



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.

Continued on page 59

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.* ■