Content = Contact

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There is a standard joke that the average lottery player gets 1.3 years older every year. It's pretty much common knowledge to anyone in our business that traditional games in the lottery space get less and less compelling to younger audiences with every passing advance in technology.

Despite the rapid improvements over the last few decades in the technology behind delivering lottery games, there have not been any significant technological improvements in the games themselves, save perhaps monitor-based games. In this same period of time, we have also witnessed the complete evolution of technologies in telephony, computing, and home entertainment. And, we have watched the Internet become ubiquitous while the phenomenon of MySpace, YouTube and text messaging have grown from concept to commonplace. More directly, in our space, the casino industry has reinvented itself multiple times and off-shore bookmaking and virtual casinos have exploded in popularity.

The solution to me is to extend gaming content beyond the draw or beyond the scratch.

The reality is that at least two mainstream disposable income markets – motion pictures and recorded music – are in decline. Both movie theatres and music stores aren't receiving nearly as much attention as resources like iTunes. One begins to wonder if the truth to "what consumers are looking for" is right in front of us. And it ain't what we are selling today.

However, there is a clear indication that several components of a lottery player's experience parallel that of the next generation's desire for entertainment. Problem is that we haven't translated our definitions properly enough to attract them to our core offerings.

In short, some of the experiential aspects of new-age entertainment – drama, reality, and fantasy – are the same things we were building into lottery products in the birth of our industry. The emotions behind reality television's popularity parallel our industry's desire to do more and more advertising focusing on real winners. One could say we defined instant gratification with the proliferation of instant tickets far ahead of the SMS-based promotions tied to game shows. I can further make the leap that the drama involved in a season of American Idol or Pop Idol can be compared to the agonizing fun of watching drawing balls roll down a chute.

This all adds up to an equation that should say we are closer to new solutions, products, and game ideas than we think. All of us look at what our children are doing and secretly say, "I don't have a game that does that." The reality is far less daunting.

It is right in front of us.

Customers continually challenge our company to drive more content to their retail channels. There is a supposition that the vendor community is responsible for content development, yet the barriers to deployment, be it public perception or hard legal boundaries, have made it nearly impossible for any proliferation of new content to occur. Meanwhile, we all face increased competition in both the gaming space and the disposable income space – from entities with farther-reaching access points and quicker-to-market technology.

We still have a hard time getting away from things like $1 per play and mail-in, second-chance drawings. The next generation of players has already defined for us how it wants to interact with its entertainment choices and how much more extended it expects a single "fun" experience to be. While my college-aged daughters would never play a lottery game for a $5,000 cash prize, they'd never hesitate to text into a promotion for the chance to win 5,000 music downloads – which happen to cost the same $5,000 in prize value.

The casino industry is focusing its player interaction more and more on reaching players when they are away from the casino itself, using the player's club rewards programs as a way to frequently remind customers to come back and have fun. They provide these incentives for customers at all points along the visit-frequency spectrum. It isn't so much trying to get the big players back as it is trying to get everyone back. Sounds like our attempts to get people to play at low jackpot levels, doesn't it?

We should utilize the now proven concept of "user-created content," see MySpace, YouTube, etc., and the experiential angle of the access point, see iPod, texting, etc., as our drivers for the next age of lottery products.

Too often we over-segment our players into too few categories:

...continued on page 28

From the Publisher ...continued from page 4

jackpots less than that? Instead of "jackpot fatigue," Andy calls it "losing fatigue" and provides some intriguing solutions to the problem, whatever it is that you want to call it.

I trust everyone has October 3–6 marked in their calendar for the NASPL/World-Meet Conference (*www.worldmeet07.com*). This will be the most important international industry conference of the year. Turn back couple pages to see the full page notice with conference details. David Gale, Clint Harris, Arch Gleason, and the entire NASPL staff and membership are making this into a most memorable event. I look forward to seeing you all there!

Defending the Common Cause of Lotteries: "The Controlled Expansion Theory" ...continued from page 11

European level between the different Member States, in order to maintain a close contact concerning the different procedures.

By pushing trough their position in ECJ cases, the member states have the possibility to contribute to the construction of European law and thus to the future of gambling in this particular area. The governments even have the responsibility, not only to play a steering role in the outlining of a future gambling policy, but also to continue to provide the necessary legal support once this is set. Every case before a European jurisdiction has therefore to be seen as an opportunity to defend the interests at stake and to stop the risks of liberalisation.

Midwest Millions: A New Breed of U.S. Lottery Game ...continued from page 13

74.07 percent with overall odds of winning of 1 in 2.83.

Entries in the second-chance drawings will be determined as a percentage of sales (e.g. if one state sells 60 percent of the tickets in the game, it will get 60 percent of the entries in the second-chance drawing). Each state will conduct preliminary drawings a few days before the final drawings; then the entries from those preliminary drawings will be combined for the final joint drawings. The top-prize winners in the drawings could both end up being from one state, as could the 50 other winners in each drawing, although that isn't likely.

Both lotteries will support the game with print, television and radio advertising that will be jointly produced to achieve economy. Kansas' Van Petten knows that sales will measure the game's success. *"I think the bottom line is sales,"* he said. *"It doesn't matter if we penetrate 100 percent of our retailer base if players don't like the game. But, I fully expect this game to sell out."*

Content = Contact ...continued from page 15

instant players and on-line players, frequent players and infrequent players. We have oversimplified our approach to our markets. No wonder our player base is shrinking!

The solution to me is to extend gaming content beyond the draw or beyond the scratch. Hundreds of consumer brands, such as Coca-Cola, Proctor & Gamble, and Subway, spend millions of dollars each year to extend their customers' interaction with their brand. Through bottle caps, promotional scratch-offs, or pure couponing, those companies are taking consumers – most of them young – to web sites and other interactive forums to do nothing more than continue the contact between brand and customer. That is our challenge.

The new player will expect more from a purchasing and/or gaming experience. Just as they expect more when they buy a Coke or a sandwich, these players want more for their entertainment dollar. It is about not only more chances to win but also more chances to be entertained. Entertainment and convenience are essential to attracting the 20- and 30-somethings that aren't playing today.

I believe we have to intentionally blur the hard and fast lines we have lived by for years and pay more attention to what consumers expect than to what a pay table may dictate. We should utilize the now proven concept of "user-created content" (again see MySpace, YouTube, etc.) and the experiential angle of the access point (see iPod, texting, etc.) as our drivers for the next age of lottery products.

Our goal is to find ways, around the world, to prolong brand and product contact with consumers. Regardless of the legal specifics of a particular jurisdiction, we believe there is real value in using marketing leverage to attack these opportunities. Some places will use straight-out interactive gaming while others will have to execute softer interactions to stay within legal and political boundaries. Regardless, we feel these extended brand interactions will drive sales from new players.