



From the Publisher

It is with profound sadness that we report the passing of **Arch Gleason**, President and Chief Executive Officer of the Kentucky Lottery Corporation (and former president of the WLA, NASPL, and MUSL along with many other accomplishments) on July 1. Arch's role in this industry and remembrances of his friends will be commemorated at Lottery Expo Miami on September 13, as well as recounted in all-to-brief fashion on page 12. Our prayers and condolences go out especially to Arch's family for their loss.

Congratulations to the recipients of the 2016 Lottery Industry Lifetime Achievement Award! **Tracey Cohen** (D.C. Lottery), **Carole Hedinger** (New Jersey Lottery), and **Vernon Kirk** (Delaware Lottery) have served our industry for decades with dedication and distinction and we are so pleased and honored to recognize their tremendous contributions. See their biographies on page 14.

Gardner Gurney has been at the helm of the New York Lottery for many years, in top officer positions for the last 27 years, as Acting Director since 2012, and as Director since 2015. Guiding one of the largest lotteries in the world (fourth largest I believe) presents a unique set of challenges. One of the topics we focus on is the risk assessment models applied for driving rapid innovation in an enterprise of this magnitude. It inspires a vision for how our industry

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does have the ability to be the leader in the games-of-chance industry, to modernize in the face of changing consumer behavior that is driving quantum changes in the market-place, and to drive growth in a hotly contested competitive environment.

The panel discussions held at PGRI Smart-Tech NYC were more poignant and substantive than ever. We have included edited versions of four of those discussions in this issue. Three of these focus on the business of retail marketing and merchandising. Retailing has not changed as much as most industries over the past two (or more!) decades. The status quo won't continue, though, as CPG brands and retailers are innovating in rapid fashion. Consumer behavior has been evolving rapidly over the past few years especially, and retailing is finally resolved to catching up with its customers. This is very exciting for an industry like Lottery which depends so much on the retail channel. Let's be the leaders in Retail Merchandising and Marketing modernization!

Another panel discussion included in this issue focuses on the importance of API's—Application Program Interface. The technology

that enables seamless communication compatibility between multiple IT systems is key to so many lottery industry objectives. For one thing, multi-state retailers require standardization of reporting and auditing across all jurisdictions, and this requires an API. But that is just the tip of the iceberg. Cost-effective and timely deployment of new technologies and games and innovation of any kind depends on the enabling technology of API's.

Initiatives like cashless transactions, for instance, depend on enabling technologies like API's. Andrew Crowe of IGT gives a detailed analysis of the benefits (and costs) of enabling consumers to play the lottery with cashless media like credit cards.

Scientific Games, IGT, Novomatic Lottery Solutions, and Camelot Global have all contributed to this dialogue on how Lottery can take the leadership position in the modernization of retailing. These editorial contributions focus on the issues in ways that help all of us to understand how the market-place is changing, and how Lottery can adapt to, and lead, the fast pace of modernization in retailing. The future is ours to claim!

Motley Fool editorial contributor Jeff Hwang is a game inventor and analyst who penned a most interesting article that drills deep on the topic of why people gamble, and assesses the challenges for the gambling industry to maintain growth into the future. He does not talk about Lottery, but does talk about all forms of casino gambling, online gambling, Daily Fantasy Sports, skill-based, etc., and the play-styles and recreational preferences of Millennials (anyone born between 1980 and 2000, a population of 87 million in the U.S., a group which outnumbers Baby Boomers and will account for one-third of all retail spending within the next five years). It is not a wholly optimistic picture, and I cannot attest to its accuracy or the prescience of its conclusions. Still, it is a most interesting analysis that makes it a must-read for those of us trying to understand, and figure out what do about, the direction of consumer markets in the broader games-of-chance industry. Google: Motley Fool Jeff Hwang The Millennial Problem.

Please join us at **Lottery Expo**, to be held at the *Eden Roc Miami Beach Hotel* on September 12, 13, and 14. Three receptions and two luncheons make it easy to visit with your colleagues from around the world. We hope to see you there! Visit **PublicGaming.org** for conference info, updates, and registration and room reservations links. ■

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