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Responsible Gaming and Sales Maximization go Hand-in-Hand

PGRI Introduction: For the 10th year in a row, the N.C. Education Lottery set new records in sales and earnings in fiscal year 2016, raising more than \$600 million for education programs in North Carolina. Sales increased by 20% over FY 2015, shattering the \$2 billion mark to reach \$2.38 billion. Net funds increased by 16.5% to deliver \$607.8 million to its beneficiary, public Education.

As enviable as these accomplishments are, there is another achievement that is just as impressive. Alice Garland was awarded the Don Hulén Award from the National Council on Problem Gambling for her leadership in expanding Responsible Gaming (RG) efforts across the United States. Now we need to create an award for combining dedication to the principles of RG and the business goal of maximizing sales and net funding for Lottery's beneficiaries—we have our first winner!

Paul Jason: *People often talk about a "balance" between RG and sales maximization. Your results seem to show that both*

can be pursued with equal vigor and dedication. Is there a trade-off between RG and sales maximization?

Alice Garland: No. Showing concern for players is not only the right thing to do, but it is the right business practice too, because it sends a positive message to our customers and the public that we serve. Lotteries don't need sales to prob-

strong record of success with sales, but I am just as pleased that each year as we have grown our sales, we've also built a stronger responsible gaming program.

Promotion of a responsible and healthy approach to recreational gaming would seem to be key to building a business that is sustainable. In the short-term, though,

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lem gamblers to be successful. Today's consumers have multiple choices for how to spend their entertainment dollars. They are not only choosing products that deliver great value, but they are also choosing to spend their dollars with companies that care. I'm pleased that the N.C. Education Lottery has such a

the aggressive (and less responsible) approach towards customer acquisition and maximizing GGR applied by commercial operators generates higher profits. How can we ensure that our good intentions do not put us at a competitive disadvantage over against our competitors in the games-of-chance industry?

A. Garland: Sustainable is the key word here. Lotteries and their public service mission are here for the long term. Our games need to appeal to a broad and diverse audience. Our success depends on a lot of people playing a little rather than a few people playing a lot. The history of the lottery industry in the U.S. shows us that. Yes. There's a lot of competition today and more is coming. We can meet the competition by moving more quickly to embrace the technologies that provide a better lottery experience. We can expand our base of players with innovative games—some for everybody and some for important niches. Building your base of customers is actually one of the most important pieces of growing a lottery responsibly. We can meet that competition by knowing that in the end, today's consumers, especially that much sought after millennial demographic, want to do business with businesses that show they care. They expect and demand great customer service. And responsible gaming is at the heart of good customer service.

I realize that the purpose of RG is to protect the consumer—that its purpose isn't to burnish our image and be leveraged as a PR tool. But still, why couldn't and shouldn't it be leveraged into our brand-messaging as a value that Government-Lottery delivers much more effectively, and with much more genuine dedication and commitment, than other sectors in the games-of-chance industry like casino and Daily Fantasy Sports operators; and to explicitly differentiate Lottery from those other sectors as regards to RG performance?

A. Garland: I agree. Our brand is responsible play. That's one of the main things that makes state lotteries unique and different from other gaming enterprises. We're accountable. We're transparent with our customers and the public about how we operate and where the money goes. Our engagement with our customers is different. And our profits go to good causes. When people think of lotteries, they should see fun, fair and responsible play. That's our brand.

Government-lottery applies a social consciousness to its mission in ways that other purveyors of games-of-chance do not. What can we as an industry do to gain recognition and appreciation for that fact from stakeholders like the media, the legislators who shape regulatory policy, and the general public?

A. Garland: Making responsible play part of our brand helps everyone see how lottery is different. Isn't that what a successful brand does? We all just need to do a better job across all our platforms and channels ensuring that our responsible play message gets seen and heard. We need to turn up the volume. And it can't just be part of a holiday campaign or a flag we fly each March during National Problem Gambling Awareness Month. We need to make it part of a conversation that goes on every day, all year. Check out NASPL's new home page. Responsible gambling has a prominent, can't-miss-it spot on the page. Here in North Carolina, all of our civic presentations include a section on responsible play. If the public sees that we acknowledge the part we play in problem gambling and that we take steps to mitigate any harm that comes from lottery games, we will eventually get the recognition we deserve.

All lotteries endeavor to employ RG measures to protect the consumer and players. What are some action-items that might be missing in the RG programs as they exist for lotteries that have not secured the Level 3 RG accreditation from the WLA?

LOTTERY CHIEF EARNS NATIONAL HONOR FOR RESPONSIBLE GAMING ADVOCACY —Alice Garland Accepts Award from the National Council on Problem Gambling

The Don Hulen Award for Advocacy was conferred by the National Council on Problem Gambling. Executive director of the North Carolina Education Lottery Alice Garland is the first lottery or gaming industry professional to earn the honor, which was presented to her at the 30th National Conference on Problem Gambling in Tarrytown, NY. The conference provides information on prevention, treatment and responsible gaming.

Director Garland pioneered a program to share responsible gaming training resources developed in North Carolina with other U.S. lotteries. The program was embraced and advanced by NASPL, the U.S. lottery industry's professional association. "Alice's leadership in responsible gaming resonates across the country," said Keith Whyte, executive director of the National Council on Problem Gambling. "She has helped set the standard for the lottery industry."

Her vision led to a broader discussion about the active role lotteries must play in responsible gaming and new partnerships with advocacy groups. From those collaborations, NASPL launched a program to implement best practices in all member jurisdictions and added responsible gaming components to its national seminars. "We can balance our mission to raise money for good causes with our responsibility to look after the interests of players," Director Garland said. "Everyone who works at a lottery—whether they work in sales, security, advertising or any other department—has an important role to play in sustaining that effort."

While the lottery has always encouraged responsible play, developing a robust responsible gaming program became a top priority when Director Garland rose to the lottery's top leadership post in 2010. Under her direction, the lottery has obtained Level 3 certification under the World Lottery Association's Responsible Gaming Framework, dedicated a new position to support the program, and has required all employees and retailers to undergo training.

The N.C. Education Lottery began in 2006 and now raises more than half a million dollars a year for education. For more information, visit ncolottery.com and click on the "For Education" tab. ■

A. Garland: Lotteries can follow the WLA's Responsible Gaming Framework or the new Responsible Gambling Verification Program sponsored jointly by NASPL and the National Council on Problem Gambling. What North Carolina found out as it worked to obtain Level 3 certification is that it already had many important responsible gaming practices in place. I suspect many U.S. lotteries would discover that too. But we also saw the gaps, the places where we needed

to improve our program. One key area of improvement was in training all our employees and then all our retailers to understand what problem gambling is, know how to recognize it, and know how to offer resources that can help. Our work also led us to a new tool for retailers to easily, and in a discrete manner, provide the toll-free number for North Carolina's Problem Gambling helpline with one push of a terminal button. And we strengthened our partnerships with the

National Council on Problem Gambling and our local partner, the N.C. Problem Gambling Program. I don't know of any better place to start, however, than with making sure your employees get the training they need to offer the right resources to someone who has a gambling problem. You'll probably find, as we did, that your employees—including many of our sales reps—face these situations already and are glad to get the training they need to provide help. ■