



From the Publisher

Thank you to our editorial contributors and interviewees for making this a special issue. The over-riding theme is how government-gaming is reshaping itself to compete in a market-place that no longer affords the kind of monopoly protection that has always been our province. We do still enjoy a measure of regulatory protection, but even that is changing. The real driving force of change in the competitive landscape, though, is the ubiquitous expansion of all forms of gaming. The consumer is confronted with countless options. And not just in the eponymous category of "entertainment". We're facing real competition within the games-of-chance space. Granted, there will always be a large market of people who will only play traditional lottery games. But it may be wishful thinking that our customer base won't be eroded by the easy availability of more and more gaming options and the creativity of developers who are creating a huge diversity of new and exciting gaming products. What is encouraging is the wealth of ideas and strategies, the tenacity with which they are being turned into reality in the market-place, and the vision of our industry's thought-leaders who share their success stories in this issue of PGRI magazine.

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Jean-Luc Moner-Banet's powerful presentation at SMART-Tech is synopsized on page 27 and also can be viewed at PGRItalks.com. He tackles head-on the issue of the challenge that government-lotteries face in world of increased competition from a lack of enforcement of regulations, and even outright deregulation, and the ingenuity of for-profit operators when it comes to exploiting the gray areas of existing regulations. One of my personal take-aways is the need for government-lotteries to find ways to promote who we are, what we stand for, and why our stakeholders (which is everyone, really) should care. We know that people play games-of-chance with the hope of winning something of value, like money. But the overall value proposition that drives consumer behavior may be more nuanced than the classical (and neoclassical for that matter) economic model that focuses on rationalistic, self-interested maximization of "utility". Intrepid entrepreneur and investor Mark Cuban explains "If you want to sell to Millennials, you have to have a social responsibility component. I invest in young entrepreneurs and they all know this. They're all trying to copy the Tom Shoes model." For every pair of shoes it sells, Tom Shoes donates a pair of shoes to needy people in under-developed countries. It sounds to me like everyone is trying to copy government-lotteries!

Nobody ever accused Harvard Business School professor and renowned author Michael Porter of being a quixotic idealist. But he wrote an entire book on the subject of "shared value" as business strategy. And in our interview with legal counselors Beata Guzik and Philippe Vlaeminck on page 74, Beata also refers to Michael Porter's concept that engaging the audience's desire to affiliate with brands that reflect their values is good business strategy. In fact, the mission of government-lottery to support good causes is a theme that inhabits all of the interviews that we do.

Our stakeholders do care. The government-gaming mission of raising funds for *good causes* as opposed to the mission of enriching private shareholders is a competitive differentiator that does matter. We just have to find better ways to integrate it into our brand and messaging, i.e to sell it.

Next up in the world of important industry events is the **EL/WLA Industry Days** in Marrakech, May 30 to June 1. This is a special invitation-only conference. We will report on this event in both the EL NEWS (the official publication for the European Lottery Association) and our own publication. Many of the issues that affect our industry are universal, manifesting themselves everywhere in the world. The thing is, they almost always manifest in Europe years before they come onto the radar in other parts of the world. That is what makes Europe an incredible looking glass into the future for government-lotteries everywhere. And Industry Days delivers the most serious treatment of how to overcome the obstacles, and maximize opportunities, that we will be facing in the coming years.

Additionally, PGRI is extended the courtesy of conducting the **Lottery Industry Hall of Fame** ceremony at Industry Days. Congratulations to the four current European inductees: Ioannis Katakis (Head of Lottery, Win Systems), Stavros Michael (Director Cyprus Lottery), Thierry Pujol (Director Sporting Integrity, Française des Jeux), and Philippe Vlaeminck (Managing Partner, Pharumlegal).

Visit european-lotteries.org for more info about all of the upcoming high-level educational seminars hosted by the EL.

Thank you to those of you who joined us for **PGRI SMART-Tech on April 6, 7 & 8 in New York City**. Pictures and synopses of the sessions will be in the July issue of the magazine. Video-recorded presentations and panel discussions can be viewed at PGRItalks.com. PGRI holds two conferences a year. Our next event, **Lottery Expo**, will be 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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