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# GAMING

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EXPO/ILAC 2006 Supplement



## EXPO/ILAC Keynotes: Little and Gleason



Presented by Public Gaming Research Institute

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On the Cover:  
Intralot USA President Tom Little; KLC President & CEO Arch Gleason; Oklahoma Lottery Director Jim Scroggins



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Public Gaming International is now also available on the web.  
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## Editorial: Welcome to EXPO/ILAC 2006!

By Todd Koeppen, Editor Public Gaming International magazine

Welcome to EXPO/ILAC 2006. Thank you for helping to make this important conference a truly international affair. EXPO/ILAC is dedicated to one proposition – introducing you to new ways to grow your lottery's business so that you can give even more dollars to your good causes next year!

We hope to achieve this by showing you new products, new ways to market existing products, and ideas that will help you trim your costs and improve your bottom line.

In addition, we're taking this opportunity to honor excellence in the Lottery industry with a host of awards, including six new inductees into the PGRI Lottery Industry Hall of Fame and the ILAC President's Award, among others. We are also continuing our long-standing tradition of honoring one individual with the Major Peter J. O'Connell Lottery Lifetime Achievement Award. This year that recipient is Oklahoma Lottery Director Jim Scroggins. Congratulations to all of our 2006 award winners!

### EXPO/ILAC Subject Matter:

**Internet/Wireless:** The inability or unwillingness of some jurisdictions to regulate Internet gaming has slowed the promise of this powerful sales tool, but the reality is that it can't be stopped. If your jurisdiction isn't selling games over the Internet already, it will be someday. That's why we feel it's extremely important that you hear how some lotteries are selling successfully over this medium.

**Video Lottery and the MUSL WAP:** There is no bigger cash cow for lotteries than video gaming. Nothing else even comes close. Now, with the Multi-State Lottery Association launching a wide-area progressive (WAP) game, connecting racinos in Delaware, Rhode Island and West Virginia, it's a whole new ball game. Expect to see the area for this WAP get even wider.

**Monitor Games:** Some of the biggest innovations are coming in the realm of keno/monitor gaming. Keno, racing games and monitor poker are just a few of the possibilities in this gaming category that works like a charm in social atmospheres.

**Bingo:** The worldwide phenomenon of Bingo continues as jurisdictions around the world refocus their strategies to play up to the social aspect of this gaming favorite.

**Instant Tickets:** Widespread distribution, multiple price points and excellent product diversity have made scratch tickets the biggest revenue generator for the majority of North American lotteries. Hear ideas to help drive your instant ticket program to new heights.

**Online Games:** The North American lottery industry has been putting a lot of effort into revamping online games in order to recapture players' interest. The result has been several new, exciting play styles.

**Advertising:** The sharing of television ads is an EXPO/ILAC tradition, and is always one of the most enjoyable parts of the program. It is an excellent way for lotteries to gain ideas on how to best market their products.

We hope you take full advantage of the learning opportunities on the program, as well as the chance to network with your peers so that you will have a fruitful EXPO/ILAC experience. At the same time, we hope you will be able to find time, in the off-hours, to enjoy some of the excellent entertainment options Las Vegas has to offer. ♦

Thank you,  
Todd Koeppen  
Editor, Public Gaming International



Thank you for making EXPO/ILAC an international affair!



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## 2006 Inductees to PGRI's Lottery Industry Hall of Fame

### Two Hall of Famers to Make Keynote Addresses

In 2005, the Public Gaming Research Institute launched the PGRI Lottery Industry Hall of Fame, honoring 14 individuals in the inaugural class. These 14 individuals, chosen by PGRI, now make up the body that chooses future inductees into the Hall. This year, six outstanding individuals were chosen for induction: Atlantic Lottery President and CEO Michelle Carinici, Scientific Games President and COO Michael R. Chambrello; Kentucky Lottery President and CEO Arch Gleason; Delaware Lottery Director Wayne Lemons; and Camelot CEO Dianne Thompson.

Two of this year's inductees are also serving as our EXPO/ILAC 2006 keynote speakers. They are Tom Little and Arch Gleason.

#### Keynote Speakers



#### Tom Little

*President and CEO, Intralot USA*

Intralot USA President and CEO Tom Little has played a major role in the development of instant game systems, on-line systems, terminal designs and many other important facets of lottery-related products and services. His background and related industry experience include: working at a senior level with more than 75 lotteries throughout the world on all aspects of lottery operations;

managing a major joint venture project with La Francaise des Jeux for terminal design and development, and the installation of over 15,000 validation terminals; and leading the team of industry professionals which was the first group representing an off-shore company to break into the North American online lottery market in over 20 years.

Little has been the President and CEO of Intralot USA, since its inception. Prior to that, he had twenty-five years experience with one company, Scientific Games, where he worked as a programmer analyst, an account liaison, Vice President of International Sales, and ultimately as Senior Vice President and part-owner.

Tom has made many important contributions to the long-term growth and success of the lottery industry. He managed, designed and implemented Scientific Games' first instant ticket system, first video lottery system and first on-line players' system. He collaborated on the invention of on-line lottery terminals featuring many new advances in lottery terminal functionality and operations. He also designed and implemented the first on-line video lottery system and terminal capable of dispensing prizes directly to the consumer.

Mr. Little has received the PGRI Achievement Award, and has been an invited speaker on numerous occasions at WLA and NASPL.

#### Arch Gleason

*President and CEO,  
Kentucky Lottery Corporation*

Arch Gleason, a past President of NASPL, MUSL, and current President of the WLA, was appointed President & CEO of the Kentucky Lottery Corporation in September 1993 after having served two separate terms as Director of the West Virginia Lottery.

Under his leadership the KLC has received numerous awards for outstanding performance in the areas of financial reporting and management, marketing and advertising, corporate social responsibility, minority business development, and human resources practices. The KLC has been honored by the Kentucky Council on Problem Gambling in 1999 & 2003, the National Council on Problem Gambling in 2003, and the 2003 Greater Louisville, Inc. Work Life Alliance Life Award for (the top) Medium (size) Business. The KLC was also recognized in 2005 as one of the "20 Best Places to Work" in Kentucky by the Kentucky Chamber of Commerce and the Kentucky Society of Human Resource Management. The KLC has set numerous annual sales and profits/dividends records during that same period increasing from \$486 million sales and \$99 million profits in 1993 to \$725 million and \$193 million in 2004.

During the mid-1990's, MUSL developed a strategic plan and reorganized. Gleason was the first MUSL President to serve a two-year term and was charged with responsibility of implementing many of the related changes. During his tenure as NASPL Vice President and President, he was instrumental in the establishment of the association's subcommittees for finance/accounting and information technology. He has also led and championed the development of NASPL's Standards Initiative, and has encouraged U.S. member lotteries to seek the Government Finance Officer's Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR). The KLC was the first Kentucky state government agency and second U.S. lottery to receive the CAFR and has achieved this distinction for 11 consecutive years from 1994-2004.

Individual awards received by Arch include the 1998 Business & Professional Women of River City Good Guy Award, the American Marketing Association Louisville Chapter Marketer of the Year 1995, the 2001 Human Resource Leadership Award from Louisville Society for Human Resource Management, and the 2004 PGRI Major Peter J. O'Connell Lottery Lifetime Achievement Award.



**IGT is proud to honor  
Lottery Industry Hall of Fame inductees  
Michelle Carinici, Mike Chambrello, Arch Gleason,  
Wayne Lemons, Tom Little and  
Dianne Thompson.**

You are the stars of the Lottery Industry.  
Your talents helped to shape our industry, and we thank  
and congratulate you.





## 2006 Hall of Fame Inductees

**Michelle Carinci**

*President & CEO, Atlantic Lottery Corporation (ALC)*

Strategic. Visionary. Responsible. Driven. These are prevailing characteristics in Michelle Carinci's life and have earned her recognition among Atlantic Canada's Top 50 CEOs for 2003 and 2004. Michelle's leadership has also earned Atlantic Lottery recognition as one of Canada's Top 100 Employers in Maclean's news magazine annual survey.

Michelle has more than 30 years' experience in leadership positions, including the Western Canada Lottery Foundation, the British Columbia Lottery Corporation and at GTECH Corporation.

With an extensive background in marketing and organizational development, Michelle has directed and managed several international conferences. She developed and facilitated educational programs for lottery management and played a key role in the development of the "Erewhon" case study. She was instrumental in the development of the first international lottery database, used by NASPL. She has been active in various WLA, NASPL and Interprovincial Lottery Corporation (ILC) industry committees and executives over the past two decades, including current roles as a member of the NASPL Education & Training Committee, and as chair of the WLA's Corporate Responsibility Committee.

Under Michelle's leadership, ALC has forged ahead in the development of new gaming opportunities and new delivery channels offered responsibly. PlaySphere, which allows Atlantic Canadians to purchase lottery tickets in a secure, geographically-controlled online environment, is an example of this forward thinking. Atlantic Lottery has adopted several stringent, industry-leading measures to ensure that PlaySphere maintains the corporation's commitment to, and reputation for, responsible play.

Long involved in her community, Michelle serves on the board of directors for the Atlantic Provinces Economic Council, the board of directors of LearnSphere, and the New Brunswick board of governors for Junior Achievement. Michelle is involved in the New Brunswick Peter Gzowski Invitational Golf Tournament for Literacy, serving as chair in 2003 and 2005 and as co-chair in 2002, 2004 and 2006. She is also a member of the Atlantic Ballet Theatre's fundraising committee.

Michelle's commitment to Atlantic Canada's economic growth and improving its quality of life is equally unwavering. Whether it's a corporate objective or a charitable event, Michelle has a passion for making a difference.

**Michael R. Chambrello**

*President and Chief Operating Officer, Scientific Games*

Michael Chambrello joined Scientific Games in July, 2005 as President and COO. Previously, Mr. Chambrello was President and CEO of Environmental Systems Products Holdings, Inc. (ESP) – the industry leader in providing emissions testing systems and service solutions to government agencies. Chambrello is also the former

CEO of Transmedia Asia Pacific, Inc. and Transmedia Europe Inc. – companies that provide customized membership and co-branded affinity programs to companies and associations worldwide, through traditional and web-based channels. Prior to Transmedia, Mr. Chambrello was President of GTECH Corporation, and Executive Vice President of GTECH Holdings Corporation (NYSE), providing full service solutions to the lottery and entertainment industry. In his almost 20 year career at GTECH, revenue grew from \$1 million to nearly \$1 billion.



Mr. Chambrello is a member of the Board of Directors of Environmental Systems Products and the Northeast States Clean Air Foundation (NESCAF). Previously he has served on the Board of Directors of various public and private high technology companies as well as various not for profit organizations.

Mr. Chambrello earned a BS in Economics from Southern Connecticut State University and attended Graduate School in the American University's Kogod College of Business.

**Wayne Lemons**

*Director, Delaware Lottery*

Wayne Lemons has served as Delaware Lottery Director since being appointed by Delaware's Governor in February 1991. He holds Bachelor of Science and Master of Science degrees from the University of Arkansas, where he served as Assistant Professor.



Lemons is a former President of the Multi State Lottery Association. While President, he lead the organization through the development of its first strategic operating plan. He is currently on the executive committee of both the Multi State Lottery Association and the North American Association of State and Provincial Lotteries.

In 1994 Video Lottery Legislation was passed by the Delaware General Assembly. Lemons has lead the Delaware Lottery to one of the most successful Video Lottery operations in the U.S.

Prior to joining the Delaware Lottery, Lemons was Director of Marketing International for Hercules Incorporated, based in Wilmington, DE.

**Dianne Thompson, Chief Executive**

*Camelot Group Plc*

Dianne Thompson is Chief Executive of Camelot Group Plc, operator of the UK National Lottery.

Thompson joined Camelot in 1997 as Commercial Operations Director and took over as Chief Executive in December 2000 when Camelot was awarded the second license to operate the lottery. As



Chief Executive Thompson has developed and driven Camelot's strategy for growth, which has succeeded in delivering the longest period of growth in the history of The National Lottery, with year-on-year sales up in 2003/4, 2004/5 and 2005/6 (to date). Camelot also runs the world's most successful interactive lottery via the internet, interactive TV and Play by Text – with more than 1.3 million registered players. Thompson is leading the company in the competition for the third lottery license, a process which includes a root and branch evaluation of the business and game portfolio.

Dianne has a strong personal commitment to social impact both inside and outside of the company. She chairs Camelot's Social Responsibility Board and champions CSR throughout the company. Camelot is ranked 43rd in the Sunday Times 100 Best Companies To Work For 2006 list and is in the top 30 in Business In The Community's Social Responsibility Index, jumping 45 places in 2005 from 78th to 27th and coming first in the leisure category. Camelot has achieved GamCare accreditation for National Lottery games on sale via the internet, interactive TV and mobile phones – and was one of only two organizations in the UK to refuse to sell tickets online in an NCH test purchase scheme. Outside of Camelot, Dianne is Chair of the ChildLine Foundation and has personally committed to raising £1 million for the charity.

She is a Fellow of the Royal Society of Arts, the Marketing Society, and the Chartered Institute of Marketing. Dianne is also a Companion of the Chartered Management Institute and a liveryman of the Worshipful Company of Marketors. Dianne has previously been awarded the titles of both Veuve Cliquot Business Woman of the Year 2000 and Marketer of the Year by the Marketing Society in 2001. ♣

**ILAC President Awards**

Public Gaming International is presenting a new award this year, one to honor the heads of Latin American lotteries that have been in their position for three years or longer. This year's recipients are:

**Presidents Awards:****Brasil**

Loteria do Estado do Rio de Janeiro  
Kelly Mattos, Presidenta

**Colombia**

FEDELCO (Federacion de Loterias Colombianas)  
Dra. Claudia Munoz, Directora ejecutiva

**Guatemala**

Loteria de Santa Lucia  
Lic. Manuel Lopez, Director General

**Guatemala**

ILAC de Guatemala  
Maria Castillo, General Manager

**Peru**

Mario Alvarado  
Mario Alvarado ♣





## Betware Presents the Turn-Key Solution for Internet Wagering

The newest solution developed by Betware started with the idea of being able to sell a solution which came as a package with features and games included. Betware's solution so far has been a highly customized one, done to client specifications with hours spent on personalizing all the generic features for any new client. The Turn-Key solution was born from a need to keep things more simple during implementation both at Betware and for new clients and to be able to offer smaller lotteries a good packaged "deal" without putting a constraint on the budget. "The Turn-Key is a natural evolution of product development within Betware. We started initially focusing on building a robust and secure wagering platform. Then we customized lottery specific applications on top of the platform, mostly web and mobile applications. This has worked fine in the past, but customizing applications from scratch is both time-consuming and expensive," says Olafur Andri Ragnarsson, Chief Software Architect at Betware. The ease of implementation and cost benefits also result in a "shorter-time-to-market" a lottery's product offerings.

# Betware

Lotteries around the world are changing. They are increasingly competing for the attention of their players, and in some areas, like in sports betting, they are facing a fierce competition from the private market. This has led them to change their marketing strategy. Instead of developing ideas for newer games and specifying more innovative products, they are looking at different vendors for solutions. When a lottery decides to offer a particular game, they look for a game vendor that has the game. However, they are no longer looking at a single vendor to provide all solutions.

The Turn-Key solution provides horizontal platform services, such as wagering and customer support. It also provides implementation of typical lottery web applications. Lottery web applications usually provide similar functionality. Players register, they login and logout, they transfer money, buy tickets, and view their profile and actions. All this functionality, and more, is provided by the Turn-Key solution. However, the Turn-Key solution is component built, which means that lotteries can configure which parts of the solution they want and how these parts should behave. For example, registration flow is usually customized for different lotteries and the Turn-Key solution would provide a way to make this customization easy.

Furthermore, the application and the way it looks to the player are separated. This means that it is easy to customize the way the web application looks. Most of the customization of the Turn-Key solution is to provide the look and feel, or branding the web for a particular lottery. This also means that the positioning and the layout of the web page can be customized.

The Turn-Key, being a systems-independent solution, can be integrated to any other gaming vendor's central system or run as is. Offered as standard with the Turn-Key solution are the gaming platform along with three games, namely, Lotto, Toto (traditional 1x2 pools game) and Oddset Long List. At present Betware is also working to offer its instant

games in the Turn-Key package. Additionally, the Turn-Key solution has built-in support for all games currently developed by Betware. When implemented for a lottery, the Turn-Key solution would come with features like Live Betting, which would enable a lottery's customers to bet on live events during the event, Risk Management, a service which is designed to monitor sales and/or liability in order to minimize the risk for sports betting operators and Event Management, which allows the lottery to manage the events offered in sports betting games. The Event Management Application allows a lottery to enter, import, edit events (like soccer games), set handicaps, odds, TV information and so on. Besides all these features, the Event Management Application supports multiple bet types, for example three-way, two-way, handicaps etc.

The Turn-Key solution is being hailed as a "break-through solution in the gaming industry" by Icelandic Lotteries' CEO Bergsveinn Sampsted. Betware has been the gaming services vendor for the Icelandic Lotteries – Islenskar Getspa and Islenskar Getraunir – since 1996 when Islenskar Getraunir was the first lottery to put sports betting on the Internet. The recent changeover from the old system to the new system took place in early June, just days before the soccer World Cup, to allow for the addition of a new game which uses the live betting functionality. "Upgrading to the Turn-Key solution was the way forward for us," said Sampsted at the time of signing the contract, "Many of the smaller lotteries would find what they are looking for in Betware's Turn-Key solution since something like this has not been offered before in the gaming market. It is a feature rich solution that does not need customization in the first instance, so it is affordable by the smaller lotteries."

The Icelandic lotteries are Betware's second client to choose the Turn-Key solution. The first to buy the solution were Chariot (UK) plc, the company behind "monday – the Charities Lottery" lotto game in the United Kingdom. ♣

For more information on the Turn-Key solution of other Betware services please contact [info@betware.com](mailto:info@betware.com). Submitted by Betware.



## Another Major Order for KEBA from the Österreichische Lotterien GmbH

KEBA, the Linz automation professionals, wins the international call for quotations by the Österreichische Lotterien for more than 4,400 new lottery terminals, thus defending its position as exclusive supplier.

8,700 lottery terminals of the KEBA KeWin terminal family have already been in successful use for the Österreichische Lotterien for many years. Austria's lottery agencies will now be equipped with the latest generation of terminals.

The granting of the order for new lottery terminals in May 2006 continues a longstanding, successful partnership. The new order includes the delivery of 4,400 KeWin multimedia terminals.

In 1999, KEBA equipped 4,200 lottery agencies in Austria for the first time with KeWin multimedia terminals, the high-speed lottery terminals for agencies with medium to large betting slip volumes. Three years later, KEBA scored once more with high quality features and best price/performance ratio, again prevailing against international competition. In 2002/2003, 4,780 KeWin mini terminals were delivered to the Österreichische Lotterien. The latest generation of KEBA terminals differs from its predecessors in the integrated barcode reader and in the connection options via both fixed line and wireless networks, as well as in an additional thermal print head for stamping the receipts.

"In addition to the high level of satisfaction with the terminals already out in the field, the exceptional product features such as the speed and precision of our systems were crucial for the renewed success of KEBA with the Österreichische Lotterien," according to Gerhard Luftensteiner, Board Member of KEBA AG.

The KeWin multimedia terminal offers maximum reliability and constant availability through the combination of high-quality PC components with industry standards and state-of-the-art PC technology. The operation and display via the graphics-capable TFT color display with touchscreen, the high-performance scanning of betting slips up to DIN A4 with the highest recognition rates and the automatic data processing were able to convince the Österreichische Lotterien once again.

Furthermore, as well as the most powerful and most reliable system, KEBA offers the quietest product on the market at the same time. The KeWin multimedia terminal achieved the highest score in the technical evaluation during the selection process. And even an external testimonial, created by the A-SIT center for reliable information technology, determined that the KEBA terminal best meets the demands of the Österreichische Lotterien.

In addition to the impressive product features, the great flexibility of the Linz terminal manufacturer proved decisive as KEBA was able to quickly and professionally implement the adaptations specific to the Österreichische Lotterien.

### KeWin: The principle of the family

The highest degree of modularity is the exceptional feature of the KeWin terminal family, which enables a terminal mix of the KeWin multimedia and KeWin mini systems to be precisely matched to the betting slip volumes of the respective lottery agencies.

This means one-off investments can be technically and functionally extended to optimally adapt to changing market conditions and applications. Above all, the common hardware and software architecture makes the family flexible and cost effective so the system components can be individually configured as required, thus enabling them to be perfectly tailored to the specific requirements.

KEBA KeWin terminals have an open system architecture that allows freedom of choice with regard to operating systems and HOST connections. ♣

Submitted by KEBA.



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# Electronic Game Card An International Lottery Players' Survey

By Phil Kopel, President Kopel Research Group, Inc.



A product called an Electronic Game Card is being offered as a new concept for Lotteries. We tested this concept with our International Market Research ePanel. The version we showed to respondents looked like a pocket slot machine. It is about the size of a credit card, is battery powered, and plays like an Instant Pick 3 game.

## The card works like this:

To begin, the player presses the "Play" button on the front of the card, displaying the starting number of plays – in this case, 80 plays. By pressing "Play" again, the card reveals a three-digit number. If any of the numbers displayed match the combination of numbers specified in the prize grid, the player wins the corresponding point amount. Each time the player reveals a winning combination, the combination flashes a message of how many points it is worth. After each play, the card automatically accumulates the points throughout the 80 plays. Each point is worth 25 cents.

The Electronic Game Card we showed would cost \$20 for 80 plays. Each game card is guaranteed to pay back a minimum of \$3.

Approximately 2,000 Lottery players make up KRG's international marketing research panel (66 percent are from North America and 34 percent are from Australia, Asia and Europe). The panel is 50 percent male and 50 percent female and age distribution is 35 percent 18-34 years; 50 percent 35-54 years; and 15 percent 55+ years old.

The findings presented below identify differences across market segments. All differences cited are statistically significant at the 95 percent level.

## Results of Research Panel

Respondents were able to "test drive" the look and feel of the game by playing a demonstration version of it on a web site.

After experiencing the demo, the respondents were asked how likely they would be to play this product if it was offered by their lottery.

First they were asked how likely they would be to buy this product if the card cost \$20 and there were 80 plays to the card:

Overall, 53 percent say they definitely or probably would buy a \$20 card offering 80 plays – only 12 percent say they definitely would buy it.

- Those 18-34 and 35-54 years old are more likely to play it than those 55+
- There is no significant difference based on gender.

Next they were asked how likely they would be to buy this product if the card cost \$50 and there were 200 plays to the card:

Overall, just 32 percent say they definitely or probably would buy a \$50 card offering 200 plays – only 7 percent say they definitely would buy it.

- Respondents aged 18-34, are significantly more likely to buy this card than 35-54 and 55+ age groups.
- Although respondents 35-54 are significantly less likely to buy this card than those 18-34, they are significantly more likely to buy this card than the 55+ age groups.

- Males are significantly more likely to buy this card than females.

Finally, they were asked how likely they would be to buy this product if the card cost \$100 and there were 400 plays to the card:

Overall, only 23 percent say they definitely or probably would buy a \$100 card offering 400 plays – only 6 percent say they definitely would buy it.

- Once again there is disparity across the age groups. Respondents 18-34 are significantly more likely to buy this card than 35-54 and 55+ age groups.
- Although respondents 35-54 are significantly less likely to buy this card than those 18-34, they are significantly more likely to buy this card than the 55+ age groups.
- Males are significantly more likely to buy this card than females.

Respondents were provided with a list of possible game concept designs and asked to

choose up to 3 themes that they would be most interested in playing. The following 2 charts show the themes in overall descending order of interest, broken out by age group and gender:

- Lottery players 18-34 and 35-54 year old, appear more interested in Bingo, Texas Hold 'Em, Tic Tac Toe, Match Game, Hangman and Caribbean Stud than those 55 and older.
- Games like 5 Card Draw and Pick 3 appear to have similar appeal across all age groups.
- Lottery players 55 and older are significantly less likely to play this game and consequently many of them have little interest in any of the themes.
- Females are significantly more interested in games like Bingo, Tic Tac Toe, Match Game and Hangman than Males.
- Males are significantly more interested in gambling oriented themes like Texas Hold 'em, 5 Card Draw, 7 Card Stud, Horse Racing and Caribbean Stud than Females.

Overall, among themes tested for the Electronic Game Card:

- Bingo is the clear leader.
- There is a virtual 6 way tie for second place: Texas Hold 'Em, 5 Card Draw, Pick 3, Tic Tac Toe, Match Game and Hangman.
- Keno, 7 Card Stud, Horse Racing and Caribbean Stud Poker appeared to have somewhat less appeal.

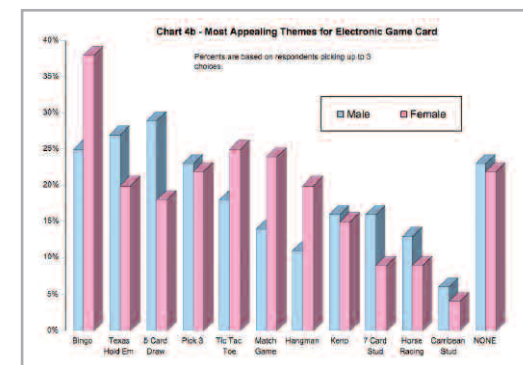
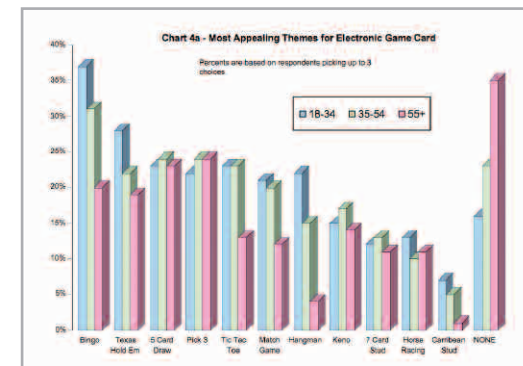
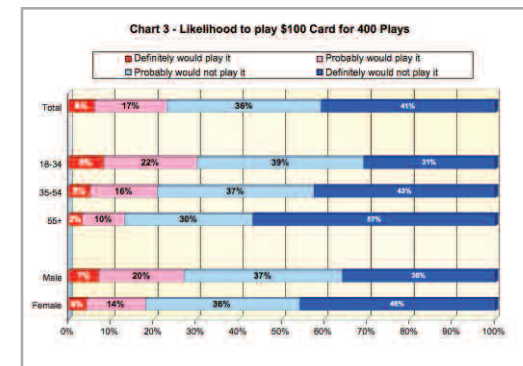
## Summary

The Electronic Game Card concept offers a new and innovative opportunity to reach the Lottery playing marketplace. While there is a fairly large percentage of Lottery players that show a potential interest in playing this game, most of that interest appears to be less than enthusiastic (probably would play rather than definitely would play).

However, one of its strengths is that it appeals mostly to the 18-34 year old and male market segments, an audience that is traditionally hard for lotteries to reach. ♦

**The Author:** Philip Kopel, is President, of Kopel Research Group, Inc. The company provides a variety of Lottery market research solutions, including; ePanel management, game and player segmentation analysis, game mix optimization, sales forecasting, statewide benchmark studies, and retail agent feedback.

For more information visit [www.kopel.com](http://www.kopel.com).



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# The Purpose and Power of Color Design

By Jason A. Morris, Asst. Professor, Western Washington University

Color may be the most influential factor in the decision to buy, or not to buy. In Malcolm Gladwell's book, Blink: The Power of Thinking Without Thinking, he suggests that when presented with a choice, the subconscious mind makes a decision within just a few seconds. Even before one rationalizes and investigates the choices, the mind through rapid cognition has already been made up. In relation to design, that critical decision is the purchasing decision. Within those first few seconds the majority of the information that is available is visual information and one of the most dominant aspects of that visual information is color. So, considering this, the application of color and finish in design becomes much more important than one first thought.

### The Power of Color

Color can dominate all other factors of a product design's success. One might not buy or drive a Porsche automobile if it were a hideous color, despite the quality of manufacture and engineering, prestige of the name, or the high performance. The same is true with home appliances, consumer electronics, soft goods, sports equipment, shoes, lottery tickets, and practically every area of design. A poor choice of color and finish can make or break the success of a product.

So why, in our efforts to design products, do we spend most of our time exploring form and usability, while color is often a last minute after-thought?

The main reason is that many people view color as purely subjective

decoration, and simply a matter of personal preference. However, colors chosen for a design can be meaningful, purposeful, and even functional. Choosing color in design is an objective decision that is as important as the function and form.

The following is a discussion of four ways that color can be purposefully used in design.

### 1. Color as association

Color can have high emotional and symbolic associations. It can be applied in design to conjure up soothing emotions or vivid memories to the user. These associations vary by culture, geography, and generation. These emotions seem to come from general associations the mind makes with that color through long-term memories. These memories were developed throughout our lifetime through repetition or specific indelible events.

For instance, when asked to describe what they like about the Apple iPod, most people say that it looks clean. Why is this a common description? Consider the material, finish and colors. It is glossy white and polished stainless metal. For most people in America, every morning of every day of their lives they spend time cleaning themselves in a room that is usually made of white porcelain with polished metal fixtures. The bathroom is a place of cleaning and cleanliness, and this association is ingrained deeply into the mind.

Colors can also be meaningful by associated symbolism. This is par-

continued on page 20...

### The following are some common associations with colors in Western culture:

COLOR	COMMON ASSOCIATIONS	EMOTIONS AND SYMBOLISM
red	blood, fire, lava, roses, apples, lady bug, ball, balloon, sports car	warmth, passion, love, stimulating, vigorous, exciting, irritating, danger, courage
orange	fire, sunset, orange (fruit), tiger (Bengal), pumpkins, autumn	heat, burning, glory, laughter, harvest, happiness
yellow	sunlight, daffodils, cheese, duck, birds	brightness, liveliness, joy, happiness, egotist, intelligence, cowardice, decay, sickness
yellow/green	spring leaves, amphibians	growth, youth, verdant, fresh, cheerfulness, peace, faith
green	leaves, grass, evergreens, frogs, pears	restful, growth, relaxation, efficient, quiet, victory, environmental
green/blue	sea, Caribbean ocean, turquoise	cool, clean, mystery, song, poetry, aloofness
blue	blueberries, water, sky, sea, ocean	loyalty, cool, spaciousness, safe, conservative, sensible, spirituality, serenity, mystery, truth
violet/purple	grapes, royalty, scarlet	dignified, regal, seductive, richness, melancholy, aesthetic, sadness, piety
pink	Barbie, young girls, pigs	feminine, delicate, youthful, romantic, sweet
brown	earth, dirt, wood, bread, dogs, bears, leather, chocolate	grounded, earthy, soft, furry, substance, stability
black	night, olives, dominoes, shadow, tuxedo	mourning, dignity, death, formal, classic, elegant
white	clouds, milk, snow, polar bears, swans, sheep, porcelain, doves	purity, clean, holy, winter
grey	fog, shadow, elephant, pavement	practical, timeless, classic, ambivalent, distance, shadowy
silver	silver, platinum, steel, spoon, faucets	classic, cool, strength, value, high tech
gold	gold, jewelry, coins	value, rich, preciousness, radiant, warm ♣



# PGRI Lottery Lifetime Achievement Award Winner: Jim Scroggins

Every year, Public Gaming Research Institute singles out one outstanding individual to receive the Major Peter J. O'Connell Lottery Lifetime Achievement Award. Oklahoma Lottery Director Jim Scroggins is this year's recipient. Throughout his 28-years experience in the U.S. lottery industry, Scroggins has an excellent track record in growing sales and profits.

Scroggins was hired June 6, 2005 to start-up the Oklahoma Lottery. By October 12, 2005 the Lottery had already begun selling instant tickets, and launched online games less than a month later, on November 10, 2005. Sales through February 25, 2006 reached \$115 million.

Prior to his position in Oklahoma, Scroggins spent 13 years (1992-2005) as executive director of Missouri's State Lottery program. In that time the Lottery's annual sales grew from \$220 million in 1992 to a high

of \$791 million in 2003. Net profits grew from \$66 million to \$230 million during the same period.

Scroggins also spent four years heading the Pennsylvania Lottery (1987-1991), growing annual sales from \$1.3 billion in 1987 to \$1.5 billion in 1991.

Jim first broke into the lottery industry by holding three key management positions with the Illinois Lottery from 1978 to 1984, seeing sales grow more than 1000-percent, from \$83 million to \$886 million. During that time period he held the positions of: Controller, where he directed legislative approval of annual operating budget and legislation; marketing director, and executive assistant to the director.

After his years in Illinois, Scroggins spent time on the vendor side of the market, as director of new business development for Webcraft Games, and director of lottery services for Laventhol and Horwath.

Scroggins is a past president of both NASPL and MUSL. He holds an MA in Psychology (University of Illinois Springfield) and a BS in Business Administration (SIU – Edwardsville) with post graduate course work in accounting, management and communications. ♣

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# Bingo: Breathing New Life Into an Old Game!

The face of bingo is changing. For a while it looked like this timeless gem might be reaching the end of its run, but new technology and recent attempts at redefining bingo halls is breathing new life into the game.

Here’s a look at what some bingo jurisdictions are doing to revitalize interest in their halls.

### British Columbia – Community Gaming Centers

The British Columbia Lottery Corporation recently undertook a venture to change the way the public looks at bingo halls, changing them into Community Gaming Centers.

Community Gaming Centers (CGCs) are designed to provide a fun and entertaining social setting where a player can play traditional paper-based bingo and electronic bingo with personal play options, in addition to a selection of other games that may include Keno, a variety of lottery products, off-track horse betting and slot machines. The facilities are also enhanced with comfortable seating options and amenities such as restaurants and lounges.

BCLC has worked in collaboration with Bingo Service Providers to develop the CGC gaming model and provide enhanced entertainment options for B.C.'s bingo industry.

Community Gaming Centres are about offering players an assortment of gaming and entertainment options, with bingo being the principal game. The CGC model will help revitalize and strengthen the game of bingo, which has been in a state of decline across North America, and restore a vital conduit through which gaming revenues are channeled back into local community charitable groups through affiliation with local bingo operations.

CGCs will build on the unique appeal of the current bingo gaming experience and will be enhanced with upgraded facilities, services and product offerings. An inviting social meeting place where customers can partake in gaming activities, a CGC may attract new customers to bingo facilities, such as people who have not traditionally sought out a bingo hall.

Local government approval must be obtained before a CGC with

operational slot machines can be located within a municipality. By February 2005, CGCs were approved in eight locations - Dawson Creek, Williams Lake, Kelowna, Campbell River, Fort Nelson, Courtenay, Kamloops and Fort St. John.

Bear Mountain Bingo in Dawson Creek became operational with 50 slot machines on October 1, 2004 and Signal Point Gaming Centre in Williams Lake began operating on November 3, 2004 with 97 slot machines.

In March of 2005, Enterprise Entertainment in Kamloops opened its doors with a purpose built, 700 seat, state-of-the-art bingo facility. Players have a variety of comfortable seating options in the climate-controlled environment, including 312 electronic touch-screen bingo terminals that feature a new gaming system.

In its 24,000 square feet, Enterprise Entertainment boasts a first-class restaurant, and comfortable lounge areas where electronic, paper bingo and Keno are available. There are also private suites where groups can book bingo party functions.

The creation of Enterprise Entertainment was a concept developed jointly by British Columbia Lottery Corporation (BCLC) and Pat and Gary Hart, who are contracted by BCLC to provide bingo operational services. The facility will be the new home for Brock Bingo and its affiliated charitable and community organizations.

### Bermuda – Daily Linked Games

In January, Bingo venues in Bermuda joined in an effort to offer linked bingo games on a daily basis. The country is hoping that the fact that their linked games operate on a daily basis will make them a mecca for bingo fans around the world.

Players continue to use the traditional game cards and pen markers, but, with each of the venues being linked electronically, all the players receive the numbers at the same time. When someone calls a bingo, game staff at that facility will push a button to let other venues know that a card is being checked.

Five venues signed up for the launch of linked games and others have expressed interest.

### Ireland – Rehab Bingo

In Ireland, Rehab Bingo is continuing rapid growth from a successful 2005 launch by surpassing the €2 million payout mark in its first six months of operation. Rehab Bingo, a division of Rehab Lotteries, is bidding to break into the €150 million global online bingo business in an effort to raise funds to develop vital new services for people with disabilities and those who are socially marginalized.

Bingo has always been a hugely popular method of charity fundraising in Ireland and Rehab believes that the online version of the game will continue to become even more popular. Rehab Lotteries managing director, Dr. John McGuire noted that around three quarters of regular Internet bingo players at present are women despite the fact that up to now they had very little involvement in an online gaming market which is now worth €2 billion a year in Ireland alone.

### Mexico – Apuestas’ Bingo Halls

In March, Multimedia Games announced that it has been selected by Apuestas Internacionales S.A. de C.V. to provide traditional and electronic bingo gaming, technical assistance, and related services for Apuestas' locations in Mexico. Apuestas was granted a permit by the Ministry of the Interior of Mexico to open 65 facilities throughout Mexico to operate bingo and sports books.

Multimedia Games will initially train Apuestas personnel in traditional bingo games, and provide all of the electronic bingo units for the first facility, which is expected to open during the second quarter of 2006. After the initial six months, Multimedia will provide 70 percent of the units in the establishments opened by Apuestas. During calendar 2006, approximately 10 facilities are expected to come online.

### Ontario – Bingo Revitalization Project

In September, 2005, the Ontario Lottery and Gaming Corporation undertook a project to revitalize the charity bingo in its jurisdiction. Five bingo centers were chosen for the pilot project. Sites were chosen because they are isolated from other bingo centers, allowing for a cleaner, more controlled testing market, as well as ensuring that the upgraded facilities won't compete with business at other centers.

Highlights of the revitalization pilot project includes extensive renovations to the bingo centers in order to offer players a more comfortable and enjoyable environment, the testing of electronic bingo games (including handheld and tabletop devices), enhanced customer service, and a new revenue-sharing model among the bingo centers, charities, municipality and the province. Electronic bingo will give players the option of playing games through computer terminals as a complement to playing traditional paper bingo cards.

In addition to offering a new way to play, the bingo pilot project sites also feature refreshing new interiors to make the bingo centers a place where people will want to be. The new amenities plus the new electronic options for play will help to grow the popularity of bingo and ensure reliable funding for local charities into the future.

The five locations involved in the project are Barrie, Kingston, Peterborough, and Sudbury, and one other site to be developed in Toronto.

### The Philippines – Bingo Boutique Expansion

Leisure and Resorts World Corp. is reportedly allocating P100 million to be used for the expansion of bingo operations in the Philippines. The company is reportedly planning to launch 30 to 50 bingo boutique outlets (stand-alone sites with an average area of 100 square meters, containing 20 electronic machines and one rapid terminal) across the country. Most of the company’s current bingo facilities are located in shopping malls.

The company, which currently has 819 e-bingo machines and 49 rapid terminals, is also planning to place 350 additional e-bingo machines and 15 rapid bingo terminals in 36 outlets.

### Sweden – Svenska Spel to Refurbish Halls

Svenska Spel will begin helping local sports in Sweden to raise money for their activities through bingo halls in October of this year. The Lottery has been cooperating with bingo entities for the last five years.

Now, 20 bingo halls have signed a contract with the Lottery, and 20 more may join the pact. Svenska Spel will completely refurbish these halls, giving them a new design and technology which makes it possible to have local as well as national jackpots, and the whole range of Svenska Spel’s products which are available at www.svenskaspel.se (except Internet poker), including a variety of bingo games which the Lottery has offered online since 2003.

Svenska Spel is looking to broaden bingo's player base – which currently hovers at 200,000 out of a possible 1.8 million – attract a younger audience and make the bingo halls more of a community activity.

### Texas – Bingo Boom

Non-profit organizations across Texas that conduct charitable bingo games reaped significant gains during calendar year 2005, bringing in just over \$633.6 million or 4.8 percent more in gross receipts than in 2004.

*“Calendar year 2005 was the sixth-highest year for gross receipts since we started keeping records in 1982, and \$29.1 million above the 2004 figure of \$604.5 million,”* said Billy Atkins, director of the charitable bingo division of the Texas Lottery Commission. *“The gross receipts are a clear indicator of bingo’s popularity, and they also tell the story of why there was a notable rise in total prizes. Prizes in 2005 were \$471,390,751, \$26.8 million more than in 2004.”*

As a result of conducting charitable bingo games, non-profit organizations across Texas can celebrate another milestone; reaching \$800 million in proceeds from the conduct of games since 1982.

Bingo games as they are played in Texas today aren’t your grandmother’s old game anymore. Decades ago, bingo was played with small piece of paper and kernels of corn that players would put on the paper. *“Now games are played with pull-tabs as well as card mind-ing devices, which are electronic devices that allow players to play up to 66 cards at the same time. So, bingo has made the jump to the 21st Century,”* Atkins said.

In Texas, there are 1,265 non-profits that conduct charitable bingo games to raise money for their charitable causes. ♣

### Scientific Games to Implement and Operate Electronic Bingo Game for Michigan Lottery

Scientific Games has been awarded the contract to operate the new progressive jackpot electronically linked bingo game (ELBG) for the Michigan Lottery. The five-year contract, valued at approximately \$4 million, grants exclusive rights to Scientific Games. The new ELBG system will electronically link approximately 600 bingo halls and offer larger progressive jackpots to the players. The new system will also provide additional security and monitoring capabilities to the Michigan Lottery.

*“Bingo brings important funding to the state of Michigan,”* said Lorne Weil, Chairman and CEO of Scientific Games. *“We are looking forward to working with the Michigan Lottery and Charitable Gaming to introduce these game enhancements that will help to increase both revenues and attendance.”*

*“Scientific Games submitted the strongest proposal for this new kind of game and I am eager for them to begin implementing it,”* said Gary C. Peters, Commissioner of the State of Michigan Bureau of State Lottery. *“I believe the legions of Michigan bingo players are going to love it.”* ♣



# How to Spur Instant Ticket Growth: Pennsylvania Focuses on the Four P's and More

## A Case Study of the Pennsylvania Lottery



The four P's of Marketing – Product, Price, Place and Promotion. Anyone who sells anything understands the value of these basic principles, and the Pennsylvania Lottery is no different. Pennsylvania Governor Edward G. Rendell made it clear that boosting Lottery sales was a top priority. The only Lottery in the nation that dedicates all proceeds to programs that benefit older residents, the Pennsylvania Lottery had to increase sales to answer the demands of a growing older population. “I challenged my administration to come up with innovative and aggressive ideas; ideas that will not only drive sales, but will also get more Pennsylvanians – players, non-players, business and community lead-

ers – talking about and involved with the Lottery,” said Governor Rendell. To answer the Governor’s call, Revenue Secretary Gregory C. Fajt and Executive Director of the Pennsylvania Lottery Ed Mahlman began to develop a new philosophy for the Pennsylvania Lottery – one that combined industry best practices with new ideas and innovations to transform the Pennsylvania Lottery into an efficient business.

In just four years, the Pennsylvania Lottery has grown instant games sales more than 100 percent. In fiscal year 2002-03, the Pennsylvania Lottery achieved instant games sales of \$796 million, and the Lottery expects to finish the current fiscal year at \$1.6 billion in instant games sales. To achieve this kind of sales growth, the Lottery developed a plan with a phased approach and specific and measurable short- and long-term goals. The goals were based primarily on industry best practices, as the Lottery took a long, hard look at what other successful instant games programs were doing and decided to adapt and implement similar practices in Pennsylvania. Every step along the way, Lottery leaders realized, required focus on improving each of the “Four P’s”.

### The Game Plan

A review of Pennsylvania instant sales in January of 2003 showed a game category that was underdeveloped. “Our total prize payout of 51.5 percent and instant game annual per capita spend of \$60 were both well below industry averages, yet we had a strong online sales base,” said Mahlman, “so the potential for big instant game growth was there. Because the Governor and Secretary had set down equally big goals, we needed a comprehensive plan to assure that instant game growth would absolutely be all it could be.” A dramatic overhaul, then, was begun in the early weeks of the year involving:

- Total prize payout,
- Price points,

- Payout by price point,
- Game themes, and
- Ticket call outs.

“However,” Mahlman added, “for product changes to be most effective, they had to be linked to yet other dramatic changes to the game plan.” Specifically:

- Retailer count,
- Retailer incentives,
- Self-service ticket vending units, and
- Advertising.

And, finally, the plan couldn’t just address instant games. A separate online game development program focused on maintaining a strong online/instant sales split. This not only would increase revenue from better-yielding online games but also enable the Lottery to develop instant games more robustly. Mahlman concludes, “If we don’t look at online and instant together, two bad things happen: instant growth slows sooner and overall incremental growth is less than it could have been.”

Working closely with Deputy Directors with over 70 years of combined service in the lottery industry and with this plan in place, the “Four P’s” were then squarely addressed for instant games.

### Product

One of the first things the Pennsylvania Lottery did to enhance the instant game product in May 2003, was to increase prize payouts by 3 percentage points. This change was important to implement early-on for two main reasons. First, the increase was phased in with new game introductions, therefore it would take some time to affect the entire product line. As older games were retired and removed from the market, they were replaced each month with new games that featured the higher prize payout. Secondly, the Lottery realized that a higher prize payout would result in more winning experiences, and more winning experiences for players and retailers would build momentum for future changes.

Another early step for the Lottery was to increase the total number of instant games available for sale, and that number now consistently hovers in the mid-50s.

“In looking at how some of the best lotteries operate their instant ticket programs around the country, the level of the mid-50’s seems to be a common denominator for all successful lotteries,” said Mahlman

The Lottery also focused early on improving product design, early in the plan. The Lottery worked with its vendor, Scientific Games, to meticulously evaluate and improve call-outs on tickets, and it concentrated on offering art work, themes and play styles that have proven popular among players.

### Price

In order to maximize player response to the increase in the number of instant games available, the Lottery focused on creating and maintaining strong consistency in the relationship between price point and prizes.



Pennsylvania Lottery Director  
Ed Mahlman

“If you’re playing a Pennsylvania Lottery \$20 ticket, you know you’ll be playing for a million dollar cash prize,” said Mahlman. “On the other hand, players have come to expect \$500 and \$1,000 top prizes for a \$1 instant game. The prizes are consistent with each price point.”

The Lottery develops larger games at higher price points and smaller games at lower price points. Larger games for higher price points allow for enhanced prize structures and more top prizes, driving forces for players to purchase these games. Smaller games for lower price points allow the Lottery to introduce games more frequently, thereby maintaining freshness and allowing for seasonal influences and licensed properties opportunities.

The Lottery realizes the importance of diversity in price point as a means of driving sales. Offering quality games at lower price points is particularly important as sales grow on the higher price point games, as it puts additional pressure on aggregate payout.

“It’s been a huge explosion for us at the higher end of our business in the instant ticket category,” said Mahlman, and this fact is evidenced by aggressive growth at higher price points. From FY 2002-03 to the current fiscal year, the \$5 price point has grown 59 percent, the \$10 price point has grown 269 percent, and the \$20 price point has grown a whopping 976 percent.

“The beauty of this is that we’ve been able to increase the average selling price of our instant ticket from \$2.40 in 2002-03 to now \$3.32,” said Mahlman. “Our retailers appreciate the increased earnings per transaction they are now experiencing with this product category.”

### Place

Given the impulse nature of the instant product, a strong, healthy retail force is essential. Players have got to have places to purchase tickets, and the clerks in those places have to be familiar with and knowledgeable about the products.

One of the biggest changes to the Pennsylvania Lottery in early 2003 was a complete reorganization of staff to support the creation of a new Field Operations division. This early change allowed the Lottery to lay the ground work for important long-term goals with regard to growing its retailer network and improving service to retail partners. By creating a division whose primary responsibilities are servicing and expanding the retail network, the Lottery put heavy emphasis on the merchandising side of operations and allowed employees to focus on more specific tasks and responsibilities.

“We’ve been able to halt a 16 year decline in our network in terms of points of purchase,” said Mahlman. “We now have more than 8,300 retailers servicing our population, and that’s significant because four years ago that level was around 7,500.”

Early in the plan to improve sales and operations, the Pennsylvania Lottery decided to acquire about 3,000 ITVMs and 1,000 player-activated self-service terminals to increase presence in existing retailers like grocery stores and supermarkets, and to bring Lottery business to non-traditional retailers including taverns, bowling alleys and restaurants.

“Obtaining these vending units was a critical element of our plan,” said Mahlman. “So we had to be very creative when issuing procurement requirements, to anticipate budget limitations and financing needs. We acquired the units through careful planning.”

Increasing the number of points-of-purchase is very important to the Lottery, but perhaps more important is the on-going and long-term process of placing equipment. “We don’t want to just walk in,

drop off an ITVM or PAT in a place that looks good and tell the retailer to plug it in and start selling,” said Mahlman. “We work hard to identify retailers that will perform well with the equipment, then we work with those retailers to determine the best place within the store to put the equipment. It’s a procedure that begins with policy and ends with great equipment in great locations in great retailers.”

At the same time it has been growing its retail network, the Pennsylvania Lottery has also been strengthening its existing retail network. In the past two years the Lottery has implemented 60 weeks worth of performance-based incentive programs for retailers, to keep them engaged and excited about Lottery business. The harder retailers sell, the more money they earn. In addition to the performance-based programs, the Lottery uses product-specific incentives for retailers to keep them engaged.

Additionally, the Lottery equipped its District Lottery Representatives (DLRs) with mobile order pads (see “Pennsylvania Lottery: DLR Mobility Project,” Public Gaming International Magazine, March 2006, page 8), so that the sales force can interact more knowledgeably, efficiently and effectively with retail partners. “When a DLR walks into a retailer he or she can now personalize conversations to talk about sales, redemptions, new games, prizes of the new games – it’s all there in front of them,” said Mahlman.

### Promotion

The Pennsylvania Lottery’s emphasis on consistency has translated into its advertising and marketing efforts as well. Advertising for instant games was shifted to coincide with the launch of new games. Retailers know that new games come at the beginning of each month and that the Lottery will support one or more of those new games with on-air advertising for the first 10 days of the month.

Typically, the Pennsylvania Lottery advertises the higher price point games, as there’s more to talk about with a \$5, \$10 or \$20 ticket, and there’s more lure with enhanced prize structures at the higher end.

The Lottery doesn’t neglect promoting lower price points, however. “We utilize direct mail coupon campaigns in Pennsylvania,” said Trees, “and the programs have been extremely successful. Pennsylvania is in its third year of such coupon campaigning, and redemption rates for coupons are at about 10 percent. Again, the Lottery realizes the importance of driving sales at the \$1 and \$2 price points to help average out the overall aggregate prize payout.

“Beyond promoting individual games, the Pennsylvania Lottery took an additional and significant step to brand its instant ticket product as a whole. Gus, “the second-most famous groundhog in Pennsylvania,” as he is called, has become a widely-know and easily recognizable mascot for instant games in the Commonwealth. “People see this icon and immediately recognize that it’s the Lottery and that we’re talking about the instant games,” said Mahlman. The “Keep on Scratchin’” campaign featuring Gus has succeeded in bringing Pennsylvania instant games to top-of-mind for new, loyal and occasional players.” The public’s response to this advertising campaign has been overwhelmingly favorable.

The Pennsylvania Lottery also notes the tireless efforts of employees in the area of retailer promotions. Hundreds upon hundreds of local retailer promotions are developed and supported by Lottery staff. These promotions are invaluable when it comes to nurturing retailers partnerships and maintaining strong in-store visibility for Lottery products.

continued on page 20...





ticularly true with national flags. In the African country of Cameroon, for instance, the national flag consists of three panels of green, yellow, and red. For the Africans, green is symbolic for the vegetation, growth, and prosperity. The yellow represents the sun and the happiness it brings. Red represents unity of the African people. This brings significant symbolic meaning, recalling history, struggle, and pride.

2. Color as user interface

Color can give cues as to how to operate a machine or an appliance, or even an instant ticket. Even without understanding of the function of a form, a contrasting colored feature indicates how and what to do. A green button usually indicates “go” or “start,” a red button may indicate, “stop” or on a trigger may mean, “fire.” Our traffic lights use green, yellow and red to direct drivers with its color cues.

The white stripes of a crosswalk on the street direct the pedestrians where to safely cross and warn drivers. The controls of an X-Box game controller are colored differently, gray for the controls that are ordinary and commonly used and colors for the special functions. With a series of controls, only the most important and critical ones are usually colored.

This application should be used carefully and with consideration. Liberal use of color on many buttons or controls dilutes the power and influence of the colors. Contrasting colors can be applied to those controls that are critical and most important, even though they may be rarely used.

3. Color as fashion

Fashion announces a fresh new palette of trendy colors every season. Application of these colors in design can attract buyers who are, consciously or not, affected by today’s hot palette. These colors change depending on the target market, the geographic region, the season of the year, the culture and the design. Because of these factors of variability, considerable research must be done to select an appropriate palette.

How does one find out about color trends and fashion? Current periodicals and design magazines will exhibit what is hot at the moment, but can’t be relied upon for predicting the future of color trends.

4. Color as identity

Color can be used to identify the object with a person, a company, or a group. The use of color for a corporation becomes critical for those with strong brand recognition. Even a sports team is identified through its application of color on helmets and uniforms. Color can also identify a user or efficiently organize items.

Corporations are well aware how powerful color can identify them with their brand. The teal colored gift box with a white ribbon is synonymous with Tiffany’s. Green and yellow on a tractor immediately identifies it with John Deere.

In Conclusion

The Pennsylvania Lottery was ranked as the second-fastest U.S. Lottery with regard to instant sales growth for calendar year 2005, and it has consistently remained in the top three for the past three years. The Pennsylvania Lottery’s success continues to be achieved through a plan that focuses on details, setting new standards and raising the bar for performance and operations.

Concentrating on the “Four P’s” was key to this success, however Executive Director Ed Mahlman cautions that the success could not

Colors used to identify are most successful when they are strong, saturated, and primary or secondary colors. This is to easily distinguish one from the other. Complex and subtle color distinctions may be confusing and harder to identify.

Color in the Design Classroom

When color is seen as having purpose, designers take it more seriously and begin to think of it as more than subjective decoration. So, how can these purposes be introduced into the studio? The following are two sample projects for designers to think through their color application and integrate color with their forms.

Color Purposes Image Search

Ticket designers can search for the best designed examples of Lottery tickets. This requires them to look at designs critically and evaluate how the design is using color. They can also look for examples in nature and interiors.

Make Color First

Instead of applying color decisions at the end of the design process, why not choose a palette at the beginning? As part of the early research phase of a project, color should be explored and considered. Designers might investigate what colors are appropriate for the project based on its function, target market, branding, and culture. Alongside concept sketches of forms could be various color palettes for critique and discussion.

Conclusion

When the shopping customer glances at their choice of products and makes a quick decision on which to buy, they are determining the failure or the success of that product. If designers don’t consider and choose the colors of their products well those products are left on the shelf, unsold, unused, and eventually become garbage. This is a crime to the environment, the manufacturer, the retailer, and the general public.

Color serves numerous functions; it’s not just decoration. Color has tremendous power that is often underestimated and underutilized by designers. Because of the way the eye perceives and constructs the world, color is inextricably integrated with form, line, texture and shape. The visual process does not separate those factors, and neither should the visual designer. ♣

*Jason Morris is currently an assistant professor of industrial design at Western Washington University in Bellingham, WA. He is an industrial designer with 10 years of consulting product design experience, and was principal of the award winning design firm TOOL in Boston for four years. Over three dozen of his designs have made it to the market to be successful products. He was awarded a Chicago Athenaeum Good Design Award in 1999 and 2004. He also holds nine US design and utility patents with more pending. Jason earned his Master’s of Industrial Design from Pratt Institute.*

have been possible without the involvement of every aspect of the Lottery. “From systems and IT upgrades to a meticulous budgeting process, and from enhanced communication among employees and stakeholders to improvements in distribution and telemarketing – every part of this organization had to be engaged.”

The Pennsylvania Lottery’s success over the past few years began with strong support from top leaders, it was fostered through careful planning and attention to detail, and the Lottery continues to work relentlessly to continue growing into the future. ♣

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