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Applying Research and Technology to Enhance the Impact of Responsible Gaming Programs

PGRI Introduction: GLI skill sets and expertise have always set the highest standards for testing of security and all manner of IT functions. Advising and consulting with operators, regulators, the community of commercial suppliers, and the shapers of public policy on all levels is what informs GLI's ability to apply a broadly holistic view to the challenges we face as an industry. In recent years, GLI has evolved from being the premier testing lab into being a broad-based, full-service consultant that helps the gaming industry apply technology to optimize performance and results. Being highly engaged with the organizations that promote Responsible Gaming (RG), Kevin Mullally is on the forefront of translating research into concrete value-added action plans to enhance the real-world impact of Responsible Gaming programs.

Paul Jason: *How have GLI skill sets and expertise been applied to help your clients meet the highest performance standards and achieve higher levels of certification from the trade associations (WLA, EL, NASPL, and others)?*

Kevin Mullally: Integrity of Information Technology (IT) systems and security are very much a key part of an effective Responsible Gaming program. The WLA initiatives to certify its members for security and control involve analyzing the strengths and weaknesses of the IT systems, clarifying the ways to improve security, and ensuring a level of security that protect both the consumer and the operator. An effective Responsible Gaming program also involves a high degree of technical infrastructure and expertise. GLI's role in assisting with the WLA's RG certification process has evolved as our clients began to see that protection of the consumer is not just about messaging that encourages responsible play. It involves technical security to protect the consumer and application of technical tools to promote responsible play.

GLI has extensive experience with regulators all around the world. And your own personal experience includes authoring the first self-exclusion program in the United States as well as chairing various committees that address the issue of RG. How does this inform your expertise in RG and your service to clients?

K. Mullally: Responsible Gaming is an issue that I'm very passionate about. I have been chairing the National Council on Problem Gambling Policy Committee and on the board of the National Center for Responsible Gaming for many years. Discussions with lotteries and gaming regulators revealed a need for third-party agents to assess the effectiveness of RG programs. Most RG programs were established many years ago, and many have not upgraded to include some of the tools that apply well-defined metrics to measure the effectiveness of the various components to their RG program. GLI can conduct program audits that involve analyzing the program offerings and administrative practices, identify and measure how well they align with the most recent research applying to problem gambling, and how efficiently they are being administered. Since most jurisdictions have an RG program already, the goal is to improve the existing program to optimize its impact and effectiveness.

Lottery directors are working to integrate a focus on RG into the culture of each department of the entire organization, i.e. all aspects of game development, brand messaging, marketing, retailer support and all aspects of operations.

K. Mullally: I absolutely agree with that. There are systematic ways to make sure that goal is being accomplished. There are ways to evaluate if the training of internal staff and lottery vendors has achieved the desired results and whether all stakeholders are receiving consistent RG messaging. Some operators have competing messaging, with the lottery having one brand for their responsible gaming and educational initiatives and casinos having another and maybe racetracks or sports books having yet another. We feel that it is vital for the RG platform, brand and promotional methods to be common to all the stakeholders and channel partners. Different stakeholders offer different games through different channels of distribution to different consumer markets, and therefore, pursue their business objectives differently. But, they should still coordinate their resources and messaging to execute a singular vision as it applies to RG. The details of implementation may vary, but the enterprise mission of RG should be embraced equally by all stakeholders.

GLI is helping its clients migrate away from a task-based "check the box" approach (Got a hotline? Check. Got a self-exclusion program? Check. Public awareness and outreach program? Check.) toward a results-based approach. A few years ago, it may have been adequate to simply demonstrate that you are doing these things. Now, policy-makers want to see concrete evidence of the impacts these initiatives are producing. GLI is identifying best practices, clarifying how they apply (or do not apply) to the specific needs, circumstance, and objectives of the operator or jurisdiction, and developing the tools to measure outcomes. These are all business and technological processes. The disciplines and tools we apply to IT systems analyses can be applied to all varieties of the business pro-

cesses, including those that support an effective RG program.

Isn't it difficult to measure the effectiveness of RG initiatives? How do you do it?

K. Mullally: Some business processes and activities lend themselves better to concrete metrics to measure, but there are always ways to measure any activity. For instance, an RG program can deploy mystery shoppers who go into a gaming establishment and ask questions. How do the customer-facing clerks respond when asked what can be done about a gambling problem? You can conduct all the training you want, but unless that translates into the desired behavior from your employees and customer-facing staff and partners, then you're not being successful. It is important to have an independent third party ensure that educational messages to employees are actually getting communicated to patrons and to otherwise monitor and measure the outcomes that you are trying to produce.

The trade Associations like WLA, NASPL and EL offer certification programs to help their members elevate their level of RG. Describe GLI's service to help operators evaluate the degree to which they are achieving the desired results.

K. Mullally: GLI can perform those audits and assist with the certification process. Further, we can advise on how audits can be customized to the needs and circumstances of the jurisdictions. There are differences between the games they offer, gaming cultures, market-places, policy objectives and the specific ways RG programs are implemented and administrated. Some RG features are universal and should be applied everywhere. Other RG program features, however, should be tailored according to the specific requirements of the individual jurisdiction.

How is GLI's understanding of the ways in which gaming products and cultures, distributional channels, and policy objectives integrated into a holistic and systematic RG action-plan?

K. Mullally: Lotteries don't operate in a silo. There are aspects of lottery that make

it different from other forms of gaming, and there are aspects of the jurisdiction in which the lottery operates that are different from other jurisdictions. There are national and even local regulations, but there are also supra-national regulatory frameworks, like the EU Commission and Court of Justice and the U.S. federal government and Department of Justice. The jurisdictional gaming commission may oversee only the lottery, or it may oversee commercial casinos, sports betting and other game categories. The players, however, do not distinguish between these various entities that govern the industry. They don't know and wouldn't care about the process of formulating an RG program. So, the challenge is to develop the integrated approach that is most likely to connect with and impact the behavior of the players.

What is the biggest challenge when it comes to applying research insights to the real world?

K. Mullally: We are very good at translating geek-speak into the language of regulators and policy makers. We synthesize and explain high-level research and very technical concepts in terms that make them understandable and usable to the regulator.

GLI's long-time involvement in and contributions to the research community is a cornerstone to the growth and evolution of our services. GLI's role is to convert the research intelligence into real-world applications. GLI is a founding member of the International Institute for Gaming Regulation at the University of Nevada in Las Vegas. We're a long-time contributor to the National Center for Responsible Gaming as well as long-time active member of the National Council on Problem Gaming, NASPL, the World Lottery Association, and the European Lottery Association. GLI has a deep understanding and respect for the importance of research into problem gambling, and our ability to align policy with that research has been acquired over years of experience.

Technology is playing an increasingly vital role in giving players tools to help manage their behavior. That is GLI's core strength. We help our clients seamlessly integrate technology into the game in ways

that enhance and do not detract from the player experience.

I would think it must be hard to get the attention of policy-shapers, to get them to take the time to consider the dramatic economic impacts that their decisions have on the games-of-chance industry.

K. Mullally: Mark Twain observed that "It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so." We have all played games which gives us an understanding of what games are and how they operate. That may lead to presumptions about how the industry operates that, as Mark Twain said, "just ain't true." We present the facts which may contradict well-established public views. An example of that is the notion that Internet gaming can't be regulated. GLI takes no position on the issue of whether or how Internet gambling should be legalized and regulated. We do, though, take an outspoken position when it comes to the trafficking of disinformation.

GLI's job is to speak the language and get the message across at many different levels. Some need more technical detail, and others need to focus on the conclusions. We want to facilitate understanding at the staff level, at the policy maker level and at the bureaucratic level. My previous service as chief of staff to a senator gives me a big appreciation for the complexity of the issues and challenges they confront every day. Our mission is to shine a bright light on the facts, enabling a clear understanding of the pros and cons to the different options. We are technocrats who focus on clarifying the facts without bias or recommendations, to empower our clients with the best information and let policy-shapers derive conclusions. This process smooths the path for policy-shapers to also focus clearly and on the facts, objectively weigh the implications and render the best decisions.

Government lotteries can't lobby for themselves like commercial operators in the games-of-chance industry do. How can government lottery as an industry garner support for their mission and the interests of the good causes that lottery supports, from the shapers of public policy and other stakeholders?

K. Mullally: I think we all have a role to play. We can all work together to make sure the success stories are known by all. The Associations (WLA, EL, NASPL, APLA, CIBELAE), GLI and publications like PGRI provide a good platform for informing the various stakeholders about the positive contributions of government lotteries to society. We can work harder to gain more exposure for the success stories and how they benefit the consumer, lottery beneficiaries and society. We need to celebrate the successes of the lotteries being run as businesses and being encouraged to evolve, make decisions, respond to market forces and consumer demand, create more entertaining products, and make the games more accessible to the players. Empowering lotteries to deliver the best player experience results in a much healthier overall games-of-chance environment.

We could perhaps even highlight the aspect in which public policy failures are often the direct result of misguided regulatory decisions that happen when the law-making branch tries to micromanage the lottery. When lotteries have been allowed to run the business according to broad policy objectives established by the legislature—that's when we've seen some great success stories.

It sometimes seems like policy is being formed without adequate understanding of all the facts about how the policy will impact the welfare of society. For instance, is the current spate of decisions relating to Daily Fantasy Sports properly informed about the law and the implications of their decisions?

K. Mullally: In fact, a good percentage of my personal time is spent on these issues. GLI does not take positions on policy issues, but we understand how to frame and communicate the factual bases necessary to make good, sound public policy decisions. Our role in that arena is to arm policy makers with the information they need to understand the industry, the technology, the impacts of policy decisions, and apply our worldwide experience to help our clients understand the options available to them.

GLI does not make policy recommendations. But you might point out that the Internet enables a much higher level of RG messaging and control over the transaction than the anonymous transaction at retail, right?

K. Mullally: Well, yes. Compare the transactional experience that happens in the retail store with the experience that happens online. The lottery player walks into a convenience store and is served by an 18-year-old clerk who may have been there for a few weeks and not fully trained and knowledgeable about games-of-chance. This clerk is the industry's first line of defense against fraud, underage gaming, problem gaming, money laundering … against a variety of risk issues. Insofar as the retail transaction is anonymous, there is no record of who the customer is, no record of the player history and how much they spend on lottery or how much they bought yesterday or last week. There is no mechanism for RG messaging that can help the players manage their activity.

Now, imagine a world where we could sell lottery tickets and have a direct personal relationship with the player. You would know their location. You would know how old they are. You would know where their money came from. You would know what games they like to play and could offer the games that appeal to their play-style. Analyzing the play could yield insight into the underlying dynamics and enable development of games that are not only more entertaining and interactive, but also more responsible. They could play games with their friends that promote socializing which is itself an antidote to problem gambling. You could provide players with the ability to set daily, weekly or monthly limits on how much they spend on lottery. Internet gaming and iLottery transactions provide the operators with all these tools and many more.

The anonymous retail transaction exposes the customer, the retailer and the operator to a far larger variety of risk issues than does Internet gaming, which enables the interactive relationship that provides the tools and information needed to promote re-

Actually, the player just decides among a large variety of pre-existing game matrices. Players who decide the price of the ticket they want may feel like they are creating their own unique game, but they are actually selecting a pre-existing game. This works online and not in the physical world because we can field an almost unlimited variety of games online. There is no cost of printing countless tickets ahead of time, or the impossible task of finding the space for them in a retail environment. The user interface does not display the countless permutations and combinations of price/odds/reward; it just displays the option of creating your own game. But the selections end up channeling the order into a game in the system, so the transaction is processed, posted, audited, settled and subject to the same administrative actions as all other lottery games.

The Omni player puts control back into the hands of the player in ways that would be hard to imagine without the integration of digital into the player experience.

M. Malul: It would be hard to imagine because it could not be done from a logistics and cost point of view. But two things are happening simultaneously that are changing the face of both retailing and lottery gaming.

One, digital is opening up a whole new world of possibilities that will transform gaming. It has already been transforming the world in myriad ways and now it is working its magic on the world of gaming.

Second, the distinctions between online and off-line are disappearing. As one young person said in a presentation at an EL Marketing conference, there are no "line-people," there are only people embracing a world rich with options and opportunity to connect and interact and fulfill our dreams.

As digital becomes integrated into the retail space, as the worlds of online and off-line converge and the distinctions disappear, as innovation migrates seamlessly across channels and media to inhabit the world of the Omni player—this is the transformative power of digital that benefits everyone.

All aboard, because the engines are already started, the bus is leaving and the destination is clearly in view! ∎

Hansjörg Höltkemeier Interview ...

in a distant future and hard to measure in this moment. Unfortunately, as is evident already in many jurisdictions, it is not a distant future. Market-place changes happen with astonishing speed. And it is very often not realized that the Pandora's Box of undesirable consequences might be opened without any chance to close it again.

It is a big task and top-priority for EL to make sure that the impacts of liberalization are clearly understood by those jurisdictions which are still in the decision-making process. The effects of regulatory change that open up the markets is clearly visible in those jurisdictions which have already decided on commercializing the gambling sector. The strength of the EL position is that the facts are on our side. We just need to make sure the facts of those consequences are recognized and understood by everyone, particularly those who are influencing public, regulatory, and taxation policy. That is why it is in the interests of EL and its members to engage in active dialogue with everyone who has a stake in the issue of market liberalization. The EL must fulfil its responsibilities as an established and respected stakeholder in the games-of-chance sector. It is vital that EL has actual and relevant data to exercise influence and reinforce its position of influence within the industry. This is largely accomplished by our activities with technology partners and political institutions, through our new Info-hub (be introduced this year), and by way of ongoing projects in which we coordinate and communicate the activities of our members.

Last but not least: our approach to support members in their daily business is slightly changing. Based on our strong seminar-offer and our information-sharing approach, we are working to broaden our scope to focus on the most relevant and timely business-themes. Fighting for a strong regulated state-licensed model, we can no longer limit our focus to be solely on our legal expertise, on responsible gaming, and on security-standards. The more the legal and illegal competition breaks through to directly impact our businesses, the more it is our duty to support our members in those markets through enabling innovation, driving efficient operations, and leveraging the power of digitalization. As an industry, we must recognize the fast increasing interest in those competitive offers and we must anticipate what is driving demand.

So, EL continues its mission to fight for the model of state-licensed lotteries and its values. At the same time, the EL is equally committed to enabling and supporting its members in highly competitive markets to achieve the best results for their stakeholders, even under strict regulation and challenging market conditions. ∎

Kevin Mullaly Interview ...

sponsible play and control other risk factors like money laundering and retailer fraud.

It might sound like I am advocating for the legalization of Internet gaming, but I am not. GLI is in the explaining business, not the deciding business. There may be fact-based reasons for a legislator to vote to prohibit Internet gaming. It's just that the notion that you can't control the Internet and effectively manage the elements of the transaction isn't one of them. You would think that the simple facts of the matter should put the fake news to rest. But it can be hard, as Mark Twain points out, to pierce the bubble of what people are convinced is true, especially when special interest groups make it their business to propagate disinformation. ∎