

The Intersection of Intelligent Systems and Lottery



Keith Cash



Mark Mitchell



Mike Lightman



Jacob Kreider



Drew Svitko

Why you Soon Won't Be Able to Avoid AI – At Work or At Home

Wall Street Journal

Will U.S. states figure out how to regulate AI before the feds?

Fortune

AI girlfriends imperil generation of young men

CNN

The headlines are inescapable. Artificial Intelligence has become THE topic of 2023. Debates rage about its benefits/negatives as well as the future for this possibly life-altering technology.

Count lottery as another industry taking a careful look at AI and how it might impact game creation and delivery to players. Tackling this critical topic was a panel of experts on the lottery and vendor sides of the business whose core missions are likely to experience fundamental changes depending on where and how this technology is adopted and deployed.

Panel moderator **Drew Svitko**, Executive Director of the Pennsylvania Lottery, framed some of the issues and goals of the panel discussion. “Some of you might be thinking ‘why should I care about AI,’” he said. “Some of you might still be figuring out how to get your VCR clock to stop blinking and if that’s you, this might not be of help to you. But for some others, we hope this panel will provide a better idea of

what AI is and how it’s already influencing our lives and businesses.”

Joining Drew on the panel:

Keith Cash, Vice President Global Instant Ticket Services, IGT

Jacob Kreider, Senior Manager Business Intelligence, Scientific Games

Mike Lightman, Chief Commercial Officer, IWG (Instant Win Gaming)

Mark Mitchell, Director Business Intelligence and Analytics, Intralot, Inc.

Jacob Kreider, who studied AI in graduate school at Northwestern University, provided some context to begin to understand the broad topic of AI and its subsets. “There are three things that make up intelligent systems,” he said. “There’s advanced data modeling, machine learning, and AI. Advanced data modeling has a lot of human input into how a problem is solved as the human decides what data is important and what approach to take. Machine learning is a subset of AI, as all machine learning is a type of AI but not all AI is a type of machine learning. Here, you define your end goal and feed in the data you think is important. AI is much different in that you give it a goal and let the system decide the best way to meet your goal, with very little instruction otherwise. It figures out the model to use, the approach to take, and what parameters are important. It’s still important to

remember that you can’t completely remove the human because the human frames the questions and sets the goals, but AI does everything else.”

With Jacob’s description of what AI is and is not in place, Drew asked the panelists to discuss how AI is being used in lottery. **Mark Mitchell**, who oversees this area for Intralot, pointed out that AI has actually been in use in the lottery industry for a number of years. “When you consider how a lottery receives notification of the need to refill a product before it actually runs out, or how to schedule the automatic delivery of products from a certain facility, these are actions driven by AI,” he said. “One reason AI is such a big topic now is because of ChatGPT. But AI has been in use by many different industries, including lottery, for many years. Its efficacy has been constantly improving, and the rate of improvement seems to be taking off exponentially. So I think we can expect a rapid expansion of its use in the lottery industry over the next few years.”

As Mark observes, ChatGPT has led most of the discussions about AI. ChatGPT has been defined as a natural language processing tool driven by AI technology that allows you to have human-like conversations with the chatbot. The language model can answer questions and assist you with tasks, such as composing emails, writing essays, and even writing software code. ChatGPT was created by OpenAI, an AI and

research company (50% owned by Microsoft) and launched in November of 2022.

IWG's **Mike Lightman** said that, like many of us, he went from having a casual interest in ChatGPT to wondering how it can be incorporated into different parts of his life. "I've used ChatGPT for everything from answering standard questions to creating an outline of an RFP for eInstants, getting very specific to lottery," he said. "And I was amazed that it did a decent job while also missing a few of the nuances of the lottery industry. There are now tools being offered that will allow people in professional jobs to get a head start on many of our daily tasks. For example, press releases. There are programs where you can feed it past press releases and it will create a first draft of a new press release. Fireflies is a notetaking program that will produce a good summary of what was said in a meeting. As professionals, we might want to start interacting with these technologies, particularly given that many of our competitors will be using them. And business leaders will probably want to be comfortable with these technologies before asking their employees to utilize them in their daily tasks."

Keith Cash said that it is the data that will drive IGT's use of AI — with the company's Player Data Platform being the AI tool that allows customers to derive insights from that data. "While we certainly have a lot of data on all aspects of this industry, iLottery probably leads the way because the nature of the transaction is that it can be digitally captured and recorded," he said. "Data from previously anonymous retail-player transactions, including purchases of physical scratch tickets, can also be captured via the company's OMNIA solution, according to Keith. If we load this data into a system, we can find patterns of play that would likely have been missed if you relied on traditional tools of demographic segmentation, instead of looking at how players actually play games. On top of that, you add tools that allow everyone, even a non-technical person, to query that data and drill down to produce more granular, accurate, and usable game information. AI can certainly help us in three important areas — develop better products, improve consumer engagement, and create efficiencies. While it's in the early stages, AI is already helping us and our customers in all three areas."

Drew then asked how lotteries and vendors are using AI today and ways we can use it

in the future. Mark said that Intralot has been using some form of Artificial Intelligence and Machine Learning for many years and its utility is increasing with every new technological breakthrough. "Whether you're in advertising, sales, procurement, tech support, AI is there as a 'secondary colleague' or co-pilot to help support you in your mission," he said. "With the proper use, something like ChatGPT can help you start your project a third or more way through, instead of starting from scratch. This increases productivity and allows employees to focus on the most important tasks. AI won't necessarily replace employees, it will make us all more efficient and allow us to concentrate on initiatives that are best for our customers and our employer."

Jacob said that while many have been using AI for a few years (and perhaps didn't know it), deploying it to influence decisions materially has taken a bit longer. "Microsoft Word has been predicting the rest of our sentences for a while and it's getting better at doing it," he said. "But using AI to create a marketing plan or improve supply logistics is still a work in progress. It is being applied in ways that may appear to be slow, but it will seem to be sudden when we look back and realize how much has changed, and how much is being affected by AI. For the foreseeable future, AI will work in the background. But when the pivot happens and it becomes a part of everyday lives, AI will be at the forefront of how we interact with customers and how players interact with our products."

Drew turned the conversation to the negatives associated with AI. "There are many people who fear losing their jobs to AI, and who can blame them when we see headlines about machines replacing people," he said. "It seems as though it is the responsibility of leaders to prepare the workforce for what is coming. Once we prepare our workforce, we can better explain the future of AI and its impact on lottery to our customers."

Mike said we should all be working with our workforces to lean into the new technology. "We need to encourage people to be inquisitive, learn, stay up to date," he said. "You also want them to be a bit cautious, not just download free software because it's free. Allowing your employees to try the different tools available to them will only help them become more comfortable with AI. If you're writing a document for the first time, give one of the tools a try. You can see firsthand what it does well, or

not well, and where it needs improvement. It can only help your own development and the development of your business."

The issue of impact on workforces is an emotional one and it must be dealt with carefully, according to Jacob. "We've all been through moments when the way work has been done for many years has been challenged and causes concerns amongst employees," he said. "Email conversations slowly replaced telephone calls, and then people who texted their whole lives were forced to use email. Not easy changes. Now younger employees come in who are already familiar with the new technology and can navigate between the legacy and modern systems. Smoothing these transitions is all about preparing your employees and getting people to think about AI as something they can actually use in their day-to-day lives. This technology is new, it's emerging, and it's fantastic. As long as you can get people to be inquisitive and understand that this technology is a 'helper technology' and not a replacement, not a substitute technology, the transition will be much smoother."

Mark added, "If you can show your employees that a 30-minute exercise can become a 5-minute exercise, they will understand that they now have 25 minutes to do something else. Small wins are important. We can let people know that things are going to be done differently through incremental changes. Show them how and why new technology is better for them, how it improves the business and produces more value for the customers."

Drew steered the conversation to the less technical things humans have historically done in the workplace. "We need to look at specialties like marketing, research, proposal writing and responses, customer service, and how AI is impacting these types of positions that don't necessarily involve technology," he said. "Perhaps AI can help with all these things and more, but someone is always going to have to check the work before it is released or published. Isn't that what ensures humans are going to continue to have a role in most decisions?"

Jacob said this point is exactly why AI will always have limitations. "There are things that I believe AI will never replace and that includes customer service," he said. "Consider a lottery's interaction with its retailers, how retailer portals are used to recruit them and help them with their goals. AI can help personalize the initial interactions and fact-finding and serve as a

conversation starter. But eventually, there needs to be a personal touch. AI will never replace the most important part of the interaction with retailers and that is a real human who cares about your business, who understands their challenges and goals, and has a shared incentive to get them to their goals. The person-to-person contact is important for lotteries and helps them keep on the pulse of what is happening in their state. This is where AI is an enabling helper technology and not a substitute for a person who can meet with lottery retailers face-to-face.”

Mike said that AI will certainly impact the customer service process. “We have all had the frustration of calling customer service and getting a different answer depending on who answers the phone,” he said. “With AI, there will be a consistency resulting from a shared knowledge base and the same level of suggestions and prompts on how to respond to a question. It can still be a human talking with the customer, but they are using AI to get answers that remain consistent no matter who that person is talking with. The machine will not replace humans for some of these important interpersonal interactions. We will always need a human

because even with all the recommendations, someone has to make a final decision based on their judgement. That is the human part that will remain so important.”

And getting “your humans” ready is critical, said Mark. “AI is already a part of our lives and its impact will only grow,” he said. “But we need to prepare employees for this inevitability and understand that there is uncertainty that comes with this new technology. The questions will be as basic as ‘is my job going away’? Let’s identify ‘champions’ within our organizations who can communicate what AI is, what it isn’t, and what are the strategies the organization will implement for use of AI. We know that all companies are thinking about AI and the lottery industry is taking it seriously. Embracing the technology is the first step towards helping employees better understand how it will help their daily work lives.”

Keith said that weighing the pros and cons of the technology is critical before making hard decisions. “We know that AI is not taking days off or calling in sick, so comparisons between technology and humans are not equal on a cost basis,” he said. “But we have to be very careful about

making decisions with costs as the leading qualifier. Our industry is still only as good as the people who are making the decisions and interacting with lotteries, retailers, and players. The technology is moving fast, but speed to market doesn’t mean something is a great solution. And when it comes to AI, we need to take the time and make sure the technology we are building makes the most sense for employees and customers.”

Jacob closed the discussion by suggesting that no matter what AI initiatives an organization ultimately makes, it needs to act responsibly. “At the end of the day, AI is allowing a computer to think like a human, learn from its mistakes, alter its code, and alter the way it approaches things without human input,” he said. “That might fundamentally feel like a threat to many people. But if we can show how AI can contribute to solutions to otherwise daunting problems, how society benefits from AI, and how negative impacts can be mitigated, people may feel more encouraged and even inspired by the potential for AI to make this world a better place. AI is trying to mimic human cognition, not replace it. And in the end, that will hopefully benefit everyone.” ■

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