

Is the Future of Lotteries Being Created in Europe?

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The future of the lottery sector cannot be easily predicted as it is part of a dynamic business driven by the constant development of new technology and trends. Already today, lotteries in Europe, North America, and Asia exist in various forms and yet they all draw on the same experience and expertise.

There is no doubt, however, that in Europe, the future of the lottery sector is already taking shape. For a number of years, the history of European lotteries has been characterized by a unique situation, one which will force the sector to evolve in the years to come. Various political, legal, technical, and social issues are driving changes within the sector.

On a political level, the European Union was built around a number of founding principles, notably those of free competition between European businesses and the free circulation of people, goods, and services. These great paradigms were gradually applied to all industries and services and today, people are free to settle, live, and work in the country of their choice. Regarding the gaming sector, these essential principles are not applied in the same fashion. Current monopolies are based on considerations of public order and the redistribution of profits to numerous beneficiaries of public interest. Accusations against monopolies raise the question of the possible social consequences of privatizing the sector, not to mention the issue of financing good causes. State lotteries are being challenged by a number of private operators who are seeking the right to offer their gaming services freely in Europe, whether through traditional sales networks or by means of new technological advancements such as the Internet or mobile phones.

In political and legal terms, one of two contrasting systems is possible: a more open and competitive gaming market, or the currently prevailing setup. European politicians, the European Court of Justice, and local courts in a number of countries are concerned with the issue and, sooner or later, a new standard will emerge for our sector, one which will be more or less similar to the current situation.

Regardless, a number of elements will be of prime concern and must be integrated into any future system:

On a social level, the concerns of Europeans are continually growing in terms of protecting the population against the potentially damaging effects of gaming. The European Lottery Association and World Lottery Association are working together toward the implementation of new standards for responsible gaming, aimed at protecting the most vulnerable people and limiting damaging consequences. In this area, Europe will definitely play a pioneering role in developing and implementing advanced policies in the fight against excessive gaming in the years to come. The need for gaming operators to fight against excessive gaming and to act in a responsible manner can be applied in the same way to both public and private operators, should they eventually merge. In effect, the possible

future presence of private operators must not be equated with an absence of regulations and a lack of social responsibility. To this end, it is essential to define standards for responsible gaming which are applicable to all.

Technology will play an equally important role in the future of European lotteries. For the moment, it seems that the United States is turning its back on the Internet gaming domain. By contrast, in Europe, the situation could become radically different.

Innovative technology is providing a unique opportunity to develop new forms of gaming which are more interactive, more modern, and more attractive for young adults, who represent a demographic that seldom plays the lottery due to a lack of interest. At the same time, all of this technology represents a new means of increasing and improving the management of problems linked to excessive gaming. In effect, each of these new mediums makes it easier to identify players and to implement controls preventing minors from accessing games. In the same way, resorting to Customer Relationship Management (CRM) functions makes it possible to manage a number of factors involved in the moderation of games, such as setting strict limits on the size of bets, limiting game time, and allowing the automatic exclusion of players in cases of excessive gaming.

Finally, European lottery collaborations such as Euro Millions most definitely represent a future solution for developing new attractive games in all areas. By pooling the efforts, expertise, and resources of state lotteries, transnational games make it possible to develop an attractive offering which respects jurisdictions, laws, and regulations while adopting a responsible attitude toward gaming. Already a success in the domain of lotto games with Euro Millions, there is no doubt that this kind of collaborative solution may spread to all gaming domains, from sports betting to poker and perhaps even to skill gaming.

Multifaceted and complex, in constant political, economic, and social evolution, the European gaming environment is evolving and will help bring about the definition of new sector standards in the near future. Key players in the sector – national and local governments, the European Union, lotteries, and providers of solutions and technologies – are being encouraged to collaborate even more widely as they prepare to write a new page in the lottery history books. Technology and growing social concerns will help the sector evolve as a whole, perhaps to the benefit of lotteries on other continents, which will be able to draw inspiration to develop their own approach based on their local conditions. ♦