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MARCH/APRIL 2021

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iLOTTERY EXPLODES ONTO THE U.S. MARKETPLACE

Feature Interview

Rebecca Hargrove

President & CEO, Tennessee Education Lottery Corporation

President of the World Lottery Association (WLA)

Chair & Founder of Women's Initiative in Lottery Leadership (WILL)





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Subscriptions

Annual Public Gaming International magazine subscription rates:
United States: \$145 USD
Canada & Mexico: \$160 USD
All other countries: \$225 USD

Public Gaming International Magazine

Published six times a year and distributed to readers all around the world. Electronic version is e-mailed and is also available on our news website:
PublicGaming.com

March/April 2021

Volume 48, Issue 2

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Public Gaming Research Institute
cISSN: 1042-1912



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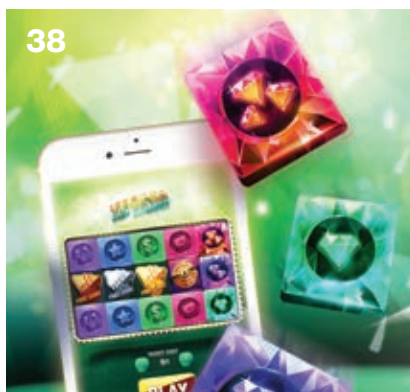
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	Number of Stores	%increase (2019 - 2020)
National Retailer 1	943	145%
National Retailer 2	1011	225%
National Retailer 3	561	190%
National Retailer 4	224	235%

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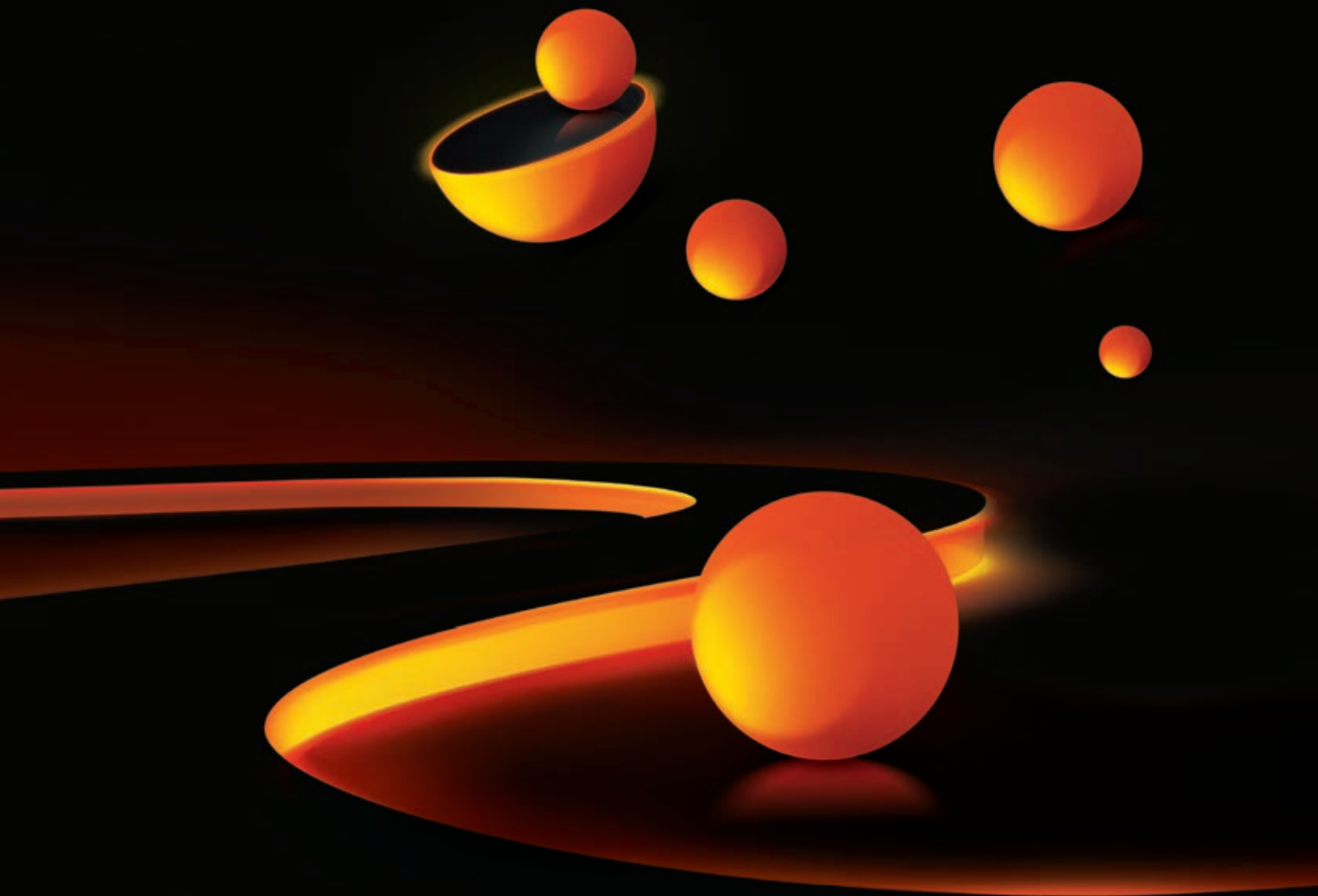


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From the Publisher

What does it mean to live in a world of “alternative facts” that yield varying degrees of “truthiness” such that we do not know what or who to believe? How does lack of faith in governmental institutions, in political elections, in science affect our world views? What does it mean if we not only can’t agree on what’s true or false, we are convinced that there is no objective reality that exists separate from our own personal feelings, that truth is wholly subjective with no reference to shared experience? More specifically, how does this reshape the way consumers relate to brands and make buying decisions?

I would submit that this represents an opportunity for Team Lottery to step into a leadership void, to assert its claim to being the people’s game, the local community’s trusted games-of-chance brand that has occupied that position for many decades. People need to trust, have faith in and believe in something. Lottery is among a very short list of brands that have the stature to rebuild society’s trust in themselves and the integrity of its leaders and institutions. As the gaming industry evolves at warp speed (especially in the U.S.), consumers and channel partners are turning to Lottery as the most trusted source for exciting games-of-chance. Legislatures assessing the options to expand into sports-betting are recognizing the need to empower their own state lottery to meet the needs of the consumers. And the brain-trust that drives success in that space is clearly enjoying an incredible cumulative effect of building on past successes. Michigan, Georgia, Kentucky, Pennsylvania, New Hampshire all raised the bar considerably with their iLottery initiatives. And now, I just read a couple days ago that the Virginia Lottery’s iLottery has gone from zero to \$486 million and 21.8% of total sales – in just eight months following their June launch.

Jim Acton conducted a deep dive into iLottery, talking with industry leaders in both the state lottery operator and the commercial vendor sides of the industry. There may not be a singular set of “best-practices.” But there is now a wealth of experience that is informing the process of setting a course towards effective iLottery launch and execution of proven success

strategies. I would expect there is still a lot of work-in-progress and learning going on. But it is very exciting to get a glimpse into the collaborative relationships that are contributing to the incredibly steep learning curve that iLottery leaders have embraced.

What does it mean to live in a world of “alternative facts” that yield varying degrees of “truthiness” such that we do not know what or who to believe? More specifically, how does this reshape the way consumers relate to brands and make buying decisions?

PGRI joins hands with our friends in the lottery media and conference sector, more specifically the lottery trade associations, to share ideas of how we can continue to deliver value and promote the interests of the industry in these precarious times. Our interview with Rebecca Hargrove reassures us of the dedication of the World Lottery Association to ongoing improvement and innovation. Times of severe disruption are an opportunity to set even more aggressive timelines to implement ambitious initiatives and accomplish ambitious goals. Likewise, the EL (European Lotteries Association) has stayed close to its membership in spite of the most restrictive social interaction environment. The importance of ongoing learning and seminars is greater than ever and the associations continue to deliver to their members and the broader audience of industry constituents. The associations in North America (NASPL), Asia-Pacific (APLA), South America (Cibela), and Africa (ALA) have also adjusted to continue to support their membership with ongoing virtual educational seminars. Even so, we all look forward to actually seeing each other in person. **PGRI’s next in-person event will be in Nashville on October 26-28, 2021.** We are more anxious than ever!

I asked the leaders at the Multi-State Lottery Association (MUSL) if they might be willing to use our publication to keep you informed of their initiatives with a monthly column. This is a special month as they just passed the \$100 billion mark in sales of MUSL games (of which Powerball is one). And you may have seen the RFI in which MUSL reaches out to others to explore creative synergies with other mega-brands. The ingenuity of MUSL and our industry trade associations is an inspiration to stretch to find new pathways forward to deliver more value and drive success for the benefit of good causes.

This issue features a wealth of fabulous articles from our commercial partners. A big theme of these articles and of our upcoming “Retail Modernization” eConference is the need to invest in innovation. It costs money to modernize. Fortunately, there has probably never been as high an ROI in any industry as there is in Lottery.

Please join us for our Retail Modernization eConference:

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Paul Jason, Publisher
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Three and a half decades of deep experience guide the lottery industry through the challenges of today and drive innovation for a bright tomorrow

Rebecca Paul Hargrove

President & CEO, Tennessee Education Lottery Corporation

President of the World Lottery Association (WLA)

Chair & Founder of Women's Initiative in Lottery Leadership (WILL)



PGRI INTRODUCTION: Rebecca's lottery career started in 1987 with her appointment to lead the Illinois Lottery. She then went on to start the Florida Lottery in 1989, the Georgia Lottery in 1993, and the Tennessee Lottery in 2003. Prior to her current positions, Rebecca gained national fame within the lottery community for operating lotteries in Illinois, Florida, and Georgia. She was first elected to president of the WLA in 2018 and re-elected for a second 2-year term in 2020. As we celebrate and contemplate the import of Women's History Month, we discuss the ongoing relevance of Women's Initiative in Lottery Leadership (WILL), the effective adaptation of the World Lottery Association (WLA) to new methods of operation for the unique circumstances of these times, and the resilience of government lotteries to fulfill its mission and commitment to serve society.

Paul Jason: This past October you were elected for a second term as WLA President. In spite of the inability to hold the bi-annual World Lottery Summit in Vancouver, the WLA has been active on many fronts. What would you consider the highlights of your first term of office?

Rebecca Hargrove: Let me start by thanking the members of the WLA for the honor of serving as president of this great organization. There were certainly some unexpected challenges in 2020 that continue today, but I am proud of how the organization and its members adapted during these times to serve their respective beneficiaries.

In particular, during the pandemic, the WLA committees have continued to work and meet virtually to support WLA

members. The committees have excellent leadership in Younes El Mechrafi, General Director of La Marocaine des Jeux et des Sports and chair of the Audit Committee; Lynne Roiter, President and CEO of Loto-Québec and chair of the Corporate Social Responsibility Committee; Dato Lawrence Lim Swee Lin of Magnum Corporation Sdn Bhd and chair of the Security and Risk Management Committee; Andreas Körtter, CEO of Westdeutsche Lotterie GmbH & Co. OHG and chair of the Illegal Lotteries and Betting Committee; and the immediate previous WLA president, Jean-Luc MonerBanet, Director General of the Societe de la Loterie de las Suisse Romande and chair of the newly formed Sports Betting Integrity Committee.

Under their direction, we're managing



to grow and strengthen involvement. The WLA Security and Risk Management Committee (SRMC) worked collaboratively with the US Multi-State Lottery Association (MUSL) to assist US lotteries looking to become WLA SCS (Security Control Standard) certified, something that is extremely relevant in today's world. Players have many choices in today's gaming world, and they need to know that the lottery brand stands for security and integrity. We will always work to be the best and safest gaming destination in the world.

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In addition to the work of the committees, the Women in Lottery Leadership (WILL) program also continues to develop. I was very proud when I saw the North American Association of State and Provincial Lotteries (NASPL) had all female officers for the first time in its history. Coincidentally, that moment came on the same day as the 100th anniversary of the passage of the 19th Amendment to the U.S. Constitution, which guarantees a woman's constitutional right to vote, so that may have magnified my feelings. But that moment, in the midst of everything we're dealing with and working through with the COVID 19 pandemic, was a leap in the right direction. I've said it before – ensuring diversity and inclusion brings valuable depth to an organization. I am truly excited for what the future holds for our industry because of this effort.

The Tennessee Education Lottery (TEL) is one of a few state lotteries in America that acts as state regulator for sports betting. What are some of the challenges you've encountered so far?

R. Hargrove: The biggest challenge was the lack of a template to follow as we developed our rules and regulations. Tennessee allows interactive sports wagering only – meaning the placement of a wager only via the internet, a mobile device or other telecommunications platform. We don't have brick-and-mortar sportsbooks or casinos, and no other state had "online only" sports wagering. Other states with online wagering also had brick-and-mortar locations, so our processes had to be developed from scratch and completed.

What's one thing you'd like everyone to know about the sports betting industry in the U.S.?

R. Hargrove: To me, it's the variety of models of sports betting in jurisdictions across the U.S. In some states, lotteries have no role. In some, lotteries are both the operator and the regulator. In others, like Tennessee, you're the regulator but not an operator. In still others, the casinos have a role. The point is, there are very few apples-to-apples comparisons out there, so it's not easy to compare and contrast regulatory or market landscapes. That being said, we've worked diligently on our unique, online-only structure, when no other jurisdiction

is set up the way Tennessee is.

You mentioned COVID and the global pandemic. From your perspective, what are the lessons learned for lotteries during these difficult times?

R. Hargrove: Well, you kind of have to work backward from the particular lesson or lessons learned at each lottery because each lottery will have its own challenges based upon its jurisdiction. But what has shone through in 2020 at an industry-wide level is our enthusiasm to adapt and press on. The challenge will always be to stay creative and innovative, and bring new ideas to players. Industry organizations and others will need to remain engaged with members, bringing energy to sharing those ideas and best practices.

From the Tennessee Lottery perspective, our in-state games performed well. Anecdotal, we saw the number and mix of entertainment options in our border states shrink, and we think that we gained some new players or additional play from current players because of the limited options during lockdown.

As far as lessons learned, I wouldn't say it's a lesson learned but a lesson reinforced by the pandemic – how critical, how important it is to pay winners quickly.

When we switched to mail-in claims only at the end of March 2020, we made sure to note that drawings would continue as scheduled and instant ticket games will continue to be delivered to retailer locations. I can't say enough about our staff that stepped up and stepped in to help us keep paying claims. We were able to pay claims within 2-3 days of receiving them, which I think was a significant contributor to FY 2020 4Q being our best quarter ever.

That flexibility also extended to other facets of our business. We equipped our employees to work remotely. We took the necessary health and safety precautions. We modified retailer contacts by our sales representatives from in-person visits to phone calls. We shifted our advertising focus to recognize the unique times and celebrate our beneficiaries. We held virtual meetings, staggered our hours and ensured that we had product in the field.

But with all that, if tickets were going to be in the field and drawings held, winners needed to be paid in a timely fashion. Our

industry thrives on the fun of playing, and the fun of playing comes from potentially winning. So, if the fun of the game you play might be postponed or delayed for whatever reason, that strikes at the heart of why players play. To that end, we made a conscious effort to make sure we kept paying winners as quickly as possible.

Retail business took significant hits because of lockdowns while online sales performed well. Do you think consumers will return to normal in-store shopping habits?

R. Hargrove: Yes, players want to return to normal, but how we shop and how we get together are two behaviors that I think will be forever affected. Online market-share has gone up as consumers spend less time in public spaces like grocery stores, bars and restaurants. Some people who never ordered anything online before the pandemic began making more online purchases. People who already shopped online probably increased what they bought online. I do believe people want to "return to normal," but some behaviors adopted during this time period will become "normal."

We still do not have much visibility into the long-term impacts of the pandemic. Are you able to discern, even perhaps as speculation, other ways in which the post-pandemic world will be different because of the massive disruption caused by the COVID19?

R. Hargrove: After 2020, I think everyone should be wary of offering predictions. But what I look forward to most is continuing to watch this industry adapt and innovate on behalf of its benefactors. For us in Tennessee, as it did with everyone, the mission remained the same during COVID. The good causes we support continue regardless of the pandemic or economy. Every lottery has its own challenges based upon its jurisdiction, but what helped us keep going through 2020 was our openness to trying new ways of doing things and moving forward. The challenge, like I said, will be to stay innovative and develop new ideas. I'm confident this amazing industry will continue to rise to the occasion for the good causes it supports. ■

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iLOTTERY LOOKS BACK AS PAST EXPERIENCE INFORMS FUTURE PLANNING

Jim Acton, Lottery Industry Consultant, Acton Strategies

In the 1980s classic movie “Back to the Future,” Marty McFly is sent to the 1950s where he meets young versions of his parents. Marty has to convince his parents to fall in love or he and his siblings will cease to exist. After a series of adventures, everything falls into place and Marty returns to real-time.

Alas, time-travelling DeLorean’s only exist on the silver screen. But if we could travel back in time, the iLottery leaders of today might want to tell their younger selves,

“Don’t worry...everything will work out.” There was no historical anomaly, disaster, or wrong turn that diverted the launches and ongoing success of iLottery. The early stress propelled iLottery states to figure out the right courses of action to bring us to where we are today. And now, the foundation is set for others to leverage the experience of these early iLottery pioneers to get there even faster. Let’s apply the lessons learned from these iLottery pioneers as we forge ahead with new ideas and insights to maximize revenues for good causes.

iLottery is now offered in different forms in Illinois, Kentucky, Georgia, Michigan, Pennsylvania, New Hampshire, Rhode Island, Virginia, D.C., North Carolina and North Dakota; and most are growing at double-digit rates. Just as important, the online connection is simply vital to preserving the relationship with an audience who expects to affiliate with brands on all channels, media, and personal electronic devices. We talked with the leaders of iLottery programs in the U.S. and asked them to hop in our PGRI DeLorean to



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revisit the early days of Digital Lottery. What was happening in their states prior to launch, how did they prepare, and what guidance or suggestions do they have for their colleagues who are all on the Digital Lottery train even if the implementation of iLottery is not imminent?

GRETCHEN CORBIN **GEORGIA LOTTERY**

The Georgia Lottery's pathway to iLottery is a real-life example of the adage "slow and steady wins the race." One of the first lotteries to launch an iLottery site, Georgia began with a simple Players Club in November 2012. While it provided limited gaming options for players, it allowed the lottery to create an online community and begin collecting the player data necessary for online sales.

Fast forward to today and the Georgia Lottery now offers:

- Players Club where players can enter second chance promotions
- A "Buy Now" feature where players can buy Cash Pop, Fantasy 5, Mega Millions, Powerball, and KENO! tickets
- Also under Buy Now, players can buy interactive Diggi Games, with prizes up to \$350,000
- iLottery prizes deposit automatically to players' accounts, up to and including \$600



GRETCHEN CORBIN
GEORGIA LOTTERY CORP.

How did the lottery achieve this transition to full iLottery sales? "The team made a concerted effort to communicate objectives and realistic expectations to stakeholders early and often," said Gretchen Corbin,

president and CEO at the Georgia Lottery. "Conversations with board members, legislators, retailers and responsible gaming advocates prior to the launch were key to early acceptance and success.

"The strategy early on was to 'crawl before you walk, and walk before you run.' A soft launch was designed to gather customer feedback to ensure the product being introduced met customer expectations. Marketing efforts increased over time as we made enhancements to our product offerings and methods of online distribution."

So the lottery has created a growing online community, built an engaging iLottery site and launched a variety of entertaining content. Now, how to keep players coming back? Like with other facets of the program, the Georgia Lottery has that covered.

"Player retention is a major focus for the Georgia Lottery interactive team," Ms. Corbin said. "We spend a lot of time and effort analyzing usage data to determine patterns of play, when a player may be losing interest, and other specifics. We tailor promotions to increase player engagement, and we've seen significant success in reducing player churn."

Prize payout also can play a role in attracting players, but the lottery sees this facet of their program in a larger context. "Payout is an important metric but not always the primary one when considering how to attract, retain and engage players," Ms. Corbin said. "It should be considered in the context of the composition of your overall online portfolio (draw games, KENO, etc.) and your e-instants portfolio (in terms of game mechanics and variety), price points, launch frequency, promotions/rewards program, and the structure of the prize pool."

To those lotteries with iLottery programs on the horizon, Ms. Corbin has a few words of advice. "Communicate early and often with stakeholders. Work collaboratively with your vendor partner(s) to tailor offerings to players. Invest time and resources into ensuring a top-notch user experience: Survey your players, perform usability tests, etc."

MARY HARVILLE **KENTUCKY LOTTERY**

To call Mary Harville a supporter of the online sales of lottery products would certainly be an understatement. The more

accurate word is "pioneer" as Ms. Harville has been on the frontlines of fighting for iLottery for almost 10 years. She describes Kentucky's strategy as "survive and advance."



MARY HARVILLE
KENTUCKY LOTTERY CORP.

Named President and CEO of the Kentucky Lottery Corporation in September 2020, Ms. Harville previously served as General Counsel. In late 2011, the U.S. Dept. of Justice issued an opinion that internet sales of lottery games would not violate the federal Wire Act. In 2012, Ms. Harville joined other lottery executives in Washington, D.C. to fight to keep the Wire Act from being amended to change that USDJ opinion. Their arguments were convincing – the Wire Act, and the 2011 opinion of the DOJ, remained in place (and has been recently affirmed in federal court).

On the heels of the D.C. success, the lottery's board voted in March 2013 to offer Keno and internet-based sales. Keno was a bit simpler as there were a number of states from which to learn. But back then, iLottery was not as prevalent so they took a more measured approach.

"We encountered a number of people who said we shouldn't sell on the internet," said Ms. Harville. "I recall one very uncomfortable meeting in particular with a group of retailers about it. We even had a legislator wanting to file a bill making all Lottery transactions cash-only, which would have effectively eliminated internet sales. All this meant we had to take a much more deliberate and careful approach right out of the gate."

That approach involved a modest launch. On day one, players could choose from only three traditional lottery games to play – Powerball, Mega Millions, and an in-state



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nightly game. There were five Instant Play games ranging in price from 50 cents to \$3 available at launch (these numbers now include five traditional games including Keno, and almost 60 Instant Play games from 50 cents to \$20).

To prepare for the launch, the lottery rebuilt its website to increase its capacity, as it would be evolving from a marketing-only website to an all-purpose site that included processing lottery transactions. When looking back, according to Senior VP of Information Technology Gary Ruskowski, the main thing he remembers was the number of choices that had to be made.

“When you start down this path, be prepared to make decisions you were not aware would come your way,” said Gary. “You’re looking at a completely different model to go to market. We had a lot of unknowns that we had to make decisions about, because it was so different than anything we’d ever done in retail.”

And, of course, there was retailer outreach. This is an area of concern for many lotteries and Kentucky took this communication seriously. For Ms. Harville and her colleagues, it was a bumpy road at first. “Lotteries now are at such an advantage over those of us who were early adopters because of the data and evidence they have available,” said Kentucky’s Director of Interactive Content and Customer Service Lauren Walker. “We were convinced retail sales wouldn’t be harmed as a result of our iLottery sales, but the only data we had on the effects at brick-and-mortar locations at the time was from Europe. This was a non-starter with many of the people to whom we tried to make this argument. The evidence now is so clear, and here in Kentucky, retailers have enjoyed more sales and commissions every year since our iLottery launch. Retailers can now even ask other retailers about how this has played out for them.”

Fast forward to 2021 and the iLottery program offered by the Kentucky Lottery is in the midst of its best fiscal year since launch. iLottery sales in FY20 totaled \$45.0 million and accounted for 3.7% of total Lottery sales. In FY21 (through 2/28/21), those sales have skyrocketed to \$74.7 million, a 255.5% increase over the same period in FY20, and accounted for 7.6% of total Lottery sales.

With the scars to prove their hard work to get iLottery planned and executed in Kentucky, here are tips they have for colleagues at other lotteries:

- You don’t have to recreate the wheel. Talk to staff in states (like Kentucky) who have gone down this path and can provide years’ worth of experience and insights.
- Have your legal ducks in a row and do your homework with legislators, Governor and retailers.
- If your lottery has not been collecting SSNs and other personally identifiable information, know that offering accounts to players opens the lottery up to a whole new area of risk that must be addressed.
- When introducing a digital product, explore the various ways that something could go wrong and have a plan in place. For example, consider how you will help players who are having problems with the product, address their questions, understanding/evaluating fraud controls. This needs to be clearly addressed in the vendor contract.
- Incorporate a wide variety of consumer end point devices (phones/tablets/laptops) into your testing efforts and refresh the device portfolio as new devices are introduced over time.
- This testing can be a huge issue for lotteries who prohibit employees and vendors (including third party vendors) from purchasing lottery products. This can pose a significant barrier to appropriate testing.
- Take a look at what staff changes/process changes you need to address to have your teams working effectively.

“In the end, we convinced everyone we were going to do this the right way. And we did,” said Ms. Harville. “That’s been proven. Our retail sales remain higher than at any other time in our history, and our iLottery sales continue to break records. All of this has combined to mean more proceeds for the college scholarship and grant programs we fund, which is at the core of everything we do.”

STEPHANIE WEYANT PENNSYLVANIA LOTTERY

The Pennsylvania iLottery ended the last fiscal year with over \$63 million in profits and earned \$42 million in profits through the first six months of the current fiscal year. With eye-popping numbers like that, it’s hard to believe that the Keystone State has only offered iLottery for less than three years. More amazing is how quickly the lottery had to act to put the program in place.

Forward-thinking elected officials in Pennsylvania decided in 2017 that the state was ready for a host of new gaming options – iGaming, casino-run sports betting, video gaming terminals (VGTs) at truck stops, Keno and iLottery. The legislation passed in October 2017 and the lottery needed to be operating and generating revenue before the end of the fiscal year. The Lottery launched online on May 22, 2018. Seven months to find a business partner, re-assign internal staff, communicate with players and launch a program. “No sweat,” said Executive Director Drew Svitko and Deputy Executive Director for Marketing and Products Stephanie Weyant. Or perhaps they used more colorful language.



STEPHANIE WEYANT
PENNSYLVANIA LOTTERY

“Everything happened so quickly that we could only operate on one speed,” said Stephanie. “We didn’t have time to add employees for launch and we didn’t have a separate iLottery division at that point. So employees with already-full plates were asked to add iLottery to their job duties. And while we’ve added a few employees since launch, for the most part it’s the same teams handling the work. The marketing team is handling advertising, the product team is handling the games, the New Media team is handling digital, etc.”



A unique aspect to the Pennsylvania launch was that because of the compressed launch schedule, the lottery was given expedited procurement authority in the expanded gaming legislation. This allowed the lottery to suspend the typical RFP process and enter into an initial two-year contract. While that sounds helpful, it was a double-edged sword for the lottery. “Selecting a vendor was the only way we could launch quickly, but with only a two-year contract, it also meant that we almost immediately had to start planning for a full RFP process,” said Stephanie.

One component of the Pennsylvania platform that was important to Drew and Stephanie was to provide an open platform. The RFP was designed to give the primary vendor a financial incentive to partner with the best third-party game providers. The platform provider assumes costs and adds value to the process of integrating third-party content, so the lottery believed they should share in any financial upsides, share in the success of a diversified portfolio of games provided by multiple suppliers. “With different companies involved in our program, we are able to gather recommendations from a wealth of experts and make very informed decisions,” said Stephanie. “These experts are on the forefront of iLottery innovation, so we get the latest information from programs around the world. “One example of this is launch frequency rate. Is it weekly, every other week? Are more games better? We have our opinions, and we can work it out with the experts who have operated in other jurisdictions.”

So what advice does Stephanie have for her lottery colleagues? “When someone reaches out, I tell them to do what they can in advance to prepare their organization and players,” she said. “Build out your digital infrastructure, your online community, your database of players. Think about your team – who are the key people in your organization who can be a part of your iLottery program, who are up to the challenge.

“And call on other lotteries that are offering iLottery programs. We are all more than happy to share information and lessons learned along the way. With the number of lotteries offering iLottery, there are now best practices available to the industry. And the vendor community is a great resource, even for lotteries where iLottery might be far down the road. There are a lot of experts available to help lotteries.”

KELLEY-JAYE CLELAND NEW HAMPSHIRE LOTTERY

Kelley-Jaye Cleland is the living, breathing example of Ferris Bueller’s observation that “Life moves pretty fast.” In the summer of 2017, she was the Director of Sales and Product Development, making sure her sales representatives had the tools to properly service their retailer network and planning their ticket releases. Then in July of that year, the NH Legislature broke the gaming dam and placed iLottery, Keno and sports gaming on the lottery’s plate. Instead of heading for the state’s famous White Mountains, Kelley-Jaye and her team dug in and tackled their new tasks with gusto.

“With a small team, we focused on Keno first and launched that product on December 15, 2017,” she said. “We quickly pivoted to mapping out what we wanted for iLottery. With an extension to the Intralot gaming system contract also came the addition of utilizing a third party for iLottery. The vendor chosen for that was NeoPollard Interactive, due to their success in Michigan as well as their seamless user experience.”



KELLEY-JAYE CLELAND
NEW HAMPSHIRE LOTTERY

Then, in September 2018, New Hampshire joined the small group of lotteries that offer iLottery programs. On the occasion of the launch, Executive Director Charlie McIntyre said: “The New Hampshire Lottery’s focus is squarely on our players. Everything we do is driven by our players, and we are constantly striving to offer players new opportunities. iLottery is a strategic response to our technology-driven culture – you can now play the New Hampshire Lottery anywhere while in New Hampshire.”

Starting with eight eInstant games at launch, the New Hampshire program

has grown quickly. The iLottery program now features 55 eInstant games, Mega Millions and Powerball, with new eInstant launches every other week and plans for additional draw games. Financially, iLottery has been a boon to the state of New Hampshire. In Fiscal Year 2020, iLottery brought in \$10.73 million in net gaming revenue; half-way through FY21 the program had earned \$10.96 million in net gaming revenue.

Today, in a reflection of her expanded role at the lottery, Kelley-Jaye now holds the position of Chief Product and Program Officer. Since iLottery launched, the NH Lottery also offers sports gambling, both through mobile devices and in-person at two sports books. (Sports betting is overseen by a separate team under the guidance of Director McIntyre.) With all these gaming options, Kelley-Jaye and Charlie nonetheless stress the importance of supporting their retailer network. “You cannot forget your roots,” Kelley-Jaye said. “The majority of our profits still come from scratch tickets. We are constantly looking for ways to integrate iLottery into retail and vice versa. In whatever we do, we always have our retail partners in mind.”

What is Kelley-Jaye’s advice to other states considering iLottery? Here are a few of her tips:

- Be sure your website is ready for e-commerce – from a mobile-first approach to load testing to a clean user-friendly experience.
- If you choose a different vendor than your incumbent lottery systems vendor, remember you need to stand-up a separate Internal Control System, Remote Gaming system, and the like.
- Start creating your digital strategy. Having a player’s club to begin the player acquisition process is super helpful. Ensure your advertising agency is steeped in e-commerce/digital. Marketing for iLottery is different than traditional lottery. And iLottery marketing is a heavy lift. There are two sides to it – retention marketing/CEM/CRM and acquisition marketing.
- If you have a Business Intelligence (BI) tool, you are in good shape. Access to raw data and a visualization tool is important – and having people who can interpret those to ensure you are making data-driven decisions is key.

Continued on page 45

FULL STEAM AHEAD

VIRGINIA SEES EARLY iLOTTERY SUCCESS, AND THEY'RE NOT SLOWING DOWN NOW

While the path was as windy as a back-country road, the Virginia Lottery finally reached its iLottery destination last July. With the launch of a new platform, Virginia joined its fellow iLotteries in offering its players the latest technology that brings the excitement of lottery games into their homes and onto their mobile devices. And the results have been extraordinary. Before the July launch, Virginia predicted instant sales for Fiscal Year 2021 to reach \$228 million. The estimates were based on the first-year sales from the lotteries that had previously launched iLottery platforms. But every state is different and faces unique sales pressures, so Virginia wasn't sure what to expect.

How are the results through the first six months? In a word – amazing. “By bringing many of our games online and introducing instant games to Virginians, not only were we able to meet some of our existing players where they already

were – online – but we are also attracting new players,” said Virginia Lottery Executive Director Kevin Hall. “The increase in excitement of iLottery is directly translating into increasing revenue for our important mission of supporting Virginia’s K-12 public schools.”

iLottery ended the first six months of the fiscal year with more than \$280 million in topline play, contributing to nearly \$350 million in overall lottery profits. “The most impressive part about our introduction of this new platform to Virginians is the speed with which we were able to accomplish this,” says Hall. “Once our legislature passed the bill legalizing online play in Virginia, our governor signed it, and we were up and running within three months. iLottery was in-market on the very first day we legally were permitted to offer it.”



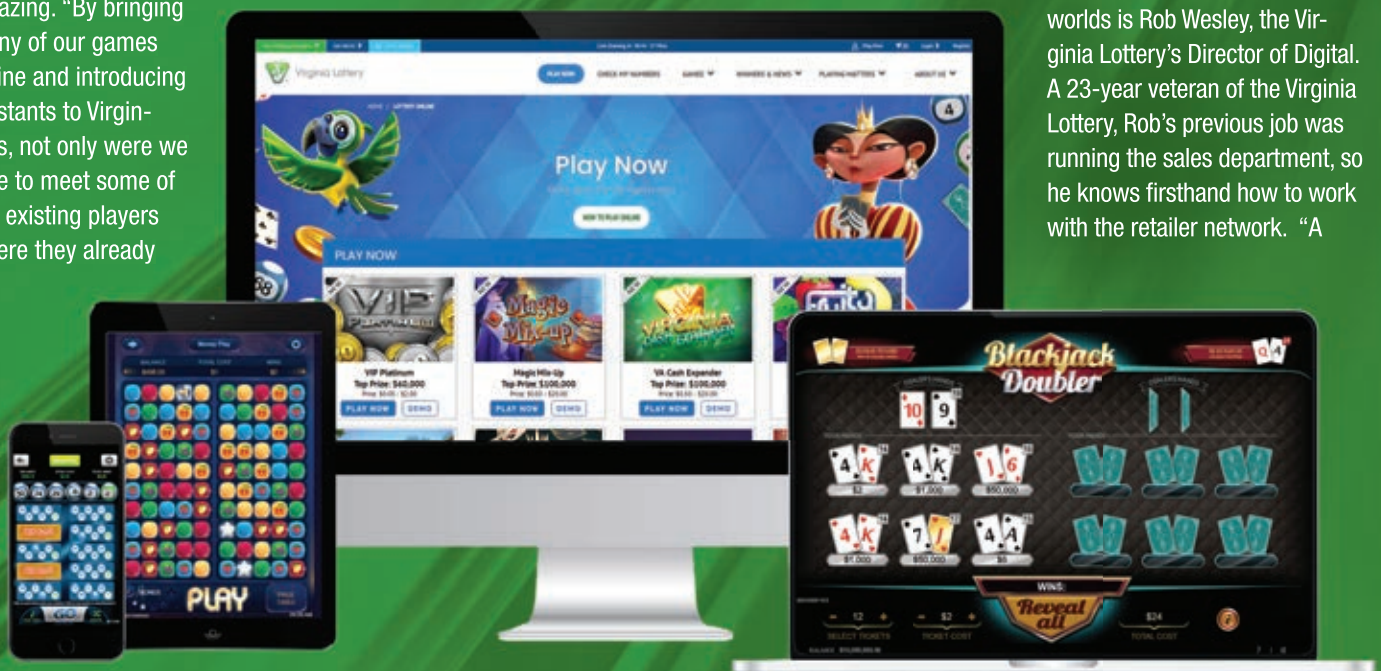
SUCCESS ALL AROUND

At the same time that players were registering and utilizing the digital platform, sale of lottery products at the Virginia Lottery’s brick-and-mortar retailers were thriving. In other iLottery states across the country and the world, past performance indicated that digital and at-retail sales would complement one another and that proved to be the case in Virginia,

too. iLottery does not cannibalize retail sales. iLottery brings in new customers and augments retail sales. “Retail launched and built our industry, and retail will remain the core of our business,” Kevin said. “Online sales make lottery products more relevant to digital consumers who place a premium on convenience. At the same time, we are very, very pleased to see strong year-over-year sales growth at the retail counter, too.”

Scratch ticket sales are up more than 9% and daily draw game sales at retail have increased more than 20% since iLottery’s July 1 launch, which is amazing considering the headwinds all lotteries hit earlier in the year when the pandemic forced many to stay indoors. This is early proof that iLottery can help strengthen a lottery’s retailer network, as has been seen in other states.

In a unique position to bridge the iLottery and traditional sales worlds is Rob Wesley, the Virginia Lottery’s Director of Digital. A 23-year veteran of the Virginia Lottery, Rob’s previous job was running the sales department, so he knows firsthand how to work with the retailer network. “A



foundational component of the Digital Department is the omnichannel approach. This key strategy focuses on the customer experience at all touchpoints, which includes online and at retail. Growing our total business is our ultimate goal,” said Rob. “Our retail partners sell more than \$2 Billion a year for the Virginia Lottery, and we know expanding our business online will help retail sales continue to grow.”

To demonstrate an ongoing commitment to bricks-and-mortar while also encouraging online play, Virginia launched Online Cash last November. Players can purchase an Online Cash voucher, either from a clerk or at a vending machine, or at their favorite retailer in denominations of \$10, \$20, \$50 or \$100. Specifically designed to benefit both sides of the business, retailers earn a 5% commission from that sale (just as they do with traditional product sales), and players can then use the funds from the voucher to deposit and play online.

To kick off the new year, the Lottery launched an Affiliate Program, which is an important aspect of the Lottery's player acquisition efforts and basically is a method of paying outside organizations to help the lottery acquire new players. Similar to the Michigan and Pennsylvania programs, affiliate partners market and advertise to potential iLottery players and, in turn, will earn a commission for every new online player the Virginia Lottery acquires. The program started with online-only partners, but a bricks-and-mortar retail solution is in development.

MANY BALLS IN THE AIR

To paraphrase the old car advertisement, the Commonwealth of Virginia has gone from 0 to 60 in 3.0 seconds when it comes to its gaming offerings. When Kevin took over as lottery director in 2018, Virginia had

appointed a special legislative committee to study expanded gaming. The results of the study created legislative momentum for iLottery. At the same time, the Virginia Lottery was assigned the key regulatory role over mobile sports betting and casinos.

iLottery was the first new gaming platform to launch on July 1, followed by live, legal sports wagering in late January 2021. “In the seven months since sports betting was authorized by state law, the Virginia Lottery crafted responsible regulations, accepted and reviewed applications, and awarded the first licenses to qualified operators,” said Kevin. “We have built a licensing and regulatory program that protects consumers and ensures the integrity of legal sports wagering in Virginia.”

In addition, the Virginia Lottery Board approved the first draft of casino regulations in early February. The regulations apply to proposed land-based casinos in Bristol, Danville, Norfolk and Portsmouth, which were endorsed by voters in those localities in local referenda in the November 2020 elections. A fifth casino, in the City of Richmond, has been proposed and is pending a public referendum in November 2021. The 2020 casino legislation required adoption of an initial regulatory framework by April 2021.

CULMINATION OF YEARS OF WORK

Once given the legislative green light, iLottery in Virginia was up and running quickly, enjoying a launch that greatly exceeded expectations. That's probably because Virginia has been meeting its customers online for many years now. Beginning in 2005, the lottery modernized its “Lotto by Mail” subscriptions program and began selling subscriptions 100% through the website.

Starting with Mega Millions, other games were added over time.

With the digital channel growing, it was time to officially and fully focus on this new way of interacting with its customers. So was born the Digital Department, with Rob transitioning from Director of Sales to take the helm of this new area and begin laying the foundation for fully transaction-enabled iLottery. After a few months of research and industry collaboration, the key elements were set: a relentless focus on the Customer Experience, a culture of Agility and speed, application of Data and Analytics as the business-decision driver, build-out of an Omnichannel program, and provision of Personalized, relevant and timely interaction with the players.

With the July 2020 launch of the iLottery platform, Virginia players now have access to three draw games (and more on the horizon) plus a large library of instant games. In short, there's something for everyone. Now the key is to keep players engaged. The lottery's supporting vendors — NeoPollard Interactive and Instant Win Gaming (IWG) — are veterans of iLottery so Virginia can certainly lean on them for recommendations based on their experience. The lottery knows what Virginia players want — what kinds of games work, payout structures they are looking for. So together with its vendors, the lottery can offer products that will attract and engage the players and drive sales. “Continued innovation is critical, particularly as we see new gaming opportunities created in the Commonwealth,” said Kevin. “With sports betting live and casinos not far behind, lottery players will have choices for their gaming spend. By continuing to expand our channels and add to our portfolio, offering new and exciting games while personalizing the experience for our customers, we will ensure that the lottery continues to be a top enter-

tainment choice. That's great news for the good cause we support: Virginia's K-12 public schools.”

In December, Virginia launched a progressive jackpot game created by IWG, one of the most innovative games on the iLottery platform. “Jungle Tumble Jackpots” has a base game that resembles other instant games, but also includes a progressive “add on” with three jackpot prizes — a mini jackpot which will be awarded a few times a day, a mid-tier jackpot awarded weekly, and a top-prize jackpot which will most likely be awarded one a month. This all depends on the amount of play for the game.

WHAT'S NEXT?

“For 2021, our key focus will be new player acquisition and continuing to grow our Omnichannel programs. We started in a very modest and measured way with our advertising support for iLottery, so growth in this area along with growing the recently launched affiliate program will be keys to meeting our acquisition goals,” said Kevin. “We have a cross-departmental team working on our Omnichannel efforts, with the current focus on improving the customer experience at those touchpoints directly impacting Lottery sales and profits.”

The lottery will also upgrade its mobile offerings. So much lottery activity has moved to mobile devices and, while the lottery does already have a functional mobile app, they released an RFP last year to see what is available. The goal is for a new app to be launched this year which will offer full iLottery functionality and other features.

Obviously there will be no “rest for the weary” in Virginia, which is exactly how Kevin Hall and his staff want it. ■



Helping Serve Those Who Served

Supporting our veterans is just one example of how lottery revenues benefit our communities. Scientific Games' suite of retail solutions, including our **PlayCentral® HD** and **WAVE™** terminals, makes buying and selling lottery products secure and easy so that every dollar possible goes to the good causes our lottery partners support.



Reimagine **Next**

LIFE IN THE FAST LANE:

SCiQ Inlane Modernizes Lottery Purchases at Checkout



Picture the grocery store checkout lane. From the conveyor and payment kiosk to candy bars and soft drinks, the entire experience is built around one main idea—maximizing convenience. Moving customers through quickly, offering last-minute purchases and simplifying employee tasks are top priorities.

Now, consumers in Kentucky can add another amenity to the list—lottery scratch games. In March, the largest grocery retailer in the U.S., Kroger, began selling instant games in 49 checkout lanes at 16 locations across the state. The long-term initiative with *SCiQ InLane™* is expanding to other Kroger markets.

The huge leap forward in the grocery stores' front-end convenience is made possible by Scientific Games' *SCiQ Inlane*, which tracks every unit of instant product sold in real time. The technology is part of the company's ongoing efforts to modernize the consumer retail experience at grocery stores and big box retailers, while helping lotteries drive maximum proceeds.

"All of us at the Kentucky Lottery are excited to be chosen as the first state to test this new system, and we're looking forward to seeing how it performs in the marketplace," said Kentucky Lottery President and CEO Mary Harville.



In-lane sales at grocery stores is the latest in a long line of innovations. All the pieces came together through a partnership between Scientific Games; the Kentucky Lottery; Kroger, the world's second largest retailer; and Blackhawk Network, a leader in branded payment programs.

"Through our partnership with Scientific Games and long-standing relationship with Blackhawk Network, Kroger is delighted to be the first grocery store partner for checkout line lottery sales in the U.S., and we look to expanding this effort to additional states," said Jarrod Cummins, Director of Prepaid Services for Kroger, the largest of the Kentucky Lottery's grocery store partners.

SCiQ Inlane marks an immense improvement in the ease of selling instant products at the point of sale. Thanks to the reduced labor required to sell scratch games, potential for boosting sales and the added convenience for consumers, Kroger is making history with *SCiQ Inlane*.

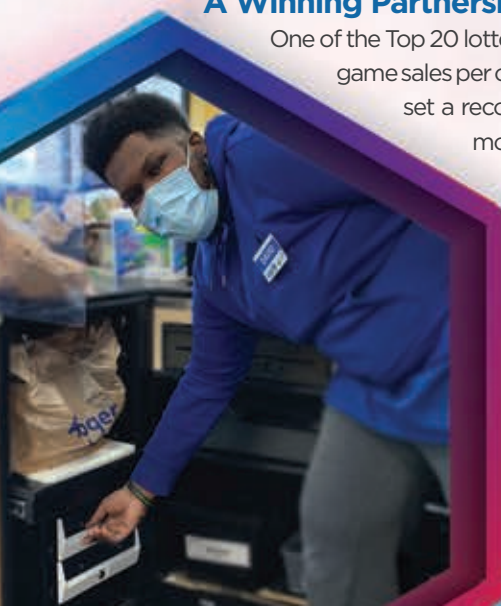
This level of category management, which was not previously available to retailers, allows greater visibility into sales performance and available inventory. *SCiQ®* also automates the shift accounting reconciliation process, significantly reducing the store's labor costs.

SCiQ Inlane is the first solution that securely integrates with the retailer's point-of-sale system to sell lottery instant games via technology from payments partner Blackhawk Network. Blackhawk is a global financial technology company and a leader in payment technologies and solutions. Through this partnership, Blackhawk will further enable the delivery of a more convenient lottery experience at retail, and more importantly,

A Winning Partnership

One of the Top 20 lotteries in the world for instant game sales per capita, the Kentucky Lottery set a record in fiscal year 2020 with more than \$1.2 billion in sales.

For over two decades, Scientific Games has served as the Lottery's primary instant game partner and launched *Scientific Games Enhanced Partnership* program for instant game management in 2018.



open untapped opportunities for the Kentucky Lottery and Kroger to engage consumers.

“Blackhawk is committed to bringing greater convenience to new and existing consumers purchasing instant lottery games,” said Richard Gotlieb, Vice President of Lottery and Sports Betting at Blackhawk Network. “Partnering with Scientific Games, Kroger and the Kentucky Lottery to support this innovative in-lane solution is yet another option that enables our retail partners to drive incremental sales and offer greater convenience to their customers.”

Convenience is King

Because time is so valuable to shoppers and retailers, modernization of the grocery store front-end needs to save time and boost convenience. Shoppers expect a frictionless transaction. *SCiQ Inlane* was designed to seamlessly integrate lottery at checkout. It facilitates one transaction processed through the retailer terminal, without needing a full lottery terminal in the checkout lane.

SCiQ Inlane enables grocery and other big box stores to capture sales from shoppers who are often rushed and who previously had to make a separate transaction somewhere else in the store, such as at the customer service desk.



Michael Martin
Vice President, Sales Marketing
for Scientific Games

“The convenience offered by the *SCiQ Inlane* solution is a game changer for consumers who are focused on getting in and out of the grocery store quickly for many reasons, including COVID-19 concerns,” said Michael Martin, VP Retail Solutions for Scientific Games. Martin brings 30 years of experience in technology and retail at companies such as NCR, Aptos and Oracle.

“*SCiQ Inlane* offers unparalleled product security and the ability to engage light

and lapsed players who don’t visit lottery self-service machines in the store,” Martin said.

Gaining Insights

While lotteries often get categorized as consumer packaged goods (CPGs), they have lacked unit-level tracking, unlike most other products sold at retail, like soft drinks and snacks. When it comes to gathering in-depth data about consumer preferences, lottery has previously been left empty-handed. *SCiQ Inlane* delivers unique insights into the lottery market basket, such as who is buying games, what other games were bought, how many games were sold in a purchase,

or if a game was bought with similar games at other price points.

“Consumer data is a critical element to better serve our customers. The *SCiQ* solution provides us with the data needed to better serve our lottery players,” Cummins said.

Having this kind of data enables retailers to manage the lottery product more effectively, transforming lottery in grocery and big box stores into a revenue driver and can be managed like other CPGs.



“Our solution provides lotteries deep insights, the ability to look into market baskets and understand player preferences more fully,” Martin said. “We’re evolving the lottery industry by giving players and retailers the convenience they expect in today’s retail environment.”

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iLOTTERY MOVING FORWARD

PLANNING FOR THE FUTURE WITH AN EYE TO THE PAST

Jim Acton, Lottery Industry Consultant, Acton Strategies

↑
2021



MERV HUBER-CALVO, SCIENTIFIC GAMES

For an industry built on attracting customers to retail locations who ask for a product and, until recently, only pay cash for the product, lotteries have deftly built the type of web presence today's consumers have come to expect over the past decade-plus of learning to love the online world. With the advent of iLottery, players are now asked to create online accounts, enter social security and bank routing numbers, and actually purchase products through a web site. This process introduces an entirely new player journey.

Thankfully, the lottery industry boasts problem-solving business partners who have worked with lotteries to solve many vexing issues over many years. For iLottery, they started with the basics – web site design – and moved to the next step – marketing – and are now focused on the future – revenue generation. Judging by the results of the lotteries that offer different forms of iLottery, the clear vision combined with hard work is paying off.

As more states launch iLottery programs or explore a digital future, the experiences of the pioneers and their technology partners will help inform the next wave of digital innovation and the online platforms that

support it. With the first U.S. iLottery programs launched almost ten years ago, there is a wealth of experience and information available on how to successfully launch an iLottery program and ensure an ongoing flow of revenue.

A critical facet of iLottery is the high-level of entertainment value. The evolution of digital gaming in general has resulted in players wanting to see lottery games presented in engaging, exciting forms (think Madden NFL but with lottery games). And lotteries are challenging business partners to create content which will keep players returning to their sites and play their games, and explore new games.

At **Scientific Games**, which oversees iLottery and digital programs for the Pennsylvania Lottery, this area is the responsibility of Merv Huber-Calvo, Director, iLottery Growth Marketing. He sees the challenges facing lotteries coming from all areas, including other forms of gaming. “As the pace of online gaming expansion accelerates across the U.S., lotteries launching online/mobile sales are more likely to face pressure from commercial operators in competitive markets,” Merv said. “Now more than ever, it’s critical for lotteries to keep players entertained by creating a portfolio of high-quality digital instant games with competitive payouts that perform well and drive online revenues.

“Securing access to a high volume of high-quality game content is crucial,” he said. “This includes the ability to integrate first- and third-party content. There is no better player engagement tool than launching new games, which is highly effective at retaining and reactivating players. It has been shown that higher frequencies of game launch events lead to higher rates of player retention and higher revenues for operators. And in competitive markets, there is a strong correlation between the total number of games that operators offer in their product portfolio, and the revenue performance of those operators. In order to satisfy the appetite for a high frequency of high-quality game launches, lotteries need access to an increasing number of industry leading game content suppliers.”

At Scientific Games, Merv and his team work with lotteries to analyze the data produced by their programs. “Like many other companies serving consumers today, the lottery must invest in customer relationship management (CRM) programs to modernize its efforts to retain existing players and recruit new

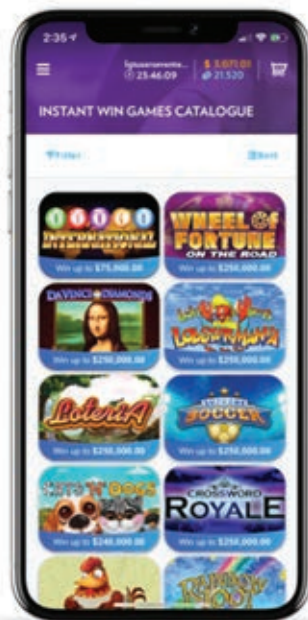
players,” he said. “Careful consideration should be given to selecting a CRM platform with the right capabilities, developing an effective marketing strategy that includes bonusing, and operating the program with experienced digital CRM experts.”

The **PlayLottery group at IGT** wants to make sure iLottery players stay engaged and return to their customers’ sites. “Keeping a player engaged is a much easier and cost-efficient task than trying to win-back a lapsed player,” said Karri. “A robust player relationship program using analytics to engage players with the right campaigns via multi-channel communications is a key requirement to keep the player base active and to prevent churn.”

With the tools in place to attract and register players, the attention of lotteries must turn to engagement. And not just fleeting attention but sustained and robust engagement where players return to the site frequently and continue to interact with the products offered. The pioneers have found that it is not enough to just provide the tools that bring players. The iLottery sites have to offer content that keeps players coming back. “The program must have the right portfolio of eInstant games to attract new players and to keep them engaged through delivering an optimum play experience,” said Karri Paavilainen, Senior Director, PlayLottery Marketing, for IGT, which runs the programs for Kentucky, Georgia and Rhode Island lotteries. “Return to Player (RTP) will determine how attractive and sticky the game is. IGT’s experience shows that lotteries have most success with an RTP above 80% as it delivers an experience that players will enjoy and feel good value, and one that they will want to experience again.”



KARRI PAAVILAINEN, IGT



“Secondly a lottery should build digital engagement before its iLottery launch, in the form of a player’s club and loyalty program for example,” he said. “In the first few weeks, these existing players are most likely to convert to online players without the additional cost of paid advertising. Bonusing can help incentivize trial of the new iLottery product. Bonuses can also incentivize players to complete the iLottery sign-up journey, including bonusing for registration, first deposit and game play.”

From the outset, a successful iLottery program is actually set up by the activity that takes place months and even years before the launch. And that activity is centered on optimizing digital platforms to communicate with and engage the players.

“One word: Connection. Connection is the common theme in gearing up for a successful launch and a key ingredient in sustaining success through the online channel,” said Liz Silver, General Manager, **NeoPollard Interactive**, which works with the iLottery programs for Michigan, Virginia, New Hampshire, North Carolina, and Alberta. “The team tasked with delivering a successful iLottery launch will dedicate their efforts to understanding player connection points, business system connection points and operational connection points. How will players interact with iLottery (web, mobile, app), what data should be collected at each step in the player journey, what offers should be crafted to connect to players, which games will evoke excitement, how will the player experience carry throughout player support contacts or payout of player winnings?”



LIZ SIVER, NEOPOLLARD INTERACTIVE

“Launching an iLottery program can be viewed as the merging of building blocks from digital programs and delivery channels (websites and apps) that lotteries are already managing today,” she said. “iLottery introduces an opportunity to centralize these activities to support effective engagement and monetization.”

Given the many consumer touch-points and tentacles of iLottery programs, lotteries and their business partners invest no small measure of human and capital resources ensuring smooth operation, seamless data collection and stakeholder awareness. Of course, methods differ from jurisdiction to jurisdiction, but the basics are typically present with all programs. For example, NeoPollard Interactive works with its customers on their relationships with brick-and-mortar retailers. “The most successful iLottery programs also create connections to retail – either through payments, productions, promotions or partner programs,” said Liz. “These connections also benefit from the consistent advice to engage retail stakeholders early and often by defining the cross-channel strategies that will support the retail network when iLottery is available.”

Most lotteries, even those that cannot launch iLottery due to regulatory constraints, have the building blocks in place for digital expansion. Player clubs were first introduced more than a decade ago, have grown since and are now offered by most lotteries. These platforms allow for a smoother segue to the expanded digital platform that engages the players in the interactive relationship that is the basis for a successful iLottery program.

Instant Win Gaming (IWG) brings an interesting perspective to the discussion. As a leading supplier of iLottery games, IWG works with all platform providers as well as the lotteries offering iLottery. Thus, over

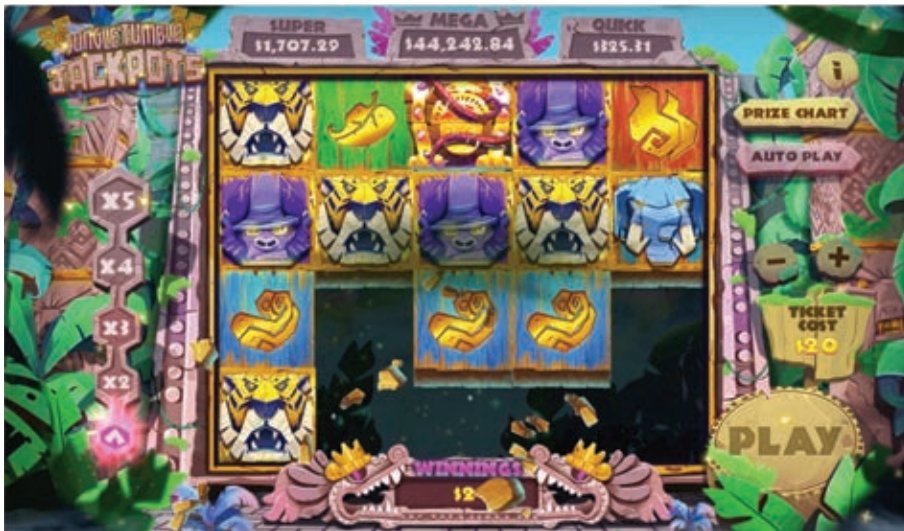
the course of their ten years in the international lottery business, they have witnessed firsthand what it takes to successfully launch and support a digital program. “For lotteries, digital marketing, including search engine optimization, pay-per-click, social media, and email, is commonplace within the overall marketing mix,” said Rhyddian Fisher, CEO, Instant Win Gaming. “And most have established VIP clubs or loyalty programs to build their database. But iLottery requires a whole new set of skills as it is simultaneously a lottery’s first venture into eCommerce, as well its first experience with direct-to-consumer sales.

that they see as new and fresh. Consider both the New Hampshire Lottery and Pennsylvania Lottery. They, like their peer lotteries, release new games at least once every two weeks. They analyze purchase history and then optimize their roadmaps with game-styles that are proven to engage. And their sales and CRM data serves as the scorecard for whether they’ve succeeded.”

As more consumers use digital avenues for commerce, the expectation levels for lotteries have risen. That means the consumers expect lotteries to offer the same tools as companies such as Walmart, Target and Amazon.

“Consumers expect an app to be part of the brand’s digital service offering,” said Sue Yoxal, Executive Director of mkodo. “A brand without an app discoverable in the Apple App store and Google Play paves the way for competitors in the digital entertainment world to engage the users instead. When creating an app, it is important to always think: ‘how can I make this experience easy and fun?’ Players are seeking convenience (e.g. through the use of native features such as biometric login), ease and speed of use (e.g. through use of known navigation structures) and engaging design (e.g. through use of pleasing micro-animations).

“A successful app will contain well-designed key user journeys, such as onboarding and registration, to create a frictionless user experience and reinforce the value and integrity of the product,” she said. “Considering the value of features that offer convenience such as self-scanning a ticket to check if it is a winner, or pre-building a digital playslip to scan in-store for quicker ticket purchase, all work to maintain continued player engagement.”



A MOBILE AUDIO-VISUAL EXPERIENCE THAT ENGAGES THE PLAYERS

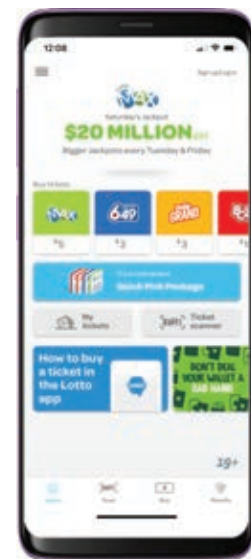
“To prepare, lotteries must plan a total website refocus,” he said. “The primary website purpose must transform from informational – a place for players to stay up-to-date on products and promotions, to eCommerce – becoming a lottery’s single largest source of sales. The most successful iLottery launches proactively embrace this challenge. Take a look at the Michigan Lottery’s homepage, for example. It is now, first and foremost, an eCommerce website with most of its purpose being direct, online sales of its games.”

As a game provider, Instant Win Gaming’s focus is singular – create games that are fun and drive revenue. Rhyddian also suggests looking to other states for suggestions “First time iLottery purchases are predominantly e-Instants, and new players need to be served games that are familiar and fun,” he said “Return visits, and therefore player retention, is heavily driven by the effectiveness of the e-Instant roadmap. Return players seek content

Business and technology partners are prepared to support their lottery operator clients to achieve ambitious goals. mkodo, a global app leader and part of the Pollard Banknote family of companies, is now aggressively supporting iLottery programs with the latest app technology, offering the same functionality as lotteries’ web sites.



SUE YOXAL, MKODO



APPS THAT BRIDGE THE ONLINE AND OFF-LINE PLAYER JOURNEY

These lottery veterans have certainly turned the adage “Those who do not learn from history are doomed to repeat it” on its head. They have created the history, learned from it, honed it, taught it to others, and are living the results. These actions have added hundreds of millions of dollars in much-needed revenue to state coffers. And it looks like the story of ever-increasing iLottery revenues will in fact be repeated for many years to come. ■

FROM ZERO TO \$100 BILLION

The Multi-State Lottery Association recently achieved a major milestone

34 years in the making – total sales of products facilitated by MUSL just crossed \$100 billion. The milestone coincided with the relocation of MUSL headquarters, which provided a flashback of Association history as staff packed up the office and sorted through 30-plus years of lottery archives. One item worth mentioning was a 1989 issue of Public Gaming International that featured MUSL's high-tech headquarters and its first draw game, Lotto*America. While there are many stark contrasts between MUSL then and now, there are also similar story lines between the two eras.

First, to give you a better idea of "high-tech" in 1989, the article highlighted how MUSL's four employees were able to save money on long-distance calls by sharing a building with AT&T, and directors were able to hook up to the office with personal computers to receive data on spreadsheets. Even more groundbreaking for the time, the building had a video teleconferencing center...

"With this feature, parties



can be seen and heard from different cities with the help of a bank of television cameras and monitors. The video conferencing is expensive, about \$300 per half hour but it's often cheaper than the airline tickets required to meet in person."

Fast-forward to today, MUSL staff has grown to 19 full-time employees, and the Association is once again in a state-of-the-art office space. The new headquarters was designed around one focal point – the MUSL draw room. The new draw room is roughly five times larger than the previous space, which has allowed MUSL to bring all its draw equipment, including its emergency draw machines, into one secure space for easy access. Visibility of draw operations has also increased with additional security cameras, an entire wall of glass and a viewing area for visitors.

"MUSL's draw operations have grown exponentially since the first Lotto*America drawing in 1988," said Sue E. Dooley, MUSL's Director of Draws and

Productions. "That first year we performed 47 drawings, since then MUSL has performed 35 thousand drawings."

Dooley along with MUSL Executive Director J. Bret Toyne were the among the Association's four

original employees when Lotto*America launched with seven participating lotteries: District of Columbia, Iowa, Kansas, Missouri, Oregon, Rhode Island and West Virginia. One year later, the Association revamped the game's format by changing the matrix, adding a second weekly drawing and adjusting the price point from \$1 per play to 2 plays for \$1. The result was an increased

Continued on page 50



Cover of PGRI Magazine from 1989 touting MUSL's new high-tech headquarters



Investing to Meet Evolving Player Needs



Derek Levesque, *Product Director IGT PlayDigital Lottery*

As North American lotteries advance efforts to offer eInstant games, IGT's new development program is set to deliver more entertainment to players and more returns to lotteries, with an expanded pipeline of innovative, high-performance PlayInstantWin games.

The onset of the pandemic last year brought increased consumer desire for contactless touch-points and remote play. The accompanying rise in lottery player registrations and engagement with eInstant lottery products resulted in a dramatic 89% YOY annual growth rate for the eInstant category in the U.S.

We expect this significant growth trend to continue in FY2021 as new behaviors become established and players continue to enjoy new forms of entertainment.

Of course, revenues to lotteries and returns to beneficiaries will grow along with the number of states offering eInstant. With growth comes the need to continue evolving the eInstant product, because player acquisition and retention will rely on offering ever-more dynamic games and engaging content across all categories of play.

IGT keeps **player acquisition and retention** at the forefront of the game development process. Knowing that every player has their own preferences when it comes to games, we do extensive research and analysis to ensure

that we are serving our lottery customers by satisfying the needs of their many local player segments in the U.S. and across the globe.

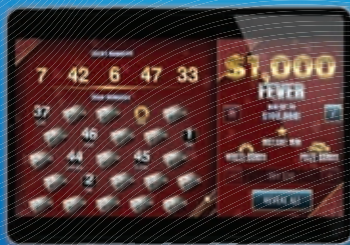
In this respect, eInstant (or instant win games) are an extremely interesting product

US eInstant Gross Gaming Revenue (GGR)



The U.S. lottery industry has seen a steady rise in new states adopting eInstant game sales since the product's 2014 introduction in Michigan and Georgia. Kentucky launched in 2016 and over the past 5 years, that list has grown to a total of eight jurisdictions — with the Rhode Island, Virginia, and Washington, D.C. lotteries being the newest.

Traditional Instant Style



Casual Play Style



Modern Play Style



PlayInstantWin games in the IGT portfolio include Cash Fever and Ruby 7s (left column); Juicy Loot and Little Green Men Warp Reactor (middle column); Riches Of The Runes and Tic-Tac Temple (right column).

concept, as they can encompass almost any game or play style. There are currently three main categories of instant win games to serve player preferences, all well-represented in IGT's eInstant portfolio, known as **PlayInstantWin games**.

- 1) **Traditional Instant Style** – Attractive to core lottery players, offering a traditional scratch-card style play experience, enhanced with additional digital features
- 2) **Casual Play Style** – Attractive to players who are seeking a longer play experience and who enjoy games like Candy Crush and solitaire.
- 3) **Modern Play Style** – Attractive to those who enjoy fast play games with non-traditional styles and mechanics, loaded with bonus features.

The new **IGT PlayInstantWin product pipeline** for the year ahead is aligned with the current market need to fulfill growing demand across these categories of eInstant play and more.

We are **ramping up our game design capabilities significantly** to develop twice as many **all-new titles** with **new play features** – and further, to build on the popularity of licenses like Wheel of Fortune® and create sequels to popular IGT titles.

A FOCUS ON GAME IDEAS AND QUALITY EXECUTION

IGT has launched initiatives on all fronts to anticipate future demand in the eInstant category. We are approaching our game development process in a totally new and exciting way in 2021. This new investment in developing innovative, quality game content will substantially increase both the number and variety of games in our portfolio to maximize the appeal to different players and drive customer sales.

We recognize the importance of offering innovative mechanics, prize structures, and game play. We are currently innovating in the **progressive jackpot space**, which offers players the excitement of watching the top prize grow as they play, and we expect this game to be a top performer in numerous jurisdictions by the end of the year.

Localized content is a key element of a lottery's conversion strategy, as well as a strong revenue driver. Some of our customers' most successful launches have come from aligning their retail and digital markets. We can combine IGT's vast experience in instant tickets with all our knowledge in

instant wins to uniquely assist customers in growing the sales of omnichannel games. For example, in a current omnichannel environment, IGT PlayInstantWin game developers translated the essence of a customer's retail game to a digital format and added uniquely digital game-play features to give the state's players an omnichannel experience that represents the recognizable lottery brand. We will continue to work with customers to create localized, omnichannel eInstant content to provide players with more ways to engage with their favorite brands – whether at retail or online.

IGT already provides an extensive number of digital games adapted from retail instant tickets. For example, The Kentucky Lottery's beloved scratch ticket, Wild 8's has an IGT PlayInstantWin companion game launching in March. And Kentucky is extending its retail draw-game brand, 5 Card Cash, with a new IGT PlayInstantWin game. IGT's omnichannel approach to game development is well established and we are now scheduled to print a retail instant ticket derived from an eInstant game for a cross-channel launch in Rhode Island this year. These types of **omnichannel strategies** have already shown significant success, allowing operators to capitalize on branding and marketing synergies.



The Kentucky Lottery is extending its retail draw-game brand, 5 Card Cash, with a new IGT PlayInstantWin game.



The scratch card Triple Platinum is an IGT example of a retail instant ticket derived from an elnstant game. The game will see a cross-channel launch in Rhode Island this year.

One of the largest benefits of digital lottery is the amount of data the channel provides, giving operators the ability to analyze game performance in extensive detail. IGT possesses substantial data sets, and we perform a rigorous data analytics process to analyze each global game launch. IGT analysts use both historical data and predictive analytics to understand how each of our games performs in any given jurisdiction, looking

at sales performance, average spend, player counts, demographic segmentation, and more. We then **use the digital game data to drive our game development and customer roadmaps**. Additionally, we leverage our extensive data on retail instant game performance to guide the development of PlayInstantWin themes and game styles to meet the demands of diverse demographics and player types.

AN APPROACH THAT IS FUTURE FORWARD, RESULTS DRIVEN

With consumers exhibiting high levels of trial and acceptance for new digital experiences during the pandemic, more lotteries are exploring entry into the digital space and using a variety of digital solutions to better serve new player needs. A diverse portfolio of eInstant products will play a central role in this effort as the convergence of retail and digital play continues.

Ultimately, IGT is working to ensure that all the PlayInstantWin games in our pipeline continue to deliver for customers across three key areas:

Players of eInstant games enjoy the ability to discover a game's secrets layer by layer as they play. They want to experience **new and more ways to win**, with multipliers, second-chance features, bonuses, progressive jackpots, and more.

Players also want games that are **more visually immersive** with appealing graphics, seasonality, animated transitions, and more winner celebration.

Finally, lottery operators want the ability to offer totally **new game mechanics** and **innovative game play** to **expand the player base and reach new demographics**. The portfolio's breadth and level of innovation will offer players exciting and interesting experiences they weren't expecting.

In addition to fulfilling these needs, we're continuing to build on our success offering customers expert advice in determining **what types of eInstant content is most likely to be successful in their jurisdiction** and streamlining the application of metrics to assist lotteries in their decision-making process.

As digital lottery advances, we look forward to working even more closely with customers to provide players with more of the games they love in the channels they prefer. ■

Contact your IGT Account Manager to learn more.



EL CONTINUES SERVICE-ORIENTATED MISSION TO MEMBERS

Back in September 2020 EL Secretary General Arjan van 't Veer highlighted the important mission EL continues to fulfil to serve its Members during a global health crisis. As the lottery sector and whole world slowly recover, The European Lotteries (EL) continue to position itself as a service-oriented Association for its Members.

From educational webinars and e-learning platforms to a new corporate identity, a lot has changed in a year since the start of the pandemic. Sitting behind our screens in the comfort of our own homes and logging into online meetings and events has become the norm. EL has adapted to this new reality in a professional way, providing continuous support to its Members as a valuable part of the service the Association provides.

E-LEARNING PLATFORM OFFERS MODULES FOR LOTTERY PROFESSIONALS

Launched in early 2020, the EL e-learning platform is freely accessible to all employees at EL Member Lotteries, giving everyone the opportunity to follow both general and lottery related modules. **A second CSR module is set for the Spring, delving deeper into how lotteries can implement a CSR strategy into their organisation.** Business modules and lottery specific

topics will follow throughout the year. A module on innovation strategies is being developed. By providing an online environment such as this, the important exchange of best practices and learning opportunities continue for EL Members.

EL VIRTUAL CORPORATE UNIVERSITY (ELVCU)

Like many other EL activities and services, the EL Corporate University (ELCU) went virtual with its Executive module in late November 2020 and the 2021 Induction module in early February. For four mornings participants joined together to learn about everything lottery related, where participants had the opportunity to forge new professional relationships with colleagues from the EL family.

The next virtual Induction module is set for 7-11 June.

RESPONSIBLE GAMING CERTIFICATION SET FOR ALL EL MEMBERS

EL has one of the strongest frameworks on Responsible Gaming in the sector. In recent months EL has set up a "buddy" scheme with RG/CSR experts from certified lotteries available to support non-certified lotteries in their certification process. **Following the success of the RG/CSR Worldwide Webinar Week last year, the next edition is planned for September.**

BUSY MONTHS AHEAD AS EL OUTLINES ITS WEBINAR PROGRAMME

In 2020, over 1,000 participants made up the attendance across two physical seminars at the start of the year and the following EL webinars throughout the year. Already over 250 participants have taken part in our three 2021 virtual events this year - Data & Research, ELVCU and Instant Games. We are set for some busy months ahead!

The series of Data and Research webinars supported by the dedicated EL Working Group take place throughout 2021 covering various lottery topics. The next edition on 23 March will focus on Artificial Intelligence. Another one is planned on the rejuvenation of DBGs (late May). EL's annual Sports Betting event with WLA will for the first time take place in a digital format on 25-26 March, taking stock of the challenges and opportunities from the pandemic. The all important EL/WLA Marketing Webinar is planned for 4-6 May. Finally, regarding its advocacy work, EL is planning relevant meetings to network and exchange ideas, such as on EU developments around the Digital Services Act (DSA),

gambling advertisement, e-privacy, AML, and illegal gambling.

The EL website (www.european-lotteries.org) gives full details of all upcoming events and has a useful 'keep me informed' function.

EL 2021 CONGRESS AND TRADE SHOW POSTPONED

With the uncertainty of the current situation, the EL Executive Committee took the difficult but wise decision to postpone the EL Congress and Trade Show to 2023. This year's EL General Assembly (for EL Members only) will take place in a simpler format than usual, with a short introductory programme including interesting keynotes planned for the original Congress.

The original theme 'Looking Forward' seems more relevant than ever as we look towards a slow but none the less, a road to recovery. Over the coming months we will seek to take stock of the most valuable lessons learned from the pandemic. For now, EL will continue to serve its Members in the best possible way (online) and provide all the necessary tools for the exchange of best practices and learning opportunities available. ■



Further information:

EL website: www.european-lotteries.org

Upcoming events:

<https://www.european-lotteries.org/events>

A Welcome Upside for Social Space Retailers

New Jersey's recent rollout of vending units in social spaces reveals how self-service can engage and support retail partners, drive incremental sales, and improve the player experience – even when least expected.



The pandemic upended plans for everyone in 2020, particularly the operators of social spaces, who have been operating at limited capacity throughout the past year.

But by harnessing the many advantages of self-service, the **New Jersey Lottery** was able to turn disruption into an opportunity to support the state's lottery retailers and players in ways that will continue to be beneficial even after the pandemic has receded.

For the past few years, the New Jersey Lottery has been focused on expanding Quick Draw, its version of keno, a monitor game drawn every four minutes that lends itself to play in social spaces.

As part of that effort, New Jersey had planned a major rollout in March 2020 of slimline **IGT GameTouch™ Draw vending units**, optimized for self-service sales in social environments.

The ensuing pandemic delayed the launch of the self-service units. Not only that, as was the case around the world, the related lockdowns and limitations on indoor activities took a toll on daily business for the state's bar and restaurant owners.

When the Lottery was eventually able to roll out the first wave of GameTouch Draw units in late September, the many advantages of the new machines were immediately evident to retailers.

From Downturn to Upside

• Adds Entertainment Options

Restaurants and bars that received the self-service machines could now offer patrons a whole new option for fun and entertainment when traditional offerings like karaoke and trivia were no longer possible.

• Removes a Major Barrier to Entry

Given that most establishments are still operating at reduced capacity, owners appreciate that the self-service units add revenue for their business without using staff to sell tickets.

• Supports Success

The Lottery's strong onboarding and promotional support familiarizes patrons with the machines and helps ensure the retailers' success over the long term.

Built to Ease Channel Expansion

IGT's **GameTouch™ Draw** self-service vending unit helps overcome a major **barrier to entry** with social-space retailers by offering **a new way to attract and entertain patrons without requiring staff to sell tickets.**

The machines were key to a successful strategy by the New Jersey Lottery to gain incremental sales, offer players new entertainment options, and support social-space retailers during the pandemic.



"The majority of owners of social spaces want the staff's main focus to be food and beverages, so a vending machine like the GameTouch Draw is also an exceptional tool to **help recruiters get new social spaces** and expand the lottery footprint," noted **Emilio Regis, IGT Sales Strategy and Planning Manager.**

Further Advantages

"Even with bars and restaurants at 25% capacity in New Jersey, the productivity from the new machines far exceeded our expectations," said **Adam Perlow, Vice President and Chief Operating Officer, Northstar New Jersey**, the Lottery operator.

The state's GameTouch machines sell not only Quick Draw but also the full range of in-state and multijurisdictional draw games. This variety provided another advantage when the large jackpots for Powerball and Mega Millions were rolling in early 2021.

"Whenever you have huge jackpot runs, vending plays an extremely important role," said Perlow. "In the weeks when the rolling Powerball and Mega Millions jackpots affected sales, the new GameTouch Draw machines were averaging **\$2,300 each per week, per machine.** And since these units were for the most part placed with new retailers coming into the network, **nearly all those sales were incremental.**

Self-service lottery is an attractive opportunity for social-space retailers to add entertainment for patrons and revenue to the business without relying on staff – especially when bars and restaurants are operating at reduced capacity.

What's more, ticket sales during the jackpot runs weren't limited to the GameTouch Draw units in bars and restaurants.

"The Lottery's GameTouch™ 28 self-service machines in Wawa, QuickChek, and other convenience stores were selling those tickets," said Perlow. "The GameTouch™ 20 units in Walmart were selling Powerball and Mega Millions tickets. **All those retailers benefitted as well.**"



Effective Retailer & Player Support

The Lottery also launched a successful **Ambassador program** to help onboard retailers and staff and familiarize players with the GameTouch Draw machines.

Explained **John Hodor, Vice President Sales, Northstar New Jersey**: "We have a group that recruits social-space retailers, and after the onset of the pandemic we created a separate group of Training and Promotions Representatives (TPR) with responsibility for onboarding them. When roll-out began, the TPR group trained



- Play all New Jersey Lottery Draw Games.
- Select your own numbers right on the screen, use a play slip, or play Quick Picks.
- Watch Quick Draw and CASH POP Drawings.



Quick Draw promotional materials from the New Jersey Lottery

not just the owners and the bartenders, they also went back to make sure the entire staff was trained."

The group created a questionnaire to determine the retailers' busiest shifts and was on-site to support retailers three or four times each week over a six-week period. An important piece of the puzzle was

helping players get acquainted with the new machines. To engage patrons, the Lottery ran promotional activities, including giveaways of small items with the Quick Draw logo. All the activities were planned and carried out in adherence to COVID best practices.

“Sometimes we held events outside the venues, which also helped to pique people’s interest,” explained Hodor. “We would share details of upcoming promotions through the Lottery’s VIP club and social media channels, and we got quite a following for the promotions.”

To promote winner awareness, the Lottery used a special picture frame with photographs of winners, and the marketing team promoted those on social media channels as well. “It’s a production,” Hodor noted with a laugh. “It’s a little more than a promotion. But we want to make sure we’re maximizing the opportunity. We really amped it up in terms of sharing our expertise and providing activities and training to create an atmosphere of fun and excitement.”

Going forward, as pandemic restrictions are lifted, the new GameTouch Draw machines will continue to offer advantages. “The restaurant and bar owners’ mindset is a little bit different today than it used to be,” observed Perlow. “They recognize that self-service gives them another opportunity to provide fun to players and income for their business. We’re sharing the success

stories with potential retailers, and we now have a solid template we can leverage for expansion not only in the current environment but what we perceive the environment will look like eight, 10, 12 months from now.”

There’s a lot of fun and excitement to be had, and **Northstar New Jersey is willing to share its process for onboarding retailers with interested lotteries.** Contact: Adam.Perlow@NSNJ.com

Bigger Sales at Big-Box Stores and More

Want to know how self-service is driving growth with large chain retailers? [Read more on the Lottery Blog at IGT.com.](#)

You can **hear much more about the new world of retail** when **Paul Riley, IGT Vice President Retail Innovations & Partnerships,** and **Adam Perlow, Vice President and Chief Operating Officer, Northstar New Jersey,** join other panelists for a discussion on the subject during the **PGRI Live conference, April 12-13.** ■

The family of IGT GameTouch™ self-service vending terminals provides the option for cashless transaction functionality with support for NFC-based payment systems such as Apple Pay and Google Pay.

IGT also provides sophisticated, protective tools across all distribution channels, such as optional age-verification technology to help ensure responsible growth for customers and responsible entertainment for players.



DIGITAL E-INSTANTS, ROADMAP TO SUCCESS



Rhydian Fisher, CEO,
Instant Win Gaming

Today, online sales of lottery games, a.k.a. iLottery, is available in eleven states. Of these, eight sell digital e-Instants. And, when it comes to engaging players online, the e-Instant category shoulders the lion's share of the responsibility. Typically, e-Instants represent 75% or more of a lottery's online gross profit.



No surprise, but proper e-Instant roadmap planning is central to acquiring and retaining iLottery players. IWG participates in the e-Instant planning process with more than 22 lotteries around the world, including ten here in North America. This year alone we will deliver more than 270 separate games to WLA/NASPL-member iLottery programs. We have learned a lot from our involvement on such a global basis.

First-time iLottery purchases are predominantly e-Instants, and these players need to be served games that they will perceive as familiar and fun.

Localized games can be one way to achieve this purpose. Case in point is the launch of e-Instants by the Virginia Lottery this past summer.

Back then, since the program was very new, we knew that most purchases would be made by first-time players. And, therefore we knew our Expander mechanic, a 'match three cluster' game that we customize specifically for each lottery market, would resonate with these mostly new players. Virginia Cash Expander, with its gold, silver and bronze Virginia Lottery logo symbols that activate the bonus round, was launched in early-August,

and quickly became the Lottery's top selling game.

To Virginians, Virginia Cash Expander just feels familiar, building off their already established trust of the Lottery brand.

This is exactly what was called for when engaging new e-Instant players in the Commonwealth.



As players mature, many gravitate to the most recently launched games, expecting these to offer them something new with fresh chances to win.

For this reason, lotteries release new e-Instants at least once every two weeks. This pace ensures that returning players regularly find brand new games to try. But, there's a lot of subtlety involved. Regular innovation in mechanics leads to strong retention and accelerating sales growth. However, merely reskinning a previously popular title with a new theme can easily fall short, and miss with player expectations.

We have seen this firsthand with our regular game releases. For example, last year, for the Pennsylvania Lottery, we launched a game called Big Diamond. This was a reskin of one of our familiar key number match mechanics. In fact, we had previously released this same mechanic in the form of a localized game called Pennsylvania Payout, which to this day is one of the most popular games in that market. The Big Diamond version combined a fresh new theme with an updated color pallet. But at the end of the day, it was a simple reskin, which players picked-up on. As a result, while the game launched with strong initial sales, it never really took off like a top performing game.

On the other hand, in February we launched our Jumble Tumble Jackpots™ game for the Pennsylvania Lottery. This game was built on our popular tumble mechanic, and it even shared its design with a previously launched game called Jungle Tumble™. But, Jumble Tumble Jackpots added the innovation of InstantJackpots™—which jackpot-enabled the game.

Adding the innovation of progressive jackpot prizing to a previously popular theme proved to be a successful formula.

A full month after launch, it remains among the top performing titles in Pennsylvania.

Of course, a lottery's player base is far more than just two segments; new and returning. They are a mix of many different types of players across many different stages of their customer lifecycle. And, the games that best resonate with first-time players are different from those that appeal to long-time players, with many different combinations and permutations in-between. For this reason, dynamic game menus will soon become the standard. New players will see

game choices in a different order than returning players. Players that show a preference for extended-style games will see game choices in a different order from those that commonly choose quick-style games. Personalization at this level will lead to the next major unlock of value in the already fast-growing e-Instant category. With this, game roadmap selection that plans for the many distinct player segments will take on an even greater level of importance.

ABOUT IWG

IWG is the world leader in supplying digital e-Instant and instant win games to WLA and NASPL-member lotteries. Each year, we deliver more than 270 new games to our global base of lottery customers. All games are available via our InstantRGS™ (remote game server).



INSTANT WIN GAMING

Want more information? Contact Rhydian Fisher, Instant Win Gaming CEO, at rhydian.fisher@instantwingaming.com



FAST FORWARDING RETAIL

Retail has been greatly challenged in the past years. From the shining, brand new online channel, from a generation mix that needs to be satisfied at the same time and now from a worldwide pandemic. It is high time we combined forces and provide solutions that will address wider and multi-level needs for our customers and for our players.



by Thomas Filippou,
Group Director Retail Transformation
INTRALOT

At a time of extraordinary changes, with people re-evaluating their priorities, businesses re-establishing their “status-quo” and a “new normal” trying to settle in, Transformation and Dispersion seem to be the key words for Retail in the post-COVID-19 era.

During this past year, a clear need for new distribution methods of products and services over wide areas - where they mostly needed - has risen. As retailers are struggling with implementing a digital transformation on their businesses

on one hand and the radically changing behavior of customers on the other, it is imperative that they should be at least able to distribute their Products & Services without friction and unnecessary cost. To achieve that, one should consider the digital technology evolution, a firm business model and the dramatic shifts in consumer behavior that took place during the last decade and especially in the pandemic period.

In the past few years, the retail market has been experiencing major disruptions due to strong competition from online retail, mobile e-commerce and the growth of digitally savvy X and Y generation shoppers who has formed a new shopping set of habits. CMOs find themselves struggling with digital transformation and look for the innovation in new solutions and experiences in order to keep their millennials close but their existing customer, even closer.

Every generation is shaped by

different sociocultural environments and life experiences and therefore has different preferences and attitudes towards products and services. Our marketers and engineers are prompted to respond with a different offering and customer experiences that will work well in the new environment and speak to the heart of five different generations (baby boomers, X,Y,Z and Alpha).

To approach and mitigate these generation challenges, the modern, fast-forward, data-driven, retail business model as well as customer happy-paths should be based in technologies like Artificial Intelligence, Contextual Computing, Facial & Voice Recognition, Internet of Things, Blockchain, Virtual/Augmented reality, Digital Wallets, Big Data & Predictive Analytics. All these new technologies and tools can give the lotteries the opportunity to identify the needs and preferences of players and offer them relevant products and services.

With that in mind, INTRALOT has looked deeper into the retail experience and the options of player touchpoint solutions that would transform and revitalize the playing sequence. Scan n' Play came as the answer to the lottery's need to uplift the player's experience, support omnichannel strategies and cater retailers towards achieving sustainability and profitability.

INTRALOT already held a fleet of retail terminals to cover the varying Lotteries' aspirations as they are the fruit of multi-year operational expertise around the globe, extensive research and development. Backed up by fully parametrical retail platforms, they constitute a valuable and future-proof offering, which reinforces Lotteries in securing continuous transformation of the retail channel and swiftly adjust their offering to match consumer expectations and serve the retailer expandability.

Scan n' Play came as a response to the post COVID-19 new retail reality and shifted the way player



interacted with retail altogether. The study of the new and different consumer needs per segment, our extensive operational knowledge and the in-field research led to the conception of a new purchasing journey specifically for retail locations that strengthens player loyalty, offers a sense of safety and control and appeals to younger audiences. These anonymous "Scan'nPlay - Touchless Journeys" allow customers who visit retail stores to purchase any lottery or sports betting game ticket in various ways with the use of their own mobile

intralot

phones. INTRALOT's "Scan'nPlay - Touchless Journey" for retail utilizes a smart mobile application that enables players to select any type of lottery game, view betting markets and odds, and build their selection slips digitally. When play selections are prepared, customers use their own mobile device for quick and easy play submission in the retail store and contactless or in-app payment.

This technology provides a hassle-free experience for players, while lotteries get access to priceless knowledge and insights that digitally transform the traditional retail environment to a fast forward data driven retailing. The post COVID-19 digital technology is dispersing the way we understand the players and overall, the gaming ecosystem, embarking on new journey experiences and revenue growth. INTRALOT is at the forefront, transforming, shaping, and driving this fast forward data driven digital retail future. ■

“INTRALOT's "Scan'nPlay - Touchless Journey" for retail utilizes a smart mobile application that enables players to select any type of lottery game, view betting markets and odds, and build their selection slips digitally.”

WHAT HAS 2020 TAUGHT US?

By Paul Lawson, Chief Technology Officer, Abacus Solutions International

STRESS-TESTING ENVIRONMENTS.

Being a CTO means you are always focused on ensuring systems and processes are able to perform across all possible circumstances. The global pandemic has certainly tested all of us over the past 12 months, creating a new set of unique strains - not just on the business but on staff too, everyone has had to adapt.

When I left school many years ago, I did not have a career in IT and technology in mind. I initially trained in mechanical engineering, working for a defence manufacturing company. Many of the initial engineering basics I learned during this time have carried over into my career in designing and building technical systems and processes. One of these engineering principles is that any system needs to perform not only under nominal conditions but also when it is placed under extreme stress and strain.

The global community has certainly been stress-tested over the past 12 months as the COVID-19 pandemic impacted large swathes of the economy in remarkable and

generally not very positive ways. There is not one company doing business today that has not been affected in one way or another by the virus and pretty much every sector is having to do things differently, with staff working from home, those who are in the workplace practising social distancing, supply chains being disrupted and demand falling off a cliff.

But few areas of the economy are experiencing bigger levels of shock and upset than retail, and when the virus is finally banished from our shores and things return to a new normal, there are several ways in which retail will probably be changed utterly and forever.

Retail was already moving towards offering more convenience to their customer base through online shopping, click and collect (or BOPIS), self-scan and self-service. The global pandemic has only accelerated this rate of change, and when the crisis eventually ends, how many customers will return to their old shopping habits of browsing and buying in-store, and what number will continue their new trend of buying via their phone, tablet or PC? Without question, the pace of change away from traditional shopping norms will be accelerated by the crisis and a reversal afterwards seems unlikely.

This change in retail has wide-reaching implications for the supply chain and the products that are traditionally sold through a brick-and-mortar environment, and this includes lottery products.

ALL YOUR EGGS IN ONE BASKET.

Draw-based and instant games are traditionally sold in a brick-and-mortar retail environment using a dedicated lottery terminal. Over the past twelve months, as retail modernisation programs move customers away from the traditional touch point, the rate of change has accelerated at a frightening pace due to the pandemic and lottery sales have seen a sharp decline in sales of traditional products.

Although initiatives such as the NASPL API in the USA started a recognition that this reliance on a single channel puts sales at risk, uptake has been slow. Relying on a single touch point to move product in retail is akin to putting all your eggs in one basket. Under extreme market stress which closed many retail outlets, there was limited opportunity for the customer to purchase the standard lottery product.

PROOF IS IN THE DATA.

In general, businesses that have survived and weathered the COVID-19 storm are those who have been able to adapt to the changes forced on them. They have also diversified across multiple channels to ensure they can reach as many of their customers as possible.

Let us consider a specific example to show how operating across a wider sales channel can help protect your business in times of crisis.

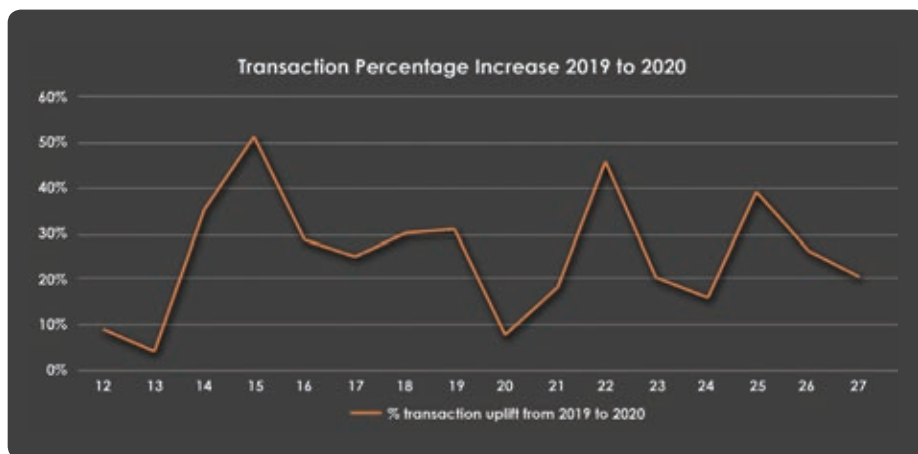
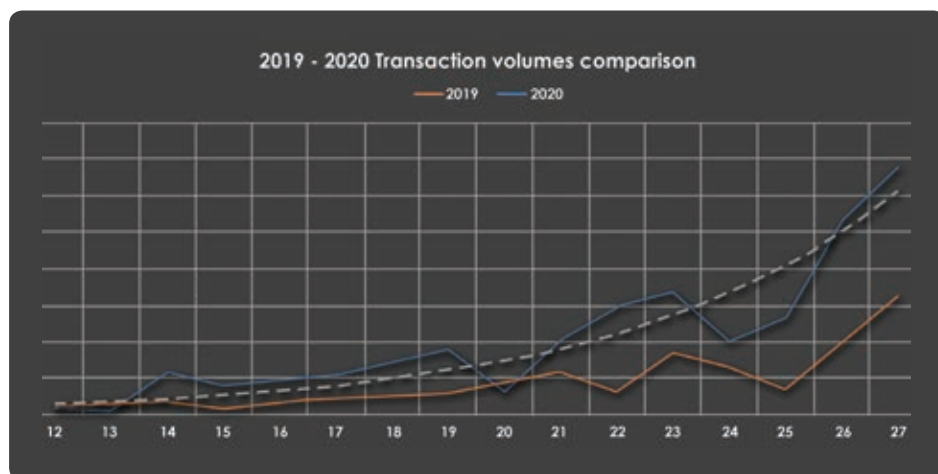
A major European lottery has been moving towards a more distributed sales channel for several years and utilise the Abacus platform which is connected to more than 30,000 points of sale (of which over 5000 are self-service or self-scan cash registers) across four large national retailers. One of the largest draws occurs on New Year's Eve and ticket sales always ramp up through the month in the lead-up to the draw.

However, in 2020 as December loomed, the country went back into a COVID lockdown, effectively closing many retailers overnight that would have sold lottery tickets through the traditional terminal network. This sudden and immediate loss of the retail network had a huge impact on the lottery business. Yet with around 60% of the terminal network offline, sales in 2020 went up by around 10% on the same period in the previous year.

This was achieved through diversifying sales channels and putting the product where customers shop the most. One of these channels was an in-lane program utilising the Abacus platform.

in sales. This trend continued through the whole month of December (with some days peaking at over 500% sales uplift on the same period in 2019). This increase in sales through the channel showed customers' appetite to continue to purchase their lottery tickets, and a willingness to embrace any sales channel that allowed them to do this.

tions through the in-lane and self-service channels, and whilst some of this increase can be attributed to the COVID-19 lockdown closing other channels, it is anticipated this trend will continue. Integration of the Abacus solution is a simple process for lottery and retailer alike. Abacus' fully managed service ensures that the heavy lifting of integrating the



As sales ramped up towards the Christmas period and the large New Year's Eve draw, Abacus started to see a more than 200% increase

A comparison of sales seen through the in-lane channel in 2019 and the same period in 2020 clearly shows a consistent increase of transac-

solution into both retail and lottery systems is carried out by the team at Abacus and ongoing support of the solution makes the lottery sales process transparent to all. Utilising a print on receipt style of delivery means there is no in-store collaborator required and there is no chance of running out of stock as a big draw approaches and sales really take off.

Drilling down into the sales data Abacus saw sales of tickets from more than 90% of connected self-service cash registers with sales figures increasing by more than 500% from 2019 to 2020. This trend in allowing a contactless sale of the lottery category to customers is one that has been anticipated by the industry and was borne out by the sales data as changes in customer behaviour and the ability to reduce interaction between customer and cashier continue to grow.

Market sectors was a surprising aspect to this data analysis. Abacus have enabled points of sale in both the grocery and drug store sector. It was interesting to see the largest volume of sales was achieved through cash registers enabled in drug stores. The reason for this increase was basically twofold. The lottery invested in marketing the product in the drug store chains, with clear presentation of the game vouchers at the service counter. This push in marketing the games made it easier for the customers to pick up the tickets. Also, as 60% of traditional lottery retailers were closed, this shifted customers towards the essential stores that did remain open, and the lottery picked up otherwise lost sales.

MARKETING IS KEY.

Anyone who is in sales recognises the need for marketing their product so that the customer knows it is there. In-lane sales of lottery products are no different. As part of the shift towards diversified sales channels in December, additional marketing was placed in store to inform customers that they could still buy lottery products in the run-up to the big draw date, even during a country-wide lock down.

Retailers are already pushing towards the self-service checkout solution in store to lower cost and improve service. Although this process has been accelerated due to COVID-19, the trend for consumers to use mobile and online functionality had already gained traction pre-pandemic. This trend also makes an in-store self-service solution increasingly acceptable to consumers. Lottery in general needs a shift in its traditional way of thinking towards this new opportunity. Specific marketing is needed to support this change in the lottery's customer journey.

The stores that actively marketed the in-lane product saw the largest increases in sales of any retailer connected to the Abacus system, with some stores seeing more than a 200% increase on the previous year.

REMOVE THE LOAD.

Another true test of a system is when the stress is removed, does it continue to perform under more normal conditions?

As we move into 2021, the stresses of the pandemic and various lock downs are still in place, however, the attraction of a large draw has been removed from the equation. The question is, has this return to a normal day to day sale of tickets impacted the in-lane program?

At Abacus we have seen more than a 50% increase of sales through the in-lane channel day on day through the month of January as customers continue to utilise the convenience and opportunity that is offered through the in-lane program. These figures prove the statement that as the acceleration and rate of change in retail continues, consumers are unlikely to revert to their old habits, and we expect this trend to become exponential.

WHAT DOES THE FUTURE HOLD?

As the rate of change across the retail ecosystem shows no sign of slowing, and the data bears out that it is unlikely to revert to its previous structure of reaching customers, businesses that rely on brick and mortar to sell their products must diversify to keep pace.

Abacus continues to add more games, services and flexibility to its platform. 2021



will see us open new markets and opportunities globally and continue to keep pace with the change we are all seeing not just in retail, but the global economy.

Validation and redemption of both draw-based and instant tickets through the retail ecosystem is ready to be deployed. Our existing self-service estate will continue to grow to keep pace with retail demand in this sector. Digital sales and delivery of products is now part of the Abacus portfolio of products and services. With new styles of games and services through mobile game play. The Abacus road map for 2021 will certainly keep us very busy as we continue to roll out diversified offerings to the market.

The question for operators and vendors alike is "can you afford not to have a diversified program that will protect your business if another crisis looms?" Abacus started as an in-lane provider but is now so much more! ■

** For clarity, the charts and figures detailed in this article were over the month of December 2020 on the run up to the New Year's Eve draw. The days over the Christmas period have been removed as all retail outlets were closed and therefore do not give a realistic representation of the trends.*

	Number of Stores	%increase (2019 - 2020)
National Retailer 1	943	145%
National Retailer 2	1011	225%
National Retailer 3	561	190%
National Retailer 4	224	235%

- Know that e-Instants are different than scratch tickets from a payout and launch timing perspective. A higher payout and more content are key! And remember that creating omnichannel games and promotions should be part of all vertical planning.
- For us, our iLottery requires monthly releases, which means being in a perpetual test cycle. Likely your current staff cannot support that. And testing means it needs to be done on mobile and desktop as well as different browsers.
- You can try to only use existing staff, but you may break them. Consider hiring people in each business unit to support iLottery.

One thing that New Hampshire quickly found out is that creating an iLottery program is like remodeling your house. When you fix up one room, you then need to update another room, then another, etc. “You are essentially doing everything you do for traditional lottery through the web/internet,” Kelley-Jaye said. “This means you need to evaluate everything, which can be cathartic, but it is a lot. From claims processes, forms, terms & conditions, FAQs, marketing, customer service, product/system enhancements, to game planning and launches, you are building a secondary system.”

“This is why roadmaps are important. Be realistic with what you can do at launch and then have a thoughtful plan to continuously roll out new enhancements and games.

SHANNON DeHAVEN

MICHIGAN

In the iLottery world, the Michigan Lottery can certainly be considered OG, social media slang for someone who has been around for a while. But don't call them “old school” because everything the lottery does is firmly rooted in the present with an eye towards the future.

Shannon DeHaven is one of the remaining pioneers who now oversees the operations as Deputy Director of Digital Operations. Remembering back to 2014 and the program's launch, she knew she was a part of something special. “When I joined the

Michigan Lottery in 2010, the michigan-lottery.com website had just launched and the lottery had procured a .com URL with the specific intent of eventually selling online,” said Shannon. “I knew in that moment that I was surrounded by visionaries and I was looking at an opportunity to be part of something amazing.”



SHANNON DeHAVEN
MICHIGAN LOTTERY

Fast forward to today, and the iLottery program in the Wolverine State is not slowing down. In fact, the Michigan Lottery was named Lottery Operator of the Year at the 2020 eGaming Review North America Awards. This award goes to the operator that demonstrates success in the lottery sector, with particular regard for growth and commercial success, innovation and differentiation, quality of product, brand and marketing. Among the judges' comments:

“Very impressive performance. Clearly many well-thought and well-executed innovations across payments, product and marketing ... Impressive growth and some great innovations around DBGs. Taking an innovative approach to the lottery experience with a focus on online ... A fantastic entry and covers everything you might expect.”

Honors like that reflect the work and planning the Michigan Lottery has invested in its program. The platform built more than six years ago still stands strong. “Right from the start, we focused heavily on building a great digital experience and customer database,” said Shannon. “Our early efforts included developing mobile apps, increasing traffic to the website and

learning how to communicate with players in a manner that kept them coming back. Some have called this “the space between,” but we like to think we were building a foundation.”

When the iLottery program launched in 2014, the lottery created a new digital division. The idea was to bring a different view to the iLottery business, separating it from the retail side of the organization. However, every business unit at the lottery was involved and contributed to the evolution of the iLottery program.

“When we looked at digital lotteries in the U.S. market, it was still a new space,” said Shannon. “There were no experts. As one of the first to launch iLottery, we wanted to foster a culture that would attract the best talent, talent that was o.k. with risk, that was eager to learn and learn fast. We wanted a data-driven, goal-orientated environment, that was also fun.”

The small group soon grew to ten people, and that group has swelled to a team of 20 digital employees. And success has followed. The Michigan Lottery was North America's first \$1 billion iLottery operator and finished FY2020 with more than \$1.9 billion in topline iLottery sales. The iLottery success has only helped the retail operations, with land-based retail increasing 150% since 2013, which is faster than the national U.S. average including non-iLottery states.

As you might imagine, Shannon is a most sought-after voice for lotteries researching iLottery. “If you're still in the phase of consideration, I would suggest placing your focus on the player's digital experience, with a mobile-first mindset and building your customer database so you have a starting point,” she said. “If it's coming soon, just brace yourself and build a support system. Don't be afraid to reach out to those of us who have been there. We have a small but strong iLottery community.”

One final thought from Shannon on the impact of iLottery on a lottery's staff: “If you're looking for a bonding activity for your lottery, launch an iLottery program!”



PULSE of the Industry

These news stories comprise a very small fraction of the gaming and lottery news stories posted every day to PublicGaming.com. Too, these stories are the highly edited short versions. You can visit our news website PublicGaming.com and access all of its departments for free, including search to read the full version of the articles. Sign up for our free e-newsletter by sending your e-mail address to sjason@publicgaming.com.

NORTH AMERICAN NEWS

RFP: Missouri Lottery Auditing Services

RFP: Ohio Lottery, Production & Management of a regularly scheduled Game Show

RFP: New Zealand Lotteries Commission (Lotto NZ) Bingo Platform and Games

RFP: New York Lottery Video Lottery Games

RFP: Connecticut Lottery - Multi-use 2nd Chance Drawing Platform and 2nd Chance Drawing Services

JOBS: California, Georgia, Louisiana, Massachusetts, Mississippi, Oklahoma, Texas, Wisconsin Lotteries

RFI: OLG Ontario Lottery & Gaming: We are seeking feedback on our discussion paper to help us establish a market for iGaming that is legal, competitive and safe. Today, most internet gaming (iGaming) happens on grey market websites that are unregulated; are without consumer protection; only have limited responsible gaming measures. Many players who access these sites are not aware that they are illegal in Ontario. We intend to establish a model for iGaming in Ontario that is legal, competitive, and safe. Birgitte Sand has been appointed as the Commercial Project Lead for iGaming.

Mississippi Lottery Corporation President Tom Shaheen to Retire End of June



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responsible gaming measures. Many players who access these sites are not aware that they are illegal in Ontario. We intend to establish a model for iGaming in Ontario that is legal, competitive, and safe. Birgitte Sand has been appointed as the Commercial Project Lead for iGaming.

IGT and Scientific Games Sign Cross-Licensing Agreement for Cashless Gaming Intellectual Property



Under the agreement, Scientific Games and IGT will be able to offer patented cashless gaming technologies from the companies' combined portfolios of casino management systems solutions to the U.S. gaming industry. By combining the strongest features of each Company's cashless gaming patent portfolio, IGT and Scientific Games are providing a solution for the gaming industry to quickly increase adoption of cashless technology. Through the agreement, each company will have immediate access to the other party's cashless gaming patents.

IGT PlaySports Retail and Mobile Technology Earns Critical Nevada State-Wide Regulatory Approval

With this approval, IGT's next-generation sports betting technology stack is approved for deployment throughout the State, enabling more casino operators and their players to benefit from the most widely used sports betting platform in the gaming industry.

IGT PlayDigital Announces Highly Successful Rollout of Wheel of Fortune® Megaways™ Slots Game

Wheel of Fortune Megaways first launched in

New Jersey, where the game set new performance records and drove significant player acquisition and retention for IGT's customers. Earlier this week, IGT also launched the game in approved jurisdictions throughout Europe, with additional go-lives planned for 2021 in online gaming jurisdictions around the world.

IGT's Kim Barker Lee Named to National Diversity Council's 2021 List of Top 100 Diversity Officers

IGT Expands World-Class Content and Hardware Footprint with Historical Racing Machine Deployments in Virginia

Through a distribution agreement with Exakta Systems, IGT is providing players at Peninsula Pacific Entertainment-owned gaming venues throughout Virginia with HRM-versions of their favorite IGT video slot themes such as Fortune Coin®, Solar Disc™ and Red Hot Tamales!® on the Company's proven Crystal-Curve® and CrystalDual® 27 cabinets. Virginia joins Kentucky as the second jurisdiction where IGT has deployed its HRMs.

IGT Adds Engaging iLottery Games to Kentucky Lottery Corporation's Portfolio via Four-Year Contract Extension

IGT has signed a four-year contract extension with the Kentucky Lottery Corporation to continue providing its iLottery platform and mobile app, and add engaging new IGT PlayLottery content to the Lottery's existing digital games portfolio. IGT PlayDigital will install its PlayRGS (remote game server) digital game delivery technology allowing the Lottery to expand its portfolio of Instant Play games with new game features and promotional capabilities. IGT will also add the Lottery's daily Pick 3 and Pick 4 draw games to Kentucky's iLottery lineup, as well as IGT's patented Cash Pop™ game.

IGT has extended its agreement with La Lotería Nacional para la Asistencia Pública ("LOTENAL"), Mexico's national lottery, to continue providing an integrated draw-based/instant ticket system, draw-based lottery terminals, a communications network, and additional lottery products and ongoing services.

The agreement, effective Dec. 20, 2020, extends IGT's contract with the lottery to March 2, 2022.

IGT Gains Exclusive Lottery Licensing Rights for Elvis Presley

Scientific Games adds Fremantle's global sensation SUPERMARKET SWEEP® to iconic TV game show brands in lottery portfolio



The iconic game show debuted on October 18, 2020 on ABC where it ranked as the network's highest-rated Sunday night series this season in adults 18-49. Scientific Games will bring SUPERMARKET SWEEP branded games to lottery players in the U.S. and Canada through its longstanding partnership with licensor Fremantle, helping lotteries create entertainment experiences that drive maximum proceeds for beneficiary programs. To support lottery games sold at retail and digitally, the brand lends itself to localized grocery store launch events as well as Scientific Games' popular WAREHOUSE DASH™ second-chance promotion where winners run through a warehouse and grab as much merchandise as they can in under 60 seconds.

INTRALOT announces the sale of its stake in Intralot de Peru and the extension of its gaming technology contract



INTRALOT announces that it has reached a binding agreement with Nexus Group in Peru to sell its entire stake of 20% in Intralot de Peru SA, an associate of INTRALOT Group, which is consolidated through the Equity method, for a cash consideration of US\$21million. In addition, the Company has signed a three-year extension of its current

contract with Intralot de Peru SA through 2024, to continue to provide its gaming technology and support services.

Don't Ms. Out! Ms.PAC-MAN® Re-Joins Pollard Banknote's Licensed Brand Portfolio

Ms.PAC-MAN®, the iconic pop-culture powerhouse, has re-joined the portfolio of Pollard Banknote Limited licensed properties. Under license from BANDAI NAMCO Entertainment America Inc., Ms.PAC-MAN® fits seamlessly into Pollard Banknote's Retro Collection – an ever-growing and diversified selection of recognizable retro brands including PAC-MAN®, GALAGA™, and DIG DUG™.

Pollard Banknote Awarded Contract Extension From Loto-Québec



Pollard Banknote Limited's instant ticket games and related services contract with Loto-Québec ("Lottery") has been extended to January 31, 2022.

America's Got Talent Joins Pollard Banknote's Portfolio of Licensed Brands

A global phenomenon that welcomes acts of any age and any talent, America's Got Talent has aired in more than 180 territories worldwide, while the overall Got Talent format is recognized by Guinness World Records as the Most Successful Reality Television Format in history. America's Got Talent is also the most-watched summer reality series for the past 15 years. The unrivaled popularity of America's Got Talent makes for a compelling tie-in with instant games. The newest addition to Pollard Banknote's suite of licensed brands will provide lottery clients with the opportunity to introduce new and exciting instant games featuring an influential TV show that is bound to generate buzz among players throughout North America.

Pollard Banknote" has been granted a one-year extension to its instant ticket games and related services contract by the Michigan Lottery. The agreement will continue to through December 31, 2021.

NeoPollard Interactive iLottery partners, including the Michigan, Virginia, New Hampshire, and North Carolina Education Lotteries, achieved topline sales totaling a

collective \$2 billion in FY2020. These lotteries grew topline sales by a remarkable 89% from the previous fiscal year.

Virginia Lottery Board approves initial casino gaming regulations, sports betting moves forward



The Virginia Lottery Board announced the formal approval of initial regulations on casino gaming in the Commonwealth as well as providing an update on the recent launch of mobile sports betting. The Virginia Lottery and its Board were assigned the casinos, licensing, and regulation of mobile sports in the 2020 General Assembly session. As for casinos, the approved emergency regulations apply to proposed land-based casinos in Bristol, Danville, Norfolk, and Portsmouth — which were endorsed by voters in those localities in the November 2020 elections. A fifth casino in Richmond has also been proposed and is pending a public referendum in November 2021. The next steps include the Lottery refining regulations including an opportunity for public and stakeholder participation.

IN MEMORIAM: Maj. Peter O'Connell, Rhode Island's first Lottery director

Atlantic Lottery Board appoints Patrick Daigle as interim CEO

Daigle began his Atlantic Lottery career in 1997, and recently served as Chief Financial Officer. Daigle's official start date is Feb. 8, 2021. Chris Keever, who has served as President and CEO since April 2020, is resigning to return to the private sector.

Bill to establish state lottery in Hawaii passes first hurdle in a long, uphill battle

Team USA and EquiLottery Games have entered into an agreement for the development and deployment of Team USA state lottery games based on the results of Olympic Games competition.

Gaming Laboratories International (GLI®) Launches New Illuminating

Conversations Streaming Series

What do the gaming industry's top influencers and thought-leaders believe lies ahead? Get the inside view as Gaming Laboratories International (GLI) puts trailblazers in the spotlight in its new streaming series, Illuminating Conversations.

Hosted by GLI President/CEO James Maida, Illuminating Conversations is a monthly series of thought-provoking dialogs available on-demand at www.gaminglabs.com/illuminatingconversations. "This is a time of significant change in the gaming industry and the world at large. We created the Illuminating Conversations series to bring gaming's most innovative, ingenious and prescient leaders together for a discussion of what's working now, what lies ahead in the near and distant future, and how we can work together to make the industry even better," Maida said. "The series is meant to be informative and thought-provoking; we've been working hard to dig for deeper insights and fresh perspectives that we think will really be helpful to those in the industry."

Las Vegas Sands Corp, founded by late casino mogul Sheldon Adelson, will sell its Vegas properties for \$6.25 billion, exiting the U.S. gambling hot spot after three decades to focus on Asia, home to the world's largest gambling hub, Macau.

The Massachusetts State Lottery increases its net profit projection for the 2021 fiscal year from \$940 million to \$985 million.

The Virginia Lottery raked in \$436 million from online lottery games between their July 1, 2020, launch and the end of February, making up 21.8% of the state lottery's total \$2 billion revenue during that period.

Arkansas Scholarship Lottery is launching Szrek2Solutions' Automated Trusted Draw Solution

The Arkansas Scholarship Lottery (ASL) is launching Szrek's Trusted Draw 360 Electronic Draw Solution. Trusted Draw 360 will provide automated random number generation for ASL's main lottery games, including Cash3, Cash4, and the Natural State Jackpot lotto game. The Lottery has selected an automated draw solution from Szrek, due to its reliability and security. Lottery Director Eric Hagler says, "The Arkansas Scholarship Lottery executive team saw a distinct benefit in moving to an automated draw system. We selected Szrek2Solutions as our vendor due to their significant experience with such systems."

Inspired Entertainment launches Gimme Gold Megaways™, a classic, prospector-themed Megaways™ title that gives players up to 117,649 ways to win.

Dover Downs owner Bally's agrees to buy UK online gaming company for \$2.7 billion

Dover Downs owner Bally's Corporation and UK-based Gamesys Group plc announced that they had reached an agreement in principle calling for Bally's to acquire the online gaming company.

Caesars names 60 insurers it says are rejecting its claims to recoup losses under about \$3.4 billion in insurance policies

Casino giant Caesars Entertainment Inc. is putting its losses caused by the coronavirus pandemic in 2020 at more than \$2 billion, and is suing a long list of insurance carriers it accuses of balking at paying its business interruption costs.

SPORTS BETTING IN THE U.S.

Sports gambling has soared during the pandemic and continues to climb

Gamblers placed \$4.3 billion in bets on Super Bowl LV, marking "the largest single-event legal handle in American sports betting history," the American Gaming Association (AGA) estimated. In sports betting, a "handle" refers to the total amount of money wagered by bettors. About 7.6 million people placed bets on the game through platforms like FanDuel and DraftKings, a 63% increase from 2020. Meanwhile, more than 47 million Americans have placed bets on March Madness, the association said. The number of online bets on the tournament has tripled since 2019. Two trends are driving this growth, experts say. First, more states are legalizing sports betting. Second, online sportsbooks have become more popular during the coronavirus pandemic which has forced hundreds of millions of people to remain at home.

National Council on Problem Gambling (NCPG) issues report called "Recommendations on Partnerships Between Higher Education Academic Institutions and Sports Betting Operators."

The Plan to Bring Sports Gambling to the Futures Market

Canada: Single-Event Sports Betting Bill Could Make Way for More Global Markets

Sports fans across the nation in Canada rang out with joy at the announcement of the House of Commons passing of Bill C-218, potentially putting an end to a decades-long prohibition on single-event sports betting.

Wynn to add podcast studio in Las Vegas

The new deal will seek to prove Wynn Resort's sports betting business on Blue Wire podcasts and a new branded podcast called WynnBet. They began promoting the podcast studio during NCAA's March Madness with an official opening expected this summer. Wynn Resorts is making a \$3.5 million investment in the sports podcasting network Blue Wire in a deal that will see a podcast recording studio added to the Wynn Las Vegas lobby. The new partnership will also look to prove Wynn Resort's sports betting business on Blue Wire podcasts and a new branded podcast called WynnBet, The Verge reports.

Connecticut Authorizes Sports Betting and iGaming at Mohegan Sun, Foxwoods in Legislation

Connecticut Gov. Ned Lamont announced today that the Mohegan Tribe's Class III gaming compact has been amended to include revenue-sharing details for online gambling and retail and mobile sports betting. Gross gaming revenue online generated by the tribe will be subject to a 20 percent tax, while 13.75 percent of sports betting wins will be directed to the state. The amendment is effective for 10 years and includes an optional five-year extension.

UK Gambling Commission Suspension of licence - BetIndex Limited

The UK Gambling Commission, the public body which regulates the country's gambling industry, has suspended the licence of Football Index, a "virtual stockmarket" which has come under increasing fire after a week of chaos.

The company had become ubiquitous in the world of football with adverts on podcasts, TV and even on QPR and Nottingham Forest shirts. It offers trading on "shares" in virtual footballers, with the prospect of making money if players rise in value or earn "dividends". Last week the company announced big changes which meant the share price crashed, meaning users lost big sums of money, some in the tens of thousands. It is now in administration and its operating licence is suspended. The Athletic published a lengthy account this week on the struggles of the company likened to a 'Ponzi scheme'.

Debate over new Maryland sports gambling industry enters final stages

As the Maryland General Assembly enters its final stretch, lawmakers are still working out the details of a new sports gambling industry in the state. A bill setting up an industry with a combination of in-person and online betting cleared the House of Delegates and is now in the hands of a Senate committee, which heard pleas Thursday from businesses that want to be included in the plans. Maryland voters overwhelmingly approved legalizing betting on sports during last fall's general election.

WORLD NEWS

Great Britain Gambling Commission introduces stronger regulations for online slots games

Measures that will "strengthen the protections and controls for those who gamble through online slots games" were announced by the Great Britain Gambling Commission on Tuesday. The changes are intended to make online games "safer by design," with the Commission focusing on online slot games since these have the highest average losses per player of online gambling products, with the average player losing £67 per month.

The changes, which follow a consultation by the Commission, include bans on:

Features that speed up play or give the illusion of control over the outcome

Slot spin speeds faster than 2.5 seconds; Sounds and imagery which give the illusion of a win when the return is in fact equal to, or below, stake.

The amount of money being staked on illegal gambling websites doubles to £2.8 billion (USD 3.8B) in the last year in the UK

The report released by PwC Thursday says the proportion of UK online gamblers using an unlicensed operator grew from 2.2% to 4.5% in the last 1-2 years. The amount of money being staked on illegal gambling websites doubled to £2.8 billion (USD 3.8B) in the last year in the UK, according to new research released by PwC on Thursday. Nearly 460,000 people are using unlicensed betting websites, up from 210,000 two years ago.

La Française des Jeux: 2020 Results Preserved Despite the Impact of the Health Crisis

After the significant impact of the health crisis on the first half, which saw stakes fall by 18%, the gradual recovery during the summer continued throughout the second half, with an increase of 3%. Over the year, FDJ recorded €16 billion in stakes, a decline of 7% compared with 2019. Strategic digital investment has en-

abled the growth acceleration of online stakes, to almost 10% of total stakes.

Stéphane Pallez, Chairwoman and Chief Executive Officer of FDJ group, said: "2020 was an unprecedented and contrasted year during which FDJ demonstrated resilience and solidarity. The health crisis had a particularly strong impact on our business in the first half. But the recovery in the second half, combined with the Group's responsiveness and relevant digital strategy, enabled us to preserve our performance and annual results. I would like to thank our employees for their commitment, and to renew our support for our network of retailers, some of which have been severely impacted. As 2021 gets started, while uncertainties persist, the Group remains confident in its prospects for sustainable growth, consistent

Pollard Banknote subsidiary, Next Generation Lotteries has signed a five-year contract with Denmark's Landbrugslotteriet ("Lottery")

Under this agreement, NGL will deliver its Player Account Management solution, Lottery Platform, retail solution, and Class Lottery raffle through a cloud-based installation to the Lottery. The solution NGL will provide uses a Software as a Service (SaaS) delivery model, which offers greater flexibility, reduced costs and a shorter time to market. This contract makes Landbrugslotteriet is NGL's second customer in Denmark as it currently provides eInstant game content to Danske Spil.

EL welcomes ESA statement on de-prioritising gambling complaints



**THE EUROPEAN
LOTTERIES**
FOR THE BENEFIT OF SOCIETY

The European Lotteries (EL) welcome a recent statement by the EFTA Surveillance Authority (ESA), to give a lower priority to gambling complaints as they are considered a matter for the national courts. The ESA, which has worked on a number of gambling-related cases over the years such as previous interventions on issues such as Norway's right to maintain a monopoly on gaming machines, will no longer consider it a priority to use its infringement powers to promote a single market for gambling. The European Commission took a similar approach back in 2017.

According to the official ESA statement, the EFTA Court, and the Court of Justice of the EU (CJEU) have "repeatedly recognised EEA States' considerable margin of appreciation to restrict gambling services when pursuing legitimate public interest objectives such as the protection of minors, the fight against gambling addiction, and to combat irregularities and fraud". Gambling complaints would be instead handled more efficiently by national courts when facing problems with EEA law in the gambling sector.

EL continues to call for the support of national gambling policies through the principle of subsidiarity, sustain the current widespread model of national lotteries in Europe and safeguard the benefits of national lotteries for society.

Hungarian state lottery company aims to expand abroad

State-owned lottery company Szerencsejáték has the know-how and the capital to weigh an expansion abroad. CEO Gábor Czepek said that Szerencsejáték could consider entering the "less-risky" business of online sports betting on foreign markets that "have a culture similar to the market in Hungary".

Finland: Veikkaus' profit fell significantly due to the coronavirus epidemic

The UK Gambling Commission (UKGC) has fined online casino and sportsbook operator Casumo £6 million (US\$8.28 million) for social responsibility and anti-money laundering failures.

German State Treaty ratified by 13 Länder

Germany's new, expanded regulatory framework for gambling moved closer to implementation, after the state parliaments in Schleswig-Holstein and Sachsen ratified the treaty. Approval from the state legislatures mean that 13 of the country's 16 federal states have now ratified the Glücksspielneuregulierungstaatsvertrag (GlüNeuRSv), according to the Deutscher Sportwettenverband's tracker. It required approval from at least 13 to be implemented, per Article 3 of the legislation.

WLA Remaining on a path of continuous improvement

The WLA is dedicated to continuously improving the products and services it offers to the WLA membership. In keeping with this theme, we are pleased to announce several measures taken recently to strengthen the WLA's position as the industry-leading body representing the interests of the state-regulated lottery and sports betting sector.

The WLA moved its headquarters from Basel, Switzerland to Lausanne, Switzerland in May of last year. Parallel to the move to Lausanne we have been working on refreshing the WLA's corporate design. In November of last year we began with the redesign of the WLA logo. After considering various ideas we settled on a design proposal by the Buntin Group, a brand identity agency from Nashville, Tennessee, USA. With regards to solidifying the WLA's corporate identity, one of the first measures we have

undertaken is to redesign the WLA website. The new website boasts a modern, mobile-friendly, content-rich design, which we hope you will find both intuitive and comfortable to use.

The revamped website has been re-built from the ground up on a new platform. As a result, we kindly ask that you re-register for the website if you wish to have access to the member section. For questions concerning website registration and member section access, please contact Matthew Spinks at matthew.spinks@world-lotteries.org.

One noteworthy addition to the website is a rubric dedicated to good causes: it is

EL Webinar highlights fast growing world of Instant Games

Hosted by EL Member Mifal Hapais (Israel), the Webinar gathering almost 200 participants, was the second in a series devoted to the fast growing world of Instant games, both e-instants and paper instants.

Lottoland considering stock market float at over £1bn

Online gambling company Lottoland is reportedly considering a stock market float at over £1bn (\$1.4bn). The firm - set up in 2013 by German entrepreneur David Von Rosen - is working with investment bank Peel Hunt on a potential London listing. The company is also weighing up a merger with a Special Purpose Acquisition Company (SPAC) as a way of gaining a public exchange listing.

Lottoland launched in the UK in 2016, with the launch fronted by former Who Wants to Be a Millionaire? host Chris Tarrant.

Lottery.com Enters Binding Agreement to Acquire Mexican Lotto Companies JuegaLotto and Aganar

Lottery.com, a leading platform that allows users to play the lottery online, has entered into a binding agreement to acquire Mexican lottery companies JuegaLotto and Aganar to expand its operations to Mexico and throughout Latin America.

Latin America's estimated lottery market is approximately \$9.8 billion across 26 countries. The addressable market in the countries that JuegaLotto and Aganar cover includes 652 mil-

lion people and potential customers.

Macau records highest daily and weekly visitor arrivals since start of COVID-19 pandemic

The week also began with a 14-month high of 32,016 on Saturday 20 March, then ended with a new high of 32,647 on Friday 26 March.

OPAP S.A. Regulatory announcement regarding total share capital and voting rights in OPAP

SAZKA Entertainment AG, a company established under the laws of Switzerland, which is ultimately controlled by VALEA FOUNDATION (as KKCG AG holds all ordinary shares and voting rights in SAZKA Entertainment AG), on 17 March 2021 became 100% shareholder of SAZKA Group a.s. This transfer of the shares and voting rights in SAZKA Group a.s. did not result in a change to the total number of shares and voting rights in OPAP S.A. ("OPAP") indirectly controlled by VALEA FOUNDATION and the entities controlled by, and acting in concert with, VALEA FOUNDATION.

MUSL News continued

interest from players that sent Lotto*America sales and jackpots soaring. Just months after the change, Lotto*America achieved a \$39.9 million jackpot that attracted additional lotteries to join the Association.

"The multi-state concept was still fairly novel at the time for a jackpot game," said Toyne. "But one of the biggest benefits member lotteries initially noted was the sales boost that a record jackpot could have on other lottery products. Participating lotteries still experience increased sales of other games when the Powerball jackpot is high."

Today, MUSL has grown to 38 member lotteries and 10 licensee lotteries, with game sales reaching \$4.9 billion in Fiscal Year 2020 compared to \$125 million in Fiscal Year 1989. The Association is again at a crossroads with its flagship product,

Powerball®. Powerball set a world record jackpot of \$1.586 billion in January 2016, but since then, the game has faced several challenges including jackpot fatigue and sales that were impacted particularly hard by the pandemic. In response, MUSL held weekly information sessions last fall for lottery directors and staff to detail Powerball's status and options moving forward.

"With 38 member lotteries, we wanted to be transparent about the different courses of action available and show why sticking with the status quo may not be in the group's best interest," said May Scheve Reardon, Powerball Product Group Chair and Missouri Lottery Executive Director. "The good news is we have some tremendous opportunities for Powerball this year that will create a lot

of buzz in the market."

In addition, MUSL is working to leverage the Powerball brand with several irons in the fire including a new Powerball Promotional Request for Information that will hopefully lead to new brand partnerships, a third installment of the Powerball First Millionaire of the Year® promotion on the ABC broadcast of Dick Clark's New Year's Rockin' Eve with Ryan Seacrest, and talks continue to progress on potential licensing opportunities for the Powerball brand.

The Association is also assessing itself as an organization through a series of strategic planning sessions which have gone virtual this year. MUSL began the strategic planning process back in 2017 and has revisited its plan every two years to

gather critical input from its Board of Directors. The sessions provide the Board an opportunity to evaluate whether the organization is living up to its core values and to ensure resources are in sync with its short and long-term priorities.

"As a collective group, the expertise and talent among member lotteries and MUSL staff is continuously identified as one of our top strengths," said Sarah M. Taylor, MUSL Board President and Hoosier Lottery Executive Director. "It's that combined brain power over three decades that's helped us achieve \$100 billion in sales. Considering how much its grown and evolved over the years, MUSL remains committed to meeting the needs of its members and supporting their individual lottery missions." ■

PGRI LIVE! 2021

PGRI's digital platform is where the audience of thousands of industry professionals convene to forge new pathways that enable us to stay connected, share ideas and best-practices, and preserve our feeling of community. Let's take this opportunity to transform for a new age, a digital era rich with tools for collaboration, communication, and interaction. This is a time for aspirational goals to inspire us to stretch the boundaries for what can be accomplished, invent entirely new ways to change the world, and embark on a journey fueled by vision-driven momentum to meet the future head-on ... with gusto, confidence, and actionable strategies.

Join us for PGRI Live!

Join us for PGRI Live! Four events, each being 5 hours in total length, and scheduled for 1:00 pm to 3:30 pm. EST over two days:

April 12 & 13:

Retail Modernization
2021, the year that Traditional Lottery consolidates its position as the game of the people, and the growth-leader of the games-of-chance industry

May 19 & 20:

Digital Lottery 2021, Optimizing the Digital Connection that is transforming the industry for the benefit of Lottery stakeholders

June 16 & 17:

WILL (Women in Lottery Leadership), Diversity and Inclusion and Mentorship drive increased productivity, performance, and results

August 18 & 19:

Sports Betting and Lottery, a Special Friendship, A Journey into the Omni-Gaming Environment of the Future

Join us for our first in-person event in eighteen months!

PGRI Lottery Expo

Co-Host Tennessee Education Lottery Corporation

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