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PGRI INTRODUCTION: As the lottery and gaming industry evolve and the demand for sustainable revenue sources increases, lotteries must seek new and creative ways to increase returns to their beneficiaries. Whether it is changes to multi-state game design, distribution channel expansion, or i-gaming, lotteries will be assessing how revenue opportunities for their own state can be enhanced by collaboration with other states. What kind of business decisions should be made and what is the best way to move forward?

Paul Jason, Public Gaming: *What is the role of NASPL (North American Association of State and Provincial Lotteries)?*

Anne Noble: NASPL is and must remain an important component of the Lottery industry, and we are fortunate to have a very talented leadership team at the helm of this organization. NASPL serves as a conduit of gaming information across all state lotteries. This includes state and federal legislation, data on commercial and tribal casino gaming, and per capita data on new gaming initiatives. Sharing of this type of information is a tremendous benefit.

NASPL is in a unique position to advocate for specific positions on behalf of state and or provincial lotteries. While one size does not always fit all with respect to gaming policy, there is significant value in NASPL being a resource in Washington. At the same time, NASPL has been and I believe will continue to be, sensitive to the interests of the individual lotteries, helping us all to carefully consider and balance the interests of small and large states, responsible gaming initiatives, and our relationships with our vendors and other gaming establishments.

The importance of government and regulatory affairs to our industry should not be underestimated and is growing. Whether it is internet gaming, privatization, responsible gaming, or removing regulatory barriers to growth, well coordinated information distribution and discussion will help foster greater awareness and advocacy at the both the state and federal level. It will also provide professionals with a stronger basis upon which to make informed decisions. I also believe that facilitating a cohesive di-

alogue beyond the Directors, with government affairs representatives, legal experts and other interested parties within our lotteries would yield additional value.

Going forward, lotteries must continue to recognize growth opportunities wherever possible in an evolving business and regulatory environment. NASPL will best serve its member lotteries by staying abreast of the issues and facilitating the rapid response that is often required in the legislative arena, even if that response must vary from state to state.

State Lotteries are pursuing more and more ambitious collaborative initiatives.

A. Noble: It's exciting to think about the opportunities that arise from well coordinated collaboration. We can do this even as we work to ensure that the interests of individual states are equitably recognized and preserved. Some possible areas for potential collaboration include expanding distribution channels, cost savings measures and information sharing, particularly in the areas of internet gaming and intellectual property.

In fact, collaboration comes easily when interests are aligned. MUSL's launch and ongoing branding of Powerball is a success story we all know well. Another example of effective and efficient collaboration is the recent regionalization initiative among the New England states to bring to our players a bigger better game, with each state able to market the game in a manner that serves that particular state's interests. This is an exciting endeavor for the New England states and it is the first time we have partnered together on a New England game.

Marketing and brand management have typically been left to in-

dividual states so coordination on those fronts is challenging. Each state has a unique product mix and is bound by its own individual advertising guidelines. Whether it is style, regulatory constraints, responsible gaming limitations or budgets, uniformity in marketing and advertising content and strategy, beyond the adoption of voluntary best practices and game rules, may chill the local creativity and distinctiveness that have made many lotteries successful. That said, joint media buys that can result in cost saving for lotteries is potentially an area of opportunity along with other areas of procurement. The use of social media to promote winners is another area that is ripe for cooperation. While uniform product branding can buttress a consumer brand in a nationally competitive environment, distinct product positioning within an individual state is equally important to success. Most importantly, we need to be nimble, well informed and ready to act collectively when the interests of state operated lotteries are aligned. But we must also recognize that difference is acceptable and appropriate when interests diverge or when the return does not warrant the huge effort that is required when over forty states try to reach consensus.

What can be done to facilitate the expansion of distribution into national "big-box" chain stores?

A. Noble: Expanding distribution of lottery products is an important business ob-

jective for lotteries, and I applaud the good work that has already happened in this area. Opportunities abound. State laws will affect the supply chain differently, whether they are banking requirements or the consumer protection measures unique to a state. Uniformity in some standards could certainly help break down obstacles to lottery sales in some national chains, which is important to all of us.

Do business strategies and methods differ between large and small states, and do those differences interfere with an agenda to collaborate?

Population can provide a lottery with great latitude and advantage in game design, whether it is the ability to generate larger call outs or more attractive jackpot games. Larger states may also be able to support more substantial advertising budgets and devote greater resources to research and development as well as secure more competitive pricing than some small states, though the corporate structure and maturity of lotteries also affects these variables. Additionally, larger states may have more diversified portfolios and less vulnerability to cross-border sales' volatility than smaller states.

These differences are not obstacles to collaboration. In fact, they provide options that might not otherwise exist. Small states can benefit from industry innovation lead by larger states with greater resources. The

lynchpin of states working together, regardless of size, is identifying common interests and demonstrating a healthy respect for the notion that, in certain cases, agreement is not possible. Disagreement on certain topics should not mean that cooperation should be foreclosed in other areas. Leadership accounts for differences, leverages common goals, and encourages decisions that are made in a fair, timely, transparent manner. Sound, informed business decisions that deliver better games and better value to an ever growing player base will serve us all well.

Is there a will to collaborate and can it be done?

A. Noble: Absolutely. An individual state's lottery's interest must be preserved as well, and we can do both. Indeed, state run lotteries share a desire to offer innovative games to a growing player base. We also share a common interest in preserving the integrity of our games and in protecting consumers from fraud. In addition, we share a common interest in mitigating the risk of harm from gambling products and in growing the economies of our states. And, tremendous profit and good can come from collective action on responsible gaming measures and supplier diversity. These are just a few examples. I am confident that together we can and will be successful in the changing marketplace. ♦