

PGRI PUBLIC GAMING

I N T E R N A T I O N A L

NOVEMBER/DECEMBER 2016

- Partners in Progress: WLA and You
- Applying Technology to Drive Progress in the Government-Gaming Sector
- Attract New Player Groups while also Appealing to the Traditional Players
- Sports-Betting: Integrating the Land Based and Online Gaming Experience

FEATURED INTERVIEWS



Michael DeCheser



Gregg Edgar



Rebecca Hargrove



Bill Breslo



Evgeniy Vlasenko

PGRI LOTTERY INDUSTRY HALL OF FAME

Lottery Industry Hall of Fame Inductees



Dermot Griffin



Hansjörg Höltkemeier



Rose J. Hudson



Norman Lingle



Sue van der Merwe



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PUBLISHER & CHIEF EXECUTIVE OFFICER

Paul Jason
pjason@publicgaming.com

PRESIDENT

Susan Jason
sjason@publicgaming.com

ART DIRECTION/DESIGN

Lisa Robinson
www.whiteravendesign.studio

HONORED FOUNDERS

Doris & Duane Burke

CONTACT INFORMATION

T: +425.449.3000
F: +206.374.2600

For email address changes,
subscription requests and
requests to be placed on
our e-Newsletter distribution
list, contact:

sjason@publicgaming.com

PGRI, Inc.

218 Main Street, #203

Kirkland, WA 98033

www.PublicGaming.com

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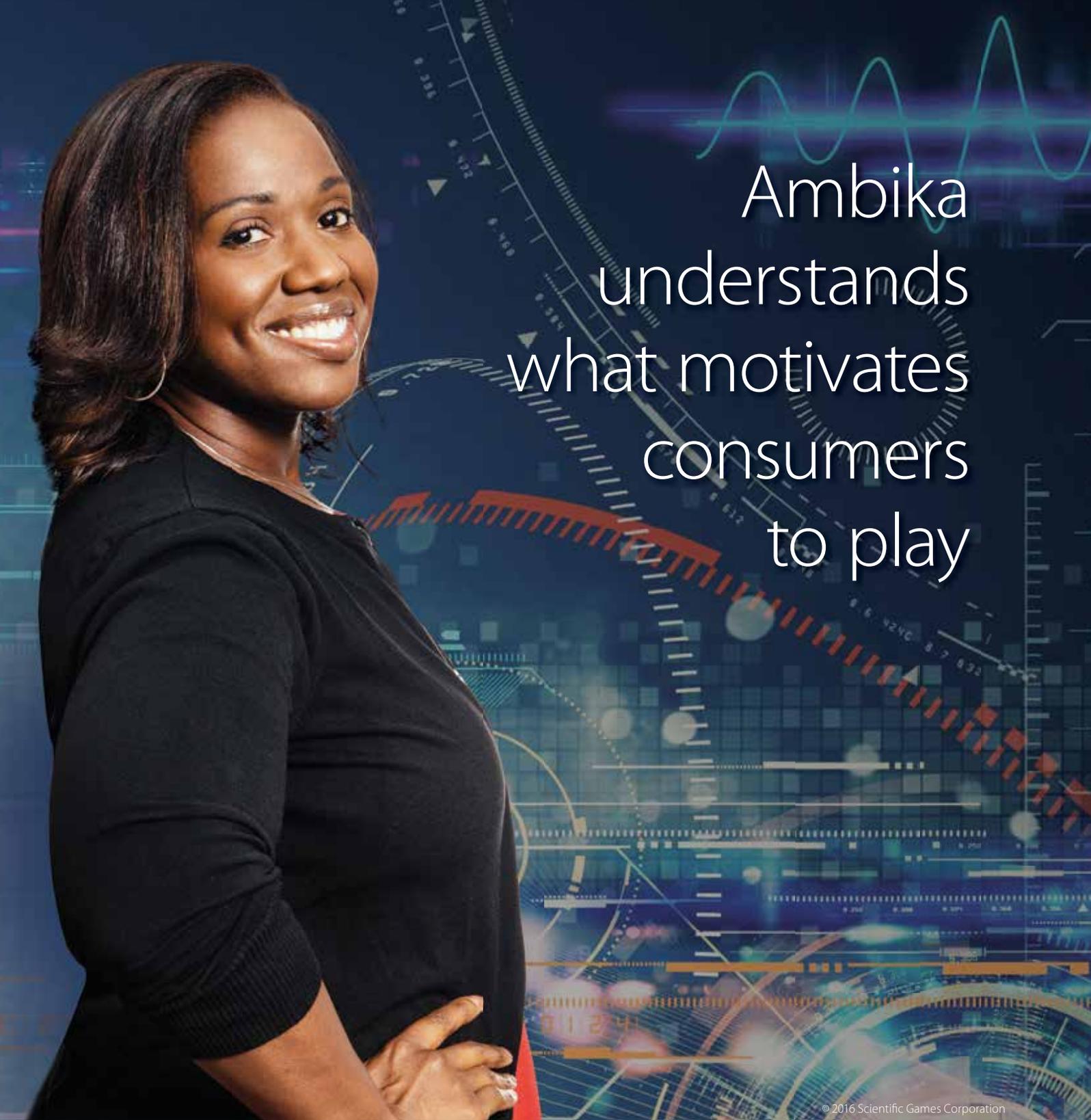
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From the Publisher

Many of you will be picking this issue up at the World Lottery Summit in Singapore (wls2016.org). Susan and I are very excited to be there with you! We always look forward to this wonderful bi-annual event. We see many of you at other events in Europe and the North America, but the WLS is indeed a special time to learn from premier industry speakers, view and learn about the latest innovations from our commercial partners, and visit with friends and colleagues. We all make the most out of the brief time we have together.

It is the ingenuity of visionary leaders who know that we have to lead and show the consumer a better way, a better product, a better gaming experience. As Steve Jobs famously remarked “People don’t know what they want until you show it to them.”

One of the WLS keynotes I am looking forward to is Jean Claude Biver, the president of the Watches Division for the LVMH Group. We think that the games-of-chance industry is besieged with changes in consumer tastes, regulations, technology, and so much more. Well, what would it be like to be in the luxury watch business? What will happen to their business when Smart-Watches evolve to meet a wider range of budgets and deliver a level of functionality that we can’t even imagine right now? I would think this will blow a giant hole in the demand for high-end watches. And this day is coming sooner than later. For all the sturm und drang that we feel in trying to keep ahead of the market-place, what must it be like to reposition yourself amidst that kind of sea-change?

Marshall McLuhan said some 50 years ago that *“The first version of a new medium imitates the medium that it is replacing.”* For example, the first cars were built with the driver set way up high. That’s because the driver of horse-drawn carriages had to be set up high in order to see over the horses. It took a couple of years for someone to figure out that the driver of a car does not need to be seated up high to look over horses anymore. When magazines like this one were first posted online, we thought it would be clever to flip pages like we are used to doing with the hard copy. Some of us even added a swishing sound to further the resemblance. Now we realize that the goal is not to transpose the analog world onto digital platforms, trying to preserve the analog experience. The true potential of digital is realized when we reimagine and

then reinvent our world to take full advantage of the potential that new technology represents. And I would respectfully submit that it is not the consumer who drives progress. It is the ingenuity of visionary leaders who know that we have to lead and show the consumer a better way, a better product, a better gaming experience. As Steve Jobs famously remarked *“People don’t know what they want until you show it to them.”*

I want to thank our editorial contributors and interviewees for doing just that. They are showing us the way. The technology and the brain-trust is at the ready to reinvent the games-of-chance universe. The unique partnership between government and private enterprise that drives this industry do so much for so many people and Good Causes is truly special. Nurturing a healthy and productive collaboration is so vital and central to PGRI’s mission.

Congratulations to the 2017 Lottery Hall of Fame inductees. These five leaders were voted in by the current membership of the Lottery Hall of Fame. Their illustrious biographies begin on page 12. The induction ceremony for **Rose Hudson** and **Norm Lingle** was held at NASPL Atlanta on October 4. The ceremony to induct **Dermot Griffin**, **Hansjörg Höltkemeier**, and **Sue van der Merwe** will be held at the World Lottery Summit in Singapore on November 8. It is truly an inspiration to know these five leaders. And that really is the mission of the Lottery Hall of Fame—to inspire in all of us the passion and conviction to make the world a better place.

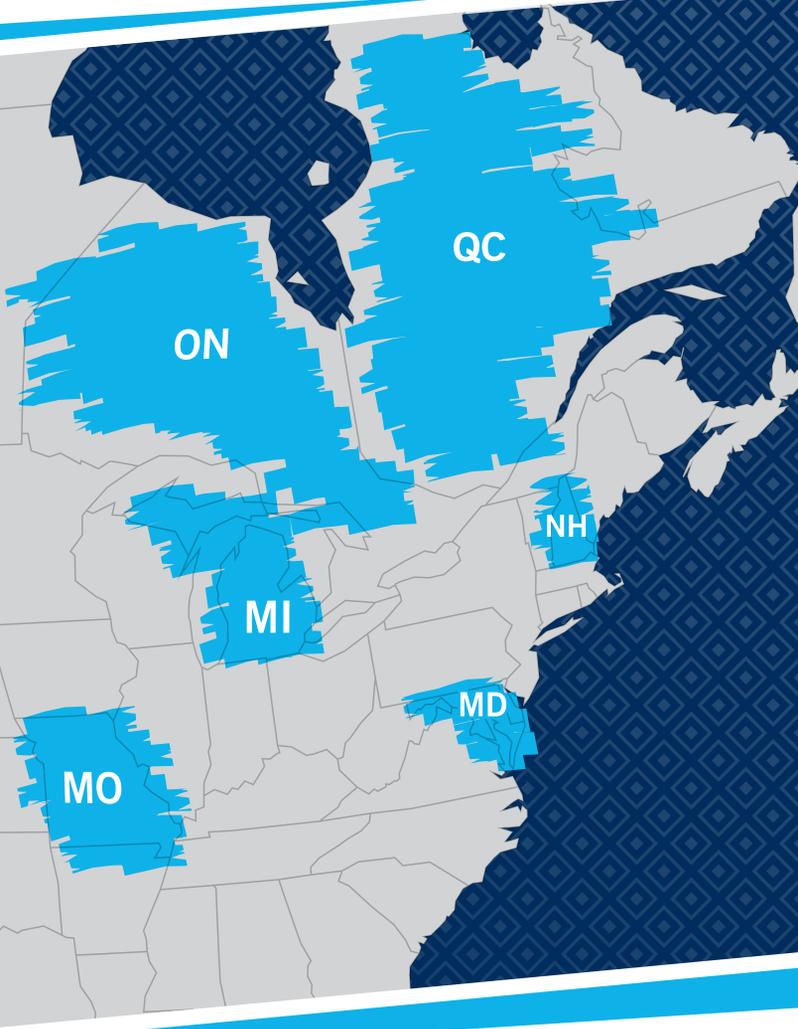
And Congratulations to **Debbie Alford and Team Georgia Lottery** and **David Gale and Team NASPL** for delivering a fabulous conference and trade show experience. There wasn’t just one A-list keynote speaker. The entire conference was an immersion into the vision, and the practical application of the vision, of the most progressive business leaders in the world.

PGRI’s **SMART-Tech New York** event is still a few months away. But we are getting started early to ensure a great program and to enable you to plan ahead. Mark your calendars for March 20, 21, and 22 in NYC for this popular event. Visit PublicGaming.org for conference info, updates, and registration and room reservations links.

Thank you for your support and see you at the bi-annual World Lottery Summit in Singapore. This will be a busy and rewarding fall conference season! ■

Paul Jason, Publisher
Public Gaming International Magazine

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Congratulations to the Newest Members of the Lottery Industry Hall of Fame

The 68 members of the PGRI Lottery Industry Hall of Fame have voted for and elected five industry leaders to be inducted into the Lottery Industry Hall of Fame for 2016. The inductees are ...

Dermot Griffin, Chief Executive of Premier Lotteries Ireland (PLI), Operator of the Irish National Lottery
Hansjörg Höltkemeier, Managing Director and Member of the Board of Deutsche Klassenlotterie Berlin (DKLB),
 President of the European Lottery Association (EL)

Rose J. Hudson, President & Chief Executive Officer, Louisiana Lottery Corporation,
 President of the North American Association of State and Provincial Lotteries (NASPL)

Norman Lingle, Executive Director of the South Dakota Lottery

Sue van der Merwe, Chief Operating Officer, Tatts Group Lotteries

The Lottery Industry Hall of Fame was founded in 2005 as a means of honoring those who have done the most to promote excellence and integrity in our industry and make the world lottery industry a great success.

The recipients of this award are all a credit to that ideal and are joining a select and distinguished group of world lottery industry professionals.

You can read more about the Lottery Industry Hall of Fame and the members at www.LotteryIndustryHallofFame.com.

The Ceremony to induct the two North American industry leaders into the Lottery Hall of Fame were held Tuesday, October 4th at 2:30 PM at NASPL Atlanta Conference.

The Ceremony to induct the three Global industry leaders into the Lottery Hall of Fame will be held Tuesday, November 8th at 5:00 PM at the World Lottery Summit Conference Marina Bay Sands in Singapore.



Dermot Griffin
 Chief Executive,
 Premier Lotteries Ireland (PLI),
 Operator of the Irish National Lottery

Premier Lotteries Ireland (PLI) is the operator of the Irish National Lottery. PLI was awarded a twenty year licence to operate the National Lottery by the Irish Government in November 2014. The staff and management of the previous operator, An Post National Lottery Company, including CEO Dermot Griffin, transferred to PLI, ensuring continuity of service and collectively have over 50 years' experience in managing Ireland's National Lottery. As the CEO of PLI, Dermot Griffin has been responsible for leading a fundamental change programme at the Irish National Lottery, introducing a new Vision for the National Lottery 'to provide exciting and engaging lottery games that bring fun and entertainment to everyone.' He recently led the successful transition process in the National Lottery to move from public ownership under An Post National Lottery Company to private ownership under Premier Lotteries Ireland. Dermot is also a director of the EuroMillions Group.

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Hansjörg Höltkemeier
 Managing Director and Member of the Board
 of Deutsche Klassenlotterie Berlin (DKLB),
 President of the European Lottery Association (EL)

Since 2005, Hansjörg has been a Member of the Board of Deutsche Klassenlotterie Berlin (DKLB). His focus is on strategy, marketing, sales, and information-technology. Hansjörg was elected to the position of president of the European Lotteries Association (EL) in June of 2015. Hansjörg has been a Member of the EL Executive Committee for the last seven years and, since 2011, chair of the EL Finance, Personnel and Organization Committee as 1st Vice-President of EL.

During his career in the lotteries, Hansjörg Höltkemeier has been a driver for strategy, innovation, and adoption of new technologies. For example, from the beginning of his service to Deutsche Klassenlotterie Berlin (DKLB) in 2005, he did not just focus on internet and mobile to meet customer expectations and to expand customer base. His focus has instead been on digitalization as a whole, to implement digitalization of processes to improve customer-care and sales-

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**Rose J. Hudson**

President & Chief Executive Officer, Louisiana Lottery Corporation; First Vice President of the North American Association of State and Provincial Lotteries (NASPL)

Celebrating her 10th year as President/CEO of the Louisiana Lottery Corporation, Rose Hudson continues to grow contributions for K-12 public education, recently earning Public Gaming Research Institute's 2015 Sharon Sharp "Good Causes" Award for having the highest percentage increase in net funds transferred to its beneficiary.

Ms. Hudson's tenure coincides with an upward Lottery sales trend, thanks to her deployment of innovative technology which has contributed to the Lottery's ending 2016 as its best sales year ever. Her diligent pursuit of quality, integrity and public trust also led Louisiana to become first lottery in the country to receive industry verification of its quality assurance processes.

Joining the Lottery at its inception in 1991 as Executive Resource Director, Ms. Hudson moved on to the Department of Social Services and later to the Department of Education. She returned to the Lottery in 2000 as Senior Vice President to oversee human resources, statewide events and governmental relations before becoming President in 2006.

Creatively, her sixth sense in marketing has helped the Lottery secure award-winning partnerships with local companies and celebrities, such as the New Orleans Saints, Troy & Jacob Landry of Swamp People and Tony Chacher's Creole Seasoning to develop blockbuster games. Ms. Hudson most recently served as Immediate Past President of the Multi-State Lottery Association, (MUSL) where she also chaired its Powerball Game Group. In addition, she currently serves as First Vice

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**Norman Lingle**

Executive Director of the South Dakota Lottery

Norman Lingle was named Executive Director of the

South Dakota Lottery in January of 2005 which makes him the longest serving executive director in the Lottery's 29-year history. Mr. Lingle grew up in Pierre, South Dakota and graduated from South Dakota State University with a Bachelor of Science degree in Economics. He began his working career at the Governor's Office of Economic Development where he spent 17 years, rising to the level of program manager for an infrastructure finance program that assisted local governments in preparing for and recruitment of expanding or relocating businesses. His extensive management skills and experience in that role prompted the South Dakota Department of Revenue to recruit him for leading the South Dakota Lottery.

As Executive Director of the South Dakota Lottery, Lingle oversees the instant, online and video lottery programs. The video lottery program is the state of South Dakota's second largest source of revenue behind the state sales tax. During Mr. Lingle's tenure, the Lottery has contributed over \$1.1 billion in net proceeds to the good causes the Lottery supports including education, property tax relief, and the development of natural resources.

Among his accomplishments at the Lottery, Mr. Lingle has advanced the use of technology throughout the agency; worked with the Lottery Commission for the approval and implementation of line-up games for video lottery; and assisted the Commission in facilitating and adopting a yearly strategic plan outlining yearly goals and objec-

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**Sue van der Merwe**

Chief Operating Officer, Tatts Group Lotteries

Sue van der Merwe is currently the Chief

Operating Officer of Tatts Group Lotteries and has made a dedicated and outstanding contribution to the lottery industry over a period of 26 years and counting. Her lottery industry journey has taken her from Senior Brand Manager at the Golden Casket Lottery through various positions to her current leadership role as Chief Operating Officer of Tatts Group's Lottery Operating Unit. As COO, Sue manages one of the largest and most complex lottery operations in the world – one that comprises seven jurisdictions and a suite of leading brands, with both retail and iLottery operations. She continues to deliver exceptional results to all the stakeholders in the Australian market.

Notable achievements during Sue's 26 year lottery involvement include a number of major product launches, building a world class player membership and CRM program, introduction of digital lottery play, enhancing the franchise based retail distribution model and store presentation, implementing Responsible Play programs and actively supporting a range of CSR and community related initiatives. Sue is the Chair of the joint pooling Bloc for several Australian national draw games and has been very influential in building a balanced portfolio of games which match the different needs and motivations of players.

Sue is a passionate and energetic leader in the lottery industry and she is deeply motivated by the game brands which engage millions of players each week, and the communities which benefit from lottery proceeds.

Sue has been a strong supporter of the wider industry, as a speaker and contributor at various WLA and APLA events. She also played a key role in organising the 2010 WLA Convention and Trade Show in Brisbane. ■

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Rebecca Hargrove (Chief Executive Officer, Tennessee Education Lottery Corp. and Senior Vice President of the World Lottery Association) addresses the audience at PGRI Lottery Expo Miami on

Sept. 13 on the mission and value of the World Lottery Association to its members. Following is an edited version of Ms. Hargrove's address ...

It is an honor to be with you today and I bring you greetings from my friend and colleague Jean-Luc Moner-Banet, the CEO of Loterie Romande in Switzerland, and the President of the WLA. The Global Lottery Industry is now measured at \$276 billion in lottery ticket sales. That's a big number. That is over three times the global sales of one of the world's most well-known brands, Coca Cola. More impressive, though, is the \$90+ billion that government Lotteries generated for Good Causes. That \$90 billion in net funds to Good Causes actually exceeds the total gross sales revenues of Coca Cola. That is the amazing and special difference between the members of the World Lottery Association (WLA) and the rest of the gaming world: State-sponsored lotteries are dedicated to the welfare of society instead of private shareholders.

There are 144 members of the World Lottery Association. They're divided into five continental associations: the African Association has 14 members, the Asia-Pacific Lottery Association has 25 members, Latin-America has 13 members, North America has 26 members, and Europe has 66 members. So, it's truly a global organization, with every corner of the world represented by its members who are dedicated to serving the mission of generating funds for Good Causes all around the world. The World Lottery Association has a diverse set of objectives, all with the common theme of helping government-lotteries set the highest standards of performance

in the industry and optimize service to their stakeholders and Good Causes in particular. Developing global security standards to protect the integrity of our games is primary to our mission. Gathering the information and data based on the experience of our members also puts the WLA in the position of sharing best practices as they apply to all areas of the business -like marketing and communications, Procurement and RFP standards, publishing sales data from our global membership, and perhaps most importantly ... the WLA constantly works to raise the standards of Responsible Gaming all around the world. Years of work, and investment of time and resources, have gone into developing this framework that helps WLA members apply the best practices to protect the consumer and minimize problem gambling. The WLA Responsible Gaming certification process has now become the gold standard of the industry. Many WLA members from all areas of the world have completed the entire program, meeting and surpassing all standards and requirements to be certified level 4 which is the highest level.

It is only with the active participation of all lotteries all across the world that we can each and every one of us enjoy the benefits of our shared experience. We appreciate your support and involvement and encourage everyone to avail themselves of the resources and support that the WLA has to offer. We will all be better for it, better operators who meet higher standards of performance on every front, and better servants to the Good Causes and Society which Government-Lotteries exist to support.

We will all also be better served by standing together in the face of increasing competition from other sectors of the games-of-chance industry. Our challenge with them is being contested on two fronts. First, in the market-place where we compete for the attention and player-ship of the consumer. It will take all of our resolve and resourcefulness to win in the dynamic and fluid market-place of the future. It will be more important than ever that we work together, sharing the success strategies that will help us to be the best we can be in each of our own jurisdictions. The WLA is a community of business operators who are willing to share the lessons they have learned, and help others in the process of building the most effective strategies for sustainable growth. We can learn from the experience of our colleagues from around the globe who have already developed best practices. The WLA provides the plat-

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Certified by WLA for its Responsible Gaming program, INTRALOT is committed to the principles of responsible gaming incorporating them at its best-in-class product solutions and global operations.



Michael DeCHESER

Broadcast and Media Director,
New Jersey Lottery

A Strategy to Attract New Player Groups while also Appealing to the Traditional Players

PGRI Introduction: Do we focus on fresh and innovative to attract new player groups, or on continuity to appeal to the traditional player? In maximizing the promotional impact of the live draw as a marketing event: Do we push forward with live-streaming the draw online and integrating RNG Digital drawing machines into the mix ... or stick with the traditional televised draws and ball machines? Thankfully, we don't have to choose. The New Jersey Lottery is doing all the above and the results are in. It is the combination of televised draws, live-streamed online draws, traditional ball machines, and RNG's that integrate an animated visual experience that maximizes reach and impact, attracts new player groups, and preserves the appeal of Lottery for the traditional players.

Check out the New Jersey live-streamed draws online at:
<http://livestream.com/newjerseylotto/live>

Paul Jason: *Necessity being the mother of invention, you initiated the live-streamed draw when your televised draws had to be discontinued. Now you have resumed the televised draws, continue to live-stream the draws online, and the results are better than ever.*

Michael DeCheser: We have always considered the live draws to be a vital promotional tool, a powerful marketing event. In spring of 2011, we had to discontinue our televised draws on NJTV (a public broadcasting channel that the state was supporting). Since our draws were no longer going to be televised, we decided to

try a new way of engaging the players and became the first lottery to live-stream our draws over the internet within a social media setting. The first ones were streamed live on Facebook. Every day for almost a year, our mid-day and evening draws were streamed exclusively online with no television component. While we thought we were doing the right thing at the time for the players, and for the overall savings for the state, we found that our level of engagement did decline. Even though it's the exact same video feed that the player would see on television, the live draw seemed to lose its authenticity or validity, at least for

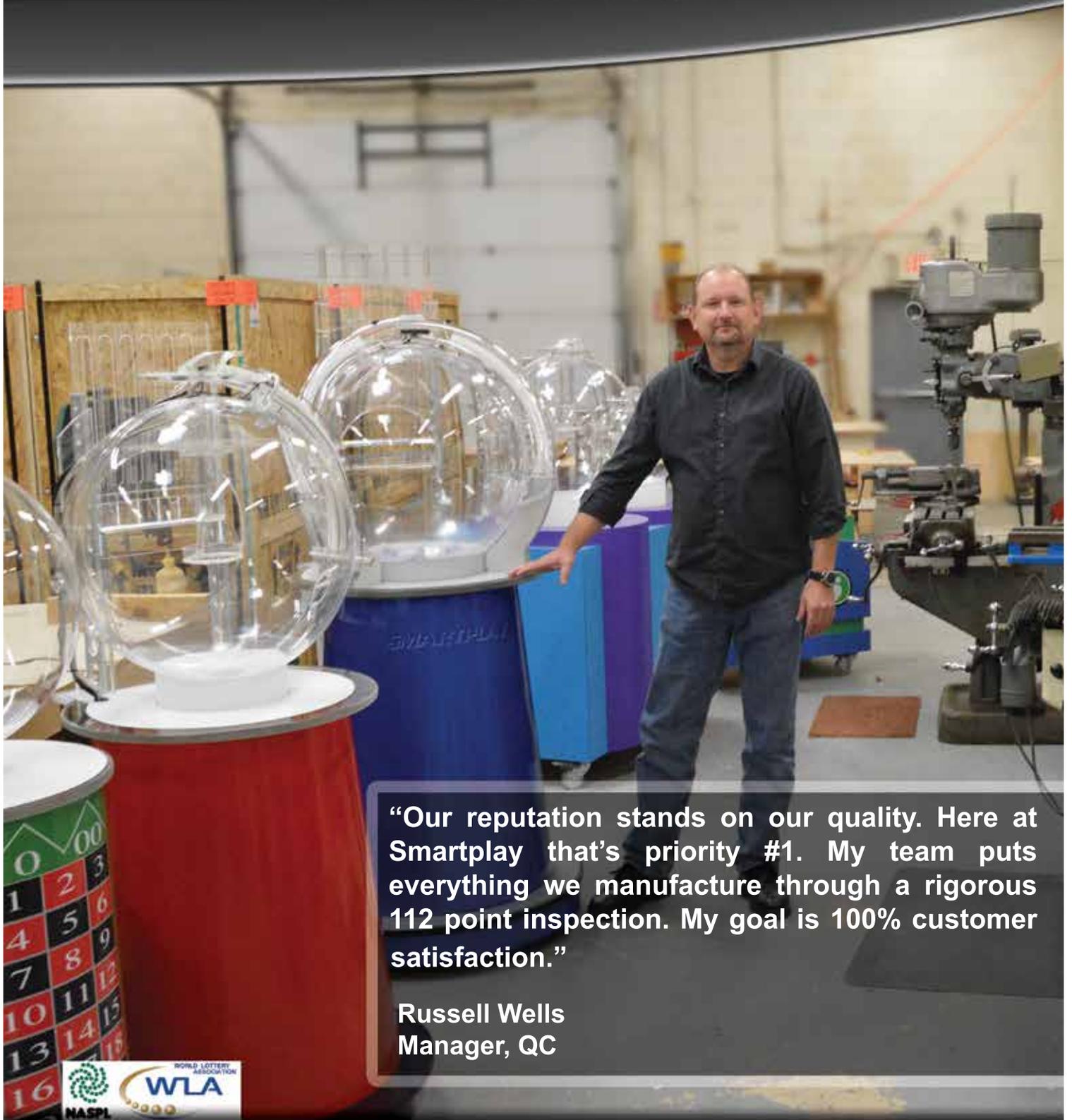
some people, in the online world. There seems to be something about the televised draw that appeals to the traditional players. People have their lives arranged in a pattern that includes the lifestyle habit of watching the live-draw on TV at a specific time. Players seem to feel that TV delivers a level of transparency and trust that the internet does not quite replicate. For whatever reason, television is the trusted medium for many players, like a window into the real Lottery. So we resumed our evening televised draw event in 2012, and added our mid-day televised broadcast in July of 2015.

Now you do both—the mid-day and evening draws are both televised and streamed online.

M. DeCheser: Exactly. We married the two. The impact is synergistic, resulting in a far higher level of viewership and engagement than we would have with only one broadcast medium. We decided to get back on television and hold the draws both online and on television. This way we are delivering the optimal viewer experience with TV, and bringing in new player groups with the online draw.

The live-streamed online draws did

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bring in entirely new consumer groups. We promote the multi-media access and we see that some of the TV audience is also accessing the online draw and vice versa. After all, isn't that the way we all actually live? We are both online and off-line and want our media content to be made available through multiple channels. Our strategy going forward is to make it even more available across social media and Mobile to connect with our audience wherever and whenever and however they prefer.

The televised draws would seem to serve the additional purpose of helping your traditional players migrate to multiple channels, creating a bridge for the Lottery and its players to integrate new channels, new ways to connect with your audience, without leaving your core players behind.

M. DeCheser: That is the way we look at it. We had hoped the television audience would easily migrate over to the live-streaming draws. We saved a lot of money by not paying for the TV broadcast. So we jumped in with both feet and built an in-house production studio with the ambition to leapfrog into the 21st century and digitize our connection to the players. Now, even though we found that the televised draw is something we want to retain for the benefit of our traditional players, we are very glad for the investments we made because it is the combination of both that is by far the most powerful. As you point out, there is a synergy that creates a seamless easily-navigable player journey to move from TV to online at their own pace.

Do you think that as digital natives mature, the medium of choice will move from TV to online over time?

M. DeCheser: Absolutely. We see this happening already. But we do not have to predict the future. We just need to know what we need to do to meet the needs of our current players while also positioning ourselves to meet the expectations of the next generation of consumers. We will likely provide the televised draw as long as we see a demand for it. And we will build out our online connections because that

CAN COMPUTERIZED RNG (RANDOM NUMBER GENERATOR) DRAWS BE TURNED INTO A MARKETING EVENT LIKE THE TRADITIONAL BALL MACHINES?

We have a draw game called Five Card Cash. It's the first RNG game the New Jersey Lottery is doing on a daily basis. We use an RNG to generate the results. But what's actually truly generated within the RNG machine is an animation file that assigns the different numbers that were drawn to the variables that match certain cards within a deck. That animation file shows a dealer throwing down cards, and the numbers that those card faces display are correlated with numbers that have been drawn on the RNG. Research has shown that RNGs aren't as trusted as traditional ball drawing machines where the viewer actually sees the balls bubbling around, coming up the tubes, and tumbling out with a number on them. That's really what people want to see.

The RNG procurement specifically asked for the RNG to also have a video output that supported full broadcast quality HD. We connected this output directly to our live broadcast switcher in our in house control room and incorporated this live RNG draw into our nightly suite of games. That's what creates the transparency that people trust. So, we have our Pick3, Pick4, our Jersey Cash5, our Pick six, and now we have our RNG generated Five Card Cash as part of our nightly streamed lineup. A great mix of traditional ball machine games and a new RNG game. I am not aware of any other state lottery that broadcasts or streams a mix of traditional draw games with RNG draw games. It was not cost-effective for us to televise this RNG draw, but we think that is fine because it really appeals more to the modern consumer who is more likely to appreciate the live-stream online anyway. It has the feeling of a computer-generated animated poker game and that will appeal to a younger demographic.

Then we migrate the online broadcast audience into our evening suite of games. When we're done with our Pick6, we throw up a graphic for everyone on our television broadcast channel to direct the viewer to go to our online channel to see the results of our Five Card Cash draw. That is how we are trying to align our live-stream channel and our broadcast channel as just two different avenues that show you the same results. We're really trying to hold their hand and walk the players through a process of connecting with us online as well as off-line. We show them how easy it is in a way that helps them see that it is all the same event, that the live-streamed draw is really the same thing as the televised draw. It's bridging that gap between those that watch online and those that watch on television.

What's nice about the RNG system we have in place now from Smartplay is that it could always be added upon, scaled up. There could be two, three, four different games added to this RNG system. Now that we have tested the water with the Five Card Cash game, and see that our players have accepted it, become comfortable with it and trust it ... we will explore options for expanding on it.

—Michael DeCheser

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is expected by our current audience and future generations.

So the prediction that the live-streamed draw could replace the televised draw was misguided. But it all works out quite well in the end.

M. DeCheser: Isn't that the way it is with innovation and change? You take calculated risks and the outcome may not be as you thought it would be. But in many cases, perhaps most cases, the outcome brings you to a new place that turns out to be better than you might have predicted.

Do you have data that compares the sales of draws that are broadcast on digital only versus broadcast on TV and online?

M. DeCheser: We do. Our mid-day draws, which are for Pick3 and Pick4, have been live-streamed online since 2011. But these mid-day draws had not been broadcast on TV prior to July of 2015. Conversely, our evening draws have been broadcast on TV and live-streamed since 2012. Then in July of 2015, we started broadcasting the mid-day draw on television, as well as streaming it live online. Over the course of the following year, July 2015 thru July 2016, both the evening and mid-day draws were broadcast on TV and live-streamed online. The only difference is that the mid-day draws added the TV broadcast in July of 2015, while the evening draws had been both broadcast on TV and live-streamed since 2012. Comparing the performance of the games with these two draws scenarios enabled us to measure the impact of adding the televised component to the mid-day draw. The result is that the sales of the Pick3 and Pick4 games with the mid-day draw increased much more than the sales of the same with the evening draws. Same games, the only difference is that the mid-day draws added the televised component in July of 2015. We infer from this result that the televised draw had a measurably positive impact on mid-day sales. We think that is because the consumer has more confidence in the security and integrity of the

televised draw. TV costs more than the live draw but the ROI is definitely there and the multi-media approach is drawing in more players and introducing our off-line players to our digital channels.

I should emphasize that we are fully committed to the live-streaming online draw. We see that as a fabulous tool to connect with a vital audience that will grow over the coming years. Building on our social media initiatives and live-streaming the draws is a key component to our marketing and media mix, and will be increasingly important in the coming years. We just don't want to ignore our core players whose schedules included tuning in to the televised draw. So we will do both TV and live-streaming online for the time being.

We do not see this as an either/or. It is a both/and. We have a robust social networking outreach that promotes our online presence and are highly focused on driving traffic to our live-streamed draw. Our strategy is to modernize for the next generation of players while continuing to deliver the play experience that the traditional core player expects. And we project that the lifestyle habits of the core player that include tuning in to the TV draw will continue for another ten years. So we will just follow both paths to appeal to the millennials as well as the core players.

The live draw, whether it is online or televised or both, would seem to be a powerful event-marketing tool to promote Lottery and engage the consumer. It frankly seems to me to be an under-utilized asset.

M. DeCheser: I agree 100%. It is a critical component to the whole draw-game player experience. The consumer could just buy an Instant scratch-off to optimize the immediacy of the gaming experience. The draw-game involves waiting to see the result, so there needs to be an event that the player buys into. They're buying into the suspense and the suspense should lead to a climax. How better to do that than to create the live-draw event that celebrates the whole experience?

Couldn't the live-stream draw be used as a platform to broadcast other kinds of content and promotions?

M. DeCheser: We use both the televised draw and the online live-stream to engage players on Facebook, Instagram, our chat rooms, and really all aspects of what the Lottery does. The televised draw event attracts a built-in viewer base for online streaming. We now stream press conferences when there's a big winner. We stream our Million Dollar Replay event and enable people to interact with it. The Million Dollar Replay event is something we do for Instant ticket holders, giving them the opportunity to put in the codes of their non-winning tickets for a chance to win the million dollars. It is an offsite event that is not cost effective to broadcast on TV. So we stream it live online and include a chat function as well. It was incredible the last time we did this because people were chatting back and forth, saying like, "Oh, my god, that was my name. They called my name. I won \$25,000." And other people would chat back and forth, "Congratulations. Good for you. That's fantastic. Oh, my gosh." Other ones are saying, "I wish I was there. I couldn't make it today. I'm so happy I could watch it online. Hold me back. Oh, they just called my name." Those that could not be there at the live event were completely engaged online. It's not about selling products online. It's about reaching out to build a social community of Lottery fans.

This 360 degree connectivity with the modern consumer is what we are all trying to create. The potential to build on this platform is really kind of unlimited. Do you see that as being a pretty big canvass to work with and grow and expand on?

M. DeCheser: We haven't even scratched the surface. Of course it is exciting that the short-term impacts have been so positive. But it is the positioning for long-term growth and evolving with the modern consumer that is most exciting. We very much feel like we are still hurrying to catch up with the marketplace of new ideas and ways to connect with our audience. ■

Is your lottery...



DAY 1

Big fanfare



DAY 30

Drawn-out development



DAY 60

Dwindling interest



DAY 120

No market testing



But will players like it...?



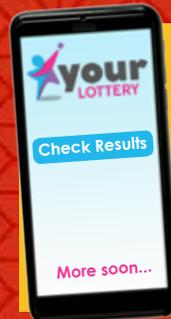
DAY 365

Slow to update



DAY 1

Engage players



DAY 28

Simplest product



DAY 42

Regular updates



DAY 56

Respond to feedback



DAY 70

Iterate and learn



DAY 84

Continuous fortnightly updates

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Gregg EDGAR

Executive Director, Arizona Lottery

Lessons Learned in System Conversion

PGRI Introduction: On his first day as the Executive Director of the Arizona Lottery in March, Director Edgar learned that the Lottery would undergo a full system conversion in August—an interesting prospect for a new Director. Fortunately, the Arizona Lottery had the right team in place to accomplish this aggressive task. Working closely with Scientific Games (SGI) and IGT, the Arizona Lottery conversion team had developed a seamless exchange of terminal technology capabilities. While many state lotteries have gone through this challenge, the unique aspect of Arizona's conversion is that both companies remained in market, managing the heart of its business operations. The following discussion drills down on the details of the 'after-action' report which describes the most interesting aspects of the conversion.

Gregg Edgar was appointed to lead the Arizona Lottery in March, four months shy of the Lottery's 35th anniversary. He had been running Edgar Strategic Communications for the previous two years. Prior to that, he was Chief Operating Officer at Gordon C. James Public Relations where he served for the previous twenty years.

Paul Jason: *Any insights revealed in the after-action report that might help your colleagues going forward? Anything you would do differently if you had it to do over again? Strategies that engendered a cooperative approach and support between your different partners, Scientific Games and IGT?*

Gregg Edgar: To begin, I want to focus on the last part of that question. Our online contract was awarded in August 2015, about six months prior to

my appointment as Executive Director. Scientific Games did an excellent job coming onboard and organizing what amounted to a one year process of conversion. Their project plan was fantastic and really—in the end—our Lottery conversion team, Scientific Games and IGT coalesced into an extremely effective team to make this conversion happen. I feel that one of the reasons that it did go so well is that we made the decision to keep IGT as a vested partner in

the process by extending our warehouse and distribution contract which also contained our vending contract.

While many state lotteries have gone through this technology transfer challenge, the unique aspect of Arizona's conversion is that both companies remained in our market, managing the heart of our business operations with redefined roles: IGT remains as our system of record for instant games, while Scientific Games has taken over our draw game capabilities.

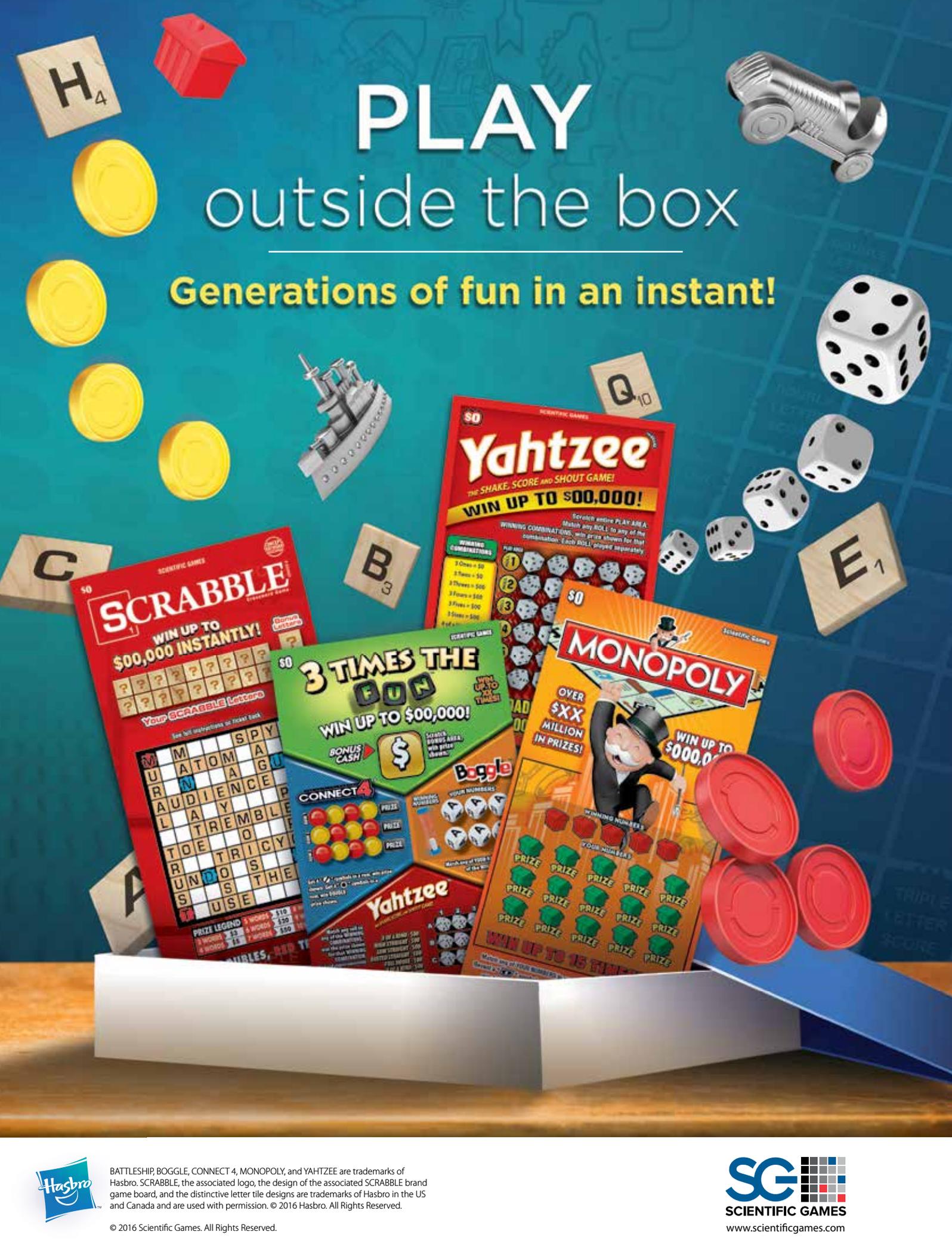
That decision placed both vendors into a position that they were each a partner in the other's success and in the end a partner in Arizona Lottery's success.

Now, that decision came with its share of challenges as well. The marriage of the two systems created the need for a unique information pass-through capability from Scientific Games' Wave and Flair terminals to IGT's backend instant system in order to manage and validate instant tickets. When our IGT Gemini Ultra vending machines begin rolling into market in January, this pass-through capability will allow IGT to sell and validate draw game tickets through Scientific Games' system. It's a unique configuration that maps to our business environment.

We had an expectation that we would

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have some issues post conversion, but they have been far fewer than we ever expected. The majority of those issues have been driven by the unique nature of this pass-through system. All three entities have worked brilliantly together to respond and resolve the issues quickly.

As we are developing our post-conversion report that we will be sharing with the industry, one of the points that will be discussed is the need for better planning from our team prior to even entering the RFP phase. The structure of our existing contracts with IGT should have been addressed ahead of time, so that as we went through the process we could better handle decision points in a timely manner. The delay in making a decision on vending machines placed Arizona Lottery in a situation where neither vendor could deliver upgraded vending machines prior to the December/January timeframe, which is about four to five months after conversion. That delay caused us to lose draw functionality from the vending machines for that four to five month window. Had our team better understood the impact of our existing contracts prior to entering the RFP process, we could have built a better plan from the beginning to mitigate that loss.

Lesson learned for us, when entering into these processes make sure you have a full understanding of the scope you need to address.

But overall our migration to the new retailer terminals was a huge success. Since our August 28 go live on Scientific Games' draw game system, our draw game functionality has delivered extremely well with customers and retail partners enjoying the benefits of the new technology. The overall speed of service and ease of use for draw games has improved tremendously.

Since the beginning of the fiscal year, our draw game sales have increased more than 38 percent. I am proud of this sales performance and it sets the course for Arizona Lottery growing net revenues for our important beneficiary programs.

How have your Phoenix Sky Harbor airport stores worked out?

G. Edgar: We are so excited about our third Arizona Lottery location that opened in late August at Phoenix Sky Harbor International airport. The space is in a high foot-traffic area, and puts lottery in a position to reach new customers, like potential players from out of state. We also see this location as a new opportunity to convert light players or non-players to begin playing lottery games while they wait for their luggage in the Terminal 4 Baggage Claim.

This brand new location is completely operated by the Arizona Lottery. It's a 500 square-foot site that offers all products that the Arizona Lottery currently has in market. There is seating in the play area, and also a vending machine for players looking to make quick purchases. A full customer service team staffs this location and is available to assist players. We're positive the presence of Lottery in the airport will help increase our transfers to important programs and services in Arizona.

This new business venture is not only a great way to expand our presence in Arizona and increase the amount of dollars we give back, but it is cultivating a significant and positive relationship for our state. This partnership with the City of Phoenix and Sky Harbor International Airport has already grown so much, and we are excited to see how it develops in the future.

Self-serve is a major trend. Consumers and Retailers both like it. Typically, though, Lottery is of mixed feelings because vending machines do not have the personal clerk-assisted component that some feel is critical to the effective selling of the lottery games. What are your thoughts on this trade-off?

G. Edgar: Arizona Lottery has embraced the use of vending machines as a tool to reach players that prefer that ability to interact with our products. It has also provided a good tool that doesn't increase labor cost for our retail partners. Arizona Lottery is expanding our use of the vending machines because we believe it is part of a good mix of customer tools

to reach our players and service our retail partners. Our sales through vending back that decision.

The key is a balanced approach. We have almost 3,000 retail partners. When we complete the vending conversion we will have 1,000 vending machines in market, so about 1/3 of our partners will have vending capabilities.

Over the course of the next year we will be looking at opportunities to expand our use of vending to develop new retail relationships into locations that are not able to support the traditional customer service sales model.

While we are believers in developing exceptional customer relationships, we see vending as tool to achieve that objective.

The partnership with the Arizona Cardinals drives ticket sales. I would think that, additionally, the brand-building component for Lottery's affiliation with this most popular sport franchise is priceless for its impact on product awareness and image of the Lottery as young, energetic, modern, connected to the cultural zeitgeist of the community, etc. Are there things you do to leverage that for additional brand-building value?

G. Edgar: The Arizona Lottery has a long-standing partnership with the Arizona Cardinals. For nearly 15 years, we have activated event-driven sponsorships and promotions in partnership with the team, focusing mostly in-arena. The Arizona Cardinals Scratchers ticket is a great way for both of our brands to reach new fans and players alike outside of game day.

Arizona was in a unique situation and the timing of this Scratchers ticket worked out perfectly. The Arizona Cardinals played an incredible season last year, and with the excitement of Cardinals football saturating our state, it seemed logical that a new Cardinals product Arizonans had never seen before would be successful. Additionally, the Arizona Cardinals were featured in an ironically titled Amazon series, "All or Nothing." The buzz surrounding this docu-series also helped our promotion efforts for the Scratchers.

We hosted an official ticket launch event at our Phoenix location featuring Big Red, cheerleaders and former Cardinals to greet our players. Our partnership with the Arizona Cardinals allows us to be onsite at every home game during the regular season. We developed a branded instant game with the Cardinals that features a robust second chance prize program. Because of our presence at the games, lottery has elevated the visibility of this product in the market and widened appeal to our light and medium players. Since launch in early September, we have gathered more than 8,200 sign-ups to our second chance database. In mid-December, our grand prize winners will be publically recognized during pregame at the last Arizona Cardinals home game of the season.

We are also leveraging the Arizona Cardinals' digital presence. They have been promoting the ticket through multiple channels of their own—including email and social media. We have been working with their marketing staff as we move through the season to best reach their fans, as they pull the second largest volume player base of any professional sports franchise in Arizona and index at 149 for past 30-day Arizona Lottery players.* *Scarborough, 2015.

Unlike other games-of-chance sectors, Lottery gives back so much to the community, to good causes. How can we leverage that better? How can we engender more passionate and genuine appreciation on the part of the players, and the consumers in general?

G. Edgar: When I was interviewing for this position, I was astonished at the amount of good the lottery does for our great state. Like most people in Arizona, I believed that Lottery dollars were used to support education, but really knew nothing about the impact that the organization had in our community. Coming from a background in communications, my immediate sense was that this was a glaring opportunity.

When I accepted the position, I was eager to get the word out about how the Arizona Lottery gives back. As our team began to develop a strategy to achieve that goal, we found that there had been initia-

tives in the past using paid media, but that they didn't hit the mark with the public.

Part of the challenge we face is that Arizona Lottery has 18 separate beneficiaries that we serve. So we can't brand ourselves as an education lottery or a health and welfare lottery. We serve programs as diverse as wildlife conservation and court appointed advocates for children in the foster care system.

So we embarked on an effort to better know this important constituency that we served. We initiated meetings to strengthen the relationships with the agencies so that our partnerships go beyond just the dollars we deliver.

Through public relations and earned media efforts, we are getting the word out about each beneficiary that we give back to. In direct collaboration with the beneficiary organizations, we are leveraging our position within the media market to benefit the programs we serve. With so many beneficiaries we have a steady pool of amazing stories that really demonstrate the impact we have in our community.

With these story pitches to media, we focus on the human element and find the person who has been directly impacted by the services of an organization that Lottery dollars go to. For example, we recently spoke to a woman who was formerly a child in the Arizona foster care system. She was fortunate to be a part of the Arizona Supreme Court program, Court Appointed Special Advocates (CASA). Through this program, she was assigned an advocate, which is an everyday person—and volunteer—appointed by a judge to speak up for abused and neglected children in court. However, these advocates become so much more than just a voice in a courtroom; they truly become the only adult figure and role-model in these young lives. Hearing about the impact that this advocate had on this woman's life as a child, and leading into her adult life, is simply amazing.

100 percent of CASA's funding comes from the Arizona Lottery. Our funds help CASA recruit, train and maintain professional staff to manage and support more than 1,000 CASA advocates. These funds

also support the recruitment and high-quality training for those advocates. Telling this story to Arizona is so important for the children in Arizona's foster system.

We understand that when our players think about lottery, they immediately imagine jackpots or the dollars they can win. Player satisfaction is certainly one of the most important missions we serve, but my objective would be to get our players to understand that when they give their dollar to purchase a ticket, they have already won because that dollar is funding so many great programs in our community.

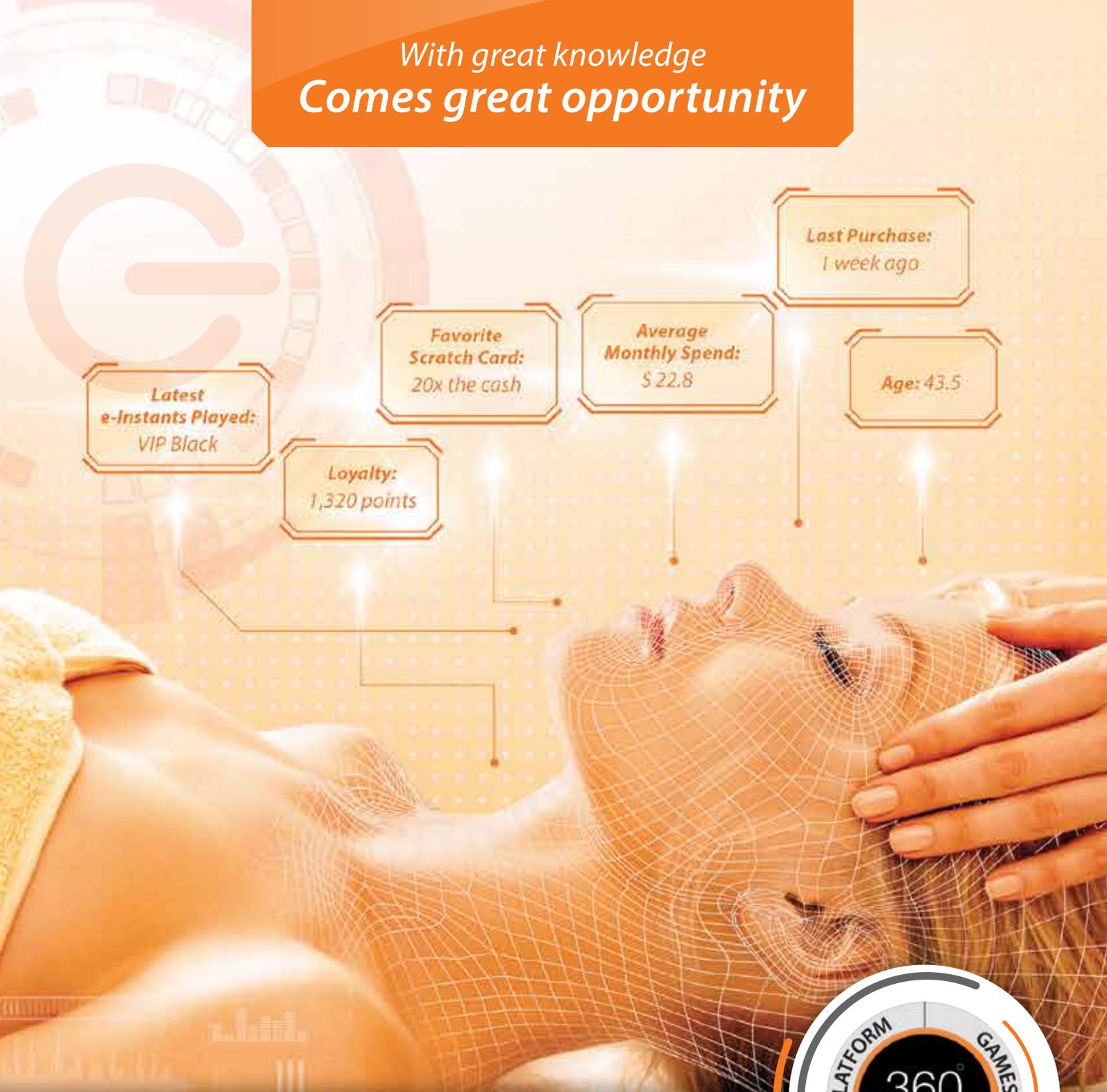
You are launching the Frogger Scratcher in November and five new Holiday Instants as well. Are Instants a good platform to create new and different, and maybe even a little wacky, campaigns to appeal to new consumer groups?

G. Edgar: Instant tickets are definitely the way that lotteries can get creative and to your point, appeal to new consumer groups. Frogger will certainly spark nostalgia in people who have a love for the game and the decade it was born in. Holiday tickets stand out with their bright colors and glittering details, and they're also great for gifting to friends and family 21 and older. Our Holiday Family of tickets has been a long standing favorite.

As we look at our instant strategy, our focus is looking for opportunities to be innovative in the products we develop with an objective of finding better ways to connect with our players. As mentioned before, our Arizona Cardinals ticket is a prime example.

We recently closed our spotlight game the \$185 million cash explosion in the \$20 price point. It was a wildly successful game over a two year timeframe. As we developed its follow-up spotlight we wanted to build on its success. So our creative team worked closely with the vendors to create a ticket that incorporated the look and feel of the previous game while giving some new flare and opportunity to the new ticket. The \$200 million Cash Explosion launched on September 6 and it has exceeded what we were doing with its predecessor.

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As we move forward, we are looking at ways to target our design and innovation to engage specific markets of players and expand their play and our reach. Further we are looking at new tools to reach those markets that have the potential to be more active.

Lottery would seem to be the ideal 'product' to employ the promotional strategy of Event-marketing. How big a role does event-marketing play with the Arizona Lottery?

G. Edgar: Event marketing plays an important role in our current marketing efforts here at the Arizona Lottery. We leverage our presence at targeted events to bring the lottery experience to core players and connect with new audiences. Whether present at a major sporting event, conducting a media engagement, or holding a monthly promotion at one of our three

Arizona offices, we're always trying to find ways to get our players excited about lottery. By hosting "buy X, get Y" style promotions at our events, players get excited about the chance to get something extra along with the purchase of a game they already enjoy playing on a regular basis.

What is your after-action takeaway from the incredible \$1.58 billion Powerball jackpot of last year? What are some things that we as an industry could do going forward to extract even more value from the publicity and brand awareness of a big jackpot like that?

G. Edgar: Our focus today on the \$1.58 billion Powerball is managing the expectations of our constituency on what will happen this January. For Arizona that jackpot amounted to a \$20 million windfall for our beneficiary pool, which was

amazing. But as we work through FY17, we are working to make sure that people understand that this jackpot does not come every year.

In terms of how to utilize the extreme amount of publicity, I think we were all taken by surprise at how quickly the \$1 billion threshold was breached. Looking at the models I don't think we will see that precipitous rise again soon. I think there is opportunity for us all to be developing communications strategy that as we reach thresholds we can activate messaging that drives the sales, but also drives messaging on impact. If one out of every ten stories generated on the \$1.58 billion Powerball included messaging about Lottery impact, we would have furthered our mission in an unprecedented way. ■

How the World Lottery Association Serves its Members ... continued from page 16

form to bring these lessons directly to you. For example, many of you attended the iLottery seminar that was adjacent to the PGRI Conference in New York last spring. We heard from people from around the globe who have been offering iLottery for 10, 15, even 20 years. Their experience and insights were invaluable to directors in the U.S., most of whom have not been able to move into iLottery yet. We learned so much that will help us avoid costly and time-consuming mistakes. The WLA serves as the hub for enabling that kind of interaction and sharing that helps us to be equipped with the knowledge and tools to stay ahead of the competition and continue to be loved by the consumer.

The second front is the political and regulatory side of the business. We need to stand united, with a singular voice that broadcasts to the world the worthy mission of Government-Lotteries. We need to make sure that everyone, all consumers not just players, all media not just our local media, all political stakeholders at all levels of government not just our jurisdictional constituents, appreciates and respects and defends the role that Government-Lotteries perform for society. The WLA is the institution that brings us together to stand tall in defense of our industry against those that are working mightily to change regulations that protect the consumer and protect the Lottery model. Let's make no mistake—Government-Lotteries and the Good Causes they support are under attack and require government protection. The margins in commercial game categories that do not have this protection operate like all other businesses operate—that is on 3% to 5% net margins. Those margins enable them to deliver prize-payout percentages that exceed 90% and higher. That situation already exists in categories like sports-betting and much of casino-style

iGaming. Government lotteries simply can't do that and continue to deliver the kind of financial support that the Good Causes we support have come to depend on. I have to hope and believe that if our political stakeholders understood this picture that they would all stand up to defend the Lottery model.

Unfortunately, we know it is not that simple. Political agendas that determine regulatory and taxation policies are driven by a wide variety of factors, including well-funded lobbying and PR campaigns of those who would deregulate the industry. That is why we, the community of Government-Lotteries, must stand together and make our voices heard. Individually, our voices will not be valued at the levels required to influence the shaping of regulatory policy. Together, we are a \$260 billion industry that delivers \$90 billion in funding that helps society. That is an amazing thing!

The facts are on our side. But the facts won't matter if we do not succeed at convincing the shapers of public policy to recognize the tremendous value of Government-Lotteries to society. And we all know that won't happen if we function as a fractured industry of lone voices in the wilderness. We must stand together, and formulate a unified message and agenda to get that message heard by the political sectors that determine regulatory policy. And, with your active support, it is the WLA that can be the institution that brings us together and channels our message as one singular and powerful plea to preserve and protect the Public Trust that is Government-Lottery.

I encourage all of you to become even more engaged with the World Lottery Association. It is an organization dedicated to serving you and we welcome your involvement, your input and guidance, and your support. See you at the World Lottery Summit in Singapore in November! ■

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Anita Bánki
 Director of Marketing
 Communications,
 Szerencsejáték Zrt, Hungary



Lene Finstad
 Executive Vice President
 Products and Brands,
 Norsk Tipping, Norway



Vincent Pauly
 Web Product Manager,
 Loterie Nationale Luxembourg



Jari Vähänen
 Senior Vice President, Business
 Development & Strategy, Veikkaus



Ellen VandenBerghe
 Business Development
 & Innovation Manager,
 Nationale Loterij, Belgium

Applying Technology to Drive Progress in the Government-Gaming Sector: A Roundtable Discussion with Five European Lottery Industry Leaders

SYNOPSIS: The consensus is that Lottery should not try to become something that it is not. More people love and play Lottery than any other game-of-chance. We should build on our strengths and enhance the attributes of Lottery games that make them so appealing. Trying to develop games and promotional strategies to appeal to casual gamers is misguided. Casting a wider net of third-party partnerships could help to drive more creative game development. But the model of enlisting thousands of developers, the way that Apple does, to create a plethora of Mobile apps for Lottery is not a good fit for government-gaming. In spite of significant benefits, there are obstacles to the implementation of APIs across jurisdictional boundaries. Data analytics will be increasingly important tools to enable Lottery to stay aligned with consumer trends and lifestyles.

Paul Jason: *What technological innovations/initiatives have enhanced internal operations, IT scalability and flexibility, or efficiencies for you?*

Anita Bánki: Director of Marketing Communications, Szerencsejáték Zrt, Hungary: The omni-channel approach is an integral part of our growth and development philosophy. Szerencsejáték Zrt. is using sports-betting as the pilot for such developments, since this type of gambling is the most dynamic, information-intensive of all the different gaming categories. Our goal is to migrate players to digital screens, and preferably to their own devices, instead of the traditional printed betting offer and bet-slips. The introduction into the retail environment of live betting on thousands of events in different markets is driving change and innovation. The sports-betting market is being transformed by technology much more quickly than the other gaming categories. That is why we are focusing on sports-betting as the pilot to acquire the most advanced tools, technology solutions, and strategies that will be applicable to other gaming categories as well.

Project AEGIS (Advanced Entertainment Gaming and Information System) incorporates a big improvement that will help us in the coming years in user management and terminal-usage. The project (consisting of two pillars, the first ending in August 2015) aims to integrate and widen different kinds of gaming and entertainment information, from potential customer card service to gaining takeover-reminders. The new system made possible the renewal of our most popular betting game (Tippmix). It allowed us to offer more game events, reach more markets, do quicker data processing, and create the possibility to offer live betting. We hope to integrate further internal services that can indirectly influence the gaming experience of the players and the effectiveness of the communication with our retailers (faster service, effectively using advertising material, etc.).

Lene Finstad: Technological development has major implications for all lottery operations. We already see a big shift towards the need for a lot more human resources on the customer-facing front, especially as more and more of the customer traffic migrates from our retail networks over to our direct digital channels. The need for operational resources increases dramatically. To manage this, it is necessary to have even more automation and efficiency on technical and back-office operations. The technology is more and more



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commoditized on the back office and central systems side which means that we should be able to be more cost efficient on the technology side in the future.

The Mobile Revolution has been the single most transformational technology to enhance the customer experience. We are now able to communicate directly and in real time with each and every one of our customers, offering them a tailor-made experience wherever they might be. Think of the future implications for us in mastering this and harnessing its full potential to transform the player experience!

Vincent Pauly: The most important thing is the market share between smartphones/tablets and desktops. Now that more and more customers are relying on their smartphones/tablets, we need to have precise data that tells us how the consumer is connecting with us. In Luxembourg, for instance, as of the end of 2015, we have more (55%) smartphones/tablets than desktop users. Here is the key for us. Smartphones/tablets represent a great opportunity to also link our mobile customers in with our retail POS. New technologies offer many options: geolocation, SMS, Push notifications, etc. Loterie Nationale is in the process of defining a strategy to accomplish that.

Recently, we have changed our mass e-mailing tool. The previous system was handled by our IT Department, on our own servers, and was not able to provide e-mails in standards. The new tool is a complete SaaS solution, with good analytics systems and also a 99% success of emails received. The new system is also a tool that is constantly evolving. Now we are looking for other possibilities with SaaS solutions and web-based solutions for our other needs (system e-mails, etc.).

Jari Vähänen: There is a lot of work to do in this area. System modularity with good internal APIs are the key to doing this. Lottery needs to also build development knowledge for itself—you can't fully outsource this. Internal control is crucial when you guide the development. You must also have knowledge of customer behavior and provide that data to all designers and developers. They need to have visibility of the impacts of the changes they make. And they have to have the ability to change things quickly. This requires modular systems, the ability to monitor the behavior data of customers, and the ability to create the next hypothesis for improvement based on the analytics.

The most important thing is how we can continuously develop UE (User Experience) code. That development of the code to optimize UE is based on analytics and agile methods. The overall package includes a combination of data, data source, and analytics to enhance direct marketing and make it personalized service. It is technology-enabled. But the purpose is to enhance the user experience. For instance, instead of banners that promote the product or game, we can now send out personalized game offers that are much more likely to appeal to the player.

Ellen VandenBerghe: The age of mass communication is over. Thanks to better segmentation and personalized content,

our targeted email campaigns reached up to 36% sales increase by contacting up to 56% less people. When 40% of your players consult your digital channels on a smartphone or tablet, it's a wake-up call to develop everything for mobile. So, we are focused on everything related to the mobile experience (responsive websites/emails, native apps, push notifications, web analytics, data warehouses, etc.). Facebook is a powerful marketing tool and can teach you a lot about targeting and personalization. Even if you don't believe in Facebook marketing, it will open your eyes and show you how you should communicate on your own channels—start from insights, look at the context and adjust your message. You can identify the users of your website/app on Facebook and can then adjust your message on Facebook based on that. For example, you could launch a campaign to stimulate app downloads, but only to people that you have not seen before on your app yet, but have seen on your mobile player's website. Facebook is a powerful marketing tool and can teach you a lot about targeting and personalization. Even if you don't believe in Facebook marketing, it will open your eyes and show you how you should communicate on your own channels—start from insights, look at the context and adjust your message.

What role might the technology of standardized APIs (Application Program Interfaces) play for lotteries? Is there a potential for an API solution to provide a central server shared by multiple lotteries and retailers to reduce the cost and increase the speed for deploying new games and technologies across multiple jurisdictions? Is this important? Or maybe there are too many intractable obstacles for practical implementation in the real-world?

Lene Finstad: The API technology creates potential and acts as a driver for economies of scale. We see this in all other businesses and in my view it is imperative for the Lottery industry to actively seek co-operation to tap into this capability. A way to enable the lotteries to increase their portfolios and decrease the time to market is to encourage co-operation between lotteries on co-development of game portfolios and maybe even implementation of the games.

Vincent Pauly: A standardized API between Lotteries would be a very good point for us. We are all selling similar games (like Euro Millions or EuroJackpot). Many lotteries already devote resources to produce in-house APIs. For Luxembourg, as we are a small country, it would help us a lot to work with others and share the costs of development and maintenance of APIs.

Jari Vähänen: Multi-jurisdictional APIs are possible but not very likely. There are no standards in the gaming business that apply to a project like this, and many providers keep the other businesses out with closed systems and closed APIs. Also, the development of technologies is more rapid than our ability to create standards that keep up with the changes. I don't see it happening. However, openly published APIs may help to create some de facto standards which may lead to easier integrations.

There are also other local issues that are even more difficult (at least for lotteries) to standardize: like requirements of local authorities, or local payment and identification systems.

How can Lottery develop games that appeal to the powerful consumer trends of social networking and long-playing casual games of entertainment on Mobile? How can Lottery tap into the non-wagering Mobile Gaming phenomenon? Should Lottery try to develop a third-party game development strategy like Apple and other content marketers?

Jari Vähänen: The psychology in casual games and money games is very different. They are different games, different play-styles, and don't mix at all with Lottery.

Ellen Vanden Berghe: I am personally not convinced this is something Lotteries should do, or are capable of doing. Creating fresh, new, and attractive games and playing experiences is key. More partnerships that result in more exciting games will help the industry. That is especially true for smaller lotteries like ours. An in-house game development department needs a staff of at least 40 people—from concept development, story tellers, copy writers, designers, developers, testers, etc. The cost of that can be hard to absorb when the revenue potential is limited by market size. But enlisting a cavalry of third-party developers like Apple does is probably neither practical nor desirable for government-gaming operators.

What do you see as the most pressing need for Lottery to address over the next three years—especially as it might relate to the “Digital Transformation in Marketing?”

Anita Bánki: Szerencsejáték Ltd. obtained great results by developing strategies to connect with consumers on social platforms. Our Facebook group reached a follower base of 120,000 where people not only access information about our services, but interact with us on a range of different topics. Since sports betting is used as a pilot for developments, we launched our Tippmixpro Twitter channel to take advantage of the potential of live sport events. We need to invest in the technologies and tools that enable us to improve our understanding of our customers.

Mobile applications, such as Tippmix Radar, scan the betslip and keep track of the results real-time, notifying the player about winning. Self-service functionality allows players to make their selection on their own mobile devices or touchscreens available in retail, generating an ID that can be entered into the terminal. No coupons are required. The apps and webpages direct players to the nearest open shop based on their GPS coordinates.

Lene Finstad: The most pressing matter for the lotteries is to shift the focus of the business from being product oriented to being customer oriented. We need to get all our players to register. That is the basis for the genuinely interactive relationship that is so vital to creating a path for healthy and sustainable

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Customers have found that the optimal modes is to turn the display to static-on with the next draw date right after the drawing. Slow-flash one day before the drawing and faster-flash on the day of drawing.



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growth. We need to rethink and re-define the role of traditional retail, and build up modern marketing operations that communicate with our customers directly. And we have no time to lose in accomplishing this.

Vincent Pauly: At the Loterie Nationale, our goal is to integrate effective coupon/promotional programs with social media. Creating synergy with social networks and leveraging that into a more personal direct communications system is our goal.

Our new website (launched in November 2015, www.loterie.lu) is an example of the Digital Transformation in Marketing. It's a responsive website, so all our customers now have the same experience, no matter what device they use. They can also use an iOS-based phone or a Windows Mobile phone, they will get the same info in the same format and, of course, the same gaming experience. We have driven a strategy on this website since the beginning of 2015 to reduce the path of the customer to her game. In terms of revenue and new customers, this website is a success. We are always working on our website to improve conversions and new registrations.

Jari Vähänen: One key to success in this business is to offer the best games. Our products should be as good/excellent as possible! The games and overall use experience should be supported with services and other customer benefits. You should offer and market that combination in a customer-centric way,

making sure that everything you do is enhancing the consumer experience. We are indeed undergoing a transformation in marketing. The future of marketing will be based on effective use of data to understand player behavior, develop the games that appeal to the players, and build the communication links to the players that are direct and interactive. The successful marketers of the future will be the ones who are most effective at using data to understand their customers' preferences, and produce and market the products and services based on that information. This requires smart strategy, effective execution, and investment in the technologies to enable it to happen.

Ellen VandenBerghe: We need to have one view on the player across all sales and communication channels, across all devices (desktop, tablet, smart-phone, smart-watch, etc.), and across all product categories (draw games, scratch games, sports-betting, etc.).

The digital native companies of this world set the standards for modern digital experiences. Once the consumer experiences the quality of service and the personalized communication based on consumer knowledge and context that the most advanced e-commerce enterprises deliver, they expect that from everyone they do business with. Lottery players will soon expect to get real-time up-to-date communication on all channels while hopping from one device to another, from the offline to



Park Lane Hotel
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March 20, 21 and 22, 2017



the online world. This requires lotteries to break down the walls that separate retail and online. The IT systems that support the marketing and distribution of lottery products as well as the organizational structure of the company must be integrated to create that one-view-on-the-player business, and also the holistic player experience that follows them from channel to channel and device to device. The key is to build more personalized relationships with higher value customers.

How will data-analytics unlock Lottery's ability to identify the consumer behavioral trends, and focus product and business development in a more customer-centric way?

Anita Bánki: As our online player base gets bigger every year, the information we obtain gets more valuable: it is getting crucial to differentiate the signal from the noise. Playing patterns and behaviour create opportunities for us to evolve our communication in a more precise and efficient way. We tend to move from a traditional marketing mix to more composite and direct solutions.

Lene Finstad: Data is the foundation for this revolution, but it is not just a question of collecting data, we must transform the sales and marketing processes to make use of all the data in an efficient way.

As we turn to the customers to ask what they want, we must be prepared to streamline the offering to narrowing sub-seg-

ments, and to do that much more quickly than today. We need to radically decrease time to market for each offering and we need to dramatically increase the number of games and content on offer. To be able to do this we need to re-think how we manage game development and the models for co-operation with content providers.

Vincent Pauly: Since the new website version of Loterie Nationale, we use a lot of data analysis to improve our advertising, our outreach actions, and even our games. It's now a "vital need" to analyze data. As Luxembourg is a multicultural country, it's very difficult to get customer profiles. We are everyday testing and building our offer for our players.

The social gaming targets mainly young people, and at the Loterie Nationale we have a strict policy in terms of Responsible Gaming. So we are not building games or apps for free gaming. Also, since our new website we have removed the demo version of our games.

Jari Vähänen: Veikkaus was still very product orientated lottery even just ten years ago. In 2004 we launched the first Customer Strategy and that began a process of much change during which we have tried to acquire a fundamental understanding about customers and how we can utilize information to enhance our connection to them. ■



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“BUILDING ON YOUR BEST”

The Tennessee Lottery Annual Sales Meeting that Sets the Stage for Growth

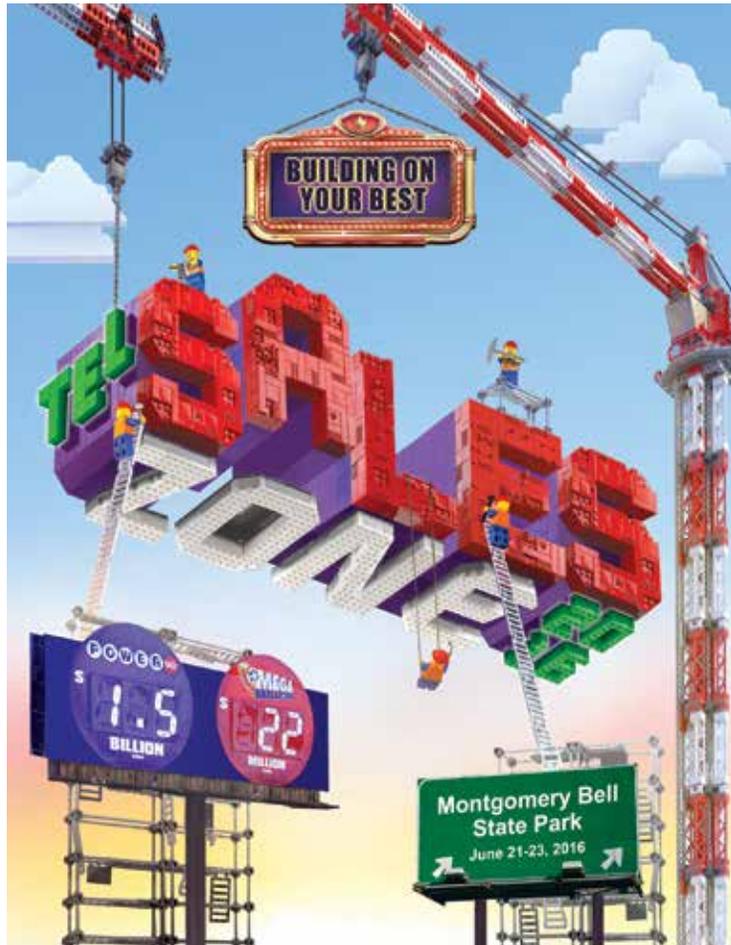
By Paul Jason, Chief Executive Officer, PGRI

The Tennessee Education Lottery Corporation (TEL) is one of the top-performing lotteries in the United States, with 12 years of consecutive sales growth since its launch January 20, 2004. With an increase in sales of more than 13% from FY15 to FY16, and a record first two months of the current fiscal year, the Tennessee Lottery remains at the top of the game.

One reason for this stellar performance is leadership. TEL President and CEO Rebecca Paul Hargrove has served in leadership roles in the lottery industry for more than 30 years, including as Chief Executive of the Illinois, Florida, Georgia, and Tennessee lotteries. In three of those four states she led the start-up and remains one of the most respected, experienced leaders in the field.

She has served as President and/or Chair of all the offices of the Multi-State Lottery Association (MUSL) and the North American Association of State and Provincial Lotteries (NASPL), and has served as Senior Vice President of the World Lottery Association since 2012. However, Rebecca credits her entire powerhouse team for the TEL's success: Wanda Young Wilson, Chief Operating Officer and General Counsel; Andy Davis, Chief Financial and Information Systems Officer; Sidney Chambers, Executive Vice President, Sales; and Lou Ann Russell, Executive Vice President Advertising and Marketing.

One catalyst to the TEL's sales growth is its annual “Sales Zone”



meeting. This summer I was pleased to have the opportunity to attend, and it was unlike anything I expected. The three-day meeting, attended by the entire TEL sales team, senior management and others, is held off-site at a nearby conference facility. The meeting, themed this year “Building On Your Best,” was just as much a celebration as it was a time for learning, networking, setting goals and building teamwork. An example of this spirit was given by Ed Bradley, Vice President of Sales, in his presentation to the team. Ed's enthusiasm quickly spread, and we embraced his message: To cherish our role as industry leaders, be

thankful for the privilege of working with dedicated teammates, continue to raise the bar on ourselves, and to be proud that “the strength of what we build shapes the future of thousands of Tennessee students each year.”

In addition to the energy and guidance from TEL senior management, the sessions were intensive and interactive learning experiences, as well. Dale Carnegie Master Sales Trainers opened our eyes to the exciting possibilities of achieving stretch goals, and they provided the tools to make it happen. IGT's Nat Worley and Kasia Cahill spoke of the cutting-edge strategies and the new technologies to expand the TEL's retailer base and optimize retailer performance. Adam Perlow of IGT gave a hands-on workshop on how to employ Sales Force Automation (SFA) to improve effectiveness in the field. SFA is not just about efficiency, it's about knowing the precise mes-



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TEL Sales Zone is capped off with the Corporation's all-employee meeting, held at the same location. This meeting encompasses the entire organization and provides the opportunity for all TEL staff to network, ask questions, and receive mandatory training. Sessions are led by TEL senior management, including its Vice Presidents: David Jennings, Security; Vicki Updike, Finance; David Kan, IT; Andrew Morin, Legal; Alonda McCutcheon, Legal; Khristie Stoecklein, Internal Controls; and Ed Bradley, Sales. The entire event culminates with a corporate-wide embrace of higher goals and continued growth, creating energy that will last far beyond the summer.

Congratulations to the entire Tennessee Lottery team for always setting the bar high, then passing it, to set new standards of excellence! ■

sage that is tailor-made for each individual retail store visit.

Mark Audi and Jennifer Welshons of Scientific Games shared advanced insights into consumer behavior and how merchandising, game development, and portfolio management are being refined to a fine art as a result. Lou Ann Russell and Jeremi Griggs of The Buntin Group (advertising agency) described how future trends are shaping the TEL's work in social media. Connie Lavery O'Connor (IGT) transitioned the celebration from a sales meeting to a company-wide embrace of the mission to Build on Your Best. Her "Building Success through Positive Thinking" session captured the imagination of everyone and reinforced the TEL's mission to make FY 2017 another year of sales growth. And finally, Rebecca Hargrove's "Ask the President"—always a hit—elicited a frank (and entertaining) discussion full of surprises.



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that they feel will work best for their players. And lotteries also need to be able to choose the suppliers that they feel will best partner them in order to help achieve success.

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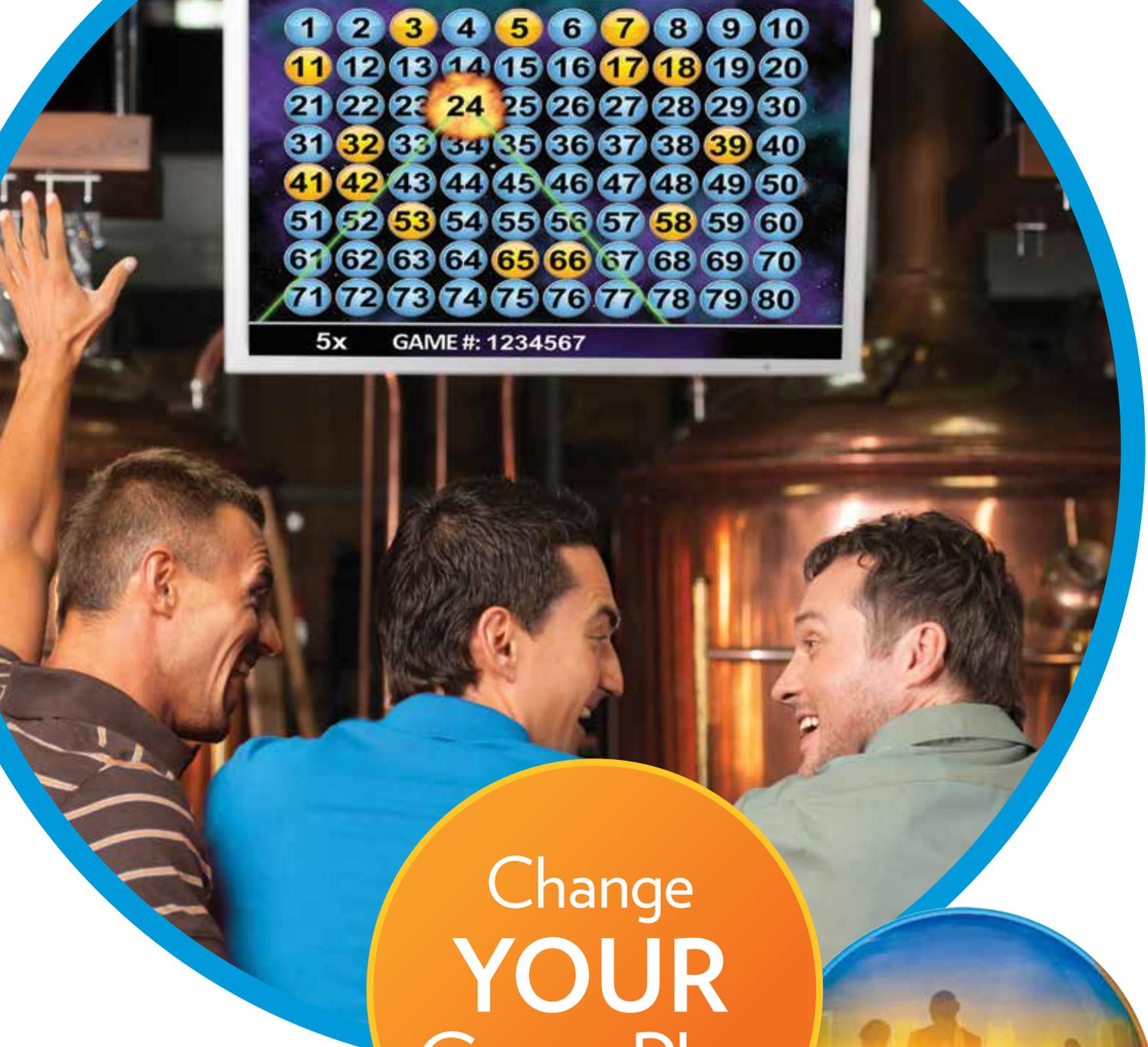


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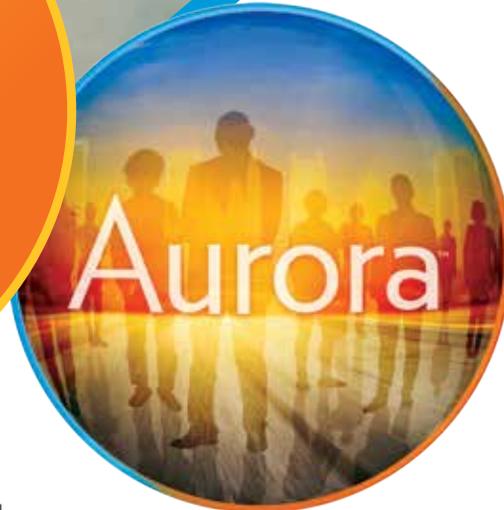


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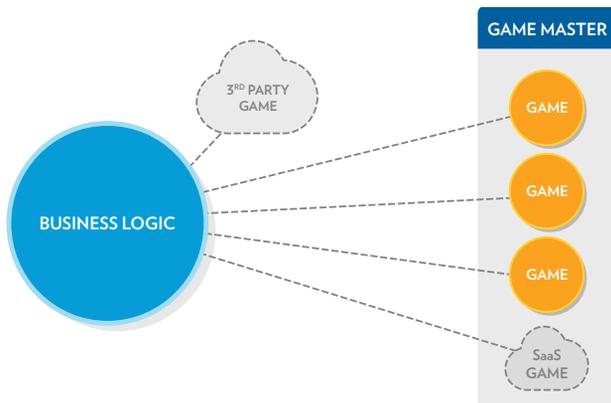


Accelerate Game Changes with Game Master

Aurora™ Game Master provides increased flexibility to add and modify games

One of the major tenets upon which IGT's Aurora platform is built is making the right games available to the right players at the right time. Faster game changes. Faster time to market. These are some of the primary goals of many lotteries today, and Aurora Game Master makes them happen.

Game Master is IGT's new high-performing draw game engine that improves speed to market for new game introductions. Because IGT recognizes the many factors, including each lottery's own internal processes and schedules, that impact the ability to bring a new game to market, Game Master provides a flexible deployment model and isolated game engines to better serve business needs.



Aurora Game Master's loosely coupled architecture allows game changes independent of one another, allowing for faster deployments.

Game engines are decoupled from each other and from other functionality, so they can be added, removed, and scaled independently. This entirely flips the traditional paradigm of an architecture where game logic and business logic are tightly coupled, limiting speed to market. Game Master is based on a loosely coupled Service Oriented Architecture (SOA) where the game logic, pool management, winner processing, and other core game functions are separated from the rest of the transaction processing logic to get games into the hands of players sooner.

Other unique benefits of Game Master include:

- Game Master may be offered in a lottery data center or in the cloud as a Software as a Service (SaaS) to provide deployment flexibility and meet regulatory requirements.
- The ability to integrate with both IGT and non-IGT existing systems via industry de facto standard Application Programming Interfaces (APIs) to simplify systems integration.

For more information on Aurora, IGT's new lottery technology solution, visit www.IGT.com.

- The agility to allow lotteries to make game changes using configurability without requiring software changes to reduce effort and costs.
- Support across multiple jurisdictions, which allows multiple lotteries to share a single prize pool in real time. This allows multi-jurisdictional rapid draw games to be supported.
- Gradual migration path from the existing lottery system to Game Master to reduce the major pain points in a traditional "Big Bang" conversion and allow the lottery's business needs to drive the technology delivery.
- Channel-agnostic design makes Game Master ideal for today's lottery environment, where multiple sales channels need to be served and new ones added on short notice.



Game Master's advanced architectural design is highly reliable and supports both local and remote data center logging, as well as large jackpots, with the ability to scale both horizontally and vertically. Even though Game Master is based on the latest proven technologies in the market today, special focus has been placed on the reliability, integrity, and performance for which IGT is known.

The ability to deliver more games and make game changes faster results in tangible benefits to the lottery, retailers, and players. The lottery can manage its game portfolio more effectively and efficiently. Retailers benefit from increased variety, which drives more players to their stores. Finally, players benefit from enhanced entertainment value across retail and digital channels. That's IGT's definition of a win-win-win!

The end result is the creation of an unlimited and transformational game portfolio...today. More games means more opportunity to engage new and current players with exciting content and gaming opportunities. Game Master is the revolutionary game engine that can help lotteries do just that.





Evgeniy VLASENKO

Chief Executive Officer, MSL LLC, Ukraine

MSL Lottery in the Ukraine: A study in overcoming adversity in a market disrupted by political and economic turmoil.

PGRI Introduction: The Ukraine is the largest country in Europe by land mass, and has a population of 46 million. MSL is the state-owned lotto for Ukraine. It was launched in the middle 1970s to raise funds for the development of sports in the Soviet Union. That mission changed when the Ukraine became independent in 1991. MSL was originally an abbreviation for “Molod Sportloto,” but is now the brand name. After the Ukraine gained independence in 1991, there was a period of time when government regulatory structures were not fully intact. There were no regulations and private operators were free to start lotteries, sell tickets and take in money, then close without paying out prizes. Public trust in lotteries was destroyed. In the year 2000, a regulatory system was implemented. Even so, and even though MSL always operated with integrity, the entire industry was tainted and it was very difficult for MSL to reestablish public trust and confidence. But they succeeded, step by step, in re-establishing consumer confidence that its operations are totally transparent and prize monies are paid out promptly and the games always operated with integrity. The business of lottery relies not just on the confidence of the consumer. Retail and advertising partners also need to be confident that the time and resources allocated to lottery will generate a positive ROI for them, and that the lottery operator will be a good business partner in every way.

Before the political and military turbulence which began in 2014, when Russia annexed Crimea and turned eastern

Ukraine into a war zone, the market was growing considerably. MSL sales were increasing at an annual rate of 50-80% between 2010 and 2013. Total revenue in 2013 was over 2.5 billion UAH (approx. \$150 million euro today but twice that before the devaluation of the Ukrainian currency last year). The lottery business has since declined amidst this turmoil. Among classic lotteries, bingo ranks first at 30% of revenues, scratch cards second at 24% and growing fast, and Lotto third at 6%. Sports-betting and toto is 40% and is the fastest growing category. Only 18% of the population in the Ukraine plays the lottery at least once a year. That compares to 70% in the UK. Illegal online gambling is vast. There are more than 270 sites accessible to the Ukrainian customers. They are not properly regulated or taxed.

97% of MSL's sales are at land-based stores. Transitioning from a state-owned economy to a capitalist system is a big transition. It is not just a matter of installing modern business practices and models. The cultural adaptation as well as economic and logistical transformation is not so easily accomplished. Of course, Ukraine is over twenty years into the process. The cultural transformation has largely been accomplished and so now it is largely a matter of executing on fundamental business plans to develop a network of dynamic entrepreneurs to operate the stores.

Evgeniy Vlasenko has led MSL since 2011.

Paul Jason: *How have things changed since our last interview of September 2014?*

Evgeniy Vlasenko: The last two years were a time of unrealized hopes. A western-minded government came to power. We expected this to improve cooperation from the Ministry of Finance, and facilitate the development of the market based on the principles which the EL (European Lottery Association), and the European Union as well, proclaim. But after a succession of three Finance Ministers, each bringing in a new agenda and new set of priorities, not much has changed. New taxes were introduced in January of 2015. Before that, lottery operators paid tax based on GGR and now it is based on turnover. In parallel with that, a tax on winnings was applied. The operators, not players, are responsible for correct calculation and collection of this tax. The tax is applicable for all wins, even minimal prizes. And on top of all that, a new tax on profit for the operators was introduced. These changes that may have been intended to increase net proceeds to the government have had, not surprisingly, the opposite effect.

Our costs have increased to manage these changes. Imagine the burden on the operator to adjust the central system and ERP system to correlate all prize payouts with the winner, calculate the tax that is due, withhold the correct amount from the payout, and report and remit the taxes to the government. We had to do that in two days! And changing the tax from GGR to turnover crippled our high-payout games like sport-betting and video lottery. Players are not happy that they do not get their prize in full as before.

One might have decided to simply discontinue business operations under those conditions. But not us. We hoped that once the negative impact of these new conditions was observed by the government officials, i.e. the drop in sales and taxes collected, they would

amend the onerous rules and tax structures back to what it was in 2014. That would enable us to generate more sales and net taxes again. It was in 2014 that Crimea was annexed by Russia and war in the East caused despair, uncertainty, and lack of confidence about the future in Ukraine. This provoked a decline of the market and decreased the interest that people had about lotteries.

EU Sanctions against Russia for its failure to comply with the Minsk peace agreement which calls for Russia's withdrawal from Ukraine are still in effect. And I just read today that EU and NATO officials do not expect Russia to fully comply in the near future. What is the condition in the Ukraine now? Are people able to go about living normal lives or is there fighting and disruption? What does the future look like to you?

E. Vlasenko: In terms of the Minsk agreements and obligations of the opposing sides, I would leave conclusions to the politicians and governments. One thing is factually clear—norms of international law are not followed, Ukraine does not control 450 km (300 miles) of its eastern border, and Ukrainian Hrivna is replaced by the Russian ruble in the territory which is under terrorist occupation. These are facts which also point at who is responsible for financing and managing the actions which create such political and economic instability.

Ukraine is in a very unusual situation. People from all different nationalities, religions, and cultural backgrounds have been living peacefully here for so many years. Nobody thought about the different backgrounds, we all just lived as equals, as friends and countrymen. Now we just want this military turmoil to stop so we can return to normal life.

Ukraine borders with Moldova on the south. And between them there is an unrecognized territory called TransDnister republic. It had been a part of Moldova but is now going

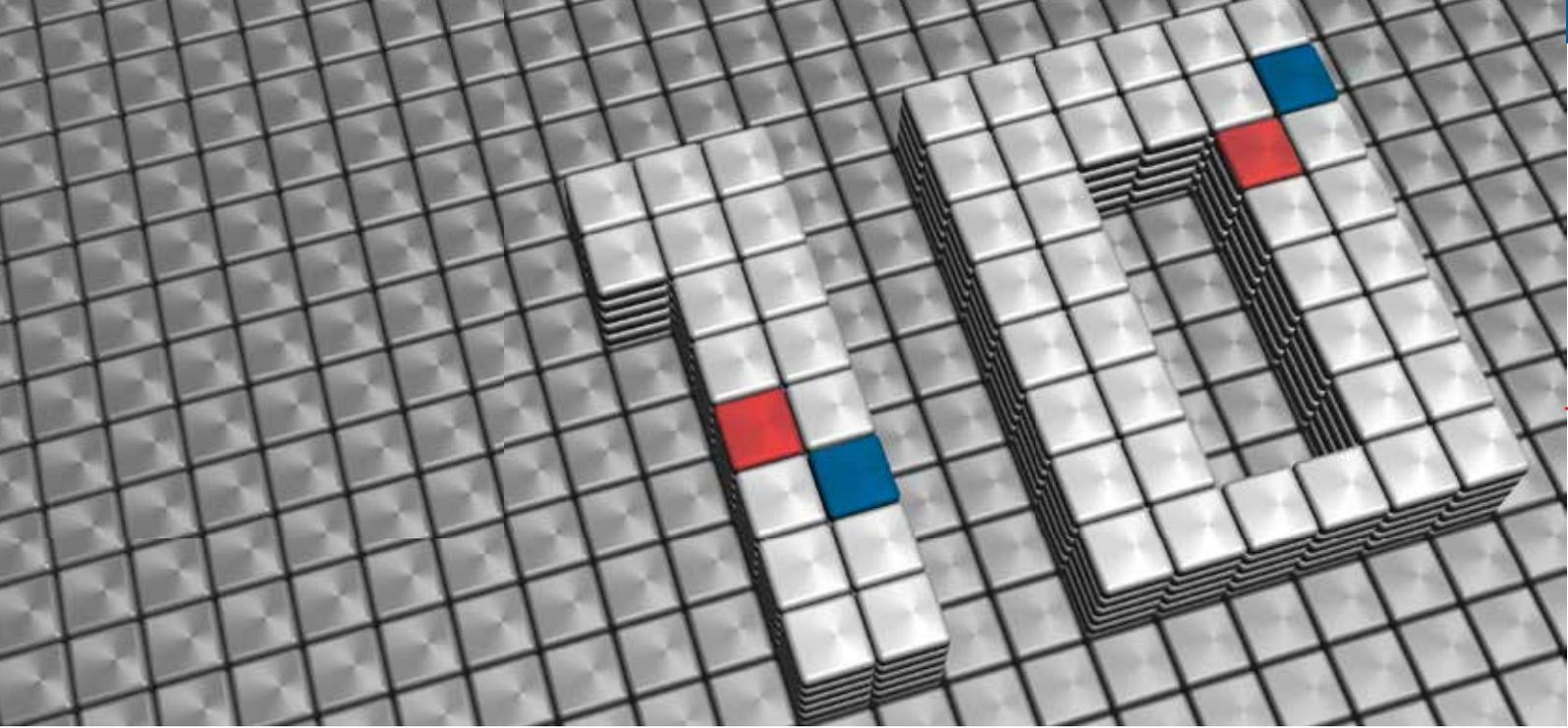
Continued on page 59

GEORGIY LOZHENKO: LEADING MSL THROUGH 25 YEARS OF CHANGE

Credit for navigating MSL through these many years of adversity goes to one person—Georgiy Lozhenko. MSL success is possible due to his leadership, moral sense of purpose and strong will, and strategic vision. Mr Lozhenko practically saved the Ukrainian lottery market in the 1990s, navigating the transition from government-owned and operated to private ownership and market-driven economy. There being no mechanism for an orderly transition resulted in severe economic and political insatiability. Mr Lozhenko continues as the President and Chair of the Board of MSL.

January of this year was a most difficult time. New high taxes were introduced and then financial sanctions were imposed against MSL and another Ukrainian lottery operator, with the intention to block our activities and provide exclusive conditions for another operator in the lottery market. Mr Lozhenko held fast to our principles with confidence that doing the right things and with commitment to the principles of the European Lotteries, the Ukrainian lottery market would return to a normal situation. His energy and mission were embraced by all employees and helped to us survive and protect the company and the team of professionals who are dedicated to operating MSL with integrity and dedication to serving the people of Ukraine. Over the last two years, the Ukrainian Army and the Ukrainian people harnessed an iron will to resist the forces of terrorism and disruption. So too has MSL. I am pleased and honored to serve the people of Ukraine with Mr Lozhenko. On the eve of Georgiy's jubilee, and on behalf of my colleagues in MSL, I wish him all the best. I believe that it is important that young professionals who come to work in our industry know about the work ethic and fortitude of legendary individuals who have done so much to protect the integrity and sustainability of lotteries all around the world.

—Evgeniy Vlasenko



Highlights from Scientific Games

1. PlayerVantage®

This all-new, bundled digital product offering includes for-fun and promotional games, targeted loyalty, bonus games and second-chance promotions, full loyalty, eDraw and eInstants – all secured with *Sciplay®* technology and *Second Chance Bonus Zone®* platforms. It is the industry's leading end-to-end suite of interactive solutions covering player acquisition, bonusing, loyalty rewards and iLottery. The *PlayerVantage* product suite takes a player-centric approach through all stages of the digital-to-retail player journey, offering real world solutions for today's connected consumer.

2. WAVE

High-performance counts, without giving up valuable retail counter space. This sleek, reliable family of retailer terminals are ergonomically designed for ease of use and speed of service to help make selling lottery products easier and faster. From the full-sized, flagship *WAVE*, to the modular *WAVE X* and the ultra-compact *WAVE C*, the *WAVE* family offers a terminal for every type of retail environment.

3. PlayCentral® HD

Seeing this unparalleled self-service experience is a must. The award-winning *PlayCentral HD* terminal features a 42-inch full high-definition touchscreen display that combines rich, vibrant graphics with an intuitive user interface designed to actively engage players. Stunning, experiential self-service technology for lottery instant, draw and fast-draw (Keno) games.

4. Scratch My Back® Gigantix™

Triple the possibilities for creativity. Unlike any other instant product, the *Scratch My Back Gigantix* ticket combines play on the back of the ticket with a larger than life *Gigantix* game – then steps out of the box further with a powerful extended play line-up. This exciting fusion of three popular play styles offers an even greater play value for today's players who love games like crossword and bingo. A great way to offer more chances to win at a price that's appreciated.



NASPL 2016 PRODUCTS TO EXPERIENCE NOW

5. SciTrak Ultra™

Check out this integrated instant product management technology for ultra-good instant game sales. The *SciTrak Ultra* system is featured in the *Scientific Games*® Cooperative Services Program (CSP), which is driving more than 45% higher average sales per retailer than similar programs. The solution integrates Tel-sell (inside sales), warehousing and distribution with predictive ordering and automated sorting technology.

6. Credit/debit + Mobile Play Solutions

No cash needed for this fully PCI-compliant debit/credit/mobile (Android Pay, Apple Pay, etc.) cashless payment solution. It's actually been implemented in Pennsylvania through the *WAVE* terminal, and is coming in Q4 through the *PlayCentral HD* self-service terminal. Scientific Games is the first to bring these commerce solutions to market, giving lotteries a way to access increasingly cashless consumers.

7. HD Games

At the height of hot when it comes to the newest innovation in instant games today. *HD Games* combine sharp, high-resolution imaging with enhanced security and other upgraded features to create a new line of games that elevate the player, retailer and lottery experiences. Scientific Games has invested in new technologies to create this next evolution of instant games, which may well become the gold standard in the market. Seeing these beautiful games is believing.

8. Gold Fish® Interactive Promotional Game

Don't miss this digital lottery underwater adventure with everyone's favorite *Gold Fish* theme. Players are given an allotted amount of

time to link game icons by connecting pieces of the same shape or the same color. Each level of the promotional game has a different task to complete, including achieving rewards and overcoming roadblocks, before advancing to the next level. Players earn coins and fish food, which are used to decorate their tank and care for their pet fish in a virtual aquarium.

9. MONOPOLY JACKPOT® Bonus Spin

An iconic lottery interactive experience. Featuring the favorite *MONOPOLY* brand, this promotional game is played via a lottery's mobile app or responsive website. Players enter eligible tickets to spin the *MONOPOLY JACKPOT* themed wheel for a chance to win prizes and fill the meter to earn entries into the grand prize drawing.

10. MobiPlay™

Uber convenient. This mobile solution allows your players to purchase lottery games via an established brick-and-mortar retailer base (clerk-fulfilled and self-service), yet provides enhanced engagement, personalization and "on demand" game play. Players can make wagers, view drawings and prizes won, select games to play and re-wager winnings on their mobile phone via an app – while funding and cash out occurs at retail.

For more information on any of these products showcased at NASPL 2016, contact: info@scientificgames.com

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Bill Breslo, Vice President,
Diamond Game

Industry Innovation, Meet Major Consumer and Retailing Trends

Self-service and consumer convenience are among the most powerful consumer trends. Consumers and retailers both love it. And the days of sales clerks “upselling” lottery tickets ended long ago. Thus, it is much better that lottery’s face to the customer be an exciting video vending machine that gets attention, makes it easy for the player to understand how to play, and delivers an engaging playing experience that is compelling to new players. That’s the value proposition of Diamond Game.

Incorporating video and engaging play style has another huge benefit to lottery. It makes lottery products compelling to tens of thousands of retailers that Lottery has not, or not fully, penetrated. Bars, bingo halls, veteran halls, and other age-restricted entertainment venues and social environments represent the most significant opportunity for Lotteries to increase sales. The sales growth is predictable and immediate. And perhaps best of all—it is the most responsible way to grow sales. Why? Because it reaches new consumer groups—players who are not a part of the core group that buys at convenience stores. Lottery’s goal for responsible gaming is to grow by reaching new players, not simply generating more revenue off the same player base. That is exactly the mission of Diamond Game: Create entertaining self-serve play-stations that open up new channels of distribution and bring in new players to enjoy a lottery experience.



Diamond Game Launches the NexPlay™ Product Suite at the NASPL 2016 Conference

Leading the next wave of self-service player terminals, Diamond Game unveiled NexPlay™, a new suite of products that combines all the benefits of traditional self-service sales and ticket checking with a modernized and more engaging interactive video display. Two new products in the suite were shown: the NexPlay™ self-service terminal (“SST”) and the NexPlay™ enhanced ticket checker. The product

suite connects to Diamond Game’s robust central system that facilitates many new, innovative features, as well as providing the features lotteries require from their central system providers.

The NexPlay™ SST, via two large HD monitors, offers both draw and instant game sales, animated ticket checking, multi-game functionality, downloadable content, cashless payment options, age verification, and other robust responsible gaming features. And, of course, the NexPlay™ SST offers players the same engaging display of ticket results as Diamond Game’s popular LT-3 machines, which are currently deployed through contracts with the Maryland, Michigan, Missouri, Ontario, and Quebec Lotteries.

The NexPlay™ ticket checker provides lotteries with the next step in player activated ticket checking of instant and draw game tickets. The checker provides beautiful animated graphics on a large, touchscreen HD monitor which can be mounted on a wall, table, or pedestal. The checker’s video monitor, with download capabilities and an internet connection, also doubles as a dynamic in-store marketing tool.

“We’ve listened to the industry and allocated significant R&D resources over the past 18 months to deliver NexPlay™. The response to this suite of products at NASPL was terrific. We are eager to develop deployment plans in conjunction with several lotteries in the near future,” said Bill Breslo, Vice President of Diamond Game. ■



One Connection Changes Everything

jcmglobal.com

Everything you thought a slot machine could do has changed. That's because industry-leading transaction supplier JCM Global has unleashed the power of its new and transformative FUZION™ technology, bringing with it heretofore unimagined potential, flexibility and profitability to the casino floor. With FUZION™, each slot machine has the potential to become a multi-line profit center with the potential to vend and redeem lottery tickets, conduct race & sports betting; conduct cross-enterprise promotional couponing; enable real-time currency exchanges; streamline tax forms processes; facilitate Daily Fantasy Sports wagering ... and much more. This technology creates a one-stop multitasking gaming machine allows players to do all this without having to leave their seat. One Connection for the player access the widest range of games and services.

FUZION also includes Mobile I/O™ technology. This allows casinos with legacy, reel spinners, or any games without picture-in-picture to use FUZION, by enabling the player to connect with the game via smartphone through JCM's Intelligent Bezel. This technology expands the FUZION potential to all types of slot machines. "We're taking out-of-the-box thinking to a new level by connecting the iVIZION® bill validator and GEN5™ printer to the casino management system, and unleashing dramatically more processing power and flexible functionality," said JCM Global Vice President of Worldwide Marketing Tom Nieman. "With FUZION, operators can work with their existing CMS provider to have the ability to re-think everything, connecting more profitability to the floor and increase player convenience."

"You can take your smart phone, you tap it to the bill validator bezel, the plastic piece around the bill validator—and now your phone digitally plugs into the slot machine (via Bluetooth)," Nieman said. "Now when your mobile device is in close proximity to the slot machine, you can do all of the things that you would be able to do on the video screen attached to the newer machines. And if you walk away, the communication is disconnected automatically."

FUZION has the potential to unleash many game-changing features, including:

- **LOTTERY READY:** Sell and redeem lottery tickets at each and every EGM and even trigger promotional messages before large lottery jackpot draws, allowing players to use existing credits or conduct a standalone purchase.
- **RACE & SPORTS ENABLED With FUZION:** each EGM could be used to place race and/or sports bets and print a standard wager ticket. FUZION also gives casinos the ability to enable Fantasy Sports betting, their own or a third party's.

- **PROMOTIONS:** Ties the enterprise together with system-generated promotions, instantly delivered right to the player, including drawings, collectible promotions, F&B offers, special events and carded or uncarded player outreach.
- **CURRENCY EXCHANGE:** The iVIZION bill validator accepts the world's currencies, and FUZION empowers multiple currency acceptance, with exchange rates that could be preset or could be real-time.
- **TAX FORMS:** Print system-generated tax forms and deliver required documentation to the customer while the back-end system stores the signature forms and data that needs to be delivered to the IRS.



With FUZION, JCM has unleashed the power of "what if ..." Connect with the future, because one connection will change everything.

JCM Global JCM Global is the world's leading transaction technologies supplier for the banking, retail, kiosk and gaming industries. With unsurpassed service and support, JCM Global is trusted by operators, manufacturers and integrators on six continents. Its extensive line of award-winning products set global standards with groundbreaking peripheral transaction components, innovate digital media hardware and the systems to tie them together.

Unleashing the power of "what if ...," JCM's Game-Changing FUZION™ Technology reinvents the player experience. Unleashed the power of unveiling a transformative new technology that fuses the combined capabilities of the bill validator, printer and casino management system. The result is transformational. One connection FUZION™ changes everything. ■





Kambi

Government Regulated Lotteries Need to Up Their Game

Joni Hovi, Executive Director Lotteries for Kambi, explains why sports betting is the key driver to integrate the land based and online gaming experience for players.

The 'on-demand' economy is growing

Competition in the games-of-chance industry is increasing at an exponential rate. The good news for government gaming operators is that they are better positioned than anyone to build the 360-degree relationship with the players than any other gaming sector. That's because the omni-channel marketplace puts the power into the hands of the consumer. And the consumer does not think in terms of channels of distribution. The consumer expects and assumes that their affiliations will be there. Consumers expect intuitive interfaces, seamless experiences and relevant offers. This is the new norm.

Lotteries are poised to personalise the gaming experience.

Lottery's network of retailers, and its competency at managing large networks of land-based store-fronts, is the most powerful competitive advantage. Other operators connect with the consumer via the internet. Of course, the internet and mobile are vital links in the omni-channel relationship that is the cornerstone to building the 360-degree relationship with the consumer. That is why all operators are continuing to raise the bar in the world of customer-facing internet and mobile connections. But insofar as all games-of-chance operators strive to build out the most advanced digital platforms, it will be harder to differentiate in the future. The missing link for most other operators than government regulated gaming operators is the land-based connection.

Lottery's network of land-based retailers is the proprietary advantage that sets them apart from their competitors in the games-of-chance industry.

Grabbing attention is straight forward with sports betting services

The other key to building out the 360-degree consumer relationships is to be the one-stop destination for all games. Lotteries already offer some of the most popular games in the world, but the modern consumers need more. They want convenience, entertainment and a wider service offering. In gaming, one critical success factor is to become the one gaming destination that fulfills at least most, if not all, modern consumers' gaming desires. This also includes i-games of all varieties, games of chance, and the fastest growing category, Sport Betting.

The modern consumer wants the option to migrate from category to category, to enjoy a variety of gaming experiences. They expect the gaming operator to make it easy for them to do this by providing the broadest and most entertaining portfolio of games. Further to this, modern consumers want more than ever the gaming provider to have a trusted and responsible brand.

Scalable, flexible and differentiated

Look at the themes of the two major conference events in Europe this year. One is titled "Digital Transformation in Marketing" (the WLA/EL Marketing Seminar in London in January) and the other was "Renaissance of Retail in Digital Times" (EL Industry Days in Marrakech in June). The host of EL Industry Days, Younès El Mechrafi, put it this way: We don't need a digital strategy. We need a business strategy for digital times.

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Growth Drivers on Display

Changing the game at NASPL and WLS

IGT is inviting lottery customers to interact with its team of Game Changers at the NASPL and WLS tradeshows. Through product demonstrations and interactive presentations, IGT seeks input on the next generation of lottery technology and content.



At NASPL 2016, IGT's team of Insight Shapers demonstrated the industry's only suite of synchronized products that leverage consistent insights and analytics across all lottery stakeholders to drive sales. The team showed how powerful business intelligence and salesforce automation tools deliver proven, actionable content based on IGT's unrivaled experience managing lotteries, retailer networks, and lottery sales forces in multiple jurisdictions worldwide. Jim Humphrey demonstrated how Aurora™ Performance Intel uses state-of-the-art analytics to help lottery management turn mountains of data into insights that grow revenues and profits. Kasia Cahill and Adam Perlow showed how Aurora Retailer Wizard and Aurora OnePlace provide Lottery Sales Representatives and their retailers with the real-time data they need to efficiently manage and successfully grow their businesses.

Beyond back-office solutions, IGT's team of Content Creators showcased the latest in gaming content. New sensory experiences enveloped visitors, as Tom Napolitano and members of the IGT's Game Studio introduced a beta version of Astro Cash. NASPL attendees were a part of the virtual reality action as they blasted three-dimensional alien spaceships and meteors in the immersiveness of outer



Experiencing IGT's Virtual Reality



Toying with Eye Tracking technology

space. Amy Morin demonstrated Paymax's augmented reality Gold Castle game that transformed from a typical scratch game sold at a traditional retailer into a 3D interactive experience that burst out of a player's phone or tablet. More than 50 NASPL attendees played the Dragon Hunt augmented reality game that allowed players to chase and capture dragons around the tradeshow floor. The winner went home with a new iPad mini for capturing the most dragons at the event.



Turning insights into actions with IGT's Business Intelligence

Want to experience these game-changing modernizations yourself? Visit IGT's booth at the World Lottery Summit in Singapore November 6-9 to experience the next generation of retail growth enablers and gaming content.



THE POWER OF THE DUAL LAUNCH



Launching new instants simultaneously in physical and digital forms can provide a host of benefits for lotteries, says IWG CEO Rhydian Fisher



You don't need me to tell you that the biggest challenge facing today's lottery industry is appealing to a player base that is spending an increasing amount of time online.

There has been plenty of talk in our sector about the importance of digital innovation and building a suite of products that resonates with the much sought after millennial demographic.

What I have not seen is much advice on the practical benefits of a coherent digital strategy and the synergies that can be gained when that digital strategy complements an existing retail offer.

This path is well-trodden by our cousins in the private sector; a number of casino operators have stressed the importance of omni-channel releases – simultaneous launches of new titles across land-based machines and online – for a number of years.

While retail sales will remain the priority for most lottery retailers for the foreseeable future, they need to diversify and bring in revenues from other channels.

Dual launches of instant win games can provide a major boost to nascent digital operations, and it is an area we at IWG are expanding rapidly following a number of successful roll-outs with Loto-Québec, Norsk Tipping and ONCE in Spain.

The halo effect

The benefits of a dual launch are far-reaching. Launching a physical ticket that shares the same prize structure and design as its digital equivalent creates a halo effect in marketing, giving players a wider range of options to respond to the same campaign, in turn boosting ROI.

It also helps operators drive traffic between the channels. In Québec, a call-to-action was included on the physical ticket, suggesting players visit a URL to play the same game online.

Loto-Québec's head of online Sovanna Phan said that the simultaneous launch of a game across retail and online, known as a 'Brick N' Click' launch, allows the operator to leverage sales on both channels.



I believe one of the main benefits of doing a Brick N' Click launch is to capitalize on the brand awareness among our customers. They are able to find their favorite retail scratchcard online and vice versa. We're really pleased with the result.

Phan added that two such launches, Mots Cachés and Slingo are among their best performing instant games online.

And this is just the start. There is room for more advanced retail to digital cross-selling strategies, such as QR codes that allow customers to scan and play in an instant on their mobile device.



Doubling down on digital

Digital lottery is at a real coming-of-age moment, and is finally in a position to assert itself within the broader sector.

Historically, the only titles that tended to get dual launches were blockbuster branded games,

Cash Buster has been a hit online for some time, and the planned physical ticket in Québec is a rare example of a physical game taking its game mechanics and design from the digital world. I predict this is something we will be seeing a great deal more of in the coming years.

Ultimately, the lottery sector will have to take a far more channel agnostic approach to the way it rolls out new content. While regulation will play the decisive role in how quickly this transition takes place, it is possible to put the framework and practices in place now.

IWG's dedicated RGS now makes digital launches – and the possibility of linking these to simultaneous retail launches – easier than ever. This is critical in a market where the constant refreshing of content is central to success.

On top of this, popular digital titles can help bring the next generation of players into the retail environment.

Prize pools are another area that can benefit from a dual launch. While regulatory requirements differ depending on jurisdiction, we have found that there tends to be scope to offer larger prizes if a game is launched in both physical and digital form than if it is a digital-only product. Certification also tends to be smoother.

Aside from regulatory concerns, the ability to share a prize pool between two channels also empowers the operator to offer bolder headline prizes.

such as Monopoly. In many of these instances, dual launches were in reality re-launches of a popular retail game.

This is quickly changing, as we will soon demonstrate with the dual launch of our hugely successful Cash Buster instant win game.

A number of our operators are already enjoying the benefits of dual launches. With boosts across marketing, cross-sell and prize pools to be had, it is time more lotteries tap into the power of the dual launch.



Are you still asking, “Who ARE these people?!”



- Increased security and reduced time to market
- More freedom with platform and hardware independent terminal solutions
- Open, modern architecture that guarantees easy integration to 3rd party systems and games
- Being present everywhere there is a point of sale (POS)—BYOT (Bring your own Terminal) a term NLS brought to the market
- Facilitating a seamless retail lottery experience via the true NLS Omni-channel solution
- Growing lottery sales networks with lower cost and faster deployment time
- Establishing easy and secure connectivity through standard APIs (e.g. payment systems)

When NOVOMATIC completed the acquisition of Betware, the world's first state lottery internet solution provider, just two years ago, we already had plans to change the industry. In 2014 Betware became NOVOMATIC Lottery Solutions (NLS) and began to unleash a wave of disruptive as well as sustaining innovations to invigorate the lottery technology market.

Fortified with a team made up of experienced lottery professionals and pure technology experts, backed by a highly successful gaming parent company, the NLS team immediately got to work to bring lottery operators new options in future-ready solutions. In retail, we targeted the need for:

The first step in resolving any problem is knowing what the problem is. Knowing of the technology roadblocks that have limited lottery evolution propelled NLS problem-solving solution development. NLS has delivered a whole new approach, involving both disruptive and sustaining technologies. Ours is not a monolith, constantly redeveloped and modified, our system is new from the ground up, using modern, up to date technologies as well as modern, up to date processes.

We are succeeding in meeting our targets and bringing new choices to our lottery partners. Case in point, on April 1, 2016 the first phase of the technologically advanced NLS lottery system went online for the Spanish Loteria de Catalunya. The Catalunya system uses our cutting-edge Omni-Channel solution that includes internet and mobile access to connect the lottery's entire retail estate, employing the most modern point of sales devices and telecommunications infrastructure.

We have developed NLS POS Embedded, a hardware-independent, sophisticated application that allows lotteries to expand their sales network and be present where players shop. The new NLS Instant Ticket Vending Machine (ITVM) offers advanced features and benefits never seen before in self-service gaming. Our Omni Channel solution uses APIs to be completely open to 3rd party content.

But does the successful development of these essential, technologically advanced solution features change the lottery paradigm? Yes.

- Lottery is no longer tied to a specific retail terminal. Each lottery operator can choose the perfect hardware/terminal for every shop size, tablets for smaller shops with less revenue, a sophisticated, full-featured lottery terminal for a high-street shop, a sophisticated ITVM for additional consumer behavior tracking at a Big Box store.



Regardless of the hardware which is used on the POS, software updates can be easily implemented across all devices with the press of one button.

- New market penetration to reach consumers who are not yet players by putting lottery at the check out cash register, not by adding yet another cluttering terminal but, by embedding lottery software that runs seamlessly on retailers' existing store systems.
- The under 30 consumer demographic group relates to the full touchscreen interface and sleek design of the NLS ITVM that mimics the functionality of our smartphones and tablets. Adding personalization, gamification and omni-channel leads the ITVM makes the experience entertaining and memorable rather than mechanical.
- We now have true omni channel system: 24/7 access, (a technology term which simply means being consumer connected—constantly), seamless integration, 3rd party content from any game vendor present or future, and release from proprietary software platforms with custom solutions from standard components that allow fast, inexpensive, safe and secure implementations.

Among its many features, the NLS IVTM has:

- Full control and monitoring of the ITVM, remotely from NLS central system
- Underage gaming prevention controls with advanced responsible gaming options
- Prize check instant and lottery tickets capabilities
- Player card reader
- Variety of payment options (coins, banknotes/bills, cards, e-wallet)
- Support for nstant tickets from all manufacturers as well as traditional lottery games, probability games, and video games
- Simple-to-use user interface provides easy screen navigation
- High quality HD graphics enhances gaming experience and attracts players

NLS has encouraged lottery operators to Expect Better. We also suggested that as an industry we must begin to Expect More, in terms of new technologies and consumer connectivity. We have, and will continue to, deliver the better solutions, while we simultaneously develop the “even more” advanced business options.

Here's a sample of what we mean.

In a recent article in *Inc.* magazine entitled “*The Future of Self-Service: Forget the "help yourself" model. A new breed of self-service technologies aim to "help me help you."*” by Howard Tullman, CEO of 1871, Tullman explains that “it's critical to understand the ever-changing boundaries of the typical consumer's acceptance of these increasingly intelligent automated (service) interactions. These services are being driven by the adoption of new in-store technologies and play into customers' increased mobility and connectivity. They also incorporate the staggering amounts of real-time data that devices can now provide to interested and tech-savvy merchants.

A FUTURE-READY SOLUTION FOR THE LOTTERY MUST BE:



HERE ARE JUST FIVE EXAMPLES OF WHAT YOU CAN EXPECT TO SEE IN RETAIL ALONE:

1. In-store displays that send texts and/or talk to you as you pass by them
2. Systems that track what you've purchased—and suggest what you may have forgotten
3. Dressing rooms that read RFID tags on your selections and suggest alternative choices
4. Phone apps that make cosmetic recommendations based on analyzing your selfie
5. Systems that project digitized versions of clothing or other products onto your body

The above five examples are but droplets in the ocean of digital change that floods us daily. Being ahead of this kind of thinking, offering a second free scratch ticket as you walk past the pasta sauce at the market, showing an image of the real you on a yacht when the jackpot is climbing may be wild imaginings now, but what about these options two years from now? Perhaps, because as our tag line says, “Be limited only by imagination, not by technology!” Expect MORE.

It is with great pride and excitement that we invite you to come and see the products of our Expect Better strategy and meet the new team of experienced gaming experts at our WLS booth in Singapore, November 6-9, 2016 (www.wls2016.org). We'll have a live demonstration of our new iconic ITVM self-service terminal along with the fun and enjoyment that has become synonymous with NOVOMATIC Lottery Solutions. ■





Setting the Standard for Instant Game Profit Growth

Italy's Gratta e Vinci Scratch and Win program continues to set the standard for instant game success. Its per capita sales of €167 make it the most successful instant game portfolio in the world. Since 2003, sales have grown from €300 million to an impressive €10 billion with revenue expanding from approximately €100 million to more than €1.7 billion in the same period.

The program's success is, in large part, due to the Lottomatica staff's commitment to 360° planning and execution, or what IGT refers to as the Six Pillars of Success. IGT believes a deep understanding of players, a balanced approach to game portfolio planning, and leveraging retail tools and technology are critical to sustainable revenue growth. From insights to innovation, the company has identified the following six fundamental factors that drive lottery revenue.



When lotteries holistically leverage each of the Six Pillars of Success, as Lottomatica does, synergies develop and growth accelerates. An integrated approach to strategic planning maximizes each stage of the supply chain that will produce responsible growth and sustainable profitability.

Insight-Driven Product Planning

Even with this dramatic growth, Lottomatica has not stopped innovating its portfolio of 35 tickets that range in price point from €1 to €20. Recently, the Gratta e Vinci product team was inspired by the insights from local player research that showed infrequent players wanted a longer, more engaging experience, as well as best practices from lotteries within the U.S. that had successfully grown their portfolios with extended-play games. Bringing new, longer-playing games to market was extremely challenging because medium to light players who seek a more engaging experience had historically avoided concepts, such as Crossword, that seemed overly-complicated.

The first of the new games to launch was Battaglia Navale. The battleship-style game sold for €5 and featured an innovative play style that asked players to uncover shapes of ships based upon a

set of corresponding numbers for a top prize of €500 million. Player reaction was strong with sales exceeding Crossword by 175%.

Lottomatica followed up with the introduction of Buon Viaggio. The

5€ ticket launched in June 2016 with a symbols-match play style. The mechanics allow the player to discover the symbols under the globe and then scratch the corresponding symbols in the four games. The player must collect all three of the symbols within a game to win the prize. Point of Sale (POS) merchandising used the bright colors and whimsical symbols of the game to create a distinctive, visible presence in stores. The unique mechanics as well as the marketing efforts brought in new players with an index of 178 over the previous Crossword game.



Powering a Digital Gateway to Improve the Retailer and Consumer Experience

Improving the retailer and player experience is the cornerstone of a successful lottery business and a critical part of the Six Pillar approach. Lottomatica demonstrated a commitment to optimizing this experience by providing state-of-the-art technologies that enable the retailer network to optimize its product inventory, merchandising, and focus on overall sales. Given the size, scale, and fragmentation of the Lottomatica business, this challenge was even more considerable. With 100,000 POS covering seven commercial retail channels and five business categories that include lotto, instant tickets, sports betting, gaming machines, and commercial services, managing the day-to-day relationship with this trade network is a complex operation.

To improve the relationship with its retail network and ultimately, the players, Lottomatica set out on a project to develop a revolutionary web portal. This portal was designed to improve the relationship management capabilities with the retail network by providing a brand new digital tool enabling retailers to more efficiently manage their lottery business. By providing retailers with a common set of tools through a user-friendly web portal, all retailers are better able to focus on delivering an improved consumer experience and

offering an optimal mix of products in their stores. The introduction of the portal also supports the long-term strategy to migrate retailers from physical to digital communication tools to better manage a multi-channel approach to meet the players' needs and enhance the in-store consumer experience.

Turning Retail Vision into Reality

To achieve these goals, the portal needed to incorporate all of the functionality to enable this improved experience: web data also available via the live chat, Customer Relationship Management (CRM), performance tracking tools, self-payment process, e-learning, e-commerce, e-billing, and more. One important feature was the ability to offer a mobile app that contained all of the same information available through the portal to make it as easy as possible for retailers to access the data analytics, insights, and other information important for driving their business.

In addition to enhancing the relationship with retailers by providing tools to more effectively manage their lottery sales, Lottomatica

orders. This ability allows retailers to focus on what they need to do to maximize profitability of their business by carrying the proper inventory to efficiently sell lottery tickets.

The key objectives of the project:

1. Dramatically improve and enhance the current relationship with the entire retail trade.
2. Provide the best service level at the POS and accelerate adoption of the web portal penetration to continuously simplify the day-to-day job of the retailers.
3. Provide digital tools that simplify the retail experience and reduce contact and communication costs for Lottomatica.
4. Enhance the loyalty of our retail network POS.
5. Support the instant lottery business by providing the network with a new digital portal to independently order inventory.

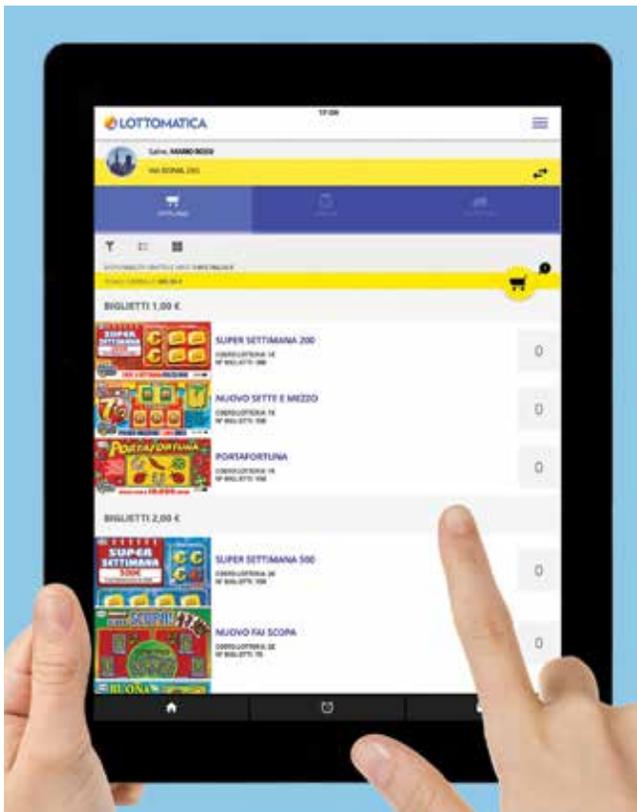
Impressive Results

The new Trade Web Portal is one of the most innovative and challenging projects that Lottomatica has deployed. It is the first experience of a B2B portal enabling a 100,000 retail POS network to easily and independently order instant lottery tickets. This enables retailers to carry the optimal inventory for their specific stores to maximize sales and ultimately provide the optimal mix of instant products to consumers.

Overall, the most important goals achieved were a significant improvement and enhancement of the current relationship with the Italian trade network, a relevant cost reduction associated with managing the retailer network and corresponding communication activities, and the introduction of a new digital channel to order Scratch and Win for the POS. Since the B2B portal was introduced two years ago, nearly 35% of sales are conducted through this channel.

Lottomatica continues to lead the way in providing innovative tools that support continued growth of lottery sales, enhance the experience for retailers, and optimize the product inventory at retail. The migration to digital tools enhances the multi-channel approach to delivering on a modern consumer experience for lottery players.

This is the fourth in a series of real-world stories on how our Six Pillars of Success approach has attracted new players and improved bottom line profits. To learn more about the Six Pillar approach, visit IGT.com/sixpillars.



Lottomatica's Trade Web Portal improves communication with retailers and led to increased instant ticket sales.

promoted the evolution of a Business-to-Business (B2B) web portal that is crucial for optimizing internal processes to create a more efficient back-office program for retailers. For instance, retailers can check online for their administrative status, including reconciling pending payments and planning their next instant ticket



THE BILLION DOLLAR QUESTION ...

Is Your Signage able to Display the Billion Dollar Jackpot?

Moving from Million to Billion

Just like the California gold rush, the Billions are coming. And when they do, there is a small window of time for Lotteries to capitalize on a uniquely powerful marketing event and opportunity. Making sure everyone knows about the jackpot is clearly the mission-critical thing that needs to be done. There may be more than one way to create “jackpot awareness.” But there is no faster, simpler, more direct way to drive jackpot awareness than effective signage. And thankfully, the entire industry is geared towards updating the signage on a daily basis. Unfortunately, what was revealed in the run-up to January’s \$1.58 billion Powerball jackpot was that not everyone’s signage is geared to move from “Million” to “Billion.”



Pro-Lite has all the Billion jackpot signage solutions at the ready. Our Billion dollar jackpot solutions were recently introduced at NASPL—multiple colors, font types and formats, the jackpot amount displayed in can be flashing or static characters, and in 7 different colors when it reaches the Billion dollar mark. Signage that is truly exciting, gets the attention of the consumer, and makes them aware of the jackpot size. The programmable “Billion” display is offered in dot matrix, lamps, and 14 segment LED. As a free upgraded feature, Pro-Lite also offers the big “B” in multi-color free of charge. That’s important because Lotteries have found that it can be hard to tell the difference between the “B” in Billion and the “M” in Million,” especially when the sign is a billboard set high above the ground. So we also have a big “4” display of the “B.” Our customers have also found that even when

there is a Billion/Million programmable display under the jackpot amount, it is important to transform the 888 display into 88B. For example, the 1.2B sign can have the “B” change to green and flashes. Otherwise, the “B” is not noticed and the 1.2 Billion dollar jackpot might be mistaken as 1.2 Million.

Day of Drawing Display to engage the players

According to the data collected from the NJ Lottery, sales increases as much as 700% on the day of a drawing and up to 400% one day prior to the drawing if the jackpot amount is in the high millions. Pro-Lite introduced a feature to capture the “not-so-frequent” players who don’t play lottery regularly but just happen to be in the store at a terminal, and also those who play but do not always remember when the next draw date is for the games she plays. The **Day of Drawing Display**, known as DOD, can be turned on or off and displayed in multiple flashing modes. Pro-Lite customers have found that it is important to get the consumer interested in the actual draw. If they don’t care about the time of the draw, they are less likely to be excited about playing draw games. So let’s at least inform them of the time of draw and get them excited about it! Customers have found that the optimal modes is to turn the display to static-on with the next draw date right after the drawing. Slow-flash one day before the drawing and faster-flash on the day of drawing.

As Andy Kaoh, president of Pro-Lite, observed “I play Powerball and MegaMillions and found myself forgetting when the drawing was to be held. And thought, gotta be a solution for that!” So now, Pro-Lite makes the Day of Drawing Display a standard free of charge feature.

“Jackpot Awareness” is the big theme. Nothing else drives sales more than simply making sure the consumer knows there is a big jackpot. And there is no quicker path towards accomplishing that objective than effective signage. And there are lots of signage solutions for a fabulous new era of jackpot-driven sales!

For more info, visit us at pro-lite.com or e-mail Tom Yerke at tom@pro-lite.com. ■



on its 25th year as being under separate rule. It would be very sad if anything like that would happen in the eastern part of the Ukraine.

But this does not mean that the people of Ukraine know only stress and adversity. Our every-day lives have lots of positive and happy things—and playing the Lottery is one of them! Playing a small amount of money for the hope and dream of changing our life is as appealing here as it is everywhere else in the world.

How has MSL adjusted to these extraordinary circumstances? How has the business of operating a government lottery been affected and how have you adapted to it?

E. Vlasenko: Like our country of Ukraine, MSL obtained its independence in 1991, and now we are fighting to protect it. Today is a very difficult time for our company. But we do not give up. We increased prize payouts of our games to

soften the negative consequence of the winning tax. We launched terminal instant games which is a completely new category for us. And now they comprise close to 40% of the total turnover.

Our company has over 45 years of history. When the USSR collapsed in 1991 many decision makers and citizens of Ukraine lost hope and did not know what to do. Old economic and political ties became disconnected and new ones had yet to be established. Many companies and enterprises were closed. But life was still going on. And MSL, which had been a branch of the Soviet Sportloto, came through all these problems and successfully continued to operate, launching new games and distribution channels. We will continue to persevere.

We continue to cooperate actively with EL and very much appreciate its support. And now we just joined the WLA in July. We cannot imagine what it would be

like without the community and support of our colleagues in the world of Lottery. We believe it is important to follow the moral principles of EL and be a leader in setting high social standards in Ukraine. So, in June of this year, we successfully passed audit and confirmed our Responsible Gaming certificate.

In the fall of 2014 we opened a winter sports palace in the town of Boguslav which is in the Kiev region. We had been building it since 2012. All financing of the construction was funded from MSL profits. There is not much when it comes to modern social infrastructure in the smaller cities of Ukraine. Therefore our palace, called “Liodogray” (play on ice), became the center of activities in Boguslav. Now it operates successfully and without financial support from the state. Ice hockey and figure skating schools and international tournaments are made available for local kids. ■

Government Regulated Lotteries Need to Up Their Game ... continued from page 50

At Kambi, our empowerment business model echoes these statements. Kambi adds value by constantly inventing, crafting and packaging the most engaging sports betting experience for end-users—across all channels. This scalable, but flexible model reads through to a personalised experience for consumers.

Retail rules supreme

What about Mobile? Isn't that the key to the future? Yes, but not as an isolated channel that enables gaming on your smartphone. The importance of Mobile is in its role as unifier of all channels and interactive experience. Mobile has become the intermediary between the consumer and the world, the link to everything we do.

It's not about a Mobile strategy any more than it is about a Digital strategy. It is about a Business strategy that integrates all channels of distribution, communication, the modern lifestyle, and our products in ways that optimize the entire consumer experience.

The cross-over appeal of sports betting

Sports-betting is not only the fastest growing gaming

category, it also has the social component treasured by the modern consumer. Everyone loves to watch sports together and bet on sports together. And they want a venue, be it the land-based store or online, that enables them to play other games (like Lottery) while they bet on sports.

Adopting sports betting can help state lotteries to grow other business verticals, depending on licensing rules and conditions. Introducing sports betting products can attract a younger audience and encourage cross-over appeal.

The above has brought Kambi and Novomatic Lottery Solutions (NLS) together; in joining forces, we will help the lotteries to fulfill the modern challenges they are facing in an ever changing world.

For more information about the most trusted brand within government gaming and or sports betting, we look forward to seeing you at the World Lottery Summit in Singapore, Stand C1.

Bio: *Joni Hovi is the Executive Director for the lottery sector at Kambi. He has worked in the lottery sector since 2003 and joined Kambi in January 2016.* ■



Boldly Go where Others Have Been Before ...

Simon Butler, Chief Executive Officer, Abacus Solutions

Abacus-bv.com

s.butler@abacus-bv.com

When setting out on a journey you haven't made before people often check a map before they leave. There is a high probability that where you're going, someone has been before and there's a well-trodden path. Sometimes that path may be a little less well defined but there are tracks nonetheless. I believe that the journey that NASPL is starting to take into the world of APIs is such a path. Others have been down the same route—we just need to look for the footprints they left and go a similar way ourselves.

In this case, the people who have already taken this route are in the banking industry. Fortuitously there are a great many parallels to the lottery business, so we can learn a lot from where they went, and, more importantly, how they got there. The simplest way to show the parallels between lottery and banking retail systems as they are today is with a table.

If we'd drawn this table 20 years ago, the banking sector and lottery would have looked exactly the same. Since then banks have opened up their systems, securely, and embraced the connectivity and infrastructure that already exists within the retail environment. So how did the banks move from a model very similar to the one deployed by lotteries today, to their current set-up?

Firstly, let's be clear. We're not talking about the systems the banks use in their own offices, we're talking about the systems used in retailers for card payments, the systems that are now integrated to the retailers Electronic Point of Sale (EPoS). And there's a parallel to the current NASPL API initiative, as initially we're aiming to integrate lottery ticket sales into the retailer's EPoS.

The banks started with a dedicated communication network connecting dedicated payment terminals to the banks' systems. The first step was to connect that payment terminal to the EPoS, but it was still dedicated hardware, and it still had its own comms. It was still expensive.

So the banks started using an open network, putting plenty of security around their transactions, but cutting out the cost of maintaining a dedicated network. Then the banks agreed on a common API, which allowed all of the banks to talk to all of the retailers through the open network, using the same language.

But they still had those expensive dedicated payment terminals to maintain. Retailers didn't like it much either because they took up space, and power. So by using the common API banks allowed retailers to connect their EPoS systems directly to the banking systems via the open network.

However, the retailers had to connect their EPoS systems to individual banks. So a number of third party providers (integrators) came along who sat in the middle of the retailers and the various banks. The retailers just connected to their chosen integrator. This was one, simple connection. The integrator then managed a connection to each bank, which was much easier for the retailer, and much easier for the banks. Of course, if any retailer still wanted to connect directly to all of the banks individually they could do so. The retailer had the choice. The banks listened to what the retailers wanted.

So, at the end of this process we have banks with considerably lower running costs, systems which are far less complex, and retail-

ers who are happy. All of this being achieved while remaining a highly secure environment.

This evolution did not just happen. It had to be managed and controlled. Standards had to be set, maintained, and providers had to be accredited. This had to be done in a democratic way, ensuring that no single organisation could veto something that all the other participants had agreed upon. It needed a trade body to take control of the process and define its own outcomes. It also needed to be nimble—this is the kind of initiative that can be hampered by indecision, self-interest, and over-weight committees.

And all of this has been done by the banking industry who were trying to achieve the same thing as lotteries are today with the API initiative. Lessons have been learned, experience gained, best practice defined. As a set of foot prints, that's pretty good!

At Abacus we would advocate following the foot prints left by the banking industry. Building a large, closed system would not be evolutionary. It would create as many issues as it solves, perhaps more. It would require some organisations involved to co-operate where the default position is to compete with one another, just like it would have done if the banking industry took this route. The trail has already been blazed, issues faced, and solutions found.

- Use open APIs, not a “Systems Solution”
- Deploy an open architecture—allow stake-holders to define what works for them
- Define the interface definition and standards
- Define security requirements
- Define business rules and an operating framework
- Create an industry body to manage the standards going forward
- Create an accreditation process



- Create an open process for gaining accreditation
- Create an open environment to allow vendor competition
- Enable vendor independence
- Define what needs to be done, not *how* it is to be done

Finally, going back to the table we discussed earlier, we said that twenty years ago the banking industry would have looked just like the lottery industry. So is it going to take us 20 years to get to the same place? We can't answer that for sure, but what we can say is that Abacus is delivering connectivity in Holland today, using an API, allowing 2,000 retail stores to sell lottery tickets directly from 12,553 EPoS tills. Abacus has been on this journey for a while now, and some of us have already been there whilst working in the banking industry. So Abacus would like to help show you the way! ■

E-Mail Simon Butler at s.butler@abacus-bv.com

Key Requirements/Drivers	Banking	Lottery
High level of security	✓	✓
Resilient	✓	✓
Quick response time	✓	✓
Easy & cost effective to implement	✓	✗
Existing retailers' requirements and infrastructure	✓	✗
Flexibility	✓	✗
Openness	✓	✗
Vendor Independence	✓	✗

Behavioral Economics: Lessons for Lottery

By Dr. Lee C. Stuart, business executive, educator, frequent writer on marketing, innovation, and strategic topics, and contributing editor to PGRI

“Standard economics assumes that we are rational, but we are far from rational in our decision making. Our irrational behaviors are neither random nor senseless; they are systematic and predictable. We make the same mistakes over and over because of the wiring of our brains.”

—Dan Airely, author, *Predictably Irrational: The Hidden Forces That Shape Our Decisions*

In the traditional study of economics, consumers are assumed to be rational actors who carefully consider available information, calculate probabilities of events, and weigh potential costs and benefits in choosing the self-determined best course of action.

Uhhh, not so much.

Economists have always known that humans do not act rationally all the time, or even most of the time. It's just that for the purpose of economic modeling and predictive analyses, irrational behavior could be considered anomalous. Behaviorists take a different approach, putting irrationality at the center, recognizing that we often do not act in our own self-interests, or that the definitions of “self-interest” are subjective and vary such that there is no objective criteria to define them.

A new breed of theorists - behavioral economists—are finding that rational actors have very little place in discussions of how consumers make decisions. In fact, the generally irrational behavior of consumers—especially in a retail shopping environment—has significant implications for the lottery business and the many marketers, retailers, and game providers who are important partners in it.

Simply put, when it comes to buying stuff, our capricious hearts over-rule our supposedly rational heads. The basic wiring of our brains causes us to act against our own best interests.

In this article, we will provide an overview of the most important findings in behavioral economics, offer suggestions for how these principles might be applied to the lottery business, and conclude with a few thoughts about how behavioral economics might apply to the future gamification of lottery. Much of what is discussed is already being applied to the Lottery business, and to good effect. These phenomena will not surprise most of you. My thought, though, is that a discussion of the science behind the observable behavior may enhance our ability to put these principles to good use.

Why We Act Irrationally

Why do our supposedly rational minds fail us in our decision-making processes? There are numerous reasons, many of which we will explore, but the A#1, top-of-the-heap, most salient dynamic is this: We seek immediate gratification. We are what D.J. Neri of Ideas 42, an organi-

zation that uses behavioral economics to work on social problems, calls “present-biased.” We are more focused on the NOW than we are on the THEN, especially in matters of personal assuagement. We choose short-term pleasure even though it may result in long-term loss.

In many cases, we acquire things that we want, not things that we necessarily need from a utility standpoint. According to the authors of an article relating to impulse buying in the *Journal of Marketing Theory & Practice*, appeals to instant gratification (like “indulge yourself”) are more effective than appeals to strengthen consumers’ longer-term goals which would appear to serve their “self-interest.”

Wrapped around this present-bias are several other behavioral principles. These unconscious compulsions are in operation at all times, driving our frequently irrational actions. Among these principles are:

Reactance: We often do things just because someone tells us not to. This customarily is regarded as childish, petulant, or immature, but most of us never fully grow out of it. Rebelliousness is, in many cases, a motivation for gambling. Someone in our lives may have told us not to gamble and that just piques our interest to want to indulge in whatever is discouraged by authority figures. So, for those of us who are more reactant than others, we stick out our tongues and do precisely that which was advised against.

How might Lottery craft marketing messages or otherwise leverage the principle of reactance? Like “Walk on the wild side. It’s fun while being danger-free. Play Lottery.”

Possibility Effect: When highly unlikely outcomes (like winning the Powerball jackpot) are weighted disproportionately more than they deserve to be, we yield to the possibility effect. When we have a 1 in 292,000,000 chance of winning a lottery jackpot, the allure of the prize causes us to disproportionately weight our possibility of winning. The possibility effect is in subconscious operation whenever an individual decides to purchase a lottery product. This economic principle explains why marketing messages like “You can’t win if you don’t play” or “Would you take a shot at \$300 million? Your chance is as good as anyone’s!” are effective. The in-

dustry may wish to consider other similar approaches predicated on this principle.

Anchoring Effect: The anchoring effect reflects our tendency to be influenced by irrelevant numbers, according to Daniel Kahneman, author of *Thinking Fast and Slow*. An example: One group of people was asked whether Gandhi was more than 114 years old when he died, while a separate group was given 35 years old as a referent point. The former group guessed Gandhi was much older than the latter group. (He was 78 at his death.) This dynamic is closely related to “framing,” the context in which choices are presented. People’s perceptions change dramatically if you say, “You have a 90% chance of survival” versus “You have a 10% mortality rate.” The outcome is the same, but the messaging is very different. The first framing increases people’s acceptance. People will place a greater value on “Your chances of winning have increased to 65%” than “Increase your odds of winning by 5%.” The industry should continue to look for ways to emphasize the positive odds of winning and explore different anchoring concepts. “Your odds of winning are X%, but your odds of having fun and contributing to good causes are 100%!”

Subconscious Nudges or Priming: This principle is about taking cues from context. Here is an example from Ken Hughes, a noted shopping behaviorist:

The people responsible for cleaning a men’s restroom in an international airport were frustrated by the failure of signs and other efforts to promote cleanliness among users. Men were not very accurate at the urinal. Finally, someone hit upon a successful “nudge,” an effective “priming” mechanism: let’s place facsimiles of flies in the urinals. The flies will provide fun and engaging targets for men off-loading their coffee, tea, and ale. It worked perfectly! Men took careful aim, dominated the faux flies, and improved the cleanliness of the restroom a hundredfold.

What is the lottery equivalent of a faux fly? How can lottery, through environmental cues, incentivize certain purchase behavior? Perhaps by emphasizing the products/games lottery would most like to sell by making their signage larger, “in lights,” a different color, or at the center of physical and virtual displays.

Let’s examine another example from Ken Hughes. There is a technique known as decoy selling or decoy positioning. With this in mind, marketers offer a series of products (usually three) that feature two attractive options and a third, clearly unattractive option. This “ugly option” makes the others look better by comparison. For example: a magazine was offered as a web-only option for \$60 a year, as a print-only option for \$125 a year, and as a web-and-print option for \$125 a year. The print-only option was clearly an inferior alternative, so the marketers drove the customer to select one of the other two options, both of which benefitted the marketer (most users selected the web-and-print option, which, on its face, promised the highest value).

Can lottery products be bundled—or, conversely, de-coupled—to make them markedly more or less attractive than singly sold products? Can a sales option be made to appear more compelling because the associated offerings are clearly inferior alternatives? Decoys can enhance sales and drive players toward more profitable choices.

Zero Price Effect: There is a critical difference in consumer perceptions when the word FREE enters the equation, according to Dan Airely, whose quotation provided the context for this article. Consumers impart more intrinsic value to free things. For example, a free piece of candy is disproportionately more attractive relative to a 14-cent piece than a 1-cent piece is compared to a 15-cent piece. Once again, our supposedly rational minds are going off the grid, and the word “free” tripped the haywire. Marketers know that “Two for the price of one” is not nearly as attractive as “Buy one, get one free.” In fact, BOGO (buy one, get one) is so powerful, it has spawned its own vernacular.

Stories > Statistics: Kahneman says that people generally make accurate inferences when given purely statistical data. However, when given statistics and a story that explains a situation, most people resonate more with the story than the numbers. Lottery is an inherently numbers-heavy business. It must continue to emphasize the human interest stories that arise from winning players and from people who have directly benefitted from the good causes that lottery supports.

We see Lotteries apply this principle all the time. Images or advertising that stimulate the imagination and cause us to dream about how our life would change if we won the Lottery are leveraging the story behind the numbers. A story hook is always preferable to sterile statistics.

Symbols: In his book *Drunk Tank Pink*, Adam Alter discusses the power of symbols to influence decision making, ignite fear or hatred, evince feelings of charity, and altogether overwhelm our thinking. Symbols operate at a much higher velocity than verbal language. In microseconds, people are able to recognize a symbol and process its pre-determined meaning. Skull & crossbones and guns instantaneously communicate negative attributes—fear, violence, divisiveness. Butterflies and sunbursts shout “happy times,” “unity,” and “peacefulness.”

There are many implications for Lottery POS and signage. Hearts, clover, bills and coins, the infinity symbol, and the peace symbol all could incent consumers to purchase a lucky lottery ticket. Interestingly, so might symbols that have been demonstrated to elicit feelings of charity toward others, including pretty fish swimming in a school, the yin-yang symbol, and two clasped hands. Symbols that indirectly and subconsciously promote good causes might stimulate the sale of lottery products even better than the more traditional crossed fingers, smiling stars, and pots of gold.

Many state lottery logos depict rainbows, confetti, or suggestions of their native locations (shape of the state, indigenous plants like cactus or wheat, or fauna). Many do not literally depict money, perhaps out of a desire not to appear avaricious. Behavioral economists would suggest that forthright representations of money and/or implicit images of good causes (charitable feelings) both are preferable to state birds, dancing letter “Ls,” or abstract shapes.

Hedonic Treadmill: This behavioral principle—also known as hedonic adaptation—is the tendency of humans to return to stable levels of happiness despite major positive or negative life events (like winning a large cash prize). For example, as a person makes more money, her/his expectations and desires increase as well, resulting in no net gain in happiness. It is a straightforward calculus: Have more = want more. This dynamic could influence how Lottery sells the dream of winning. Rather

than emphasizing the winning player's individual happiness, it might be better to promote the happiness that Good Causes create for others.

Certain behavioral principles directly influence retail shopping habits and may, if applied creatively, assist Lottery in the development of compelling player journey experiences.

Player Journey: The developers and players of video games understand the visceral magnetism of navigating through a richly imagined virtual world, many of which are battle-scarred, bleak, and scary (see *World of Warcraft*), others of which are languid, exotic, and dreamy (see *Ni No Kuni: The Wrath of the White Witch*). These imagined-world experiences place the game players inside an environment, which engages multiple senses and one's daring, creativity, or intelligence. In order to progress or advance through the imagined world, players must solve problems, prove resourceful, and exhibit perseverance. Taken together, this is known as Player Journey, albeit a different definition than is currently being used by lottery marketers. This original use of the term, though, evokes the powerful interactive and engagement concept all marketers could learn from. How might these concepts be realized in lottery products? By progressive play... by creating a game that features a vivid environment, with multiple challenges to be overcome, and an unfolding narrative or storyline.

Let's say we invented a lottery game titled "Treasure of the Titanic." In this game, we would create a beautiful underwater world, with sharp images of the Titanic wreck site on the North Atlantic Ocean floor. Players, piloting individual mini-submarines, could search for treasure at the Titanic site, buying equipment (lottery tickets, so to speak) that give them a better chance to discover hidden fortunes (sonar equipment, robotic diggers, etc.) Payouts occur as players find certain treasures. All the while, players can communicate with each other, offering tips, warning competitors off promising dig sites, and crowing about discoveries. The game would engage players for days, weeks, or months and would yield a stream of revenue as gamers purchased the resources needed to succeed. And it would still comply with the parameters of random outcomes required of lottery games.

In today's sophisticated video games, players progress through stages of proficiency, beginning as novices, and then advancing to expert and ultimately master levels. Perhaps lottery players might be categorized similarly. There are the occasional players, who purchase one or two lottery products on a whim, rarely win, and never fully engage with the experience. They are novices.

There are those lottery players who play frequently, consistently, routinely, buying many lottery products at a time and over time, winning often enough to sustain their enthusiasm. These players develop "strategies," or superstitions or habits that feel like they support those strategies (such as always purchasing tickets in the same location or always playing the same numbers). These are expert lottery players.

Are there lottery "masters," players who maximize "strategies" to win consistently? Players who demand a continuous flow of new lottery products and experiences? Players who would respond well to products developed exclusively for them?

There are all three types of lottery players walking into retail stores and playing on electronic devices every day. Why not use the best methods available both in-store and on-line to market directly to each segment?

For novices, applications (apps) for smart devices and in-store computerized signing and/or kiosks could emphasize the FUN and EASY attributes of playing the lottery. Think of on-boarding these players as you would a new employee at work or a new student at school. How-to-play instructions and simple strategy tips could be made available on point-of-sale touch-screens and on device apps. Novices need encouragement, so messages about the low cost of entry to play, ease of use, and the odds of winning all would be relevant messages.

For experts, fresh, new, ever-changing content is the key. Consider developing mobile apps that "push" new games, new strategies and playing hints, and the opportunity for the experts to interact with new players—other people playing at their advanced proficiency level. Experts may purchase lottery products in stores, but they will insist on being able to carry their playing experience with them on mobile devices that educate them and stimulate new playing options through frequently updated content.

For masters, think exclusivity. These highest-level players want stuff no one else has access to. Super high-stakes and sophisticated gaming products will attract their attention. They wish to occupy a revered plane: perhaps masters can only become masters (and gain access to exclusive product) based on previous winnings. Masters deserve attention and rewards for serving as your industry's flagship players. They can be your brand's biggest advocates or your worst critics. Give them only the very, very good stuff.

Right Turning Retail: By design or by default, retail stores have a predominant right hand bias. Researchers have compiled thousands of hours of videotapes showing shoppers turning right once they enter the front door of a store. Accordingly, retailers fill the right side of their stores with their highest-margin products, hoping you'll buy them before your shopping basket begins to fill and you may become conscious of how much you're spending.

The merchandising of lottery products has numerous security concerns, so it may be problematic to exploit the right-turning tendency in some locations. However, kiosks and other "mobile" lottery product merchandisers should be positioned to leverage the right-turning dynamic whenever possible.

Golden Moment: The golden moment occurs when a customer decides whether to buy your product or not. Ken Hughes describes its ultimate importance: "Triggering interest and a purchase in-store is more important than any other marketing activity – it is what will ultimately pay your wages." The golden moment is reinforced by immediate validation of a customer's decision. Women who work in clothing stores understand the golden moment. When a customer tries on a skirt, a blouse, or a dress, a sales associate is quick to say: "You look wonderful in that." What is the golden moment for Lottery? How can the industry reinforce players' decisions to buy? "You'll look great living on your private island!"

Lottery may be the ultimate immediate gratification business. By understanding and applying these behavioral principles, Lottery might help more players become happy. After all, if we feel happy, we are happy, whether it's rational or not! ■



Gaming Laboratories International (GLI®) Wraps Up G2E with Executive Honors

GLI is proud to announce a couple of honors that happened during G2E. First, GLI's Vice President of Global Marketing and member of the company's executive leadership team, Christie Eickelman was honored with the Patty Becker Pay It Forward award. The award is presented annually at the Global Gaming Women's (GGW) fundraiser and networking event, Kick Up Your Heels. A visual representation of courage, integrity and leadership, the award bracelet signifies women who have helped other women be successful. Eickelman has been co-chair of the GGW events committee, planning GGW outreach programs, breakfasts and lunches at numerous events. Her efforts have increased GGW's visibility and increased initial contact with GGW for many women in the workplace. Eickelman said, "Being presented with an award like this is a huge honor because it not only outwardly recognizes the hard work each recipient has performed to help other women in gaming, but also gives women something to strive for in their own careers. I enjoy mentoring others and will continue to do so."

Second, while at G2E, GLI's Vice President of Government Relations and General Counsel Kevin P. Mullally, who is also on the executive leadership team, was appointed by the National Council on Problem Gambling (NCPG) to Chair its Standards, Policy and Regulations Committee for the 2016-2017 term. As the author of the first self-exclusion program in the U.S. in 1996, Mullally has a long history of involvement in assisting with the development of responsible gaming policies. Mullally said, "I am honored to be able to continue my long affiliation with the National Council on Problem Gambling and look forward to working with my exceptionally talented committee members to analyze the many important policy issues relating to the implementation of quality responsible gaming education, prevention and treatment programs."

NCPG Executive Director Keith S. Whyte said, "Kevin brings a wealth of experience to this important committee, and it has been my pleasure to work with him for many years. He remains at the forefront of global gaming policy and developments in responsible gaming, and I'm grateful for his leadership on this important committee."

GLI's President and CEO James R. Maida said, "I am very proud of Christie and Kevin's accomplishments. These announcements came at a great time—just as another successful year of G2E concluded. Our team of professionals works very hard to provide our customers with the best solutions for their needs, and awards and appointments like Christie and Kevin's are just a testament to how hard our employees work to better themselves so that we, in turn, can offer higher knowledge transfers to our clients. We are looking forward to G2E 2017."

Apart from ICE 2017 in February, where GLI will be present in

stand N3-210, GLI's professionals are preparing for the North American Regulators Roundtable, which will take place at Luxor Las Vegas March 15 and 16.

Other GLI News

Gaming Laboratories International (GLI®) Helps China Lottery Online Develop Their First Gaming Standard—"Technical Gaming Standards for Online Lottery Systems and Betting Terminals." China Lottery Online (CLO) contracted GLI to develop their technical standard, which was recently released to the public. The release of this standard is extremely important because it demonstrates commitment to the People's Republic of China by ensuring that gaming products meet international standard, follow best-practice guidelines and remain secure, fair and auditable. GLI has had a strong presence in Asia for 10 years, and the company group serves over 475 jurisdictions worldwide.

Gaming Laboratories International (GLI®) Authorized to Test and Certify for the New York State Gaming Commission

Gaming Laboratories International (GLI®) Names Devon Dalbock as GLI Africa General Manager

Dalbock joins GLI with over 20 years of management-level experience with organizations ranging from entrepreneurial ventures to multi-national companies. He has been a part of a valuable network of business contacts throughout South Africa, USA, Europe and Australia. In his previous role as Gaming Business Unit Manager at Global Payment Technologies, he was challenged with designing and implementing a successful go-to-market strategy for the gaming business unit, managed direct lead generation and marketing activities and supervised relationships with casino equipment manufacturers. As Systems Business Unit Manager at Aristocrat Technologies Africa, he was responsible for building and maintaining a positive image and infrastructure in order to support the existing customer base, growing the recurring revenue stream in order to ensure long-term stability and building a research and development capability to ensure agility.

Gaming Laboratories International, LLC is a World Lottery Association (WLA) Accredited Certification Service

... which delivers the highest quality land-based, lottery and iGaming testing and assessment services. GLI's laboratory locations are found on six continents, and the company holds U.S. and international accreditations for compliance with ISO/IEC 17025, 17020, and 17065 standards for technical competence in the gaming, wagering and lottery industries. For more information, visit www.gaminglabs.com. ■

Dermot Griffin

Continued from page 12

The transition to the new system in the last quarter of 2014 represented the largest technology roll-out that the National Lottery has ever undertaken and the largest in Irish retail ever. It required the connection of 20,000 pieces of equipment in 3,700 retail outlets across the country; 44 retailer briefings for over 3,000 retailers; and the introduction of a new website, online platform and central telecommunications systems.

Dermot joined the Irish National Lottery as Chief Executive Officer in 2005. Prior to that, he worked for twelve years with Vodafone Ireland where he was Commercial Director leading the Sales and Distribution activities of that company, having previously held the roles of Business Development Director and Finance Director. Prior to Vodafone, Dermot worked with Eircom for three years in Corporate Accounting. He commenced his career with KPMG where he qualified as a member of the Chartered Association of Certified Accountants. Dermot also holds a Bachelor of Commerce degree from UCD. ■

Hansjörg Höltkemeier

Continued from page 12

support within DKL B.

Beside these initiatives on the player's side, and operating within the limitations of strong regulation, Hansjörg drove the development of a professional B-to-B service to other lotteries. Under his lead, DKL B today provides a single data center to deliver a full backend-IT-service to two other German lotteries, and an internet-service including help-desk to six other lotteries in Germany.

As President of the EL, Hansjörg is working hard to support the efforts of his colleagues to adapt to the changes in the world of lotteries and gambling by redesigning strategy for the Association. He is promoting an increase in interaction and collaboration to deliver more value to the membership of the EL, while also increasing visibility to stakeholders in Brussels.

Hansjörg started his professional career after studying Economics in Münster and Rotterdam. He began in a Daimler-Benz subsidiary company, focused on marketing consulting and services, then served in different management positions in marketing and sales, then as client-executive and industry expert. Within his career, the focus of Hansjörg's career moved step-by-step from marketing in the automotive-industry, to information-technology, and then over to the public-sector.

Before joining the Lottery business, Hansjörg worked with Electronic Data Systems (EDS) as Client Executive public-sector, responsible for EMEA-region and based in Brussels, Frankfurt and Hamburg. Hansjörg was born in 1964, is married and has two children. ■

Norman Lingle

Continued from page 14

tives. Mr. Lingle is also active within the Multi State Lottery Association (MUSL) having held the positions of President of MUSL and Chair of the Powerball, Hot Lotto and Wild Card game groups; he currently serves as the Chair of the MUSL Security and Integrity committee.

A strong supporter of education and community programs, Mr. Lingle has served on the Board of Directors for the Pierre/Fort Pierre Boys and Girls Club and the Pierre Education Foundation, and served six years on the Pierre School District Board of Education including one year as President.

Mr. Lingle and his wife of 22 years, Sarah, have three daughters: Abby, Hannah and Emily. ■

Rose J. Hudson

Continued from page 14

President, following tenures as Treasurer, Secretary and Region II Director of the North American Association of State and Provincial Lotteries (NASPL).

Besides industry leadership, Ms. Hudson serves on the boards of Woman's Hospital, the Arts Council of Greater Baton Rouge, Mary Bird Perkins Our Lady of the Lake Cancer Center, Foundation for Woman's Hospital and the Baton Rouge Area Foundation. Her dedication has resulted in numerous accolades including Dillard University's "David Dillard" Award of Excellence, Louisiana State University's Public Administration Institute's Alumnus of the Year Award and National Diversity Council's "Most Powerful and Influential Women in Louisiana" designation, as well as induction into LSU's E.J. Ourso College of Business's Hall of Distinction and Nicholls State University Louisiana Center for Women and Government's Hall of Fame.

Ms. Hudson holds a Bachelor of Arts Degree in Urban Studies and Public Policy from Dillard University and a Master's Degree in Public Administration with a specialization in Human Resource Management from LSU. She also holds the Society of Human Resource Management's designation, Senior Certified Professional (SHRM-SCP). ■

Pulse of the Industry



These news stories comprise a small fraction of the gaming and lottery news stories posted every day to www.PublicGaming.com. Too, these stories are the short versions. You can visit our news website and go to the “search” field at www.PublicGaming.com to pull up the complete story. Sign up for our free e-newsletter by just sending your e-mail address to sjason@publicgaming.com.

WORLD NEWS

PHILIP SPRINGUEL NAMED WLA EXECUTIVE DIRECTOR



After a long and comprehensive search, the WLA is pleased to announce the appointment of Philip Springuel as the new WLA Executive Director, effective October 1, 2016. Philip brings with him a solid background in corporate affairs and association management. Owing to his background in international association management, Philip has a profound understanding of, and respect for, the needs of a modern association. As a passionate communicator, he knows the value of listening and appreciates the important role that an association plays in purveying professional knowledge to its members. Before joining the WLA, Philip served as Head of Corporate Affairs at the European Food Information Council (EUFIC), a non-profit association. At EUFIC, Philip was responsible for corporate, media, and government relations and he also headed new membership and business development. Simultaneously, he also served as coordinator of the Risk & Crisis

Working Group at the European Association of Communication Directors. Prior to joining EUFIC, he was the global Project Director for the launch and development of World Kidney Day from 2006 to 2008 and held communications and outreach assignments with Europe-Aid and Avocats Sans Frontières (lawyers without borders). Philip has more than 20 years of EU policy experience inside media, public affairs, and association management. His writing has been widely published in specialized trade publications, such as HQ Europe—a magazine that serves the needs of international associations organizing worldwide congresses. Philip has been invited to speak or offer training on issues ranging from corporate responsibility, project and association management, business intelligence, and fundraising.

Commenting on Philip’s appointment, WLA President, Jean-Luc Moner-Banet said, “We are very pleased to have attracted such a high-caliber professional as Philip. His extensive experience in the area of international association management will be a great asset to the WLA and will help us continue to grow as an association well into the future. Please join me in extending a warm welcome to Philip. I do hope that you have a chance to meet him at the World Lottery Summit 2016 in Singapore.”

NEW CEO AT NORSK TIPPING: ASNE HAVNELID



NORSK TIPPING

Havnelid will replace Torbjørn Almlid. Mr. Almlid will stay at Norsk

Tipping as a special advisor to the CEO for an interim period. Mr. Almlid is also a member of the European Lotteries Executive Committee and is prepared to hold this position until the election in Krakow in June 2017. Åsne Havnelid comes from the position as Secretary General of the Norwegian Red Cross. In addition, Mrs. Havnelid has a broad field of experience from central executive positions within business and sports in Norway. “I am very pleased to join Norsk Tipping, and look forward to bringing my experience from the sports and humanitarian sector into the company’s operations,” Åsne Havnelid says. “Also, it is a privilege to follow Mr. Almlid who, during his almost eight years as CEO, has done a great job in modernizing and expanding the company, delivering fantastic results. At the same time Norsk Tipping has, with Mr. Almlid as a strong advocate, established a groundbreaking and globally leading platform for responsible gaming. I want to take

this opportunity to thank him for his invaluable work for Norsk Tipping,” Mrs. Havnelid says.

“I am very proud of the company’s accomplishments these past eight years. I want to thank Norsk Tipping’s organization, our key national and international partners and our board and owner for the good cooperation during the last eight years. I am convinced that Mrs. Havnelid, with her broad experience, will be a great CEO for the company in the coming years, and I want to use this occasion to wish both her and the organization the best of luck,” Mr. Almlid says.

WAGERING GIANT TABCORP IS SET TO MERGE WITH TATTS GROUP TO CREATE A \$10 BILLION GAMING BEHEMOTH THAT WILL OWN NEARLY ALL THE TABS ACROSS THE COUNTRY.

The latest attempt by the gaming giants to join forces comes as they battle increased competition from corporate online bookmakers, which are facing regulatory pressure from the Turnbull government. A merged Tatts-Tabcorp would run TABs in every state except WA. At the same time Tatts also brings to the table a lucrative lotto franchise including TattsLotto in Victoria, Queensland’s Golden Casket as well as the NSW Lotteries business. Both companies operate fast growing online gaming arms while Tabcorp owns the Keno franchise through pubs and clubs. Last year Tabcorp paid a combined \$620 million to racing clubs in Victoria and NSW, while Tatts delivered several state governments more than \$1.3bn in revenue through lotto sales. Australian Competition & Consumer Commission chairman Rod Sims said a submission from the proposed new wagering group would get “detailed scrutiny.”

FRANCE APPROVES ON-LINE POKER LIQUIDITY SHARING

In a move designed to bolster France’s declining on-line gambling business, the French government has approved legislation to permit online poker liquidity sharing with other European countries.

French poker players now can join online poker games on licensed sites against players located in other European jurisdictions. Before the legislation’s adoption, poker players in France were only able to play against fellow countrymen or those visiting the nation.

The bill also provides more support to combat gambling addiction.

Most countries do not regulate eSports tournaments, but France will begin to ensure eSports leagues are protected under law. The games will be regulated by the government.

François Hollande, President of France, has not yet signed the measure, but is expected to grant his approval soon.

Although online poker is legal in France, that is not the case in most of the United States. Lawmakers in Pennsylvania have been trying to become the fourth state to legalize online gambling, but no measures have gotten past the state’s House of Representatives. Meanwhile, rumors persist of the potential for shared liquidity between Pennsylvania and New Jersey.

The shared liquidity with a state that already has licensed, regulated online poker sites could sway New Jersey lawmakers who aren’t on board to change their minds.

A state such as Pennsylvania could reap the same benefits as what France will get out of its new bill. Some advocates in New Jersey are hopeful a bill will pass before the end of the year, but that doesn’t appear likely.

REMOTE GAMING COULD FUEL MACAU REVENUE GROWTH

Following more than two years of declines in gross gaming revenue (GGR) triggered by the stringent enforcement of anti-corruption measures, the Macau casino industry finally has begun to rebound. Macau’s Gaming Inspection and Coordination Bureau reported that August 2016 was the first month in the past 26 months to experience growth (1.1%). September generated \$2.3 billion in GGR, representing 7.4% growth. The opening of the Wynn Palace casino in August and the Sands Parisian Macao casino in September have contributed to the overall turnaround.

Despite the improvement in casino performance, an influential Macau law firm has suggested that the city should reconsider the issue of regulating forms of online-delivered gaming. Opening the Macau market to remote gaming activities “could breathe new life into this once-booming market,” said lawyers Pedro Cortés and Manuel Moita Júnior, from the law practice Rato, Ling, Lei and Cortés.

Several industry analysts have suggested that the potential for online-delivered sports betting in Macau—similar to products available in Las Vegas casinos—has been largely unrealized. A report by the U.K.-based consultancy firm Juniper Research estimated that the value of online gambling wagers will increase from US\$550 billion this year to nearly US\$950 billion by 2021. Juniper, which focuses on appraising new high-growth digital business markets—said that users of mobile devices and channels would be responsible for the “majority of net growth” in online gaming activities.

REPUBLIC OF GEORGIA SEEKS LOTTERY OPERATOR

The Republic of Georgia is soliciting proposals from companies interested in a 10-year license to conduct lottery operations. Bidders must submit proposals (and a US \$5m bank guarantee) by December 12.

The winning bidder will demonstrate an understanding of the Georgian lottery market, and must have experience in operating a commercial lottery. The winning bidder must provide evidence that its previous operations generated sales of at least GEL 350m (US \$149m) over the past five years.

Another criterion for determining the winning bidder will be “who will offer the highest payment” to the state budget, according to the Ministry of Finance. The government expects the operator to make quarterly payments equal to 8% of total lottery sales, with a minimum payment of \$5m.

The winning bidder must show plans to create a retail distribution network of up to 950 outlets. Additionally, bidders must outline “digital channel/technology trends” and describe how games will be delivered to players via online and SMS channels.

Georgia, with a population of 3.7m, originally privatized its lottery management in 2009, handing control to the Georgian Lottery Company. Two years later, the state-owned postal service took the lottery’s reins. Now international operators are being given a chance to run the enterprise.

INSPIRED SIGNS A MEMORANDUM OF UNDERSTANDING WITH OPAP, DEPLOYING VIRTUAL SPORTS INTO THE GREEK MARKET

POKERSTARS CONFIRMS THAT AMAYA INC AND WILLIAM HILL MERGER NOW OFF THE TABLE

MEP (MEMBERS OF THE EUROPEAN PARLIAMENT) AND STAKEHOLDERS CALL FOR RECOGNITION OF THE ROLE OF FUNDING FROM LOTTERIES

Addressing the High Level Group Recommendations to the EU, EL President Hansjörg Höltkemeier expressed his appreciation for the overall work and the reference to the Lotteries and also welcomed MEP Takkula’s work on his new report on sport policy, noting: *“It represents a renewed commitment to keep sport high on the agenda of the European Parliament.”* He finally recalled that *“illegal betting, not only represents a risk to public order but also jeopardises the sustainable financing of grassroots sport.”*

The Chairman of EL Sport Committee, Torbjørn Almlid provided numerous concrete examples of how Lotteries are using their capillary network to support all EU initiatives related to sport such as the upcoming European Week of Sport in all Member States; of how they have been sustainably supporting the creation of accessible sport facilities around Europe and promote various other projects aiming to use sport as a tool for youth and gender empowerment, integration and skills development.

INTRALOT SIGNED A COOPERATION AGREEMENT WITH FIFA’S SUBSIDIARY EARLY WARNING SYSTEM (EWS) BECOMING AN INTEGRAL PART OF FIFA’S GLOBAL ENDEAVOR TO PROMOTE AND PROTECT THE INTEGRITY OF FOOTBALL

By establishing a trusted communication platform, the two parties have agreed to exchange information on irregular and suspicious betting activities, so as to detect and prevent attempted manipulation and match-fixing.

NIELS ONKENHOUT, THE NEW CEO AT NEDERLANDSE LOTERIJ (DUTCH LOTTERY)

Mr Onkenhout replaces Mr. Frans van Steenis as Chief Executive Officer of the largest gaming organization in The Netherlands. This was as a result of a merger between two lottery corporations i.e. the Dutch State Lottery (Nederlandse Staatsloterij) and the Lotto (De Lotto). Mr. Onkenhout is the former director of the Supermarket Chain called C1000 and was also a member of the Board of Directors of the Jumbo Group Holding. Mr. Frans van Steenis will be guiding Mr. Onkenhout until the end of 2016, with regards to his new position as Chairman of the Board of Directors of the leading organization on the gaming market.

SCIENTIFIC GAMES PURCHASES KARMA GAMING’S PORTFOLIO OF INTERACTIVE GAMES

Karma Gaming’s portfolio of high quality interactive games has been used by lotteries such as Italy’s Lottomatica and Loto Quebec in Canada, as well as the Minnesota Lottery, Georgia Lottery and Ohio Lottery in the U.S. *“As a trusted business partner, we understand the unique regulatory challenges lotteries have when it comes to mobile and internet offerings, and we know that lotteries have constraints on delivering innovative games and promotions that can continue to entertain and engage their players,”* said Kennedy. *“By providing consumer analytics, creative interactive games and promotions, loyalty programs, mobile apps and secure technology for the sale of eInstants and other games online, Scientific Games remains committed to helping lotteries continue to evolve.”*

IGT ANNOUNCES FOUR-YEAR EXTENSION WITH SVENSKA SPEL FOR MULTICHANNEL POKER ENHANCEMENTS

IGT will enhance the suite of interactive multichannel poker products it provides to AB Svenska Spel, the Company's lottery customer in Sweden and operator of the world's fifth-largest ring-fenced market poker site according to pokerscout.com. Svenska Spel is exercising a four-year extension provided under its contract with IGT signed as part of a competitive procurement in 2013.

"For a decade now, Svenska Spel has successfully worked with IGT to offer the Swedish public a fun and safe interactive poker product," said Lennart Käll, CEO of Svenska Spel. *"Choosing partners with innovative, marketing-leading products is essential to responsibly meeting our customers' needs."*

"By leveraging industry best practices and our experience as a successful B2C operator in the Italian interactive market, IGT's enhanced multichannel suite of interactive poker products will help Svenska Spel to reach a broader player base," said Declan Harkin, Senior Vice President and Chief Operating Officer, IGT International. *"IGT's best-in-class mobile and tablet user interface ensures that the customer can provide its players with a safe, responsible, and entertaining experience anytime, anywhere."*

Under the terms of the contract extension, IGT will enhance its multichannel suite of interactive poker products across desktop, Android smartphone, Android tablet, iPad and iPhone with a new user-friendly graphical interface, new game formats, and tournament variations. Enhancements include IGT's U.S. patent-pending Poker Challenge tournament format, which appeals to novice and expert players alike, and Character-Based Cash Tables. The suite of poker products is powered by IGT's new poker solution,

which consists of IGT's new poker engine and the IGT Connect™ platform. IGT, as legacy GTECH, began providing Svenska Spel with fully customizable poker software in 2006 and video lottery gaming solutions in 1996. Svenska Spel also uses IGT's Casino-link™ system and slot machines at its land-based casinos.

SCIENTIFIC GAMES POSITIONS ITSELF TO ACCELERATE GROWTH IN ITS INTERACTIVE BUSINESS

Scientific Games Corporation announces it has designated the Company's wholly owned interactive social gaming subsidiaries, including Dragonplay Ltd. and Phantom EFX, LLC, with the goal of maximizing growth for the company. The Company will consider a range of options to solidify its leadership in this fast growing segment, including potential new joint ventures, acquisitions, IPO, and other growth options.

"Our industry leading investment in innovation is paying off. Following our company's third consecutive quarter of revenue growth, we see this as a perfect time to accelerate momentum and explore additional opportunities to deliver greater value from this strong and rapidly growing segment of our business," said Kevin Sheehan, CEO and President of Scientific Games. The Company's social gaming business has generated sequential double-digit growth in each of the most recent three quarters and a 68-percent increase in revenue year-over-year for the most recent quarter.

DUTCH FOOTBALL ASSOCIATION EXPRESSES THANKS TO GLMS FOR ITS SUPPORT DEALING IN WITH MATCH FIXING SUSPICIONS AGAINST ALBANIAN CLUB KF SKËNDERBEU

KAMBI GROUP PLC PARTNERS WITH NOVOMATIC LOTTERY SOLUTIONS (NLS)

Kambi Group plc and NOVOMATIC Lottery Solutions (NLS), Europe's leading gaming technology Group, have signed an MoU, with the mission to provide a powerful full-service gaming solution to government regulated lotteries. The service will combine NLS's market leading lottery platform with Kambi's state-of-the-art sports betting service.

This strategic partnership will see Kambi and NOVOMATIC Lottery Solutions joining forces to deliver a unique and modern omni-channel solution, which responds to an increasing demand in the lottery sector, for a superior user experience in all channels and most notably in interactive gaming. This service will be co-branded and marketed under 'NLS Sports Betting—Powered by Kambi.'

Kristian Nylén, CEO of Kambi said: *"We are very excited to have formed this partnership with NLS; NLS is the ideal partner and share our vision for growth and innovation within the lottery sector. The co-branded service will offer a modern best-in-class solution, creating a competitive service giving government regulated lotteries the possibility to make a leap, especially in interactive gaming across all verticals. We look forward to collaborating with NLS and are excited to reveal 'NLS Sports Betting—Powered by Kambi' at the World Lottery Summit in Singapore."*

"This alliance is a part of our 'best of breed' philosophy where combining two modern systems, deploying state-of-the-art technologies while exercising the inherent expertise of each, delivers world beating performance in highly competitive markets. NLS is very pleased to be working with Kambi, whom we feel is a like-minded partner in technology and an expert in sports betting operations." said NLS's CEO Frank Cecchini.

GREG SMITH APPOINTED ILLINOIS LOTTERY DIRECTOR

Greg Smith, formerly the lottery director for Vermont, has been appointed to oversee the Illinois Lottery.

Smith has directed the Vermont lottery since 2012. During his tenure, Vermont Lottery sales and profits grew by nearly 20%, resulting in more than \$26M being contributed to Vermont's Education Fund in the last fiscal year.

Before his position with the Vermont Lottery, Smith was an executive with a retail and direct marketing company, the owner of a country inn, and a payroll and tax accounting manager for a pharmaceutical company.

Smith joins the lottery in Illinois, which is unusual for how it is operated. The Illinois Lottery was the first in the nation to outsource its day-to-day management to a private firm, and is now in the process of becoming the first in the nation to replace one private management firm with another. In July, the Illinois governor's office announced the opening of a bid process for a new management company with the hope of finding a replacement by early next year. The governor has said that the lottery has been "very poorly run" for years.

Smith will be responsible for helping oversee the expiring contract with Northstar, the incumbent management firm, and any contract the state enters with a new operator.

When it was selected to manage the Illinois Lottery in 2011, Northstar said that it would dramatically boost profits to the state, but promised amounts have never materialized.

MICHIGAN LOTTERY COMMISSIONER M. SCOTT BOWEN STEPPING DOWN AFTER NINE YEARS OF SERVICE

Mr Bowen's resignation is effective Feb. 18, 2017. *"Scott's work at Michigan Lottery has been critical to the reinvention of Michigan, with the lottery providing significant support for public education in our state,"* Gov. Rick Snyder said. *"While I am sad to accept his resignation, I wish Scott all the best as he pursues new opportunities in the private sector."* Bowen was appointed Lottery Commissioner in January 2008 and is the Lottery's longest serving commissioner. *"Serving as the Commissioner of the Michigan Lottery has been a great honor and wonderful opportunity,"* Bowen said. *"The Lottery's success during my tenure reflects the hard work and dedication of the Lottery employees and its retailers, who are proud to carry out the agency's mission of providing funds for public education in our state. The Michigan Lottery consistently ranks as one of the top-performing lotteries in the nation because of their efforts."*

The Michigan Lottery developed and launched several industry-leading innovations under Bowen's leadership, most notably online games, first offered to players in August 2014. The Lottery's online games launch was the most successful in North American lottery history.

The Lottery projects the online games will provide incremental growth and contribute an additional \$480 million to the School Aid Fund in the first eight years of operation. More than 414,000 players have registered to play Lottery games online. Bowen, a strong advocate for responsible gaming, also guided an expansion of the Lottery's efforts to help players play responsibly. The Michigan Lottery became the first lottery in the United States to receive certification for its commitment to responsible internet gaming.

ONTARIO LOTTERY WILL NOT PRIVATIZE

The Ontario Lottery and Gaming Corporation (OLG) will not privatize its lottery operations. The OLG withdrew a previously issued request for proposals and will pursue a different path to modernization.

In a recent announcement, Stephen Rigby, OLG's president and chief executive officer, said that *"after a period of due diligence and consultation with globally-experienced proponents, OLG has determined that the selection of a single service provider would not provide sufficient value for the province."*

The lottery generated record sales of \$3.8 billion in 2015-16, and contributes \$2.2 billion annually to the provincial government to support hospitals, amateur sports, local and provincial charities, and problem gambling prevention, treatment, and research.

OLG's original modernization plan had been designed to rejuvenate the lottery and gaming industry in Ontario and increase revenue for the province. That plan called for the province to increase its contribution by \$1.3 billion annually, create more than 2,000 new jobs, and spur \$3 billion in investment across Ontario. The new modernization approach will seek to enhance capabilities in technology and innovation through partnerships with the private sector, Rigby said.

Since the lottery's modernization announcement in 2012, the Sault Ste. Marie Economic Development Corp. and the Innovation Centre have worked to become a lottery and gaming center of excellence. The Innovation Centre has taken a lead role in developing the lottery and gaming industry because of its familiarity with information technology. Rigby said OLG's sponsored research indicates there is untapped revenue potential in the market and the lottery will adjust its approach to pursue that revenue. OLG will continue to operate the Lottery business.

GAMBLING INDUSTRY PREPARES FOR RETIREMENT OF SENATOR REID

Lobbyists for the U.S. casino industry are preparing for the retirement of their leading advocate in Congress—Senator Harry M. Reid of Nevada.

The American Gaming Association, the gambling industry's leading trade group, is spending hundreds of thousands of dollars on outreach to federal and local lawmakers across the country who they hope will champion gambling interests after Reid retires in January.

Reid has shepherded several measures that helped casinos in his home state. Last year, he supported language in a spending and tax bill that temporarily preserved tax loopholes benefiting the gambling and hotel industries, and supported a measure that would have given Caesars more leeway in restructuring debt to avoid bankruptcy. Casino lobbyists expect the rest of the Nevada delegation, especially Sen. Dean Heller (R), will continue advocating for their industry. But they are expanding their campaign to other states where gaming is newer.

Reid has received about \$2 million from casinos and gambling interests during his career. Three of his five largest campaign contributors were casinos: MGM, Caesars, and Station Casinos.

In its efforts to enlist lawmakers as champions of gambling interests, the AGA is sidestepping discussion of online gambling, an issue that has divided the gambling industry and garnered intense lobbying from supporters and detractors.

The success of the AGA's campaign will be a test of the group's ability to adapt to changes the gambling industry has undergone since the AGA was founded in 1995 by former Republican National Committee chairman Frank Fahrenkopf, who retired from the AGA in 2013.

ARCH GLEASON HAS STREET NAMED AFTER HIM!

The next time you visit Louisville, Kentucky, you'll want to hit the top new attraction and take a stroll down Arch Gleason Way. The whole Gleason family and many of his lottery friends were there for the christening of Arch Gleason Way on Friday October 21. His oldest son Archie spoke, and was terrific—you can forward to around the 11:00 mark here to hear what he said: <https://www.youtube.com/watch?v=nmNmRZKbqrE>

NEW JERSEY TAKES ITS CLAIM TO THE US SUPREME COURT AS IT SEEKS TO ARGUE THAT THE FEDERAL BAN ON SPORTS BETTING IS A VIOLATION OF ITS CONSTITUTIONAL RIGHTS UNDER THE TENTH AMENDMENT.

It will argue that the Professional and Amateur Sports Protection Act 1992 (PASPA) is an unconstitutional infringement of states' rights. Though there is no guarantee that it will even receive a hearing. US Rep. Frank Pallone Jr. (D-New Jersey) says it's time to amend the federal statute and bring the law into the modern technological world. Pallone said in a statement to ESPN this week that PASPA is now "obsolete" and in "desperate need of updating." A leading issue in removing PASPA has been the strong opposition from leaders of the four primary professional sports leagues in the US. The NFL, MLB, NBA, and NHL have all opposed legalized betting on their games in the past, but today that is no longer the case. NBA Commissioner Adam Silver has called for PASPA's repeal, the NHL is expanding a franchise to Las Vegas, and MLB Commissioner Rob Manfred thinks the sports law needs to be refreshed. NFL Commissioner Roger Goodell, though, continues to oppose the legalization and regulation of sports.

GAMBLING COMMISSIONS AND REGULATORS EXPECT VALVE (THE DEVELOPER OF POPULAR GAMES LIKE COUNTER-STRIKE: GLOBAL OFFENSIVE) TO TAKE WHATEVER ACTIONS ARE NECESSARY TO STOP THIRD PARTY WEBSITES FROM USING 'SKINS' FOR GAMBLING THROUGH ITS STEAM PLATFORM SYSTEM.

DRAFTKINGS CEO JASON ROBINS: WHY WE GOT INTO TROUBLE WITH REGULATORS

In 2015 DraftKings massively increased its advertising expenditures from the prior year, when it spent just \$50 million. For a few weeks the company was among the nation's largest ad buyers, on par with huge corporations like AT&T and Geico. This dramatic increase in advertising, and resulting traffic to the DraftKings site, may have attracted regulators who hadn't realized how big the industry had grown. Robins also believes that aggressive marketing overexposed the company's brand. As a result, this year DraftKings significantly dialed back its advertising, though now Robins thinks that he may have overcorrected.

JAMES E. BILLIE, CHAIRMAN OF THE SEMINOLE TRIBE OF FLORIDA DURING A PERIOD OF SOARING CASINO REVENUES, WAS REMOVED FROM OFFICE.

The tribal council voted 4-0 on the removal, acting on a recall petition filed by tribal members that cited various issues with policies and procedures in the chairman's office.

LEN AINSWORTH, HOWARD STUTZ HONORED AS INITIAL RECIPIENTS OF ASSOCIATION OF GAMING EQUIPMENT MANUFACTURERS (AGEM) MEMORIAL AWARDS HONORING JENS HALLE AND PETER MEAD

GAMBLING HEATS UP ON U.S. PRESIDENTIAL ELECTION

As the U.S. presidential campaign sprints toward Election Day, the enthusiasm for gambling on the event also is heating up. Although there are no sports books or casinos that can accept a wager on the outcome of the presidential election in Las Vegas, there are online gambling operators who permit such bets.

Betting on the presidential election, or other political elections, is not permitted by Nevada gaming authorities.

However, wagering on politics is a segment of sports betting, which is regulated by the Professional and Amateur Sports Protection Act, the Federal Wire Act, and the Unlawful Internet Gambling Enforcement Act. Many online operators, including Bovada, TopBet, BetOnline, Bookmaker, and JustBet, are offering odds on the nominees.

Gambling on the election began months ago during the nomination process, when on-line bookmakers were uncertain whether Donald Trump would win the Republican Party nomination or whether Hilary Clinton would secure the Democratic nomination after a lengthy battle with Senator Bernie Sanders.

Meanwhile, in Canada, the British Columbia Lottery Corporation is administering its first ever novelty bet on the U.S. presidential election. Nearly two years ago, in January 2015, Trump was listed as a 100-to-1 shot even though he was not at that time an official candidate. Now Trump's odds have improved to 21-to-5, which represents a 19% chance of winning. More than \$258,000 dollars has been bet on the American election from 2,400 wagers, the British Columbia Lottery said. Clinton is now a 19-to-100 bet to win, which represents an 84% chance of victory.

Only Canadians can place wagers.

LAWSUIT FILED AGAINST NEW YORK GOVERNOR CUOMO

A group of New York citizens backed by the anti-gambling group Stop Predatory Gambling has filed a lawsuit against New York Governor Andrew Cuomo challenging the constitutionality of the bill that legalized daily fantasy sports in the state. The lawsuit contends that the law violates the Constitution of the State of New York because a constitutional amendment is needed to legalize a new form of gambling.

INTRALOT ANNOUNCES THAT TOM LITTLE, CEO OF ITS US SUBSIDIARY INTRALOT INC., STEPS DOWN

Group CEO Mr. Kerastaris stated: *"I would like to thank Mr. Little for his contribution to the launch and growth of INTRALOT's US activities. I would also like to take this opportunity to reconfirm our strong commitment to the US market as an area of key strategic focus and main source of future growth for our Group. We are excited to dedicate more resources and launch new products and services, as part of our evolving portfolio to meet new consumer demands, mainly in the retail area, and help our valued US clients fulfill their own growth targets."*

Mr. Little's duties will be undertaken by INTRALOT Group Chief Operating Officer Nikos Nikolakopoulos as Interim CEO of INTRALOT Inc. to ensure continuity of services and full alignment of offering upgrades with our global strategies, effective October 19, 2016.

FRANK FARRICKE NAMED INTERIM DIRECTOR OF THE CONNECTICUT LOTTERY CORP

SCIENTIFIC GAMES SCORES THIRD CASINO SYSTEMS SOLUTION AGREEMENT WITH HARD ROCK HOTELS & CASINOS

LAW ENFORCEMENT OFFICIALS JOIN IN BATTLE TO REPEAL PASPA

A group of law enforcement officials, acting in partnership with the American Gaming Association (AGA), the principal lobbying group for casinos and other gaming companies, is advocating the repeal of the federal law that prohibits sports betting in most of the United States.

The law enforcement group says the Professional Amateur Sports Protection Act, enacted in 1992 and commonly known as PASPA, has had the unintended effect of driving sports betting underground. The illegal market is estimated at \$150 billion to \$500 billion.

The AGA has been lobbying for new legislation that would regulate sports betting, and recently hired a strategist who has previously worked on the presidential campaigns of John Kerry and Hillary Clinton (in 2008) to assist the association's efforts.

The AGA estimates that \$90 billion will be bet on football games this season (both professional and college games), and that 98% of those bets will be made illegally. Further, a Nielsen study commissioned by the AGA shows that TV networks may wish to support legalized sports betting because they stand to gain viewership and bolster advertising revenues. If sports betting were legalized, the AGA concluded from the Nielsen data, the number of regular-season sports viewers betting on games would skyrocket from 40 million to 57 million. The major American sports leagues appear to support the repeal of PASPA. NBA commissioner Adam Silver has been a strong advocate for legalizing and regulating sports betting, and Gary Bettman, the commissioner of the National Hockey League, has inched closer to publicly endorsing the movement because his league is preparing to locate a franchise in Las Vegas.

CAESARS TRYING TO ATTRACT YOUNGER GAMBLERS WITH SKILL-BASED GAMES

Trying to counteract a declining trend in slot-machine betting, Caesars Entertainment Corp. is launching a new generation of devices in its casinos that resemble the mobile games people play on their smart phones.

Betting on slot machines decreased to \$291 billion in 2014 from a peak of \$355 billion in 2007, according to the Association of Gaming Equipment Manufacturers. A slow economy is partially responsible for the decline, but casino operators also insist that young adults—the coveted millennial players—don't engage with slots with the same affinity as their parents and grandparents.

The new style of games reward players based on a combination of a customer's skill and luck, an important evolution in pay-outs that required revisions in traditional casino regulations. Caesars plans to install six new devices, enough for 25 players, in its Harrah's resort near San Diego in 2016 and as many as 36 machines in its Las Vegas properties next year.

Casinos are hopeful that the new machines will not be easily conquered by highly skilled players. Some game designers create series of small wins rather than one big jackpot; others make their games progressively more difficult as the players achieve higher scores.

The games constitute a way for casinos to compete against simple, addictive games like Candy Crush that have proliferated on smart phones. "Our world has shifted," said Melissa Price, Caesars' senior vice president of gaming. "There are a lot of entertainment opportunities that don't always exist at the casino."

IGT AND THINK&GO TO SHOWCASE WORLD'S FIRST LOTTERY APPLICATION ON CASHLESS PAYMENT SCREEN AT NASPL AND WLS

Utilizing Ingenico Group's Think&Go patented technology, IGT will demonstrate how contactless technology can make payments seamless for lottery players. Using innovative self-service kiosk technology, players collect and pay for lottery tickets by simply waving a NFC-enabled payment card or device at the IGT Connected Screen. The integration of Ingenico's secure payment technology into connected screens enables merchants to interact with their consumers in creative ways, while enabling frictionless purchases virtually anywhere via contactless payment card or NFC-enabled mobile wallets. "This is yet another example of IGT working together with innovative companies. We're excited to collaborate with Ingenico Group and Think&Go to debut the Connected Screen at our NASPL and WLS conferences in Atlanta and Singapore," said Marco Tasso, IGT Senior Vice President of Product Marketing, Lottery.

N.C. EDUCATION LOTTERY'S NEW BRAND SIGNALS NEW ERA—UPDATED LOGO ROLLS OUT WITH NEW TECHNOLOGY, ENHANCED EXPERIENCES

It's about more than a make-over. The brand evolution coincides with upgrades to state-of-the-industry technology that delivers enhanced consumer experiences in stores and online.

THE KENTUCKY LOTTERY CORP. BOARD HIRES A LOUISVILLE-BASED, EXECUTIVE-SEARCH FIRM, THE OLIVER GROUP, TO HELP FIND A NEW CHIEF EXECUTIVE OFFICER, FOLLOWING THE RECENT DEATH OF THE AGENCY'S LONG-TIME STAFF CHIEF, ARCH GLEASON.

INSTANT WIN GAMING COMPLETES FIRST RGS INTEGRATION ONTO A US LOTTERY WITH MICHIGAN LOTTERY

The first Remote Game Server (RGS) integration onto a US lottery opens up a pipeline of innovative, fresh content for US lotteries to complement their existing products. IWG has been a service provider and supplier of content to lotteries for over 10 years, producing and delivering more than 300 high quality instant win games on desktop and mobile, as well as providing valuable strategic and marketing support. It has the ability to deliver top selling, engaging content in multiple regulated jurisdictions from an RGS network that covers North America, Canada and Europe.

Rhydian Fisher, CEO at IWG, said: "This really does open up some unique content for US lottery players. There is huge demand for instant win content in addition to the traditional lottery products and we're passionate about delivering the very best instant win games that entertain and engage players."

Jason Lisiecki, Digital Products Director at the Michigan Lottery, added: "We are excited about offering our players the new and exciting games provided by IWG. Our integration via an RGS means that we have quick access to the entire library of IWG games. Their products will be a great complement to our existing online games portfolio and we expect them to be popular with players."

IWG has provided content to the UK lottery for more than 10 years and has entire portfolios live in lotteries across Europe, Canada and the USA.

ATLANTIC LOTTO TO LAUNCH LOTTERY TICKET VENDING MACHINES

SKILL-BASED SLOTS GIVEN GO-AHEAD IN ATLANTIC CITY

Gaming authorities have granted three casinos in Atlantic City permission to roll out skill-based slot machines

The New Jersey Division of Gaming Enforcement gave the go ahead for GameCo to install skill-based slot machines at three casinos owned by Caesars Entertainment. The machines are expected to undergo weeks of testing following their installation. Operators hope to attract a younger audience that has exhibited little interest in traditional slot machines.

LOTTOINTERACTIVE, THE NEW IGAMING ENTERTAINMENT COMPANY, HAS LAUNCHED STAR MATCH FOR THE GEORGIA LOTTERY

Star Match is a new interactive game that combines the challenge and excitement of a match-3 game with a chance to win cash prizes via digital scratchers with every play. Players are engaged and entertained by popular casual puzzle gameplay with the goal of matching three or more Hollywood icons to collect as many stars as possible. Points and other bonuses are gained along the way before their digital lottery cash prize is revealed. Star Match, powered by IGT's iLottery platform, is available now for play anytime, anywhere in the state of Georgia on iDevices, Android, PC or Mac, and is available for free trial anywhere in the world. With Star Match, LottoInteractive is pioneering the convergence of the \$35 billion mobile games industry and the \$300 billion global lottery industry, driving participation and engagement among new and existing lottery players alike. LottoInteractive is committed to creating game experiences that will bring lotteries new players who want to be entertained and play on-the-go, while giving loyal existing lottery fans exciting interactive options, all with a chance to win cash with every play.

KAHNAWAKE GAMBLING SITES WILL NO LONGER SERVE US CUSTOMERS

The New Jersey Division of Gaming Enforcement (DGE) announced that it and the KGC had reached an understanding that will prevent Kahnawake-based websites from accepting bets from U.S. residents if the websites are not authorized. The DGE took prompt action when it became aware that services may have been provided by Continent 8 to illegal Internet gaming websites via the data center located in the Mohawk Territory of Kahnawake, a sovereign jurisdiction located just outside Montreal, Quebec, Canada. Specifically mentioned were sites offering, "illegal online sports wagering," according to the release.

NEOPOLLARD INTERACTIVE CELEBRATES THE SUCCESS OF ITS FIRST DIGITAL-FOCUSED CLIENT CONFERENCE - PURELY DIGITAL XCHANGE, HELD IN MICHIGAN

The focus of the conference was helping lotteries to connect their digital ecosystems—how digital assets, including mobile app strategies, second chance and loyalty programs, and iLottery offerings can seamlessly integrate and work together by bringing digital insights from our lottery participants for other lotteries to consider for their own digital efforts. The purpose was also to introduce tangible strategies that lotteries can deploy in the digital space today in order to bridge retail and online. In a time where retail and digital channels are converging, conference attendance, which exceeded all expectations, proves that lotteries are interested in learning how they can leverage the digital space to attract new players, foster engagement, and drive sales.

IGT REACHES CROSS-LICENSING AGREEMENT WITH ARISTOCRAT

The comprehensive cross-licensing agreement with Aristocrat Leisure Limited covers intellectual property involving game features and system patents. IGT also announced that the parties have agreed to settle all outstanding litigation between them.

"IGT's R&D investment and patent portfolio are the largest in the gaming industry. We are pleased to have reached this agreement with Aristocrat as we build upon our leadership in gaming innovation," said Renato Ascoli, IGT Chief Executive Officer North America Gaming & Interactive (Double-Down Casino). *"This agreement demonstrates both companies' shared commitment to investing in and preserving the value of intellectual property."*

ATLANTIC LOTTERY PROFITS INCREASE FOR THE THIRD STRAIGHT YEAR TO A RECORD-SETTING \$431.6 MILLION, \$54.7 MILLION MORE THAN LAST YEAR.

Revenues driven by video lottery and online gambling grows. The video lottery network and other terminal games introduced over the past two years contributed to revenue YoY growth of over \$40 million. Going forward, many VLTs will be replaced and seven new games will be launched over the next few years. Online gambling products grew to \$27.5 million in lottery sales, a 30% increase over the previous year. The only missing link is casino-style games. Atlantic Lottery's annual report notes that its beneficiaries are missing out on millions of dollars in revenues because Atlantic Lottery hasn't introduced casino-style and poker games, which are currently thriving on websites run by offshore firms. Lotto Max is also thriving, accounting for \$54.6 million in gross profit.

TEXAS LOTTERY SHATTERS RECORDS WITH \$5 BILLION IN SALES

This year's revenue transfer included \$1.373 billion to the Foundation School Fund and \$14.7 million to the Fund for Veterans' Assistance. The Texas Lottery has now contributed more than \$19 billion to Texas public education and more than \$66 million to Texas veterans since the dedication of such funds by the Texas Legislature.

"Our growth can be primarily attributed to two factors, another year of strong sales across our entire scratch ticket game portfolio, which accounted for 73 percent of our total sales, and the record \$1.5 billion Powerball jackpot that occurred in January," said Grief.

MASSACHUSETTS TREASURER RENEWS PUSH FOR ONLINE LOTTERY GAMES, APPS

Treasurer Deborah Goldberg, whose office oversees the Lottery, announced in a speech to the Greater Boston Chamber of Commerce Wednesday that she will file a bill in the state Legislature that would create an iLottery. *"This is a critical economic opportunity that Massachusetts cannot afford to let fall by the wayside,"* Goldberg told the group, according to a copy of her prepared remarks. *"iLottery will make our products more accessible, so we can appeal to younger players while we continue to serve our existing customers."*

MINNESOTA STATE LOTTERY REPORTS RECORD YEAR IN 2016

The Minnesota State Lottery set a number of records during fiscal year 2016. Officials say total sales reached a record \$592.2 million from July 1, 2015, to June 30, 2016, with a record profit of \$144.7 million. This is an increase of 5% over FY 2015.

NOVOMATIC AMERICAS LAUNCHES WCOS CONCEPT AT G2E LAS VEGAS

THE WORLD CHAMPIONSHIP OF SLOTS™ (WCOS) is a brand new slot tournament concept that gives players the chance to win huge prizes on national TV. The US subsidiary of the NOVOMATIC Group partnered with Emmy award-winning game show producer Gary Hunt Productions (GHP), Entropy Entertainment, and media sales company Trifecta Entertainment & Media (Trifecta) to launch to create and launch the industry-first slot competition.

Rick Meitzler, NOVOMATIC Americas CEO, commented: *"This tournament adds a competitive energy and excitement to a casino floor that has not been experienced before. We're excited to be partnering with such an accomplished group of people to bring a reality style slot competition to the gaming industry and create a truly entertaining offering for slot players and a unique marketing tool for our customers."*

The WCOS is the result of a multimedia collaboration that turns a casino, its employees and players into stars. Casinos in North America will have the opportunity to host their own qualifying events as often as they like and the winners will move onto the WCOS television show qualifying events. The competitions are for anyone who is of legal gambling age and wants to compete on television for \$1 million.

MAINE LOTTERY SETS ALL-TIME RECORDS

"Thanks to the biggest year in our history, the Maine Lottery contributed over \$56 million to Maine's General Fund, the highest total to date," Gregg Mineo, director of the Bureau of Alcoholic Beverages and Lottery Operations, said. Total Lottery sales were \$272.3 million. January's \$1.6 Billion Powerball jackpot helped to drive draw game sales up 50% over fiscal year 2015. Instant ticket sales totaled more than \$210 million due to strong sales at the \$5 and \$10 price points.

TEXAS LOTTERY EXTENDS CURRENT CONTRACT WITH IGT

The Texas Lottery Commission's five member board unanimously approved three 2-year extensions to its existing nine-year contract with lottery operator, International Game Technology (IGT). The new contract renewal terms are expected to save the state \$65 million over the extension period and increase revenue to the Foundation School Fund. The six-year extension period will begin Sept. 1, 2020 and continue through Aug. 31, 2026. *"This is good government and a testament to the Lottery's strong contract monitoring and compliance work,"* said J. Winston Krause, chairman of the Texas Lottery Commission. *"The contract extensions position us to continue to produce record revenue for Texas education and veterans while being smart, responsible stewards of state funds."* The Texas Lottery experienced extraordinary growth in fiscal year 2016, achieving a record \$5.067 billion in sales.

IGT UNVEILS NEW INNOVATIONS AT G2E 2016—SPHINX 4D

IGT is taking glasses-free 3D entertainment to a new level with the world debut of the SPHINX 4D game on the Company's new CrystalCurve™ TRUE 4D cabinet. *"IGT is bringing new technologies to casino partners that transform slot play with an entirely new sensory experience. SPHINX 4D lets players touch, see and feel a game like never before,"* said Victor Duarte, IGT Global Chief Product Officer, Gaming. SPHINX 4D game introduces unprecedented immersion and interaction with air haptic technology, gesture recognition and new hardware. The CrystalCurve TRUE 4D cabinet includes crowd detect capabilities that engage passing patrons and invite them to play the game, is equipped with a mobile device charging port, and is paired with an ergonomic, multi-media sound chair with player-adjustable settings. IGT's new slot theme The Voice Video Slots transports players to the set of one of TV's most popular shows, which is viewed in more than 180 countries. ■

NASPL 2016 Atlanta, GA





NASPL 2016 Atlanta, GA





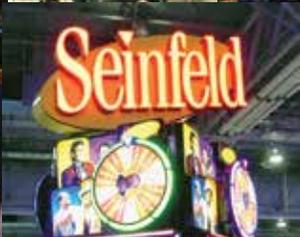
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HALL OF FAME



NASPL 2016 Atlanta, GA continued...



G2E 2016 Las Vegas





More than a year ago we wrote an article for this magazine titled *A Sound and Sustainable Gambling Policy for the Benefit of the “European” Society*. Today we want to enlarge the discussion beyond Europe: How can Lotteries remain relevant in today’s society? Gaming technology is continuously changing with consumer trends. More and more, Lotteries are facing a fierce competition from new games-of-chance. But Lotteries are more than just operators of games. Lotteries are embedded in society, are potential drivers of innovation, and can help to enhance people’s trust in embracing new societal challenges. More than any other operator and/or business, Lotteries contribute to a better world. This unique position of Lotteries is a strength to explore further and to communicate to stakeholders and society at large. It is also the basis for our legal strategy as developed at Smart Tech in New York and at the EL industry Days in Lisbon.

Lotteries and their stakeholders need to reflect on all of

tion of disabled and the support of street sport are just a few of the many areas for Lotteries to continue to work on. Culture and cultural heritage, education, research and social projects are already on the list. Lotteries do so much on a jurisdictional basis in these areas. But Lotteries could probably reach out to other stakeholders and international institutions outside of their jurisdictions to forge collaborations that would enhance the impact even further.

There are other societal issues and challenges for Lotteries to take into consideration. A Lottery operator in Europe designed its contribution to society to align with two words: People & Planet. Lottery could play a much bigger role in fostering a more enlightened view towards nurturing a healthy and sustainable relationship between People & Planet. To stay relevant to the broader spectrum of stakeholders, Lotteries need to be future-oriented in every aspect of their business model including in their societal role. Creating a more inclusive society, respecting diversity, and supporting research, are important challenges to take on board when it comes to “people.” When it comes to “planet,” the vast climate change debate is one of the crucial questions. During the COP21 meeting in Paris a scratch ticket dedicated to climate change was launched. The ability to recycle scratch tickets is thereby equally important. Climate change questions and the need for closing the loop (the circular economy approach of the EU) are important features for Lotteries to consider. According to a study made by Mc Kinsey & Co, more than 20 billion Euros can be saved if a strong circular economy approach is implemented in Europe. Product development and distribution methods must be reinvented in ways that go far beyond the classic CSR approach.

The work currently done by working groups at the Association level provide Lotteries with Social responsibility guidelines to cover several of these items. This positive embrace will help us to better defend Lotteries and their societal role.

Lotteries, and their vendors/suppliers, can contribute to such innovative solutions and educational programmes to enhance green procurement, a more paperless society, and educational programmes to enhance the use of modern technology by elderly and more vulnerable people. By doing so they can contribute to the climate change programmes and enhance societal acceptance of these needs. Lotteries can be part of the pioneers of change.

A future-oriented business approach that focuses on the broader benefits to society will serve Lottery well with the broadest set of stakeholders. This is so important when it comes to preserving the public confidence and support for Lottery (along with improving the strategic legal position) as the respected and trusted brand for the 21st century. ■

Contributing to the Future of the World

BY PHILIPPE
VLAEMMINCK,
MANAGING PARTNER
AND BEATA GUZIK,
DIRECTOR PUBLIC
AFFAIRS
—PHARUMLEGAL
BRUSSELS
PHARUMLEGAL.EU

their shared values and goals, and work together to establish a “pact for the future.” Vendors, suppliers and Lotteries need to clarify all the ways they can mutually help each other. Lotteries serve a role that extends far beyond its charter to channel funds to Good Causes. Just as important, government-gaming operators are driving change and innovation with a focus on building a better world.

Lotteries have always proven to be crucial partners when important changes take place that affect society. The introduction of the single currency in parts of Europe is an example. A decade later the European Ministers meeting in the Council emphasized the specific and important role of Lotteries for society.

The recent congress of the African Lottery Association in September 2016 in Casablanca also revealed how important Lotteries are in the development of Africa. Innovative ideas to address the position of women, the use of e-money, the accessibility of education through e-platforms, the improvement of health infrastructure—these all prove the significant contribution that Lotteries make to society.

Throughout the world, Lotteries contribute to society in many different direct and indirect ways. Sport is probably the best known and the easiest to understand, although even in sport there are still a lot of opportunities and needs to build on. Protecting the integrity of sport, better governance in sport, integra-





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For Mia, it's
more than
manufacturing –
it starts with
the player
experience.

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As a process control analyst for Scientific Games, Mia Morris uses her background in chemistry and production to get her customers' games just right. "Technology continually advances, so we stay abreast of new, innovative products and solutions, and we have to orchestrate them perfectly. Our goal is to provide your players with the best gaming experience in the world."

Let us show you how we combine art and science to help your lottery grow sales performance.

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