## Wisconsin

The Wisconsin Department of Revenue successfully tested sending Amber Alerts to 3,100 terminals in convenience stores, gas stations and grocery stores. The alerts, including descriptions and photographs of the child and the suspected abductor, if available, will appear on behind-the-counter terminals that normally dispense lottery tickets. Clerks then can print out the written description and hand it to customers or display it. ♣

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