# LEADING IN TURBULENT TIMES

## Andreas Kötter

**Chief Executive Officer, WestLotto, Germany**
**Chairman of the Eurojackpot Lottery Cooperation**

## Also Featuring Interviews with …

**Randy Spielman**
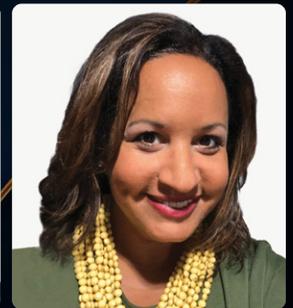North Carolina
Education Lottery

**Pat McHugh**
Scientific Games

**Chris Shaban**
Aristocrat Interactive

**Renato Ascoli**
IGT

**Melissa Pursley**
IGT

# LETTER FROM THE CEO

To our valued clients and partners,

Our journey together has always been defined by a shared commitment to go further – beyond expectations, beyond borders, and never settling for "good enough." With the momentum we've built this year, I'm excited to set a fresh pace for the future. Whether you've partnered with us for decades or are just beginning your journey with GLI, thank you for your trust. After 35 years, it's incredible to say – we're just getting started.

Our focus remains, as it has since the beginning, on accelerating your time to market and getting it right the first time. With over 40 seasoned professionals averaging 15 years at GLI, our senior global management team delivers unmatched depth and expertise to clients worldwide. Since August, we've welcomed 140 new team members globally, adding to our 1,400 professionals, with plans to hire 140 more in early 2025. These seasoned leaders are shaping the next generation, instilling GLI's legacy of core values while embracing modernization and new technologies. This ensures we deliver on time, on budget, and with the unmatched quality for which we're known.

Backed by a global Quality Management System and growing teams, we're committed to delivering secure, consistent testing for all – regardless of your business size or location. Our cybersecurity services, now a core division of GLI, provide a seamless, one-stop solution for advanced platform security alongside the compliance expertise you rely on. As technology evolves, integrity remains our compass, ensuring we lead the way in setting and raising industry standards. I'm proud to share that our Gaming Security Framework (GSF), the first industrywide cybersecurity standard, has seen widespread adoption.

I look forward to connecting with many of you at ICE in Barcelona and again at our 2025 Regulators Roundtable in Las Vegas, April 16-17. We're on track for record-breaking attendance, with regulatory experts worldwide joining our annual networking reception – an unmatched space for regulators and suppliers to exchange insights. As the largest regulatory event globally, we look forward to welcoming new faces alongside our longstanding regulatory partners.

This past year, we've strengthened our connections with you – logging nearly 750 flights, countless miles, and over 1,500 hotel nights. Each visit has been a privilege – reconnecting with familiar faces, meeting new ones, and witnessing the innovation driving our industry forward. These conversations remind me of the gaming industry's tremendous progress and GLI's role in pushing boundaries alongside you.

As we move forward together, we're committed to breaking boundaries while maintaining the world-class quality that defines GLI. Thank you for letting us be part of your journey and here's to turning today's goals into tomorrow's milestones. I look forward to seeing you somewhere on the globe.

James Maida



"When we exceed your goals, that's how we know we're on the right track"

GLI

gaminglabs.com

# CONTENTS

**PGRI PUBLIC GAMING INTERNATIONAL**

## FEATURED INTERVIEWS

Driving

# Lottery Digital Transformation

with flexible, reliable, secure solutions and systems.

**ıntralot**

# FEATURED ARTICLES

# DEPARTMENTS

# ~40

## Systems Implementations and Conversions Since 2016

No other lottery technology partner has more worldwide conversion experience or success. Since 2016, lotteries have trusted us to complete ~40 systems implementations and conversions, including 10 from legacy suppliers with two more underway.

Our expertise and collaborative approach ensure a seamless transition for lotteries, retailers and players. It's why Scientific Games is the industry's trusted choice for lottery systems.

*THIS IS THE*
## *Science Inside*

**SG**
**SCIENTIFIC GAMES**

**ScientificGames.com**

# From the Publisher

The theme of **Smart-Tech Fort Lauderdale** is ***What causes the modern consumer to choose lottery over other recreational games-of-chance?***  A corollary to that: How might we tap into the overstory to recreational gaming, gambling, and lottery?  See **PublicGaming.org** for more information and conference updates.  You can always visit our main news website **PublicGaming.com** for access to any of PGRI's informational resources.  Thank you for your support – and best wishes for a prosperous and healthy 2025! Let's continue to strive to make a difference.

## What's our Overstory?

The genius of Malcom Gladwell is how he applies the science used to understand bio-physical phenomena to explain the psychology and sociology of human behavior and cultural/sociological trends.  For instance, in *The Tipping Point* (his first book, written twenty-five years ago), he applies the science of epidemiology (how infectious diseases spread) to the way ideas spread, the way cultural trends take hold, and the ways that societal mores and attitudes evolve.  One of the main insights of this book is that change rarely happens in a steadily climbing progression.  More often, **just like a pandemic, the progression of an idea or trend starts slow and stays slow until it hits the proverbial tipping-point at which time it explodes.**  For instance, there were a small number of super-spreader events (a technology conference in Boston, some big sporting events, MardiGras, etc.) in the U.S. in late February of 2020 that turned COVID-19 into an out-of-control global pandemic.

Jumping over to the realm of ideas and public sentiment: The Viet Cong TET offensive is usually identified as the tipping-point that turned public opinion against the Vietnam war. COVID-19 was a tipping-point for the decline of going to movie theatres, and the pop phenomenon of Barbenheimer the tipping-point event for the return to theatres.  COVID-19 is also the tipping point catalyst for the dramatic increase in social media usage, especially TikToc, because people needed something to do with all the time we had to play on our Mobile devices.  The closing of casinos could perhaps qualify as a minor tipping-point to cause consumers to turn to lottery and cause

lottery sales to spike.  Angry Birds and the Apple App Store were a tipping-point for Mobile Gaming.  The U.S. Supreme Court overturning of PASPA in 2018 was the tipping-point that presaged the explosion of sports betting in the U.S.

This whole Gladwellian narrative gets much more interesting with the introduction of *overstory* in his most recent book *Revenge of the Tipping Point.*  The term "overstory" was first used to describe the uppermost layer of trees that form a dense overhead canopy in tropical rainforests.  Studying the life-forms that reside on the floor of the rainforest is not very productive without understanding the effects of this dense upper canopy that absorbs over 90% of the sunlight. Reconstituting the way humidity and sunlight combine to produce photosynthesis for everything beneath it means that everything that happens on the ground is determined by what happens far above the ground, in that canopy of treetop cover. **Likewise, the understanding of specific human behavior (like why people play lottery games) is enhanced if we think about it as a part of an overstory not of tree canopy but of ideas, underlying trends, and cultural change.**

That is what Gladwell does.  He applies the scientific concept of the rainforest overstory and the process of transforming the elements that sustain life (photosynthesis) to the way ideas and cultural phenomena evolve.  The TET offensive, COVID-19, and the overturning of PASPA may have been tipping-points.  **But that's not the real story any more than the high price of eggs is the reason Donald Trump was elected, or the low price of a**

**lottery ticket the reason people like to play the lottery.**  Gladwell is pointing us towards the overstory to understand the underlying drivers of human behavior, mega-trends, and paradigm shifts in societal attitudes. Or, as the case may be, what attracts people to play games-of-chance.

Public sentiment towards Vietnam happened far below the over-arching canopy, the *overstory,* that was reshaping American culture.   We take some of these things for granted now, but that was when TV news first delivered war-time coverage into our living rooms and so emerged as the shaper of societal attitudes and cultural trends.  Walter Cronkite simply arched an eyebrow to express skepticism at the proclamations of battlefield successes being spouted by General Westmoreland and President Johnson (who commented "If I've lost Cronkite, I've lost Middle America"). This period also included the emergence of an activist college student body. It included the first cracks in public confidence in the integrity and even efficacy of government institutions and authority in general.  The TET offensive may have been the tipping-point, but tipping-points happen on the forest floor. **We continue to struggle to understand the formative impacts of the real overstory that reshaped U.S. culture in the late sixties and early seventies and the "long-tail" effect it has on us even today.**

Gladwell does over-simplify. Mobile gaming would have happened without AngryBirds.  If Apple didn't create its App store, someone else probably would.  Social media certainly existed before TikTok and in fact was growing before

# Unleash Your True iLottery Potential

- Top-performing eInstants
- Integrated CRM System
- Global Payment Solutions
- Loyalty Programs/Second Chance
- Advanced Data Analytics
- Security & Compliance
- Website & Mobile App Development

**Taking lotteries to new heights through innovation and digital transformation.**

ARISTOCRAT INTERACTIVE™
iLOTTERY

neogamestudio™
Powered by **Aristocrat Interactive**™

# LEADING IN A PERIOD OF TREMENDOUS OPPORTUNITY AND DISRUPTION

**Andreas Kötter**

*Chief Executive Officer, WestLotto, Germany*
*Chairman of the Eurojackpot Cooperation*
*President of the World Lottery Association (WLA)*

**PGRI Introduction:** Andreas Kötter's responsibilities traverse a wide range of areas, influencing the evolution of many sectors of the industry. With so much ground to cover, we have separated our discussion into three sections. Thank you, Andreas, for sharing your vision!

**Eurojackpot** was launched in 2012 and has since become Europe's largest lottery cooperation in Europe. Starting with state-licensed lottery companies from seven countries, the Eurojackpot cooperation has now grown to 34 lotteries from nineteen countries, with the Greek company OPAP being the most recent to join the cooperation. Eurojackpot is managed by the Admin Unit at WestLotto with the support of an Executive Committee consisting of six CEOs from five Eurojackpot member countries. Andreas Kötter has chaired the cooperation since 2016, and was recently re-elected to continue in this role. Visit eurojackpot.com for more information about Eurojackpot.

**The World Lottery Association (WLA)** elected Andreas Kötter as President at its General Assembly on October 24, during the World Lottery Summit in Paris. Andreas has been actively involved at WLA, including as a Member of WLA Executive Committee, since 2017. He has been Chair of the WLA Illegal Lotteries and Betting Committee, which is dedicated to reviewing the tools and resources available to help member lotteries maintain territorial integrity with stakeholders in every region, since 2018, and Senior Vice President of WLA since 2022. Visit world-lotteries.org for more information about the WLA.

**Consumer trends, marketing innovations and the proliferation of gambling options (including illegal gambling) is transforming the lottery industry.** In addition to the above two roles, Andreas is also the CEO of the largest lottery operator in Germany. This shapes his perspective as someone who is responsible to stakeholders to deliver material results that generate funds for good causes, support societal goals and protect players.

**Paul Jason: In addition to being CEO of WestLotto and president of the WLA, you are also chair of the Eurojackpot Cooperation. That's a lot for one person to have on his plate!**

**Andreas Kötter:** Thankfully, I am surrounded by incredibly talented and hardworking teams. Last year, before the election at the WLS in Paris took place, we set up a new unit for international cooperation. Eurojackpot has been managed by WestLotto since its launch twelve years ago. Looking at the demographics of the team and the profile we need the near future, we also started the transition last year. In the future, we will mitigate operational risks by involving more people involved and sharing tasks across member states. Personally, I have transferred my mandates within the national cooperation of the German Lotto and Toto Block (DLTB). So I'm ready for the challenges ahead.

I would like to take a moment to thank Rebecca Paul for her six years of service to the WLA. Rebecca has had an outsized influence on this industry and her contributions to the WLA are greatly appreciated. Together with the Executive Director Luca Esposito, she has set up a professional and forward-looking team for the WLA over the last years.
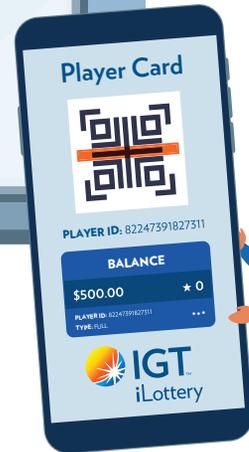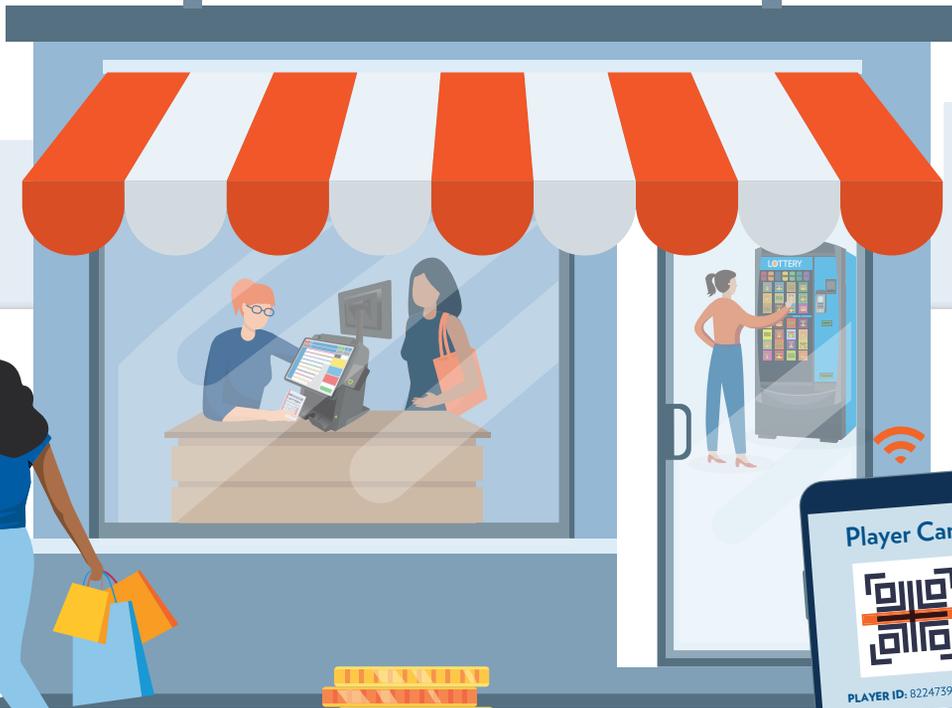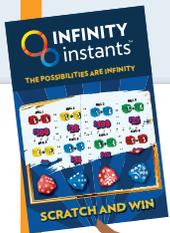
# Invested in **Retail**

## Future Forward. Growth Driven.

IGT is committed to helping you responsibly grow your business by investing in new, innovative player-centric solutions that transform self-service, in-lane, digital payments, redemptions, and more.

Visit **IGT.com** to check out our latest retail solutions!

# "NO JURISDICTION SHOULD CONDONE ILLEGAL OPERATIONS BY REWARDING THEM WITH A LICENSE TO OPERATE LEGALLY."

**Are there new hotspots that could become relevant in the battle against illegal gambling?**

**A. Kötter:** A key trend of our industry is digitalization. This does also mean that the borderline between gaming and gambling is becoming more relevant and difficult to manage. We see that more and more lotteries are moving forward legally and responsibly forward with gaming elements, e.g. for digital scratch cards in their product portfolio. The regulator sets clear restrictions how the individual gaming element should look like. On the other hand, there is a new generation of highly entertaining multiplayer online competitive games that involves players paying money to acquire tools to help them win. Technically, though, the money is not being wagered or gambled as there is no monetary prize. So even though there is money being spent, these games do not fit the traditional definition of gambling as having Chance+Wager+Prize. Even so, the player experience has many similarities to gambling and involves spending money to play a game that is potentially even more addictive than gambling. In fact, a growing number of players are spending huge amounts of money on these games, and the operators are making huge profits. The problem is that these games are often not clearly regulated and are played by people of all ages including children. This raises problematic questions: What is the interface between gaming and gambling? How should these games be regulated? How do we protect children and consumers from the dangers of problem gambling when it comes to new forms of gaming that are not properly classified and often not even regulated?

We are already seeing an increase in the number of young adult players showing problematic gambling behavior. I consider this an important issue as these games are becoming more and more popular because they are so entertaining.

**It would seem like this could be an issue in which the interests of lottery converge with the interests of commercial gambling operators. Wouldn't everyone in the games-of-chance industry want to see tighter regulations applied to gaming that is not taxed and regulated as they are?**

**A. Kötter:** Operators driven by pure short-term commercial interests will always lobby for less regulation and lower costs. At present, they seem less concerned about problem gambling and harm to consumers and children. Our role, as state-sanctioned lotteries, is to serve society and fund good causes. Protecting the consumer is part of our DNA. Our stakeholders expect lottery operators to be the adults in the room, protecting society's interests. And they'll hold us accountable if those standards of integrity and player protection are not met.

We want everyone, parents and children alike, as well as our political constituents who shape regulatory policy, to be educated and informed about the risks and to be able to find the right solution or regulation. I hope that in the future lotteries are not finding themself at a significant disadvantage compared to large operators who are not subject to the same high standards as we are.

**This scenario has already happened time and again. Illegal online operators build up their customer base to a point where governments decide they have no choice but to regulate and tax their earnings.**

**A. Kötter:** Their player base, which was acquired illegally, instantly puts them into the dominant market-share position in some regions. The result is that criminal behavior is rewarded, and the operators who have complied with the local laws and regulations are then put at a competitive disadvantage because the illegals have the players, and the capital acquired from years of either not paying or underpaying taxes. The operators who have been profiting illegally for years while build

up their player base are now lobbying to come into the legally regulated markets. We talked about this cycle at the PGRI conference in Fort Lauderdale in 2019. The syndrome has gained momentum since then. Some operators even continue to operate illegally in markets where they cannot get a proper license, while operating legally in other markets with a proper license. This simply gives these illegals the best of both worlds and the opportunity to maximize their profits.

Some illegals push hard to obtain a proper license to operate in the legally regulated markets, even to the point of ending their illegal activities in that jurisdiction. One reason for this may be that the availability of investment capital to grow the business, or to hedge the risk winning a high jackpot, is discouraging illegal activity. So, the air is getting thinner for these operators.

**Isn't it the case that the WLA and the EL (European Lotteries) increased their level and effectiveness of communications with political stakeholders and that had some influence on these trends away from illegal online gambling?**

**A. Kötter:** In 2014 the Council of Europe created the Convention on the Manipulation of Sports Competition - also known as the Macolin Convention. The WLA was one of the parties that created the first draft. The final version was the joint effort of more than 50 states worldwide. We have put forward the concept that if a company is operating illegally anywhere, then they should be considered an illegal operator. And no jurisdiction should condone illegal operations by rewarding them with a license to operate legally. The WLA is working intensively with the EL and the regional associations on this important issue.

**How did the World Lottery Association contribute to those initiatives?**

**A. Kötter:** The important starting point was a common understanding of what is illegal. Based on this, the WLA compiled a list of current illegal activities and legal measures taken against them. We produced white papers clarifying the difference between legal and illegal gaming, illegal gambling business and lottery operations and even templates that could be sent to the regulation bodies. Together with some multi-jurisdictional lottery cooperations we even touched on the issue of brand protection.

# ZEAL
## INSTANT GAMES

Zeal Network is Germany's biggest digital lottery operator. Our Instant Games team specializes in eInstants strategy, operations, game development and category management.

**25+ years' experience**
in international lottery markets

**Experienced**
operator and supplier of eInstants

We deliver **tailored**
eInstant Lottery solutions

**WLA** | ASSOCIATED MEMBER
WORLD LOTTERY ASSOCIATION

We look forward to meeting you
**at PGRI in Florida in 2025**

A cornerstone of supporting policy advocacy initiatives and protecting our ecosystem are the certification programs to ensure the highest quality of security and responsible gaming. The WLA only accepts members who comply with all aspects of the legal and regulatory framework. We have developed programs to help our members to achieve the highest operational standards in our industry. We must need to be able to demonstrate these standards through a certification process that is respected by all our stakeholders. Combine this operational excellence with great games that consumers love to play, funding for society and good causes, and a commitment to continuous improvement and innovation… we see this as the path to continued success.

**In the U.S., we have seen the power of well-funded lobbying campaigns to determine regulation that is not consistent with the interests of the citizens. It's not that sports betting should not have been legalized and regulated. But how can legislators justify, for instance, legalizing online sports betting while prohibiting online iLottery?**

**A. Kötter:** This is a similar problem in many countries around the world that are facing market liberalization, driven mainly by new and digital business models. However, from my own experience, lottery companies in Europe recognized early on the importance of digital lottery, online sales and building a registered player base. While purely commercial operators lobbied hard for regulatory changes that would be favorable to them, lotteries pushed to be allowed to build a digital platform and sell lottery products online. We recognized that the key to long-term success is Knowing Your Customer (KYC). The digital connection is mission-critical and the key to transforming your players from anonymous consumers into loyal customers. The transformative power of data analytics is then applied to your Customer Relationship Management (CRM) infrastructure, enabling us to win in an increasingly competitive gambling market.

As you know, the lottery starts with the largest customer base, probably more than most other consumer products and certainly more than any other gambling product. Strengthening the interactive online relationship, embracing KYC, investing in CRM and creating customer-focused products are key to retaining that customer base.

> **"THE WLA VISION IS TO BE RECOGNIZED AS THE GLOBAL LOTTERY AND BETTING GAME AUTHORITY AND TO SUPPORT ITS MEMBERS IN CONTRIBUTING TO SOCIETY."**

**Eurojackpot has grown from €894 million in sales in 2013 to €4,960 million in 2024. Could you describe how your strategies and methods have evolved over that period to keep the players so engaged?**

**A. Kötter:** The creators of Eurojackpot had the advantage of seeing what worked so well with games like EuroMillions and even Powerball and Mega Millions in the US. We could therefore also identify product details that might not work well in our cooperation. Sustainable development was at the top of the list of our objectives. We wanted the cap to be above our local offerings. And we decided that the cap should be below €100 million, so we set it at €90 million. The jackpot did not reach €90 million very often, but when it did, there was a lot of publicity and excitement. Eurojackpot was a huge success from the beginning and popularity and sales continued to grow.

We anticipated that raising the cap to triple digits, over €100 million, would be an exciting marketing event. As more and more countries joined Eurojackpot, the volume of sales increased, the game became even more stable, and the time we needed to reach the €90 million jackpot was shrinking. And we saw that we had no jackpot fatigue even at jackpots in the range of €50 or €60 million. We looked at all sorts of ways to add to the game or change

the game. We wanted to be conservative and not make too many changes to avoid what we call change fatigue. In March 2022, ten years after the launch, the time was right, and we increased the jackpot to €120 million and introduced a second draw on Tuesdays. For this change we had a 100% agreement among our cooperation partners, and we have been successful with an increase in turnover of around 30% since then.

Eurojackpot works as a cooperation where WestLotto, Danske Spil in Copenhagen and Veikkaus in Helsinki have operational support functions like first and second control center, Administration Unit or Draw Center. Lastly, Eurojackpot represents a common European value that strengthens mutual respect and cooperation between several European countries. It is exciting to work on a product and business model that can only be achieved by working together with our neighbors, with a joint European approach, building something that benefits each of us and the society we serve.

**The games-of-chance industry has changed dramatically over the last ten years. How have the needs of WLA members changed, and how has the association evolved to continue to deliver value and exceed its members' expectations?**

**A. Kötter:** The challenges in our industry are driven by changes in consumer behavior, illegal activities, liberalization of markets, digitalization, new approaches in gaming and gambling and for some of us even by the capital markets to name just a few. The WLA is committed to supporting its members adapt to change, to continuously improve their level of performance, to evolve their individual business strategies and methods to meet the needs of the consumers, and to succeed in their mission to serve good causes and society. To this end, the WLA Executive Committee has built a new strategic framework that will be rolled out starting now and being implemented over the next four years.

There are four components to our new strategic plan. First, we want to ensure that our value proposition is distinct from and complementary to the regional associations. The WLA will remain

# ACHIEVING EXPLOSIVE GROWTH IN THE FIRST YEAR OF DIGITAL INSTANTS SALES

**Randy Spielman**
*Chief Product Officer,*
*North Carolina Education Lottery (NCEL)*

**PGRI Introduction:** Randy Spielman joined the North Carolina Education Lottery in June of 2007 as a Financial Analyst and has worked in a number of product development roles prior to his current position. Now, with over 16 years of experience in the lottery industry, Randy is responsible for all game development efforts as well as digital platforms and programs at the N.C. Education Lottery. He has been responsible for significant product and program launches at the lottery during this time, including the digital instant games rollout in November of 2023.

Prior to rejoining the Lottery, Randy worked as the Director of Customer Success for Pollard Banknote, where he was responsible for working with their key accounts to optimize their scratch-off game portfolios.

**Paul Jason: How did you achieve such explosive growth in the very first year Digital Instants sales?**

**R. Spielman:** Our launch of Digital Instants was somewhat unique in the North American experience. We started selling draw game subscriptions online in 2013; then moved to lottery single draw sales three years later. So we had years of experience selling games online prior to adding Digital Instant games in November of last year. That served us well when it came time to launch Digital Instants. First, we had the technological infrastructure, internal resources and contractual elements in place that positioned us to move quickly to implement another digital product. Second, we had around 500,000 registered depositors built up over years of selling draw-games online, having been able to market our online program during

significant jackpot runs over the past four to five years.

The other thing that we had working for us was a well-established loyalty program. In addition to the 500,000 depositors, we had another million players in the database that were engaged in one form or another with our loyalty program. From a technological, cultural, and registered player data-base standpoint, we started from a really good place. Digital Instants folded right into our existing infrastructure. Implementation went quickly and smoothly.

E-commerce is so different than traditional retailing, and digital lottery much different than traditional lottery. KYC (Know You Customer) works better when you actually do know your players, as you do in the online world and don't in the

retail environment. Key Performance Indicators are based on data-sets that simply aren't available in the retail space of anonymous players. And unlike the retail world, digital is a market-place that demands more products being launched at a much faster rate, along with constant updates of everything from user interfaces to promotional initiatives. Our crawl-walk-run approach to e-commerce enabled us to learn about digital commerce and digital gaming over years of marketing draw-games online. Turning on Digital Instants was a big step, but we had all the pieces in place and knew what we needed to do to make everything run smoothly.

## How did you stage the rollout of Digital Instants?

**R. Spielman:** The digital Instants launch went live on all digital channels, including our Mobile app, simultaneously. We knew it was vital to launch the new Digital Instant games across all of our Digital Instant channels at once, including our robust and fully vetted Mobile app. We had a large number of active draw-games players who we anticipated would be quick to try digital instants. So we went with a slightly smaller portfolio of games than we really wanted in order to ensure that we could launch the program on day one on our Mobile app. Now, less than a year later, 70% of our Digital Instants transactions come through the Mobile app.
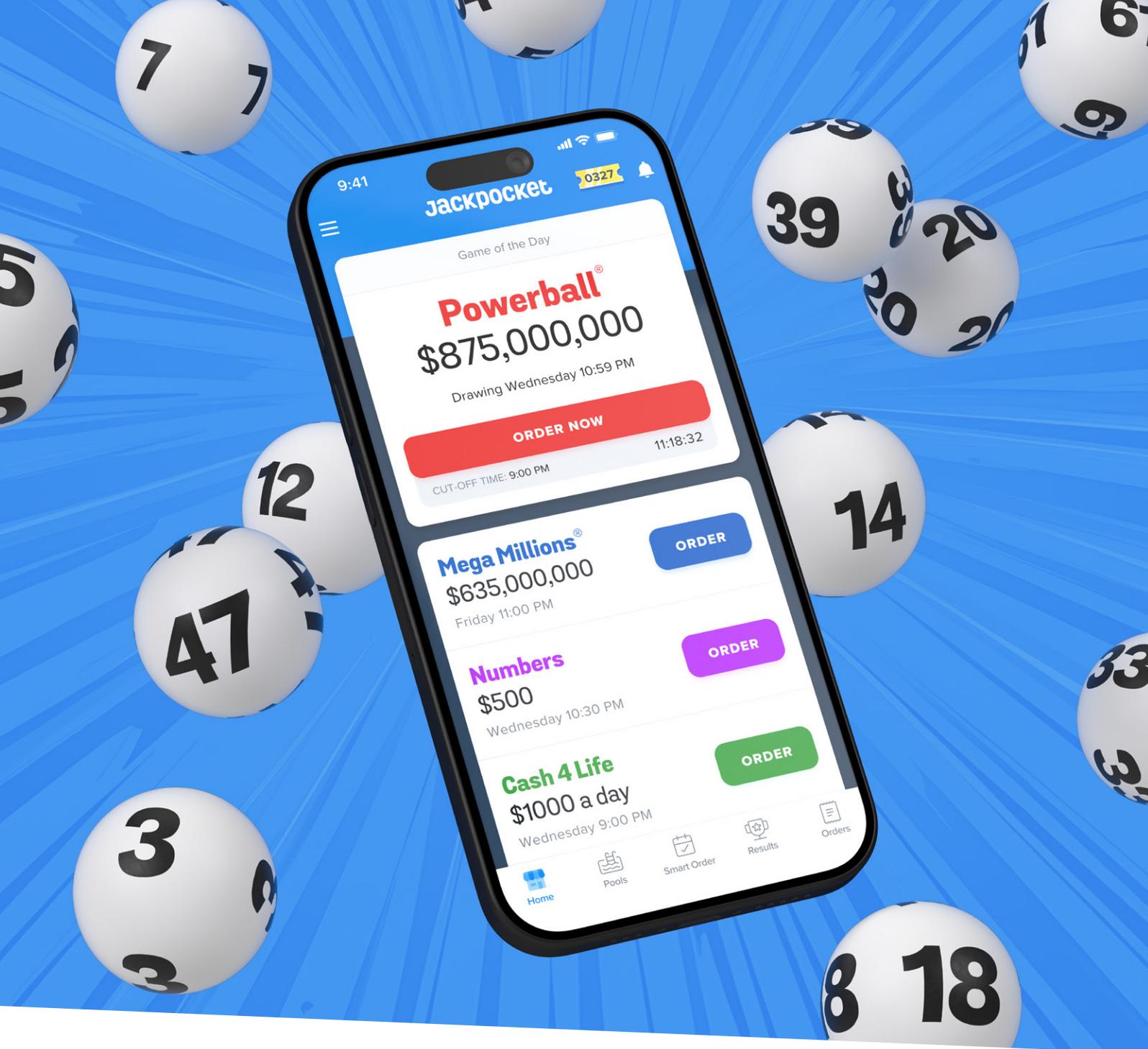
**Do you now think of yourself as a Digital-First company?**

**R. Spielman:** Well, of course, we think of ourselves as a customer-first company. Like other retailers, we believe we can be successful at retail and successful online, and the two can complement each other. But to your point, it was back in 2019 that we converted to our current iLottery platform and that is when Mark (Michalko, director of the N.C. Education Lottery) recognized the direction everything was going in and shifted our mentality to see online as being mission-critical to building the direct interactive relationship with the players that is so key to long-term growth and sustainability, and he established a department focused on optimizing the full potential of digital channels and gaming. Online iLottery is no longer just about convenience for the players, an additional way for them to interact with Lottery. It is a true growth-driver that adds tremendous value to the overall player experience and to our ability to continually enhance that experience. Digital platforms provide an incredibly rich canvass to innovate, modernize, create new gaming experiences, and otherwise enhance value to the players.

# "DIGITAL LOTTERY HAS TRANSFORMED OUR UNDERSTANDING OF DATA AND ANALYTICS AND HOW TO TURN DATA INTO ACTION-PLANS."

**What percentage of the Noth Carolina Lottery sales come from digital channels?**

**R. Spielman:** In the first twelve months of Digital Instant program, we did a little over $2 billion in sales. And it continues to increase as Digital Instants have exceeded scratch-off sales in the last three months. Total online sales including draw games now comprise approximately 40 percent of total North Carolina Lottery sales.

**And retail sales continue to increase as well? Online sales aren't cannibalizing retail sales?**

**R. Spielman:** I think some of the player activity may have migrated from retail over to online. But the net effect of our online connection is absolutely positive for retail. Digital enables a CRM (Customer Relationship Management) approach that is nothing short of transformative. It enables us to reach consumer groups who weren't even playing lottery and bring in new players who proceed to also play at retail because we apply promotions that incentivize the players to interact with us on all channels. It enables us to connect with core players better with promotions and messaging that appeal to their play styles and preferences. Digital enables the omni-channel relationship that is based on seamless interaction with the consumer and that is what drives sales across all channels, including retail.

Digitally-driven CRM helps us tailor promotions and messaging that appeals to the specific interests and preferences of the players. And the players appreciate that, so in turn they pay more attention to our messaging. As we get to know which players prefer to only play Instants, which players only prefer draw games, which players try new products, which play the same games again and again, which players are more likely to respond to promotions that are redeemed at retail and which players never play at retail, etc. ... our promotional response and conversion rates go up because the players appreciate that the messaging and promotions are more relevant to their individual interests. And once we have these insights, we can drive players to retail as well as create a better experience for them wherever they choose to play. This type of relationship and understanding of our players' behaviors wasn't possible prior to the expansion of our digital channels.

The digital platform brings in players who didn't play or regularly engage with lottery previously. Now, with our focus on KYC and CRM, we are able to nurture that player base and provide incentives that drive players to retail which benefits everyone including the players.

**How relevant would the digital connection be if you did not sell lottery tickets online?**

**R. Spielman:** Super relevant. Digital Lottery is all about the online connection with your players, completely apart from where they play the lottery. The future of any consumer-facing industry is CRM and KYC and those are based on digital channels. You have to Know Your Customer to nurture and sustain the long-term relationship that is key to success. Digital lottery is about loyalty programs, second-chance programs, digital messaging, providing informational resources to the players, and the dynamic interaction that does not happen at retail.

Amazon has shown how Customer Relationship Management is the decisive competitive differentiator. This will be even more true going forward. Look at how casinos have built tremendous loyalty programs even though their goal is to get the customers to come into the casino, not play online. Commercial operators in the games-of-chance space, like Jackpocket-now-DraftKings as well as casinos, other sports betting operators, and online casino operators are all highly focused on CRM as the pathway to building loyalty which is the basis for long-term sustainable growth. We all need to invest more in Digital Lottery regardless of whether we are currently selling tickets online.

Lotteries have limited budgets. But there are many ways to engage the players online that fall within whatever budgetary constraints apply. The ROI is absolutely there even though it can be hard to quantify. The data shows us that the value of players who are active on the loyalty program is easily twice that of players who are not engaged with the loyalty program. And that is just over a short-term, like six months. The lifetime value of the engaged loyalty program player is exponentially higher. And to be sure, other gaming operators without an effective CRM program will be very vulnerable going forward. CRM is also important as a defensive measure with the ongoing expansion of gaming across the country.

# THE TRACK KNOWS NO BIAS

#MAKESPORTSWIN

MDJS
LA MAROCAINE DES JEUX ET DES SPORTS

-18 LET'S PLAY RESPONSIBLY

MAKE SPORTS WIN

# MUSL*NEWS*

## MULTI-STATE LOTTERY ASSOCIATION

MUSL
Multi-State Lottery Association

# POWERBALL ELECTRIFIES NASCAR CHAMPIONSHIP WEEKEND
## WITH $1 MILLION DRAWING

National Powerball promotion returns for third edition in 2025

The championship dream fueled by Powerball® and NASCAR® has been re-ignited! The two entertainment partners recently announced the NASCAR Powerball Playoff™ will return for a third edition alongside the 2025 NASCAR season. The national Powerball promotion offers the chance for four lottery players to win an all-expenses paid, VIP trip for two to 2025 NASCAR Championship Weekend™ at Phoenix Raceway®, Oct. 31 – Nov. 2, plus entry into a $1 million drawing held just before the start of the NASCAR Cup Series Championship Race™.

The $1 million drawing has quickly become a pinnacle of the


Moments before the drawing, courtesy A. Bannis


Richard Petty and Meagan Lewis


Custom-built Powerball stage
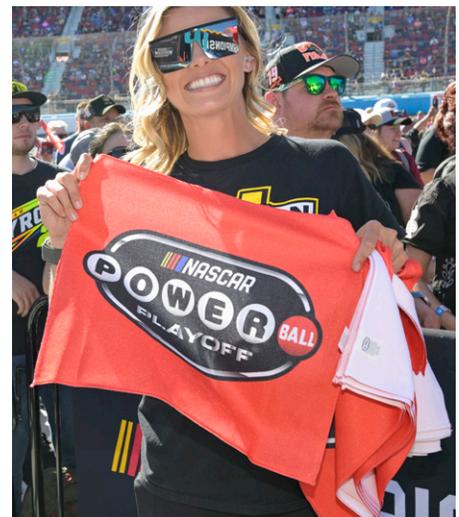

Phoenix Raceway crowd, courtesy E. Rea

Winning moment, courtesy E. Rea


Pace car rides


Pit box tour of RFK Racing

Championship pre-race ceremony, bringing a high-energy element to the race day experience. Last November, a custom Powerball stage was built to showcase the drawing from the track's inner crescent. Hundreds of red rally towels were distributed to spectators in the crowd, building anticipation for the big event.

Louisiana Lottery player Meagan Lewis, 47, of New Orleans, was declared the drawing's $1 million winner in a thrilling finale broadcast live on NBC. Lewis bent over in astonishment when her number was drawn from the machine. "I have no words," said Lewis. "I got 42 text messages by the time I got off the stage!"

Lewis was then congratulated by NASCAR Hall of Famer and racing legend Richard Petty who signed her big check. In a full circle moment, Petty went from congratulating Lewis on her $1 million win to thanking her, after he learned that she had previously volunteered at Victory Junction – a summer camp founded in honor of his late grandson that serves children with illnesses and medical conditions.

The encounter was one of many highlights from 2024 NASCAR Championship Weekend that wowed the four finalists and their guests.

2024 NASCAR Powerball Playoff Champion Meagan Lewis, courtesy E. Rea


Powerball Chair Matt Strawn interviewed at Phoenix Raceway

# SUPPORTING THE GLOBAL DIGITAL EVOLUTION OF LOTTERIES: NEOGAMES TRANSITION TO ARISTOCRAT INTERACTIVE

**Chris Shaban,**
*Managing Director of iLottery, Aristocrat Interactive*

**PGRI Introduction:** Over the course of twenty years following its inception in 2004, NeoGames(TM) built a reputation as a world-class, technology-driven provider of end-to-end iLottery and iGaming solutions, including a complete platform, online marketing and operational services, as well as cutting-edge game content. NeoGames was acquired in April 2024 by Aristocrat Leisure Limited (ASX:ALL), a global entertainment and content creation company that spans regulated land-based gaming, mobile games publishing and regulated online real money gaming. Aristocrat Interactive (TM) was formed in 2024, with the combination of the NeoGames businesses and Anaxi, Aristocrat's existing online real money gaming business. The business is an industry leader in content and technology solutions for online RMG, with a full-service offering that includes content, proprietary technology platforms and a range of value-added services across iLottery, iGaming, Online Sports Betting (OSB), and Gaming Systems.

Along with their industry-leading platform and turnkey services, the NeoGames Studio is the game development arm of Aristocrat Interactive which has retained its brand name because of its recognized expertise, experience, innovation, and ongoing performance. The NeoGames Studio has produced award-winning eInstant content for lotteries worldwide for over seventeen years and is rapidly expanding its global presence. In North America, the Studio's industry-leading games are live in Michigan, New Hampshire, North Carolina, Virginia, West Virginia, Atlantic Canada, and Alberta Canada. Launches in British Colombia, Kentucky and Pennsylvania are scheduled for later in 2025, further expanding the Studio's presence in North America.

**Paul Jason:** It is exciting to see the seamless transition from NeoGames to Aristocrat Interactive. Good for your clients who depend on your world-class iLottery platform and service, good for the players who love your games, and good for Aristocrat.

**Chris Shaban:** As you mentioned, NeoGames was founded almost twenty years ago in Europe to create ground-breaking content and - later - an IT platform for online lotteries. Around ten years ago, NeoGames formed a joint venture with Pollard Banknote to create NeoPollard Interactive ("NPi") to provide the iLottery platform, games, and services for the Michigan Lottery, which was soon followed by other lottery customers. The Michigan Lottery truly revolutionized iLottery in North America with an incredibly successful launch and sustainable growth. We are immensely proud of the fact that it is the NeoGames (now Aristocrat Interactive) technology and the NeoGames GameStudio content that continues to support the Michigan Lottery, and other successful iLottery programs operated by our customers in Alberta Canada, New Hampshire, North Carolina, Viginia, and now West Virginia. Now, as Aristocrat Interactive, we are applying all the assets of NeoGames technology and the NeoGames Studio combined with the resources, technological breadth and depth, and product extensions of the broader Aristocrat group, a global entertainment and gaming content creation business that spans regulated land-based gaming, mobile games publishing and regulated online real money gaming.

**In what ways have the iLottery sector been reshaped by NeoGames/Aristocrat technology and manner and methods?**

**C. Shaban:** One of the things that makes the Aristocrat Interactive platform for iLottery unique is that all results are abbreviated to a single code. What that means is instead of waiting three or four months (or more) for a technical upgrade to be deployed, Aristocrat Interactive customers receive it seamlessly in a single batch of technical changes, innovations, and upgrades implemented to all our customers each month. The single code enables the smallest change or largest technical upgrade to be deployed

throughout the entire family of Aristocrat customers. Innovation that happens with any of our customers is automatically deployed to all Aristocrat Interactive platforms throughout the world. We then will work with our customers to determine if, how, and when they would like those innovations to be turned on.

Things move so fast in the digital world that we must continue to find the most efficient ways to execute, from new game content to technical upgrades to transformational innovations. There are new payment systems, new promotions, integrations of third-party technologies and game content, and a host of other fresh solutions to always drive better performance. The benefit we hope to bring to our customers is how Aristocrat Interactive enables the deployment of technical upgrades and innovation to happen more seamlessly and automatically.

## "Now, as Aristocrat Interactive™, we are combining all the assets, technology and know-how of NeoGames™ and our games development studio, NeoGames Studio™ with the resources, technological breadth and depth, and product extensions of the broader Aristocrat group—a leading global entertainment and content creation business."

### Do the benefits of these systems result in higher sales and net funding?

**C. Shaban:** Yes, higher sales and an increase in net funding is the objective for these efforts on behalf of our lottery customers, and if fact, the iLottery programs in Virginia, North Carolina, New Hampshire, and Michigan are the top four per capita in the United States.

### How did the acquisition of NeoGames by Aristocrat come to happen?

**C. Shaban:** The successful acquisition allows Aristocrat to leverage its world-class gaming content, customer relationships, and expanding capabilities across an even broader range of channels and geographies, adding further to the Group's resilience, and accelerating growth.

NeoGames was acquired for its depth

and breadth of iLottery and iGaming expertise, and for its global team of digital professionals. As Aristocrat Interactive's CEO, Moti Malul points out that NeoGames was "born digital" back in 2004. Being born digital, there is a native understanding about how Mobile apps and websites work, and how to produce the online user-experience that keeps the players engaged and coming back to their favorite – and new – games. Competencies that are mission-critical in the digital world include KYC, CRM, geo-fencing, player acquisition and retention, and data-analytics. Loyalty programs and Players Clubs also provide new levels of potential in the digital world.

In recent months, we have also been able to recruit some of the best digital lottery professionals in the industry to further complement our current team. Rob Wesley spearheaded the super-successful digital initiatives at Virginia Lottery before joining NeoGames as Vice President of North American Customer Development, a position he holds now at Aristocrat Interactive. Stephanie DuVal headed Loyalty, CRM, and Digital Engagement programs at the Virginia Lottery before joining us as Director of Marketing North America. Shane Taylor comes to us from the Massachusetts Lottery and Jessie Teague from the Kentucky Lottery. Our team is steeped in the culture of digital lottery and excited for the opportunity to continue to work with lottery professionals to drive performance for Aristocrat lottery customers going forward. In addition, Aristocrat's European and Latin American teams have been up and running for many years with NeoGames and are now thriving under the new corporate umbrella of Aristocrat.

### Traditional retail channels will continue to be primary to lottery's success. How does Aristocrat Interactive ensure that iLottery complements the retail channel so that both work together in a mutually reinforcing way?

**C. Shaban:** As we all are aware, retail has long been the bread-and-butter foundation of the lottery business. That is why when you add the digital component, like was done in Michigan, New Hampshire, Virginia, North Carolina, West Virginia, and the others, it is helpful to reimagine the business around the omni-channel model. We are not just thinking about the iLottery or retail lottery independently. We work to take a holistic view, especially since the lottery player thinks simply thinks of any channel as part of "their lottery". And the player wants everything to work together harmoniously, enabling seamless navigation across channels and an intuitive interaction with all lottery touchpoints. This omnichannel model works so well because it brings in new online players who might not otherwise have played lottery, and it enhances the playing experience for the casual and core players, so they stay loyal.

Applying this omnichannel view of our business is more crucial than ever as more options to play different games become more readily available to players. And recent studies (including an iLottery report done by Spectrum) have shown that, when effectively executed, retail sales not only continue to increase right alongside iLottery sales, but they also increase at a rate that is higher than the national average. Stated differently, iLottery enhances performance at retail by bringing in new consumers to lottery. Using promotions to incent iLottery players to play at retail, digital lottery can drive retail traffic and lottery play. As we continue to learn and help improve the player journey, and focus on enhancing the overall experience, iLottery sales can be expansive without impairing – and in fact enhancing - retail sales.

### Isn't digital lottery as much about player engagement as selling lottery tickets online?

**C. Shaban:** Yes of course. Rob Wesley and his team ramped up Virginia Lottery's non-wagering digital program years before they could sell online. Players Clubs,

The three other finalists hailed from the Delaware Lottery, North Carolina Education Lottery and South Carolina Education Lottery. During their time in Phoenix, the Powerball VIPs went for a pace car ride with a professional driver behind the wheel, toured the 23XI racing hauler and RFK Racing pit box, and met drivers Bubba Wallace and Chase Briscoe in the garage. They also enjoyed the races from a hospitality suite and had dedicated, private transportation throughout the trip.

"This is a premier Powerball prize package from start to finish," said Matt Strawn, Powerball Product Group Chair and Iowa Lottery CEO. "We are ecstatic to have Powerball activate again as the Official Lottery Game of NASCAR. This collaboration plays to the strengths of both brands, creating an unforgettable experience for fans and players alike."

This year, participating lotteries will once again launch in-state promotions throughout the NASCAR regular season, which begins February 16 with the iconic DAYTONA 500, to create a national pool of entrants. These in-state lottery promotions will offer players the chance to qualify for the next $1 million drawing at 2025 NASCAR Championship Weekend on Nov. 2 at Phoenix Raceway.

*NASCAR® is a registered trademark of the National Association for Stock Car Auto Racing, LLC. Copyright ©2025 National Association for Stock Car Auto Racing, LLC. All Rights Reserved. NASCAR®, LLC is not a sponsor of this promotion.* ◼

**Photo Courtesies:** *Eddie Rea, Phoenix Raceway and Andre Bannis, Diesel Films*


Meagan Lewis and her mother, courtesy E. Rea


SC Education Lottery finalist Michael Wells, courtesy E. Rea


Bubba Wallace and Powerball VIPs


Powerball and NASCAR team members with Meagan Lewis, courtesy A. Bannis


NC Education Lottery finalist Beverly Lipford and his wife, courtesy E. Rea


Powerball and NASCAR team members with Meagan Lewis

# $\$200 Million

## In Revenue Opportunity

Out-of-stock conditions result in significant lost revenue for lotteries. Through our *SCiQ* retail ecosystem, we were able to identify nearly $200M in additional revenue that could be captured by proactive sales representatives and retailers over a one-year period. Just one example of how the science inside our retail technology is making a difference.

### THIS IS THE
## Science Inside

**SG SCIENTIFIC GAMES**

ScientificGames.com

# DRIVING PERFORMANCE ACROSS THE LOTTERY ECOSYSTEM

**Pat McHugh**
*Chief Executive Officer, Scientific Games*

**Paul Jason: Congrats on winning the Ohio Lottery systems award! What technology and services will Scientific Games be rolling out in Ohio?**

**Pat McHugh:** Thank you! We're very excited about this win. It keeps Scientific Games' momentum going strong as the fastest-growing lottery systems partner. The Ohio Lottery systems award speaks well to our strategy of combining games, technology, analytics and services to help drive performance for our customers. We see this as the strategy of winning for both lotteries and their players.

We have already had great success in Ohio with the Lottery's adoption of our *Scientific Games Enhanced Partnership* program in 2019. Like our other *SGEP* customers, the Ohio Lottery has enjoyed significant growth in its Scratch-Off products since we launched the program. Now, we will extend our partnership philosophy to the system side of the Lottery's business to power growth across the overall portfolio.

We're providing our *Momentum* ecosystem in Ohio, which combines our core *Aegis* central gaming system, *WAVE* retail point-of-sale terminals, *PlayCentral* suite of self-service machines and all our applications associated with POS. We'll integrate additional tools and value-added components as needed. Our *Momentum* ecosystem also includes the ongoing support of Scientific Games' expert teams dedicated to driving lottery performance and results.

The core of the central gaming system is transaction processing, and we manage that well. We think of *Momentum* as a technology ecosystem that enables all varieties of applications, technology upgrades, third-party solutions, data analytics tools and other business intelligence systems to manage things like digital advertising and CRM as needed.

## How is the lottery ecosystem different from the central server system?

**McHugh:** We view the ecosystem as the entire player experience combined with the many applications and tools lotteries use to manage their business. The central gaming system is a critical core component managing the games and transactions, but the ecosystem extends beyond that. Our goal is to integrate all game categories, enterprise applications, analytics, services and customer-facing functionality to deliver a seamless omnichannel player experience.

Our new head of Digital, Matt Lynch, comes from outside the industry and immediately observed that players probably don't think about iLottery any differently from lottery. It's not Walmart and iWalmart. It's just Walmart. It's all just lottery. The players want a user experience that makes it easy to play lottery games wherever and whenever they want. Scientific Games is creating a player-facing ecosystem that does exactly that. A crucial part of this is an ecosystem that allows lotteries to scale up as demand increases and add new technologies that become available.

**Why should lotteries that do not sell online allocate resources to getting players to register and engage with loyalty programs?**

**McHugh:** Like any major consumer brand, digital has become the key component to engaging with the modern consumer. That's true not just for companies that sell products online. Any consumer-facing company, regardless of its business model – online, retail, or service-based like airlines or coffee shops – can benefit significantly from a well-structured loyalty program. It's also true for lotteries building loyalty programs and players clubs to increase sales at retail.

Everyone knows digital engagement is key to retaining customers for long-term success. However, the ROI timeline is not just long-term. Successful lotteries all around the world are applying digital strategies and tools to increase sales in the short term, too.

iLottery is about creating an omnichannel experience for players to enjoy the fullness of lottery at multiple touchpoints … playing at retail, redeeming their second-chance draws online, seeing other games they might like to try while browsing online, etc.

The omnichannel player experience represents a huge opportunity for lotteries to engage their players on multiple levels. This wider variety of messaging opportunities and promotional tools results in

brand loyalty that cannot be achieved with the anonymous retail player who only buys lottery games in stores.

With or without the ability to sell products online, lotteries must build a CRM platform that includes players clubs, loyalty programs and promotions that connect players to the full lottery experience.

### How has game portfolio management evolved in recent years?

**McHugh:** Optimizing the overall game portfolio is critical for growth. That means being strategic and data-driven in selecting game categories, price points, play styles, and high-indexing products. We've learned over time that connecting with the largest variety of play styles and preferences is the best way to maximize overall sales. That can sometimes mean fielding lower-indexing games because they appeal to a player profile that might not otherwise play lottery. We can sometimes reduce the number of high-indexing games because they replicate and cannibalize each other.

Our analytical tools—the 'science inside'—are becoming more and more precise at guiding our efforts to fine-tune the portfolio to maximize the depth and breadth of market penetration. They help cast the widest net to connect with new consumer groups, offer new games to keep the experience fresh for casual players, and ensure our lottery customers always have the games that appeal to their core players.

### What are the most promising opportunities for lotteries to invest in going forward?

**McHugh:** Investing in digital and CRM activities, beginning with player clubs, loyalty programs and promotions that drive the players from retail to digital, is key. We also see continued growth through lotteries leveraging more services with our partnership programs.

It is imperative for lotteries to invest in and fully take advantage of their strengths for another reason. Competition continues to intensify with players having immediate access to all varieties of gaming. Our research shows that lottery players are more likely than ever to play in other game categories. Creating and strengthening the digital connection enhances the lottery playing experience and reinforces brand loyalty.

It's also essential to modernize lottery retail with technologies like *SCiQ.* Retailers are

modernizing the in-store environment and experience, and they expect lottery to drive advances along with them. Look at how top-performing C-stores are presenting themselves today compared with even five or six years ago, transforming their whole look and feel and service offerings. As we increase our support for retailers, helping them be more efficient and profitable, they will increase their focus and support of the lottery category.

It's all about driving the player to the omnichannel experience so they can enjoy lottery in as many ways as possible. Lottery's network of retailers is a vital competitive advantage. Our industry's best interest is to invest in retailers' success with tools that enhance efficiency and lower the cost of selling lottery products. There is still headroom for increasing retail lottery sales by improving how we support our retail partners.

Predictive ordering systems that ensure the right mix of products is displayed in stores at the right cadence will drive sales and help retailers manage inventory. For instant game performance, our full-service comprehensive partnerships deliver unparalleled results. *Scientific Games Enhanced Partnership* lotteries outperform others in every metric.

### How are data analytics and CRM tools being applied at retail?

**McHugh:** Analytics has always been one of Scientific Games' core strengths, informing the development of all our products and services. The fundamental pillar of collecting and analyzing data analytics is to convert it into business intelligence that enhances portfolio management and drives player engagement and sales. Whether that be *SCiQ,* self-service vending machines or clerk-operated terminals, we are very deliberate about designing ways to capture market basket data that lotteries have not been able to obtain.

Self-service terminals have great potential to integrate suggestive upsell opportunities, promote new games and additional play, and capture a whole new level of player data at retail. And, of course, we use promotions like second-chance draws to drive players to register online and initiate digital, interactive relationships. That leads to engagement with players clubs and loyalty, yielding tremendous data and insight into player behavior and preferences.

Artificial Intelligence is beginning to play a more significant role in sorting and analyzing data and turning that into actionable business intelligence for our lottery customers.

### What are Scientific Games' highest priority initiatives going into 2025?

**McHugh:** We're focused on lottery players' entertainment value. We're leveraging Scientific Games' strengths in omnichannel connected products to truly optimize the whole player experience. We're investing in growth for the industry, our lottery customers and Scientific Games. Our investments include game content, technologies that enable data analytics and services, retail support systems like *SCiQ* and all things digital. These will continue to drive value for our customers and grow their business.

Some highlights include expanding our *SG Content Hub* to allow seamless integration of third-party game content and ultimately support the most extensive variety of digital game content available to lotteries around the world. We've built our ability to effectively manage our customers' digital game portfolios, consistent with how we manage retail portfolios through our *SGEP* program. Licensed properties have added tremendous value to retail instant games, and we are expanding that value to digital content. We're innovating terminal-generated games like Fast Play and applying licensed properties to these products as well.

### It's good to know the multi-billion-dollar lottery industry is now guided by data like other consumer products.

**McHugh:** That's exactly right. Our SG Analytics is the umbrella that spans everything we do and drives the science inside. Scientific Games has historically been perceived as an excellent instant game and lottery systems company. But we have always been so much more than that. Now, we have leveraged our science, technologies, and competencies to create an omnichannel ecosystem capable of serving the player who wants intuitive navigation to migrate across all game categories and all channels. Scientific Games' enabling technology is integrated to deliver the entire ecosystem for our lottery customers. We look forward to an exciting year of helping the industry thrive in 2025! ∎

# New Year's Evolution

## What ideas and solutions can lotteries use to turn challenges into opportunities in the year ahead?

In a panel session at the recent World Lottery Summit, IGT's Renato Ascoli, CEO Global Lottery, offered a perspective on how industry challenges can drive evolution and growth: A given challenge or disruption "can also be an opportunity," he noted, "depending on how we react to it."

Certain challenges require industry-wide collaboration to develop a unified approach. For many others, lotteries can embrace solutions that are available now, whether to accelerate modernization and enhance their connection with players or more readily adapt to a shifting competitive landscape.

IGT takes the time to understand customers' challenges and goals, and consistently seeks feedback to evolve the company's products and services. This perspective, which informs IGT's product roadmaps and significant R&D investments, is underpinned by consumer research, trend data, and IGT's operator experience around the world.

"We set the bar high for our development teams in recent years," noted Ascoli prior to the summit. "We charged them to think boldly and evolve nearly all aspects of the lottery path to purchase with a forward-looking suite of solutions. As these new, integrated retail and digital solutions enter the market, lotteries are seeing how our product roadmaps have been carefully orchestrated, providing solutions that work together to help them turn challenges into opportunities."

"The **retail channel** continues to hold major growth potential," he continued. "To support lotteries in capturing that opportunity, we didn't look at one product

**Renato Ascoli**
IGT Chief Executive Officer, Global Lottery

**Melissa Pursley**
IGT Senior Vice President, Lottery Product & Sales Development
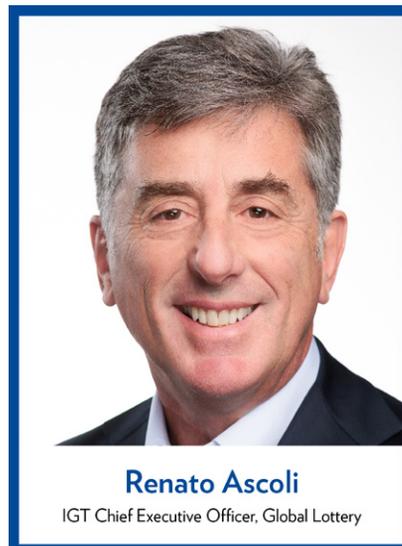
or another in isolation. We took a broader approach, based on how retail is changing and how consumer shopping behavior and payment options are changing, and we connected the dots. We mapped out solutions that are flexible, that complement one another and produce more useful data for advanced analytics — from terminals all the way through to next-generation self-service, in-lane, and mobile."

Speaking at the NASPL conference in October, Melissa Pursley, IGT Senior Vice President, Lottery Product & Sales Development, detailed several of these solutions, designed to help lotteries meet the challenges posed by changing technology and retail environments.

"To grow retail, we need to maintain a commitment to the environment in which we're operating," she urged the industry. "The top 20 retail chains represent one fifth of all lottery sales locations and one quarter of all lottery sales in the U.S., and they have expressed three primary needs: consistency, efficiency, and data."

By addressing retailer needs and the related challenges for lotteries, IGT's solutions, discussed below, offer opportunities to meet evolving consumer preferences, provide more convenience, and support continued growth.

# Discovering & Pursuing New Retail Opportunities

## DATA & INSIGHTS

"An important point of focus for IGT has been to provide customers with an unmatched level of support through the use of proprietary data-based intelligence tools," said Ascoli.

IGT's investments in this area include Lottery Data Cloud (LDC), an internal, cloud-based, advanced analytics platform. LDC brings together seemingly disparate sets of data from cross-jurisdictional and cross-functional data sources, including multi-state jackpot performance. The tool uses machine-learning technologies to help IGT analysts find correlations and apply the insights to help customers derive business value from them for a wide range of use cases.

Another unique tool to support lotteries with retail optimization is IGT's **Retail Market Insights**® (RMI) database. It provides data on more than 85% of U.S. traditional lottery sales via 176,000+ U.S. lottery retailers. **RMI gives participating lotteries and retailer decision makers the tools to analyze lottery performance trends within and across jurisdictions,** including comparing retailer and geographic attributes that impact performance to identify consumer trends and optimize existing lottery locations.

By leveraging data from both of these tools, for example, IGT is helping customers **optimize the placement and performance of lottery vending machines (LVMs)**: "We can look at existing performance to identify which retail locations have the most potential," explained Pursley. "We can also evaluate the specific locations within a retailer for

**Make Lottery Relevant and Convenient at Retail**

**IGT™**

**Games**   **Distribution**   **Engagement**

**DATA | INSIGHTS | AI**
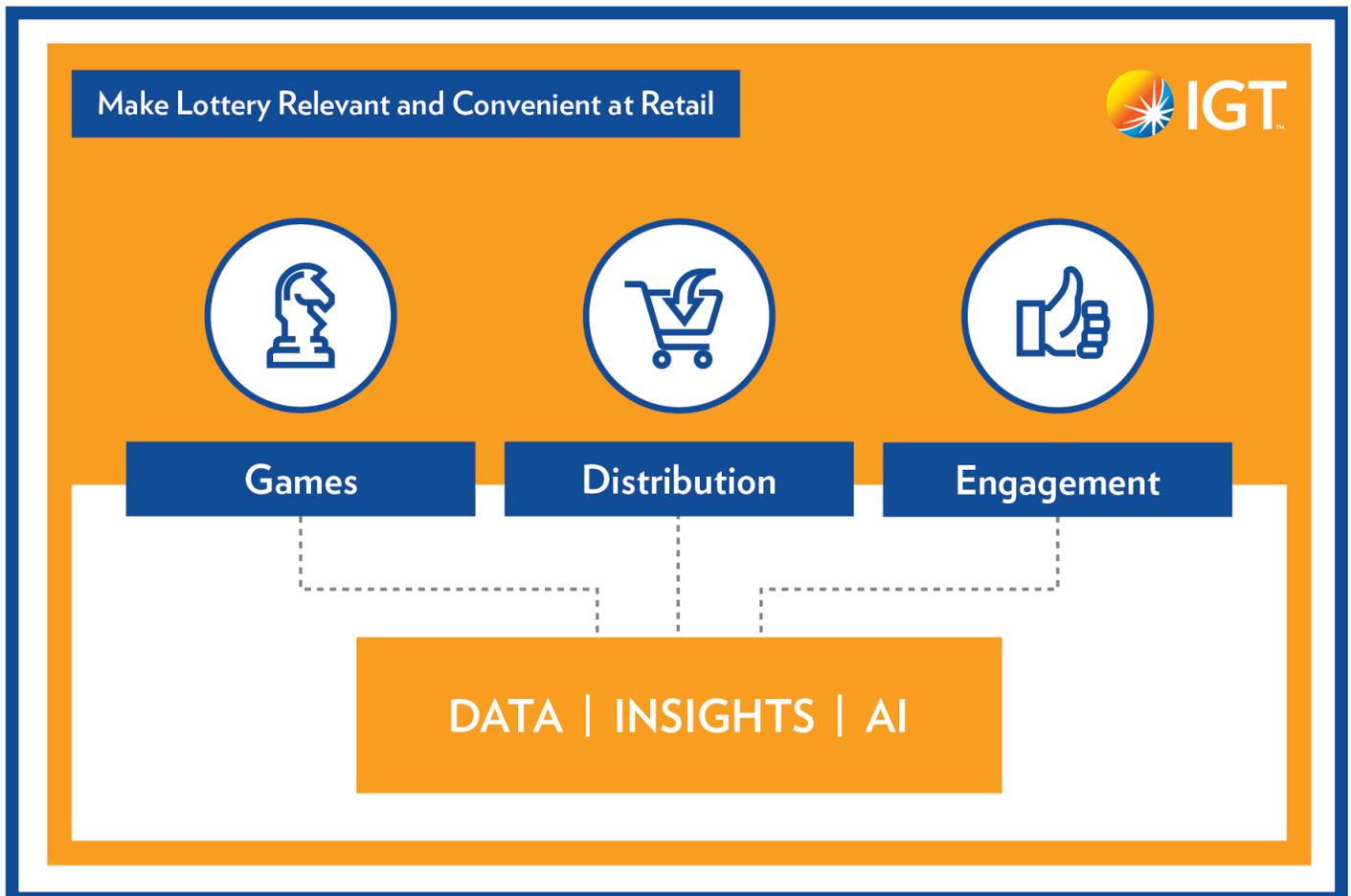
maximum visibility and interaction. Some retailers and trade styles can benefit from having more than one LVM in a location, and using IGT's Lottery Data Cloud we can help lotteries and retailers pinpoint those opportunities."

## GAME INNOVATION



**"Cash Pop**™, IGT's popular draw-based game, stands as one of our growth-driving game innovations," said Pursley. This game has now launched in 15 U.S. jurisdictions and is selling at an average weekly per capita of $0.11, with more jurisdictions onboarding in 2025.

Lotteries that have already seen success with Cash Pop are also working with IGT to develop and launch game enhancements, such as an all-new instant win component at retail, which launched in 2024.

"In the instants space, IGT's **Infinity Instants**™ games represent something very exciting," Pursley noted. "Lotteries are beginning to leverage the new game mechanics and prize structures made possible through Infinity technology, and which link to how the prize is revealed to provide new player experiences."

Jurisdictions are seeing the creative possibilities as they design and deploy Infinity Instants games in a multitude of ways, including omnichannel offerings. Other **omnichannel opportunities** enabled by IGT teams include **bringing Fast Play and scratch-off offerings together.**

IGT also recognized several years ago that the system for producing scratch tickets was ripe for reimagining. The company invested in designing a revolutionary, **patented new security**

---

**system, NextGen,** which links every process in instant ticket development to a common, coherent database and an associated blockchain for each game. "With the combined capabilities of IGT's NextGen programming platform and Infinity Instants™ digital printing platform, we can provide players with **new, highly engaging instants play mechanics** that can't be replicated with traditional printing technologies," said Pursley.

And, in 2025, IGT is adding a new printing press to its North American instants production facility in Lakeland, Florida — another example of the company's investments to better serve current and future industry needs.

## DISTRIBUTION

"What's exciting about retail and the future are several opportunities for further success on the distribution side," noted Pursley. "Channel expansion is critical as the industry looks to the future. Some retailers have indicated that in-lane is the only way they're interested in selling lottery. Because retailers also have software development schedules, they may not always be able to undertake the software development necessary to implement in-lane lottery sales."

The good news is that IGT has been innovating in this space: A new product available in 2025, **IGT LotteryLink**™ is a small, plug-in retail device that solves an enormous need for the industry by



---

affording the benefit of in-lane sales without any point-of-sale programming. "It enables in-lane sales for draw games and, even more exciting, scratch-offs," said Pursley. LotteryLink is completely unique to the industry and offers a breakthrough in retail sales, especially for corporate and high-volume retailers around in world.

"There are still numerous chains and trade styles that lottery players and potential players visit on a regular basis," Pursley noted. "These retailers are also looking for growth opportunities and want to give consumers a reason to keep coming back. Lottery can be that reason."  To support lotteries and retailers with lottery channel expansion, one IGT team is **specifically focused on penetrating and developing green-field retailers.**

## ENGAGEMENT

"Engagement is all about optimizing the experience of the consumer, making it more convenient and intuitive," noted Pursley.

IGT's **Connected Play** solution provides an important suite of functionality that digitalizes the consumer experience at retail and enables known play rather than anonymous play, a unique benefit for lotteries that are not regulated to sell in the digital channel.

The mobile lottery app is the lynchpin for this functionality, through which lotteries can establish a mutually beneficial relationship with players. "Connected Play enables lotteries to provide convenience and choices to players while only requiring a light registration, such as by email or phone number," noted Pursley.

With Connected Play data, lotteries can implement more personalized player marketing and support a connected, 360-degree lottery experience. Connected Play also enables paperless and cashless options for retail lottery sales, supporting sustainability initiatives and players' changing preferences.

"We're proud of the level of investment IGT continues to make in enabling future opportunities at retail," added Pursley. In

## Player Benefits of Connected Play

| WAYS TO PLAY | WAYS TO PAY | WAYS TO RECEIVE | WAYS TO GET PAID |
|---|---|---|---|
| **Quick Pick/Play Slip** | **Cash** | **Paper Ticket** | **Cash at Retailer** |
| Digital Play Slip | Cashless/eWallet | Digital Receipt | Auto Pay to eWallet |
| | | Digital Ticket | Mobile Claim |

increasingly crowded retail environments, digital signage can really help a product stand out. "Deployments of various digital menu boards have shown 15 to 20 percent uplifts in instant ticket sales," she noted. "Even better news, we've seen that digital signage over-indexes with younger demographics."

IGT's new **Digital Menu Board** offers a sleek, modern way to showcase lottery offerings and promotional content at the point of sale. The product's integrated communication with the lottery central system enables retailers to configure the digital menu to match the physical inventory within their specific store, making **near-real-time updates** based on activated packs for sale.

**Cashless** payment options are another important factor in player engagement, as new or occasional players who want to try a game could be limited by not having cash on hand and pass by the opportunity. Cashless transactions also open the door

to additional analysis and investigation: for example, learning whether cashless transactions correlate to the purchase of higher-price-point instant games. IGT's lottery vending machines support all major card brands for payment using Swipe, Chip and Tap. And Tap payment methods can be by card and mobile/eWallet.

## Looking Ahead

"It's such an interesting time for the industry," observed Pursley. "When I look to the future, what excites me is our continued focus and our passion to dig deeper than the obvious solutions to support lottery customers' growth."

Adds Renato Ascoli, "The future of the lottery industry is bright. I believe the industry is entering a breakthrough phase in modernization. We're positioning ourselves to be more agile and responsive as we bring to market compelling, growth-driving solutions across the lottery

value chain — and enable further lottery-business growth opportunities that will benefit customers for years to come as they continue to generate funds for good causes worldwide." ◾



**IGT has orchestrated its product roadmaps to offer integrated solutions that work individually or together to help lotteries pursue new retail growth strategies.**

# Transforming iLottery with Personalization and Innovation:
## The ZEAL Story

**Alex Green** | Vice President Games, ZEAL

ZEAL introduced online lottery to the German market more than 25 years ago and has since become the market leader for online lotteries in Germany. Our aim in becoming a member of the World Lottery Association and connecting with our audience in Public Gaming Magazine is to define the future of the lottery, both in Germany and internationally.

ZEAL Group's business model is distinct, incorporating various approaches beyond traditional lottery distribution. ZEAL Ventures promotes and invests in emerging companies offering innovative products and services for the lottery sector. ZEAL Instant Games develops and markets eInstants and Slots games, while ZEAL Iberia handles online marketing for the Spanish lottery ONCE. Through a network of international partnerships, ZEAL distributes its extensive portfolio worldwide. This international approach positions ZEAL to explore opportunities in the U.S. market, such as partnerships with state lotteries and adapting products like eInstants to appeal to American preferences.

Alex Green is a proven performer in the lottery industry and has been responsible for the ZEAL games unit since 2024. Born in the UK, Green has spent the last 20 years in various roles for the UK National Lottery, working for the previously official operator Camelot, and more recently for the new official operator, Allwyn UK. He has considerable experience in leading teams to deliver revenue growth in the UK and US markets, enabled through strategic planning, product development, and the commercial management of lottery games.

## Why Personalization is Essential

In the fast-changing world of iLottery, personalization has become essential. Generic offerings no longer meet the expectations of players, who increasingly seek experiences that cater to their individual preferences. By focusing on personalization, lottery operators can enhance player engagement, improve retention, and achieve sustainable growth. The shift from one-size-fits-all offerings to personalized products delivers significant benefits for both players and businesses.

Personalized experiences strengthen the connection between players and operators by aligning lottery journeys with individual preferences. This creates a more engaging experience and drives loyalty. At ZEAL, for example, products like freiheit+, an annuity lottery targeting younger, female audiences, demonstrate the impact of offering distinctive products for specific demographics.

## Products that Improve Customer Loyalty

Players tend to remain loyal to platforms that anticipate their preferences. Therefore, a key strategy for companies is to focus on improving customer lifetime value by refining conversion rates and optimizing cross-selling strategies. ZEAL's products such as Traumhausverlosung (English title: Dream House Raffle) and eInstants build deeper relationships with players by meeting their evolving interests and maintaining relevance.

Data analytics and player research enables ZEAL to continuously refine eInstants and lottery games, ensuring offerings align closely with player expectations. This approach maximizes player satisfaction and increases engagement frequency.

## The Evolution of Personalization in iLottery

Personalization has been a focus in the lottery industry for some time. It is now pivotal for iLottery, reflecting broader consumer trends in digital entertainment and e-commerce. Today's players expect experiences like those offered by platforms like Netflix and Amazon, where recommendations, promotions, and interfaces are customized to individual needs. This demand is driven by a desire for convenience, relevance, and control in digital interactions.

For iLottery, personalization means creating journeys that resonate with players' unique preferences and habits. It's about delivering the right product at the right time to deepen loyalty and enhance the connection between players and operators.

## Why Now? The Timing of Personalization's Rise

The need for personalization in iLottery has grown due to several key factors. First, digital-native players expect interactivity, relevance, and immediate gratification. Generic offerings fail to capture attention or drive long-term engagement. Second, as competition in the iLottery space increases, personalization acts as a differentiator, allowing lotteries to build lasting relationships with players.

Advances in data analytics now enable a deeper understanding of player behaviors, preferences, and trends, providing the foundation for targeted engagement. Beyond driving growth, personalization supports responsible gambling by identifying risky behavior and refining tools for safer play environments. By continuously adapting, ZEAL ensures its personalization efforts remain effective and aligned with evolving player needs.

## Personalization Across Industries

The principles of personalization are redefining the iLottery landscape and have already proven successful across industries. From Spotify's curated playlists to Amazon's predictive recommendations, these strategies demonstrate how understanding and anticipating customer needs can deepen engagement and build loyalty.

ZEAL is committed to applying these practices to the lottery sector, creating meaningful connections with players and ensuring relevance in a competitive market. By staying at the forefront of innovation and consistently refining our offerings, ZEAL aims to not only meet but exceed player expectations, setting a new standard for what iLottery can achieve.

ZEAL is driving the evolution of iLottery through innovation, player-first strategies, and a commitment to responsible gambling. We aim to redefine the lottery experience to meet the demands of a digital future. ■

**How are retail and iLottery business functions (like game development, promotional strategy and implementation, draw games and Instants, etc.) coordinated? To what degree are retail and iLottery teams working together?**

**R. Spielman:** Different functional areas do work independently to some degree. The beauty of the way that we are structured is that product or game development teams are working hand in hand with the digital teams to build a comprehensive launch and support plan for each of our games. Everyone works with their counterparts in the other channels to build a comprehensive and integrated approach that encourages players to engage with us on all channels. Everything is geared towards optimizing the lottery portfolio with a diversity of games and promotions that appeal to the largest variety of players and motivations. Retailer support and marketing plans are coordinated with iLottery launch schedules and promotions. The digital teams coordinate with the product teams to make it as easy as possible for the players to migrate back and forth from retail to online. And CRM initiatives encourage players to engage with lottery on all channels as well.

The content in the digital space is so different than what we're used to doing in retail. In retail, you have your twelve-month plan and then six months later you get with your vendor(s) to start working on the next twelve-month plan. In the digital space, we don't have a plan so much as a framework that helps us stay consistent with priorities and objectives and allows us to adapt to current trends we are seeing in the market in a way that we can't do with retail product plans. There is so much new content and new ways to engage the online player, so you want to take full advantage of that. The framework must allow us to be flexible and agile to move quickly in this digital environment. Too, the online players expect far more diversity of games launched at a frequency that is twice that of retail. We make sure that our online launches and promotions always complement our retail launch schedule and promotional programs.

We are working towards further integrations that support omni-channel games that will be similar in nature that can be played across channel. It might be a licensed property or just a game that has a similar play-style or theme. This way we are always facilitating the omni-channel experience, promoting online at retail, and using promotions to send the online player back to retail.

**How do you promote online at retail?**

**R. Spielman:** First, make it easy and intuitive for the player to interact with us online. We are trying to use imagery and protocols that connect the online and offline worlds so the player feels at home when they are on our website. We want the online experience to augment or amplify the retail experience, not replace it. To your question, the digital platform is a tremendous resource of information for the players. Even those who only want to play at retail still have questions that can't be answered by the POS displays or the clerk. Our website is a treasure trove of information that players want to access, like how many prizes are remaining for scratch-off games, or to check and compare the odds, or what numbers won the draw games and such. And maybe they'll explore around and find they want to play some digital instant games as well.

**Is there anything about your online activities and efforts that have applied to retail?**

**R. Spielman:** Digital lottery has transformed our understanding of data analytics and how to turn data into action-plans. Ours has always been a culture that values analytical evidence-based decision-making. But the amount of information and data you have access to in the digital world is exponentially higher than what you have at retail. New data-sets yield new KPI's, new ways to analyze player behavior, far better messaging and promotions … it has opened up whole new vistas for how we can improve our way of doing business and enhance the player experience. Of course, we will never have the same amount of data about the retail player. We can, though, apply this new mindset that appreciates the importance of Knowing Your Customer to retail, and get more creative at identifying KPI's to help guide our efforts at retail. Some of the digital KPI's translate directly to retail, or maybe a retail equivalent to the digital KPI can be created. And some of the insights we glean from the data captured in the digital space apply to retail players as well as online players. Digital has shown us how data analytics can transform our business performance and that also applies to retail.

**Do you think players continue to "stay in their lane" and not migrate across different game categories? Or should we think of ourselves as being in competition with other game categories like sports betting and online casinos?**

**R. Spielman:** The rapid expansion of other gaming opportunities varies from state to state now, but easy consumer access to the wide range of gaming categories is affecting everyone everywhere, if not right now, then in the very near future. We may be a monopoly in the lottery space, but we certainly are not in the games-of-chance space. The acquisition of Jackpocket by DraftKings has created another potentially more direct form of competition for our industry that may accelerate the rate at which lottery players are incented to try other game categories.

So, yes, we do think of ourselves as competing with these other operators for market-share and for mind-share of the consumer. The premium on Knowing Your Customer, on effective CRM, on

# "TOTAL ONLINE SALES INCLUDING DRAW GAMES NOW COMPRISE APPROXIMATELY 40 PERCENT OF TOTAL NORTH CAROLINA EDUCATION LOTTERY SALES."

New IGT Research:

# What Drives Player Loyalty?
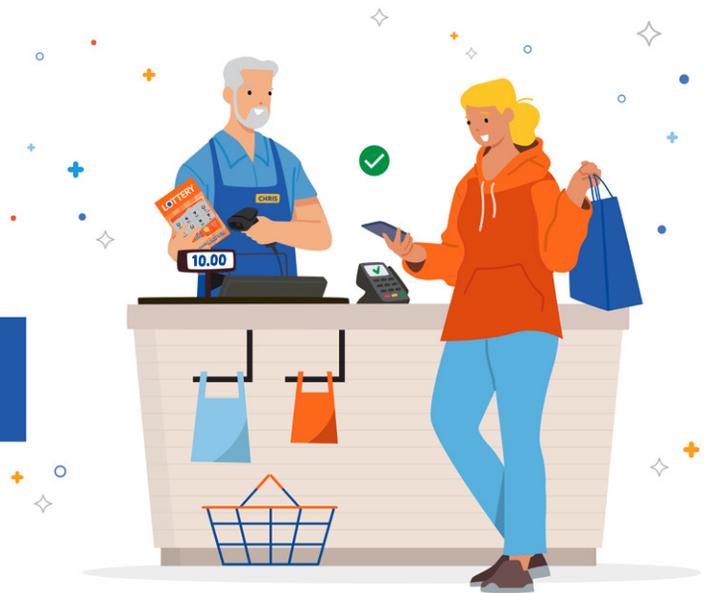
# A new IGT report outlines best practices and actionable strategies to harness the power of loyalty programs.

**A**s lotteries compete for entertainment dollars and adapt to changing consumer behaviors, loyalty programs offer a powerful tool for boosting engagement and driving sustainable revenue growth.

To gain a deeper understanding of what drives player loyalty and share the findings with the industry, IGT's Global Marketing Insights team partnered with Russell Research in 2024 to invest in a seven-country thought leadership study with over 7,000 consumers, among the largest study the two organizations have fielded together.

Surveying a general population of adult consumers, not morally opposed to playing lottery, a major piece of the study was dedicated to examining the benefits and perks of loyalty and membership programs that resonated most with lottery players.

IGT and Russell associate researchers also executed extensive desk research to identify the best-practice loyalty programs among non-lottery consumer brands, as well as perform a complete audit of existing lottery loyalty programs worldwide.

The insights revealed in the new report can help to inform lotteries' strategies for player acquisition and retention, among other applications.

## Special Report Preview

The new IGT research report focuses on how lotteries can harness the power of loyalty programs, whether to enhance an existing program or launch one for the first time. It outlines:

- Aspects of loyalty programs that motivate consumers to sign up, as well as their ranked importance

- Key best practices, drawn from leading organizations across various industries

- Actionable strategies for lotteries to strengthen player loyalty and maintain market relevance.

In addition, the report examines loyalty program membership trends, highlighting their widespread adoption and rate of participation among various demographics.

To cite just one example, the research reveals that Core Lottery Players are the most likely to participate in loyalty programs. The data is shown by multiple demographic layers, which may help the development of tailored loyalty offerings

that cater specifically to the preferences and behaviors of these highly engaged segments. It also points to opportunities for engaging younger adult players.

To illustrate what makes a loyalty program superior, the report takes a close look at grocery store programs. With nearly 80% of study respondents taking part in one, these programs dominate consumer participation (see bar graph). An examination of these "loyalty leaders" offers lotteries insights into a number of potential partnerships.

One of most straightforward ways to incorporate lottery data into existing loyalty programs at retail is via in-lane. A new solution that makes it easier to deploy lottery games in-lane is IGT LotteryLink™, a game-changing, plug-and-play solution that integrates directly into retailers' existing point-of-sale (POS) systems. Retailers automatically collect the associated data on lottery purchases, making it easier for retailers to create lottery marketing campaigns and tie lottery into retailers' loyalty programs.

## Access the Insights

For lotteries with established loyalty programs, the report offers ideas to refine and optimize them, ways to leverage cross-industry partnerships, streamline data collection for more effective promotions, and more.

For lotteries without loyalty programs, the report explores the strategic benefits of launching a program and draws inspiration from industry leaders that incorporate data-driven insights, player segmentation, and responsible gaming practices. ■

**To download your copy, visit IGT.com/SpecialReport. Also available at the same link is the research report Understanding Multi-Channel Players, based on additional findings from the IGT global study.**

## Methodology

The IGT study was conducted via online surveys from February 21 to April 15, 2024, in Australia, Canada, Czech Republic, Finland, Italy, Spain, and the U.S.

More than 7,000 surveys were collected (between 1,003 and 1,015 in each of the seven countries), encompassing three Lottery Player Segments: current/past-year lottery players; lapsed lottery players; and those who have never played draw-based lottery games or instant lottery games, but would be likely to consider playing lottery games in the future.

IGT and Russell associate researchers also executed extensive desk research to identify the best-practice loyalty programs and audit existing lottery loyalty programs worldwide.

## Loyalty Programs Consumers Belong To (%)

| Category | % |
|---|---|
| Grocery stores | 80 |
| Other retailers | 58 |
| Credit cards | 43 |
| Gas stations | 42 |
| Fast food | 40 |
| Airlines | 32 |
| Apparel companies | 29 |
| Coffee shops | 27 |
| Convenience stores | 25 |
| Lottery | 24 |
| Hotels | 22 |
| Casinos | 9 |
| Car washes | 5 |
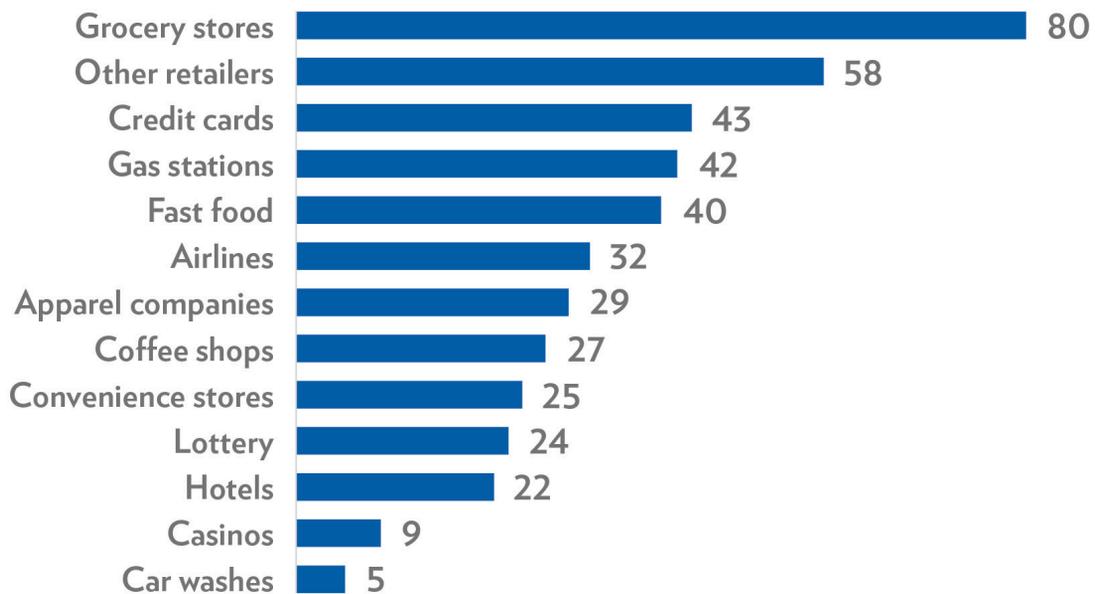
Loyalty Programs, strong mobile apps and web sites, incentives to drive online traffic to retailers, cross-promotions to incent retail players to go online and digital players to play at retail, Responsible Gaming messaging … these all deliver an immediate ROI even for lotteries that do not sell online. And they form the baseline for building out CRM programs and KYC initiatives which are really the key to long-term growth at retail and online. At the Virginia Lottery, Rob and the team worked hard to get players to register. Mark, Randy, and the digital team have done similar things in North Carolina. The NC Lottery was already selling draw-games online so eInstants became a seamless addition to their online portfolio. And then when Virginia and North Carolina did get authorization to sell online, they had a built-in registered player base which responded immediately. Sales in those two states grew right away and continue to increase today.

The short-term ROI for digital engagement might be hard to directly measure but the overall results show it is there, and the ramp-up preparation for digital sales is critical. Customer Relationship Management is the cornerstone to Amazon's success and all consumer marketing enterprises. Walmart, Starbucks, and casinos – businesses based on land-based operations and not online sales, have invested hugely in digital engagement with a strong effect. CRM is the key to sustainable success for Lottery just as it is for all consumer-facing businesses.

**NeoGames Studios retained its brand, was not rebranded as Aristocrat Interactive Studios. I assume that is a reflection of the brand equity of NeoGames Studios?**

**C. Shaban:** Exactly. The NeoGames Studios designs and produces online games that can be deployed on any online gaming platform, making them available to players in markets throughout the world. As we continue our integration, we simply want to preserve the value of that name recognition and its prominence as a game supplier that can be available to all online lottery operators. In January, we are launching a major update on the NeoGames Studios website to reflect the integration of Aristocrat's huge treasure trove of content that is now a part of our portfolio. We brought 180 games from the NeoGames Studio to

## "NeoGames was acquired by Aristocrat Leisure Limited for its depth and breadth of iLottery and iGaming expertise; and for its global team of digital professionals."

market in 2024, and more are planned in 2025. Our customers will now also benefit from the incredible brain-trust that comes over from Aristocrat's game development assets and resources and will soon be able to select from Aristocrat's industry-leading portfolio of gaming content being brought to the lottery market. Combining that with NeoGames seventeen+ years of gaming experience results, it is a win for our lottery customers and lottery players.

**Is there a concern that as eInstants become more and more exciting and fun that they come to resemble casinos-style games?**

**C. Shaban:** Aristocrat Interactive's objective is to support our lottery customers, and we want to provide a variety of various products to meet the player demand and offer a diverse range of playing experiences. That would still include games that appeal to the core lottery player who prefers traditional games, and games for casual lottery players. We also are focused on developing games that appeal to the next generation of players who may have a background of playing longer-play Mobile games. We want to design games to excite all playstyles and preferences.

So, to address your question Paul, the imperative is to be clear on the local regulations and comply with their directives and guidelines. Lottery operators hold themselves to the highest standards of integrity and compliance with the laws and regulations, so we want to align with the spirit and the letter of the jurisdictional laws and regulations. We also need effective geo-fencing and age-control systems and are committed to ensuring responsible play and consumer protection programs are also in place.

**Are most business decisions based on a best-practices approach that assumes some commonality to consumer behavior all around the world?**

There are commonalities in consumer behavior found everywhere. But the

answer to your question is that the customer - the jurisdictional lottery operator – ultimately makes the decisions. Our job is to provide our lottery customers with technology, content, and support services, and with the benefit of our research and global experience we can provide counsel on how to proceed. But lotteries know what works best in their markets, so we aim to be their long-term partner of choice to support those operations, security, and growth. With this approach, we are proud that Aristocrat Interactive iLottery has never lost a customer.

That said, our iLottery specialists do work to deconstruct the attributes of iLottery content and the different motivational drivers of the consumer to try to gain more granular insights to improve the games and tweak them to accommodate different local markets. And there remain huge opportunities for our industry to continue to grow the player base and overall business with further understanding of the almost infinite variety of playstyles and motivations. The games we develop can be tweaked to retain those underlying motivational drivers that may have universal appeal, while changing other attributes to appeal to local markets. The goal is to enable lotteries to maximize their appeal to a wider range of consumers, bringing more people into the joy of playing the lottery.

With the objectives of the lottery digital team as our priority, Aristocrat Interactive is driven by continuous improvement of our industry-leading platform and the next generation of games, and marketing and operational support. As we kick off this new year, on behalf of my colleagues at Aristocrat, we are thankful for this opportunity and motivated to help drive iLottery growth in existing and new lottery markets. ◼

aligned with the regionals by supporting and reinforcing the service and value that they bring to the industry. Secondly, it is imperative that we uphold the integrity of the industry by continually evolving our risk management and security as well as our responsible gaming standards and refining our certification processes. Integrity also includes establishing a center of knowledge and information in combating illegal gaming as well as promoting and raising awareness of sports integrity. Thirdly the WLA will continue to build on its role as an informational hub and resource, and to provide expertise or best practices in special and relevant topics and fourthly evolve Good Corporate Citizenship. Similarly, we will establish a process for identifying the key topics and how to proceed with the development and presentation of business intelligence and industry knowledge.  These are all areas where the WLA has a proven track record of success.

The WLA vision is to be recognized as the global lottery and betting game authority and to support its members in contributing to society. Therefore, we must set the standards of excellence for the lottery ecosystem, serve our members and help them to succeed and prosper.

### Is there an example of how the competencies of the WLA complement the regional associations?

**A. Kötter:** The industry is evolving at different stages and in different ways across the globe. For instance, illegal gambling or the business model of resellers has manifested in Europe over the past twenty years in ways that are just beginning to emerge in other regions such as the U.S. The WLA acts as an information resource and can help its members around the world understand, through case studies, how some of these issues have developed elsewhere, how lotteries have responded to threats, which strategies and tactics have worked well, and which have not worked so well. I´ve been impressed by how the Asian region embraced new technology in their lottery work and started to use AI to analyze the illegal market. We have just started a joint initiative with the Regional Associations to research the size of the illegal markets on a global scale. To uphold the core values of integrity and fair play in sport, the WLA, together with EL (European Lotteries), founded ULIS (United Lotteries for Integrity in Sports) as the main global player in the field of state lotteries.

The regional associations have a deep understanding of the local markets, gaming cultures, political environments, and the most relevant issues and needs of its members. Joint conferences and educational seminars reflect specific interests of the members and the WLA is happy to collaborate with the regional associations in providing experiences from other parts of the world. These are just a few examples of how the WLA and Regional Associations work together to add more value to lotteries.

### How might lottery further its competitive advantage?

**A. Kötter:**  First of all, we should take a measure of the unique attributes of lotteries that no one else has and how we might leverage those to better effect. Lotteries have been part of the day-to-day culture for decades. We have analyzed the development of lotteries for every crisis after the Second World War. How are lotteries affected by economic crisis? Political crisis? Changes in the competitive landscape? One truism is the amazing resilience of lottery products. Lotteries currently have a retail network that no one else has or even has any hope to replicate. Lotteries have an established, trusted brand and a mission to serve good causes. That makes us strong and unique. Our business is sustainably increasing, and we have the largest customer base in the whole gambling segment. Given the associations there is no other relevant player on a global level than WLA together with the regional associations in our segment. Building on these strengths, we should be able to identify and face the industry challenges if we anticipate new trends and technology, understand the customer, exchange information and innovate, learn from each other and think in cooperations. The WLA, and I´m sure also the Regional Lottery Associations are committed to serving their members and helping them succeed in these exciting times of disruption and opportunity. ∎

---

application of data-analytics and building out new sets of KPI's that identify and measure the factors that matter most and which are constantly changing.  Our competition is raising the bar on all of these business functions which means we have to be better than them if we want to promote loyalty and retain playership.

I was asked about the evidence to substantiate the concern that lottery players are subject to shifting some of their spend over to other game categories.  I would respectfully submit that if we wait for the evidence to come in, it will be too late. We are proceeding on the basis that the consumer has more choices now, and we need to continue to earn their playership. Lottery has the most storied history of any game, a resilience and popularity and life-cycle that is unlike any other product. I think it would be short-sighted of the industry to assume that guarantees future success.  We are focused on leveraging the things that make lottery unique, an ongoing commitment to healthy play and the great work that is being done to support our beneficiaries.

I think we need to prepare for a dynamic market-place with consumers who expect us to continually "up our game".  That's why we are building a culture of nimbleness that expects consumer behavior and market dynamics to be changing faster than ever. We are embracing the opportunity to set new standards that keep our players engaged, that keep our channel partners committed to lottery, and that keep the good causes – public education in North Carolina – that benefit proud of their association with the N.C. Education Lottery. ∎

# Games-of-Chance Battle of the Brands Intensifies

**Simon Jaworski,** *Founder & CEO, Lotto Research*

For the first time, significantly more Americans are aware of Sports Betting advertising than Lottery advertising.

### "If you ain't first, you're last".

Sounds simple and logical, right? However, until last year, Lottery still held a significant lead over Sports Betting when it came to advertising awareness than their current major competitor. 2024 has changed all of that, with the numbers for 1st and 2nd place basically flipped.

In 2023 Lottery earned 52% ad awareness, which was up significantly from 2021's 44%. This past year it dipped to 47%. Meanwhile Sports Betting's meteoric rise in terms of being top of mind has gone from 32% ('21) to 47% ('23) and is now at a category high 52%.

### "Hey, it's me America"

This begs three key questions: Where did the shifts in ad awareness occur, what effect, if any, has it had on purchasing and what can the Lottery industry do about this in 2025?

The Northeast has seen a strong and significant swing for Sports Betting advertising, up from 50% to 58% year over year, while the South has seen close to a double-digit increase (Florida started online Sports Betting via Hardrock in December 2023, a landmark moment for a state with a 20m+ population).

Meanwhile Lottery ad awareness has sank almost 10 points in the Midwest, down from 54% awareness in 2023, down to 45% in 2024.

### "Santa! Oh, my God! Santa's coming! I know him!" (Trade 'Santa' for 'Sports Betting')

Demographically, both genders have dropped 5% in terms of Lottery Ad Awareness on a national scale, down to 51% and 44% among men and women respectively. However, it is the strengthening of Sports Betting Ad Awareness among females that has produced a 5% annual uplift to 42% (compared to 3% for males). The gap between Lottery and Sports Betting Ad Awareness is now a meagre 2% points, whereas the gap in 2023 was 11% in Lottery's favor.

Two age groups in particular have driven the higher Ad Awareness for Sports Betting: 18-24 year olds have gone from 44% to 53% over the past twelve months, whilst the all-important 45-54 year olds have seen a 6% jump, both significant strong and significant increases.

Sports Betting Ad Awareness has also benefited from a strong and significant increase among the U.S. African-American population, up from 48% in 2023, to a category leading 62% in 2024.

### "You stink. You smell like beef and cheese!"

When asked how their spending has changed on the major gaming and gambling categories, the two Lottery categories appear to echo the slight decline in underlying U.S. Lottery sales data. Roughly a fifth of Lottery Draw Game and Scratch players claim a net increase in spend, while a higher proportion, approximately a quarter, claim a net decrease in either or both the categories.

Casino play has also seen a slight negative trend, with net increases in Casino play among 22% of players, and a net decline among 26% of Casino players.

### "Fill it up again! Once it hits your lips, it's so good!"

The biggest net increase in self-reported spend comes within the Sports Betting marketplace, with almost 2 out of 5 past year bettors claiming they have increased their spend, driven by over-indexes among 18-34 year olds, African-Americans and Hispanic Americans. Only 1 in 7 Sports Bettors claim they have reduced their spend in 2024 (driven by those 55+). The net positive gain is around 25% for Sports Betting from the consumer research, which mirrors the Sports Betting Operator revenue increase of 30% ($14.3bn '24 v $10.9bn '23).

### "You're my boy, Blue! (states)"

The Northeast has seen the greatest surge in player reported net spend increases in Sports Betting, with a 4:1 ratio claiming they have increased their Sports Betting outlays, compared to those Americans who claim to have decreased their spend in the likes of New York, New Jersey, Massachusetts and Connecticut,

### "If Bruce Dickinson wants more cowbell, we should probably give him more cowbell."



The question now is not related to getting the top slot back in consumers' minds, as that ship has sailed, primarily due to the fact that FanDuel and DraftKings spend roughly $2bn (that's billion) on Marketing in any given year (this was their 2023 spending).

The Lottery industry should focus more on adopting the critical Marketing tactics that Sports Betting institutions use every day.

1. **Be ever present with messaging that highlights consumers benefits.** Every day I personally receive emails and texts with offers, free bets and bonuses that make me feel appreciated from Sports Betting brands. How can the Lottery adapt this strategy with their wealth of products and strong brands at their disposal? How can Lotteries personalize offers? Can second chance opportunities become more frequent? Can player's clubs genuinely offer more ways to help their players feel valued?

2. **Differentiate information on the size and where proceeds go**. The Lottery ($28bn) provides 15 times more benefits to Americans than sports betting. How can the lottery industry take further advantage of this amazing fact? Is there a way to utilize two of America's biggest and most popular brands (Powerball and Mega Millions) to help underscore this critical message?

3. **Own the Responsible Gaming space.** All the focus on good causes, goes hand in hand with having good, responsible players. Can the Lottery

industry utilize their apps, websites, emails, texts and all forms of electronic contacts and content, to promote consistent responsible play? Is it possible to highlight where Lotteries have funded RG campaigns and help?

2025 may be the first year where key competitors (notably sports betting brands) begin to reign in their Marketing spend a little, mainly due to financial pressures as the undoubted surge of takeovers and acquisitions starts to take hold in that industry. This may be the best time the Lottery industry has to strike back in regaining the #1 position in consumer's minds.

Trust me I'm a researcher ■

**Simon Jaworski, Founder & CEO, Lotto Research**

**simon@lottoresearch.com**
**C: 609-558-1019**

---

COVID. But applying the concept of *overstory* can deepen our understanding of the epidemiology of ideas, how cultural trends and attitudes are shaped, and how they then manifest in the form of specific behaviors like laying the lottery. Let's look at sports betting. Then we'll look at Lottery.

The overstory of sports betting would need to include Fantasy Sports which emerged six or seven years before the Supreme Court ruled that states could legalize and regulate sports betting. Even higher in the overstory canopy is the incredible increase in popularity of the NFL between the 1980s and the 2010s and continuing even now. And how about the exponential rate of growth of hours spent on Mobile devices between 2010 and today. Or the opening up of a huge sports media business sector to drive engagement. And how all these factors contributed to the transformation of public attitudes about sports betting to see it not as "gambling" but as just another normal part of being a sports fan. I don't know if the stakeholders of the businesses that benefited by all these rapid-fire changes were that prescient. They probably did not talk about "overstories". But whether intentional or not, their actions did align with some powerful *overstory* drivers of change.

So … what's our lottery *overstory?* I don't know. The answers to many of these overstory questions do not always reveal themselves early on. The technology for personal computing was available in 1980 but the tipping point (release of Windows 3.0 and then Windows 95) didn't happen for ten years. And the subsequent alchemy (photosynthesis if we lived in a forest) that ties together personal computing, the internet and the technological changes that followed, i.e. the overstory, is still being played out.

We could, though, observe that land-based retail is undoubtedly a mission-critical part of our overstory. A healthy retail sector is like opening up the canopy to let in the sun and rain that sustains life. Obviously, a lot more can be said on that subject.

Regulatory action has profound impact and continues to confound me. I'm not sure of the antidote, but we just seem to be losing the PR battle for public mind-share/ awareness and the interest of legislators who shape regulatory policy. Did you read the **"Model Internet Gaming Act" written by NCLGS (National Counsil of Legislators from Gaming States)?** The whole thing is a recipe for turning regulatory control over to commercial gambling interests. It's almost as if it was written by the AGA (American Gaming Association) and Spectrum Gaming, with no input from state lotteries. The very first item in their policy statement even asserts its affiliation with commercial gambling operators and its lack of consideration for state lotteries:

"It is in the state's interest that the implementation of iGaming be accomplished in a manner that compliments (sic), and does not adversely impact upon, the **licensed casino and racino facilities** that may exist in a particular state. … The state may limit the internet gaming operators to the licensed casino gaming, racino, and sports betting operators in the state." **No mention of the state lottery. In fact, the state lottery is excluded from the sectors that can be licensed!**

It goes on to say, in a section titled *Legislative Findings* "The Legislature finds that the operation of internet wagering **in conjunction with our brick and-mortar casinos** serves to protect, preserve, promote, and enhance the tourism industry of the state as well as the general fiscal well-being of the state and its subdivisions." Again, why is lottery being excluded?

"NCLGS recommends a tax rate between 15 percent and 25 percent to achieve this desired result." NCLGS has no business pushing this low-tax agenda that serves the interests of commercial operators, not the interests of the public.

The final nail in the coffin for state lotteries is for NCLGS to clarify that "This act does not prohibit selling internet lottery games, including, but not limited to, digital representations of lottery games." In other words, this "Act" invites states to allow commercial companies to create betting games that play like lotteries.

Lastly, NCLGS recommends that "The Gaming Regulatory Authority shall have financial and administrative independence in conducting its affairs." This clause confers sweeping powers **independent from legislative and executive branches of state government.** Add this to …

"The Gaming Regulatory Authority shall be funded by the legalized internet gaming operations which it is charged with regulating, through the receipt of application fees, licensing fees, monetary fines imposed for regulatory infractions, proportional assessments, or other mechanisms for equitable reimbursement of regulatory costs." In other words, the Gaming Regulatory Authority is to be funded by the very people they are supposed to be regulating. OK, I could rant on in righteous indignation but will stop here.

The NCLGS "Model Internet Gaming Act" is a blueprint for turning the industry over to commercial operators and ensuring that state lotteries are neutered, disempowered, and boxed out of the internet gaming and even iLottery space. **I am pleased to retract this little rant if someone, anyone, can explain where my conclusions are not on-target. I would welcome the opportunity to retract based on being wrong!**

An important aspect of our *overstory* is, in my opinion, that we are now in direct head-to-head competition with other games-of-chance categories, and money games that masquerade as something other than gambling. Lotteries now operate in a competitive consumer-driven free-market environment; and in competition with well-funded adversaries who promote an agenda that is not consistent with the interests of either the general voting public or the interests of lotteries and the good causes they support. Thankfully, the leadership of state lotteries has always applied more ingenuity, creativity and innovation than our competitors to ensure that lottery players always come out on top! So Bring it on.

*Paul Jason*

Paul Jason, Publisher
Public Gaming International Magazine

# PGRI
## SMART-TECH
### 2 0 2 5

# THANK YOU TO OUR SPONSORS!

---

## DOUBLE PLATIUM INUSTRY LEADERS

**IGT**

**intralot**

**POLLARD** banknote limited

**SG SCIENTIFIC GAMES**

---

## PLATIUM INUSTRY LEADERS

**abacus drives LOTTERY EVERYWHERE**

**allwyn**

**INSPIRED**

**EQL GAMES**

**IWG INSTANT WIN GAMING**

**Jackpocket**

**ARISTOCRAT INTERACTIVE**

**ZEAL**

---

## GOLD INUSTRY LEADERS

**ALCHEMY₃ SMART GAMING SOLUTIONS**

**carmanah signs** A DIVISION OF STRATACACHE

**GLI®**

**SCA** Our Risk. Your Reward.

# CORPORATE PROFILES OF SPONSORS FOR SMART-TECH FLORIDA 2025

## SPOTLIGHT ON THE LEADERS OF THE GOVERNMENT-GAMING INDUSTRY

t's the collaboration between operators and their commercial partners which drives innovation and progress and makes this industry work. PGRI endeavors to support and nurture that relationship, confident that together we can all build successful businesses that meet the needs of our stakeholders and customers. The leaders of the commercial community play a vital role in our industry, and we are thankful for their invaluable contributions to the exchange of ideas that happens at PGRI conferences, and all industry events and conferences. Their products and services are the result of a tremendous investment in R & D, and their insights and capabilities are informed by a deep experience in all aspects of the lottery business. Following is their story. Please also visit the conference website (www.PGRItalks.com) to see their presentations from PGRI conferences.

## ★ DOUBLE-PLATINUM INDUSTRY LEADERS ★

**INTERNATIONAL GAME TECHNOLOGY PLC (IGT)**
*North America Lottery Headquarters:*
*10 Memorial Boulevard*
*Providence, RI 02903*
*Phone (401) 392-1000; Media line (401) 392-7452; Fax (401) 392-1234*
**www.IGT.com**

A global leader in lottery and gaming, IGT is uniquely positioned to deliver unrivaled gaming experiences that engage players and drive growth.

To support player-driven innovation and growth for our customers, we leverage a substantial investment in player insights, a wealth of premium content, operator experience, and leading-edge technology. Our Global Lottery, Global Gaming, and PlayDigital organizations respectively support four key business segments:

**Lottery** – IGT's pioneering and award-winning solutions encompass all aspects of the lottery business, including iLottery. We're the trusted source of fully integrated product roadmaps and advanced solutions to accelerate the convergence of retail and digital. We continually refine and optimize our systems and tailor game content to help our customers strengthen their relationships with their players.

**Gaming** – We deliver dynamic games, systems, gaming machines and other growth-driving innovations to gaming venues around the world. IGT's distinctive systems solutions give operators the control and flexibility they need to optimize their gaming floors, offer cashless gaming, and manage robust loyalty programs.

**Digital** – IGT PlayDigital is dedicated to delivering growth-driving solutions that advance the global iGaming sector. From game aggregation, content and systems technologies to player engagement tools, our iGaming portfolio is integrated, modular, and flexible.

**Sports Betting** – The IGT PlaySports™ solutions can meet the needs of any sports betting operator. The award-winning platform is versatile, and annually processes billions of dollars in wagers through retail, mobile, and self-service technology.

IGT's global sustainability initiatives are encompassed within Sustainable Play™, which celebrates our dedication to our people and planet as we deliver innovation and excellence that is "Ahead of the Game." IGT's commitment to responsible gaming is woven into the fabric of everything we do. The Company maintains responsible gaming certifications for all four of its product segments – lottery (including iLottery), gaming, digital, and betting – through both the Global Gambling Guidance Group and World Lottery Association.

As a member of the United Nations Global Compact, IGT aligns its strategies with 10 universal principles related to human rights, labor, the environment, and anti-corruption. We also support the United Nations' Sustainable Development Goals (SDGs).

IGT creates a fair and inclusive culture that values unity, diversity, and belonging in our people, players, customers, and communities. Earning a top score in the 2024 Disability Equality Index, IGT was named a "Best Place to Work for Disability Inclusion." We received a top score on the Human Rights Campaign Foundation's 2023-2024 Corporate Equality Index, earning us the "Equity 100 Award: Leader in LGBTQ+ Workplace Inclusion" designation.

**INTRALOT**
11360 Technology Circle
Duluth, GA 30097
Phone (678) 473-7200
*www.intralot.us*

INTRALOT, a publicly listed company established in 1992, is a leading supplier and operator of gaming solutions, active in 39 regulated jurisdictions worldwide. With a global workforce of approximately 1,700 employees as of 2023, INTRALOT is committed to redefining innovation and the quality of services in the lottery and gaming sector, while supporting operators in driving growth. As a technology-driven corporation, INTRALOT serves as a private partner to the public sector, enabling lottery and gaming operators to establish a responsible gaming environment and contribute to good causes for their local communities.

Guided by the strategic approach "Driving Lottery Digital Transformation with flexible, reliable, secure solutions and systems", INTRALOT is committed to modernize Lotteries by delivering innovative lottery and sports betting solutions, shaping the future of gaming. INTRALOT focuses on developing next-generation products based on players' omnichannel experience, the trends of the worldwide gaming ecosystem, and the efficiency of the operators to provide engaging responsible entertainment for their players.

As a member of the UN Global Compact, INTRALOT is a global corporate citizen committed to the UNGC Ten Principles and the continuous development of policies and procedures addressing environmental, social, and governance (ESG) issues. These efforts are aligned with the Global Reporting Initiative (GRI Standards 2021) and include accountability mechanisms, monitoring, and reporting on INTRALOT's sustainability performance.

Awarded the WLA Responsible Gaming Framework Certificate, INTRALOT is an active proponent of responsible gaming principles. The company also maintains the highest industry certifications for quality and safety management systems. It was the first vendor in the gaming sector to be certified with the WLA SCS:2016 (Security Control Standard) in 2008 and is also certified according to ISO 27001:2013 for its Information Security Management Systems.

INTRALOT collaborates with major international industry associations that act as valued partners in supporting efforts to shape the future of the gaming market. Specifically, INTRALOT is a Platinum Contributor to the World Lottery Association, an Associate Member of the European Lotteries, a Level I partner of the North American Association of State & Provincial Lotteries (NASPL), an Associate Member and Gold Sponsor of the Asia Pacific Lottery Association (APLA), and an Associate Member and Silver Sponsor of the Gaming Standards Association.

Our U.S. subsidiary, INTRALOT, Inc., employs around 600 individuals and manages 14 contracts in 12 jurisdictions in North America (Arkansas, DC, Georgia, Idaho, Illinois, Louisiana, Montana, New Hampshire, New Mexico, Ohio, Wyoming and Canada British Columbia), providing online systems and services, retail sports betting, warehousing and distribution of instant tickets, as well as VLT/COAM monitoring.

---

**Pollard Banknote Limited**
*www.pollardbanknote.com*

Pollard Banknote provides lotteries across the globe with a wide range of industry-leading print, retail, and digital products and services. As the lottery partner of choice, we empower our clients by delivering strategic recommendations and innovative tools that promote responsible growth and maximize proceeds for good causes.

Our team of expert lottery specialists focuses on three key dimensions of success: Outstanding Games that excite loyal players while attracting new ones, Retail Excellence through effective in-store strategies and retail network expansion, and Digital Innovation to enable a seamless, fully integrated lottery experience across online and retail channels.

Pollard Banknote supports our clients in achieving their business objectives with comprehensive marketing strategies and related services that aim to create engaging player experiences and drive lottery performance. At the same time, our revenue-generating instant games redefine industry standards with captivating designs, innovative playstyles, and popular licensed brands that boost entertainment value.

Our retail solutions enhance and expand the lottery presence in retail spaces. These include best-in-class in-lane, self-serve, and vending solutions, as well as instant ticket merchandising, dispensing, and POS display options from our Schafer Retail Solutions + portfolio. Furthermore, our Pollard Charitable Games Group is the leading provider of pull-tab tickets, bingo paper, bingo markers, ticket vending machines, and electronic games and devices to charitable and other gaming markets in North America.

We offer a growing range of world-class digital products designed to elevate the lottery experience. These include advanced mobile applications, innovative Space Between™ games, and player engagement solutions like our gameON™ second chance and playON® loyalty platforms. Additionally, Pollard Banknote offers a suite of lottery management and optimization tools, including warehousing and distribution platforms and services, to enhance lottery operations.

Drawing on our extensive iLottery experience in North America, Pollard Banknote recently unveiled our Pollard Catalyst™ Gaming Platform. This state-of-the-art platform utilizes modern, cloud-native technology and a modular system architecture to give lotteries unrivaled flexibility and extensibility. Designed as an omnichannel solution, it can also seamlessly integrate online and retail play for a unified player experience. Paired with exciting iLottery games from our Pollard Digital Games Studio and expert-led business services, the Pollard Catalyst™ Gaming Platform enables lotteries to drive engagement, increase revenue, and adapt to evolving market demands.

Our unwavering commitment to innovation across these areas has resulted in exponential growth and the establishment of a global family of companies with over 2,200 employees collaborating across 20 locations in eight countries worldwide. With a diverse range of innovative products and solutions supported by unparalleled expertise and experience covering all aspects of lottery, Pollard Banknote continues to be the premier partner for lotteries around the world and a driving force in the industry.

## Scientific Games
*www.scientificgames.com*

More than 50 years of relentless innovation. Legendary performance. And unwavering security. All built on a foundation of trusted partnerships.

Since 1973, Scientific Games has integrated science into everything we do. We developed the world's first secure instant game with mathematical formulas and engineering innovation, and we continue to power the lottery industry with breakthrough, science-based products. From enterprise gaming platforms to exciting entertainment experiences and trailblazing retail and digital solutions, we help lotteries responsibly drive maximum profits for their beneficiary programs.

Today, Scientific Games is a global leader in retail and digital products, technology and services that drive profits for government-sponsored lottery and sports betting programs. With 150 lottery customers in 50 countries, we continue to propel the global industry forward and elevate lottery play every day.

Headquartered in metro Atlanta, USA, we are a 100% lottery-focused private company owned by Brookfield Business Partners, a leading global investment company. Our worldwide teams of 3,000 employees on five continents know what lottery players enjoy today. And with the power of Scientific Games' data analytics, our lottery experts create what they'll want to play tomorrow, and our technologists deliver how and where they want to play.

We lead by investing in innovation. We're always thinking about the player experience. Because it's not just a game. It's an instant of entertainment. All to benefit vital good cause programs that positively impact communities around the world.

Scientific Games is the world's largest creator, producer and manager of lottery games and the fastest-growing leading provider of lottery systems and retail technology. Our integrated ecosystem of products and applications seamlessly connects lottery retail and digital experiences. And why we are the partner of choice for the growing iLottery and lottery sports betting markets.

We excel at solving market challenges and helping our customers maximize the value of new opportunities. We're always evolving and firmly committed to responsible gaming. So that the future of lottery funding shines bright.

It's a future of game security paired with the thrill of winning — all backed by science. We're the driver of today's favorite lottery games and most advanced technologies. And sustainability for our lottery customers tomorrow.

Our proven portfolio of lottery products, technology and services includes:

- Enterprise Gaming Systems
- Retail Instant Scratch Games, Draw-based and Fast Play Games
- Digital and iLottery Games
- Licensed Brands
- 2nd Chance Games and Promotions
- Winners' Events
- Player Loyalty Programs

- Mobile Apps
- CRM
- Retail Solutions
- Payment Solutions
- Sports Betting
- Consumer Analytics and Insights
- Business and Retailer Intelligence
- Managed Services

**Visit** *www.scientificgames.com*

## ABACUS Solutions International Group
## In-lane Solutions for Innovators
*www.lotteryeverywhere.com*

Abacus is the only solution that allows retailers to sell lottery tickets at all points of sale, including self-checkout. By integrating with existing systems, Abacus helps retailers recover lost revenue, increase sales per labor hour, and boost average transaction value. With proven success in international markets and partnerships with industry leaders, Abacus is the trusted solution for modernizing lottery sales in the retail environment.

### Retail Core Values
Abacus empowers retailers to boost revenue, streamline operations, and enhance customer convenience by seamlessly integrating lottery products and services into retail points of sale, without extra infrastructure or staffing.

### Lottery Core Values
Abacus empowers lotteries to boost revenue and enhance customer

convenience by opening additional sales channels for your products by seamlessly integrating lottery products and services into retail points of sale.

Our service offering includes:

- Integration into retail sales channel (including manned and self-checkout lanes)
- e-Commerce and digital channel integration
- The sale of lottery draw and instant games at the point of sale
- Connection to third party instant ticket dispensers
- Enquiry and validation of all games
- Data management, tracking and control
- A feature rich Management Portal
- Control of the point-of-sale environment
- Configuration and management down to lane level
- Reporting capability across all platforms and channels
- Advanced fault diagnosis and tracking

## Allwyn North America
*www.Allwyn-NorthAmerica.com*

Allwyn North America is a full service lottery operator, supplier and business partner to North American lotteries. We make play better for all with innovative lottery technology and services, engaging content, and tried-and-tested playbooks that responsibly grow lotteries' playerbase, revenue and returns to good causes over time.

Our local team of 100 experienced lottery professionals are deeply familiar with all aspects of a lottery's operations, and we call Chicago, Illinois home. Globally, we're connected to over 6,000 employees in six different markets across North America and Europe, and our lottery operations and technology supports over 130 million players and generates more than $4.4 billion in annual gaming revenue.

As the commercial operating partner of the Illinois Lottery, we work in partnership with the Department of Lottery to operate a modern lottery that benefits the people of Illinois. Our focus as operating partner is to drive responsible and sustainable growth to maximize revenue, while building the Illinois Lottery's brand and reputation as a champion for the people of Illinois. Together Allwyn and the Department have grown the Lottery's player base to two-thirds of the adult population, delivered year-over-year growth in online players and sales, delivered record total sales, and delivered record proceeds to the State of Illinois.

## Aristocrat Interactive™
*aristocratinteractive.com*

Aristocrat Interactive™ is a regulated online Real Money Gaming (RMG) business formed in 2024 when NeoGames and Anaxi came together.

Aristocrat Interactive is an industry leader in content and technology solutions for online RMG, with a full-service offering that includes content, proprietary technology platforms and a range of value-added services across iLottery, iGaming, and Online Sports Betting (OSB).

Positioned as the long-term partner of choice for lotteries worldwide, Aristocrat Interactive iLottery, formerly NeoGames, helps authorized jurisdictions bring their lotteries online. Offering turnkey solutions that support industry-leading platform development and operations, award-winning content through NeoGames Studio, and various marketing programs, Aristocrat Interactive helps governments seamlessly offer a complementary lottery platform to their existing retail one, allowing them the opportunity to bring a new demographic of players into their lottery ecosystem. The commitment to being lotteries' interactive partner on their digital journey remains unchanged, and the dedication to the future of iLottery technology and solutions is as strong as ever—now enhanced by the combined strength of Aristocrat.

Aristocrat Interactive iLottery currently serves 31 global lottery customers.

## EQL Games
*eqlgames.com*

EQL Games believes the lottery industry should be a marketplace of ever-evolving content and technology innovation. Supported by our modernized tech stack, EQL Games lives this vision by delivering disruptive, first-to-market products - both as an original game studio and as a third-party content aggregator. EQL currently has launched products or has products launching in the District of Columbia, Michigan, Virginia, United Arab Emirates, and Catalonia lotteries, with more to come soon.

We enable lotteries to add new and innovative content across both retail and digital channels and thanks to the start of a new partnership, we can now offer Team USA and U.S. Soccer content for all products, including scratch tickets. Our first-of-its-kind content aggregator enables EQL Games to deliver innovative content from multiple studios spanning draw, keno, and eInstant products without the potential headache and inefficiencies of dealing with multiple studios who do not understand the market. Inversely, we enable studios to offer content in a market they could not have entered otherwise.

EQL Games has four key business segments:

EQL Aggregation

Technology platform enabling access to a wide variety of game content – both originals and 3rd party – with a single integration and allowing speed to market

EQL Technology

Flexible, scalable configuration-based game engine and management platform powered by GLI-certified RNG and built on a platform that scales with demand

EQL Originals

Unique game content created in-house by EQL Games - eInstants, draw games based on results of live sports & TV shows, traditional draw games

EQL Licensing

Suite of best-in-class-brands delivering compelling and experiential content from leading brands such as Team USA and U.S. Soccer

The EQL Approach to everything we deliver - True Agility. As a third-party, it is our responsibility to make adding our products as seamless as possible. That philosophy is clear in everything we do.

## Inspired Entertainment
*inseinc.com*

**INSPIRED**

### Engaging the next generation of Lottery Players

Inspired offers an expanding portfolio of content, technology, hardware and services for regulated gaming, betting, lottery, social and leisure operators across land-based and mobile channels around the world. The Company's Gaming, Virtual Sports, Interactive and Leisure products deliver winning entertainment that appeals to a wide variety of players, creating new opportunities for operators to grow their revenue.

Inspired Entertainment operates in approximately 35 jurisdictions worldwide, supplying gaming systems with associated terminals and content for approximately 50,000 gaming machines; Virtual Sports products through more than 32,000 retail venues and online; interactive games for 170+ websites; and a variety of amusement entertainment solutions with a total installed base of more than 16,000 gaming terminals.

As a large gaming provider, Inspired produces machines that deliver a winning combination of innovative technology, hardware, content and services. Inspired's proven online and mobile interactive slots and ilottery products are currently some of the highest-performing games. And Inspired is the creator and best-in-class producer of award-winning Virtual Sports that are popular with players around the globe.

## Instant Win Gaming (IWG)
*www.instantwingaming.com*

**IWG** INSTANT WIN GAMING

IWG is a world leader in supplying digital eInstant and instant win games to NASPL and WLA-member lotteries. It has more than 20 years' experience of making award winning, top selling games.

Each year, IWG delivers more than 300 new InstantGames to its global base of lottery customers. Its games consistently perform at the highest level, engaging and retaining players while driving superior sales results.

It has the knowledge to deliver winning game portfolios, and the experience to make them grow.

IWG delivers an end-to-end solution covering all aspects of eInstant development and portfolio management. The Company's InstantRGS (remote game server) delivers its content in multiple lottery jurisdictions from data centers as well as cloud services in the United States, Canada, United Kingdom, Australia, and Gibraltar. It has a broad library available via its InstantRGS with games covering many proven themes and mechanics that can be developed into an ideal offering for a partner's eInstant and/or instant win program.

## Jackpocket
*www.jackpocket.com*

**JACKPOCKET**

Recently acquired by DraftKings, Jackpocket is a technology leader focused on the modernization and growth of state lotteries. Our mission is to create a more convenient, fun, and responsible way to take part in the lottery. A no-cost, no-integration, turnkey platform, Jackpocket offers a secure way to order official state lottery tickets, including Powerball, Mega Millions, local draw games, scratch offs and more. Players can order tickets, check lottery results, join lottery pools, and turn on Smart Order so they never miss a drawing. In making lottery accessible from the convenience of player smartphones, Jackpocket enables lotteries to generate incremental revenue in direct support of essential funding for state programs. Jackpocket was the first lottery courier to receive iCAP responsible gambling certification for best practices in player protection and led the market in becoming the first regulated lottery courier service in a U.S. jurisdiction.

Features:

- **Secure Ticket Ordering:** Age-verified and geo-located customers use Jackpocket's platform to place orders for official state lottery games.

- **Ticket Scanning:** Jackpocket's proprietary ticket-scanning technology allows players to view a scan of their lottery ticket right in the app. Players also receive a confirmation email with their ticket serial number.

- **Lottery Pools:** Players can create Private Pools with friends and family or join Jackpocket's Public Pools for Powerball and Mega Millions with other players in their state.

- **Smart Order:** Players can set up automatic orders using Quick Picks or favorite numbers, so they never miss a drawing.

- **Responsible Gaming:** Embedded consumer protection features such as daily deposit and spend limits, self-exclusion, and in-app access to problem gambling resources promote responsible play.

**Lottery Customers:** Arizona, Arkansas, Colorado, Idaho, Maine, Massachusetts, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oregon, Puerto Rico, Texas, Washington D.C., West Virginia

## Zeal Networks
*zealnetwork.de*

**ZEAL**

ZEAL Network is an e-commerce group of companies based in Hamburg and the market leader for online lotteries in Germany. Founded in 1999, we brought lotteries to the internet. Today, the ZEAL group now has more than one million active customers and more than 200 employees at three locations. ZEAL allows the participation in state-licensed lotteries via the LOTTO24 and Tipp24 brands and also offers its own lottery products. ZEAL also owns the brands ZEAL Instant Games, ZEAL Ventures and ZEAL Iberia. In 2024, the ZEAL Group celebrated its 25th anniversary. Since our foundation, growth, innovation and success are at the heart of what we do.

## Alchemy3
*alchemy3.com*

Established in 2007 by a team of dedicated lottery industry veterans, Alchemy3 is an industry leader in the development and implementation of highly successful integrated marketing programs, creative game designs national promotions, drawing and fulfillment services, web design, mobile app development, social media engagement and loyalty solutions for lottery clients across North America. Over the past 15+ years, the company has developed smart gaming solutions for dozens of branded game concepts, bringing them to life through a unique, visionary approach that considers the specific goals of individual lottery customers, generating more than $2 Billion in lottery game sales along the way. With more than 125 years of combined industry experience within both the customer and vendor communities on staff, Alchemy3 has a deep understanding of the challenges and opportunities that face today's lotteries. The Company is based in Roswell, Georgia and is an authenticated NASPL vendor. They can be contacted at 770-742-6993 or at info@alchemy3.com.

## Carmanah Signs, a Division of STRATACACHE
*www.carmanahsigns.com*

Carmanah Signs is the Lottery & Gaming Division of STRATACACHE, the world's leading provider of intelligent digital signage and in-store marketing technology. Providing **best in class retail signage to 55+ lotteries** on four continents, Carmanah has **over 220,000 networked sign installations** at retailers worldwide.

The company offers products designed to engage players at retail, including digital sign **Content Management Software, Media Players, Commercial Grade LCD Displays, All-in-One Interactive Tablets, and Wirelessly Updated Jackpot Signs.**

Carmanah also offers a complete suite of services to help lotteries build and operate effective digital communication platforms at retail, including network hosting, **network monitoring, content creation and scheduling, and specialized field services.**

The Carmanah team is made up of **retail technology experts** and **customer experience strategists** with **deep roots in lottery**. Carmanah is your partner in transforming lottery at retail to deliver exceptional player experiences – growing sales and **responsibly raising funds for beneficiaries.**

## Gaming Laboratories International (GLI®)
*gaminglabs.com*

Gaming Laboratories International (GLI®) is a proud associate member of WLA, NASPL, CIBELAE, and the EL lottery trade associations. GLI offers independent and world-class services designed to provide the gaming and lottery industries with an unparalleled range of comprehensive services, including certification, unsurpassed consultation, full lifecycle compliance services, testing and project management.

Since 1989, GLI has worked closely with lotteries around the world to help them operate more effectively and to deliver solutions that meet the highest standards of quality. Drawing from experience in 710 jurisdictions worldwide, over 65 lotteries rely on GLI to help achieve their business objectives by maximizing efficiency, security and compliance. GLI has a global network of laboratory locations across six continents, with U.S. and international accreditations for compliance with ISO/IEC standards for technical competence in the lottery, gaming, and wagering industries.

## SCA Promotions
*scapromotions.com/lottery*

### Our risk, Your reward

SCA, the leader in promotional risk management since 1986, provides specialized solutions for the lottery industry. SCA has worked with lotteries for 25+ years and provides a portfolio of innovative budget management and risk mitigation services to meet unique challenges facing the industry.

Featured Solutions Include:

- Prize Coverage
- Second Chance Promotions
- Jackpot Protection
- Retailer Incentives
- Customer Acquisition Promotions
- Sponsorship Activation & Sports-themed Campaigns
- Combination Concentration Coverage for Daily Pick 3 & 4 Games

Our team of promotion experts, actuaries, and lottery veterans offer a unique skillset that assists lotteries, their agencies, and service providers with maximizing player engagement, sales, and contributions to good causes. We also provide the unique benefit of mitigating financial risk through risk transfer agreements.

Lottery customers include: Texas Lottery Commission, Scientific Games, Alchemy3, New Mexico Lottery, Maryland Lottery, Louisiana Lottery, and many others.

Headquartered in Dallas, TX---Phone: 214-860-3752
https://scapromotions.com/lottery-solutions/

Jackie Walker Director, Business Development
jackie.walker@scapromo.com (214)507-8660

Donald Silberstein Client and Partner Solutions Lead
donald.silberstein@scapromo.com (860)205-6309

**SCA Our Risk. Your Reward.**

- Winner Travel Coordination
- On-Site Event Management and Logistics
- Videography and Photography

# PULSE
## of the
# Industry

## NORTH AMERICAN NEWS

### Richard Bateson appointed as the new CEO of INTRALOT, Inc., USA

INTRALOT S.A. is pleased to announce that Richard Bateson has been appointed Chief Executive Officer of INTRALOT Inc., and has been elected as a member of INTRALOT Inc.'s Board of Directors. Mr. Bateson will reprt to Mr. Nikolaos Nikolakopoulos, Group Chief Executive Officer, who will remain as Executive Chairman of the Board of Directors of INTRALOT, Inc. Mr. Bateson has served as Chief Commercial Officer of INTRALOT, Inc. since 2023 and has extensive experience in Board and C-Suite roles in B2C and B2B sectors of the lottery industry in the UK, Europe and North America. He is a graduate of Cardiff University.

### The Florida Lottery has shut down an unauthorized online courier service, The Lotter

The Lotter was unlawfully selling Florida Lottery tickets to customers, according to the Florida Lottery. "The Florida Lottery shut down rogue operators who could potentially scam people in Florida," said Secretary for the Florida Lottery, John F. Davis. "We are fully committed to supporting the integrity of the Florida Lottery, which benefits education in our state while ensuring that every player has the opportunity to participate in a fair game. Bad actors, beware."

According to the Florida Lottery, The Lotter worked with lottery retailer ZaZa accessories and illegally acted as a middle for purchasing tickets.

"The actions of this online courier service and lottery retailer not only violate state law but also compromise the experience of our loyal players and retailers who operate with integrity. We will continue to work closely with law enforcement to root out illegal activities and maintain the public's confidence in the Florida Lottery," said Steven Harriet, Director of Security for the Florida Lottery.

The Florida Lottery has advised players to only purchase tickets through authorized retailers. According to the Florida Lottery, using unauthorized retailers to purchase tickets is illegal.

### An Unforgettable Holiday Season Produces Big Win in California

A single ticket sold in the state matched all six numbers drawn on December.. The jackpot is worth an estimated $1.269 billion ($571.9 million cash); it's the fifth-largest Mega Millions jackpot in history, and the seventh Mega Millions jackpot greater than $1 billion. The winning ticket was sold in Cottonwood, Calif. Note that the final jackpot amount was adjusted upwards from the estimate and is based on actual sales.

"Congratulations to our $1.269 billion jackpot winner from California," said Joshua Johnston, lead director for the Mega Millions Consortium. "What an amazing present this holiday season! At an incredibly special time of year, this is both an incredibly special moment for our winner, and for all the great organizations and causes that benefit from lottery ticket sales around the country. Thank you to everyone who plays. Because of you, we have winners all around the country taking home cash prizes both big and small, and we have educational causes, parks and many other great organizations benefiting as well. Thank you and congratulations to all our winners."

### Scientific Games selected as the Ohio Lottery's new lottery gaming system technology partner

**SG SCIENTIFIC GAMES**

Pat McHugh, Scientific Games CEO, said, "On behalf of all the Scientific Games teams who have been hard at work developing a responsible, sustainable growth plan for the Ohio Lottery with our newest, performance-driven technology, we are celebrating this award. We look forward to working with the Ohio Lottery to bring new products and technology which will ultimately help support education funding in Ohio."

Scientific Games will provide the Ohio Lottery with the company's Momentum ecosystem, featuring the advanced AEGIS central gaming system and Infuse business intelligence tool. The company's innovative WAVE point-of-sales terminals and Lottery InMotion digital content system will support the Ohio Lottery's extensive retailer network. Scientific Games' PlayCentral suite of self-service machines will enable the lottery to engage Ohio players with expanded game content while also supporting new retailer and restaurant locations.

The Ohio Lottery will be supported by a Scientific Games team of game, product and technology experts and facilities management services. The company provides the Lottery's Scratch-Off games and manages the games through the performance-driven Scientific Games Enhanced Partnership program at its facility in metro Cleveland. The SGEP program, which has been in place with the Ohio Lottery since 2019, provides inside sales, and advanced logistics and analytics.

### Scientific Games' Newest Systems Technology to Power Retail and Digital Sales for North Dakota Lottery

### Scientific Games Scores Deal with NBA for Lottery Scratch Games in U.S.

National Basketball Association (NBA)-licensed instant scratch games are now available to U.S. lotteries through Scientific Games, bringing the fan-passionate brand of professional basketball to their players.

### Aristocrat Interactive iLottery Expands Footprint with the Kentucky Lottery Corporation

**ARISTOCRAT INTERACTIVE**

Aristocrat Interactive™ has signed a five-year contract with IGT Global Solutions Corporation

(IGT) to supply its NeoGames Studio™ premium content to the Kentucky Lottery beginning in 2025. To support this partnership, Aristocrat Interactive has developed an insights-driven launch strategy customized for the Kentucky market. Through an integration with IGT, Kentucky Lottery's iLottery systems provider, Aristocrat Interactive will provide players with a curated mix of NeoGames Studio's latest and most successful games. NeoGames Studio, Aristocrat Interactive's in-house iLottery studio, has been creating award-winning eInstant games for more than 20 years and has been recognized for their artwork, animations, and consistent high performance in markets worldwide.

"The Kentucky Lottery is constantly looking for innovative ways to provide our players fun and exciting experiences in everything we do," said Kentucky Lottery President and CEO Mary Harville. "This opportunity with Aristocrat Interactive will allow us to continue to engage our players and help us meet our mission to fund scholarships and grants for Kentucky college students and families all across the Commonwealth."

"We are excited and proud to be able to bring our premium eInstant games to a large new market of players and are confident that this deal will be a win-win for all stakeholders," said Chris Shaban, Managing Director of Aristocrat Interactive iLottery. "This collaboration is a further illustration of our commitment to providing innovative, engaging games that meet the needs of lottery customers, and to help the iLottery programs meet their goals, generating revenues for good causes."

Building upon recent deals with Georgia and Pennsylvania lotteries, this latest agreement reinforces Aristocrat Interactive's growing impact in the U.S. iLottery industry, establishing its presence across eight U.S. lottery markets, including four leading per capita iLottery programs nationwide.

## Explosion Of Sweepstakes Is The Top Gaming Story Of The Year

A proposed iGaming legislation framework introduced by the National Council of Legislators from Gaming States would include a ban of sweepstakes operators. Fines could reach $100,000 under the proposed language.

Sweepstakes tighten up operations

## California Lawsuit Accuses Online Sweepstakes Site of Operating Illegally Based on Internet Cafe Law

## Apple and Google get hit with RICO lawsuit over sweepstakes in New Jersey  The lawsuit accuses Google and Apple of having a role in the distribution of illegal gambling.

## NJ lawmakers state lawmakers took a first step toward blocking the New Jersey Lottery from selling tickets directly to consumers online or via its mobile app

A key Assembly committee last week gave its unanimous approval to legislation that preserves the status quo for a network of nearly 7,000 brick-and-mortar businesses that currently sell tickets for the state Lottery.

Texas lawmakers are taking aim at people who play the lottery by purchasing tickets online from businesses that will go buy tickets for people who live out of state

A loophole has allowed for massive jackpots, including a $95 million win, to be claimed by people who do not live in the state of Texas.  The Sunset Advisory Commission, a state commission responsible for reviewing government agencies and programs, released a report in July condemning the business model.

The bill also wants to make it illegal "for another person to purchase a ticket on behalf of a person playing a lottery game," including accepting orders for tickets, selling tickets to other people and also to arrange to purchase on behalf of someone playing the lottery.

## Lottery courier service Jackpot strikes 7-Eleven partnership

## The US Department of Justice (DOJ) has set its sights on Google's perceived monopoly, proposing a significant split of its Chrome browser and Android operating system.

## U.S. Senator Richard Blumenthal (D-CT) Demands Federal Standards to Protect Consumers Against Problem Gambling

As mobile sports betting surges, Blumenthal called for minimum federal standards like those in his Supporting Affordability and Fairness with Every Bet (SAFE Bet) Act to better protect consumers from addictive practices and features of online sportsbooks and gambling platforms.

## The Kentucky Lottery Corporation has been recognized as a Best-in-Class Employer in Gallagher's 2024 U.S. Benefits Strategy & Benchmarking Survey.

## WORLD NEWS

## The WLA & The European Lotteries Security and Operational Risks Seminar has wrapped up with plenty of food for thought.

A supplier round table delved into Leveraging Advanced Security Tools to Integrate AI in Lottery Systems; Leveraging Gen AI to predict and prevent a data breach; Cybersecurity & software security aided by AI and AI for a better, safer gaming experience with experts Dimitris Doganos Senior Cyber Security Manager, Intralot, Greece; Marc Castejon CISO, Carmanah Signs, a Division of STRATACACHE Signs Inc, France; Dragan Pleskonjic Senior Director Application Security, IGT, Serbia; Avi COHEN Director of Data Analytics and Insight, Aristocrat Interactive, Israel.

WLA Security and Risk Management Committee update on risk management was provided by Nicodemo Baffa Director of Risk Management, IGT Lottery, Italy, who highlighted important work carried out to provide members with tools and guidance for their own risk management approaches including:

José Luis Sanchez Fernandes, Head of CSR, SELAE, Spain provided an update on the EL ORA Risk Reference Card on AI.

## Spain's 'fat' lottery delivers hefty $2.8 billion prize in centuries-old Christmas tradition

Spain's 200-year-old holiday lottery, "The Fat One," El Gordo is the world's largest lottery, with a total prize pool of €2.7 billion and over 70% of Spaniards participating and watched live around the world. The drawing took place on Sunday, December 22. The lottery is deeply rooted in Spanish culture, with an estimated 70-90% of the adult population participating each year. This year's sales are expected to break all previous records, with each player spending an average of €72 on tickets. For those unfamiliar with it, the scale and traditions surrounding the lottery can be hard to comprehend. To illustrate, people line up for hours at places believed to bring good luck, travel to other cities to buy tickets, and perform all sorts of quirky rituals in the hopes of winning.

The lottery was originally created to raise funds for Spanish troops during the Peninsular War and is still organized by the state. The lottery system is unique and can be a bit confusing, even for those who have grown up with the tradition. Unlike other lotteries, where a single winner claims a massive prize, Spain's Christmas lottery distributes its winnings widely, creating thousands of winners.

There are only 100,000 ticket numbers, ranging from 00000 to 99999, and each number is printed on 1,930 décimos. A décimo, which means "a tenth of a ticket," is the most common ticket people buy, costing €20. The total prize pool is €2.7 billion, divided into thousands of prizes. The top prize, the coveted El Gordo, awards €400,000 per décimo.

One of the most iconic aspects of the draw is that children sing the winning numbers. These children come from the San Ildefonso school in Madrid, which has been responsible for this tradition since the lottery began.

The school was originally founded to support orphaned children and continues to assist children in vulnerable situations today. While the origins of this tradition are unclear, several legends surround it.

# AI & CYBERSECURITY IN GAMBLING FROM A EUROPEAN PERSPECTIVE

**By Philippe Vlaemminck**, Managing Partner, Vlaemminck.law
**Beata Guzik,** Director Public Affairs, Vlaemminck.law
**Valentin Ramognino,** Associate at Vlaemminck.law

VLAEMMINCK.law



Philippe Vlaemminck          Beata Guzik          Valentin Ramognino

In October 2024, the European Commission published the findings of the Digital Fairness Fitness Check, which evaluates whether the current EU consumer protection laws are fit for purposes to ensure a high level of protection in the digital environment. **The report shows that consumers behave differently online than offline. Over the last 2 years, the EU has published a series of important texts relating to the digital environment: Data Act, Data Governance Act, DSA, DMA, DORA, Cyber resilience, AI Act, NIS2, and the Chips Act. Digital Fairness will indeed become a priority for future legislation, but is not the only concern.**

Addressing the various potential problems and emerging security risks of the digital world is thus of paramount importance.

**Many studies and practices show that the use of AI for and against cybersecurity is rapidly developing.** At the same time, 'Artificial intelligence' (AI) is a tremendous growth driver for lotteries, betting, and gambling firms today, especially for the online structures. AI tools to counter security breaches in the digital world will become essential for every big player.
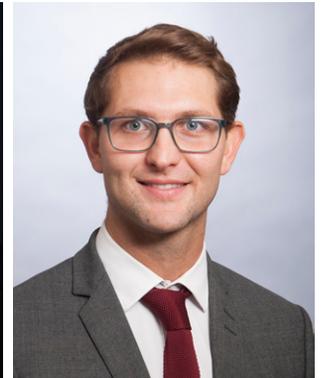
2024 has become the year AI took the world by storm on the recognition of how to use AI in most sectors, but also was the year of the first regulatory framework (by the EU) and global influence thereof. Democratisation of AI and machine learning is one of the business's priorities today. The increasing integration of AI into our lives – from personal data security to cyber defence strategies – show also how AI can influence the digital landscape for lotteries, betting and gambling firms. Indeed, **AI is becoming a fundamental skill and necessary for game design, odds setting, risk management, customer profiling and responsible gaming, optimization of bonus programs and fraud detection.**

The transformative convergence of AI and security in gaming and gambling sets out how AI can contribute to risk management while mitigating its own associated risks. Implementing the ethical standards developed by various international bodies is of great value, but is not enough to address all potential problems. Legislation is certainly useful if it protects consumers and enables legal security and innovation.

The EU Artificial Intelligence Act (AI Act) entered into force on 1 August 2024 is the first comprehensive policy framework for AI. It categorizes AI systems into four risk categories, a real **RISK-BASED APPROACH:** unacceptable risk, high risk, limited risk, and minimal risk. This risk-based approach should be endorsed by companies in their daily business, and evaluation of AI-related risks implemented. **The AI Act defines AI system as a machine-based system that is designed to operate with varying levels of autonomy and adaptiveness,** which follows the global OECD's definition.

In the European Union area, the AI Act therefore provides general obligations of ROBUSTNESS, ACCURACY and CYBERSECURITY of the usage of AI. The EU AI Act also stresses the importance of HUMAN OVERSIGHT over automated decision-making systems, including those used in cybersecurity. The establishment of the European AI Office is also critical for many aspects of regulation, especially for general-purpose AI, the use of trustworthy AI, and international cooperation. Generative AI is particularly useful for cybersecurity purposes: it provides firms with efficient capabilities in proactive threat detection, incident response and operational efficiencies.

"Just like EU's General Data Protection Regulation in 2016 (GDPR), the EU AI Act of 2024 might spread worldwide, with many countries being influenced by the EU in regulating AI.

For instance, in the final days of 2024, South Korea joined the EU in establishing a comprehensive AI legislation which also imposes strict requirements on high-impact AI systems and creates oversight bodies. Japan also just announced its AI framework, with a focus to make Japan "world's most AI R&D friendly nation". UK is anticipated to develop an AI framework in 2025. One exception might still be the U.S where innovation and unconstrained AI development remains a priority.

The relationship between AI and cyber-security has three dimensions. This is not different in the lotteries, betting and the gambling industry: **cybersecurity of AI,** which covers AI standardisation and cyber tools in AI; **AI in support of cyber-security,** which empowers cybersecurity defenders to combat the **use of AI for malicious purposes,** which explores AI's potential to create new threats.

**On cybersecurity of AI,** the EU AI Act provides for so-called 'conformity assess-ments' to determine whether high-risk AI systems are cyber compliant with the EU Regulation on horizontal cybersecurity requirements (the Cyber Resilience Act Regulation (EU) 2024/2847), which involve considering "risks to the cyber resilience of an AI system as regards attempts by unauthorised third parties to alter its use, behaviour or performance, including AI specific vulnerabilities such as data poisoning or adversarial attacks and risks to fundamental rights". Companies also have a voluntary choice to comply with the cybersecurity scheme of the AI Act, provided in article 15 of the Act. In any case, companies must ensure that, in high-risk AI systems, the instruc-tions for use contain the level of cyberse-curity provided for in the EU AI Act.

Furthermore, standards in the EU of AI security requirements will become crucial for companies. In the EU, the European Committee for Electrotechnical Standardisation (CEN-CENELEC) was assigned to develop standards in support of the AI Act, with a deadline set for April 2025. In the meantime, the EU Agency for Cybersecurity (ENISA) has published a multilayer security framework for good AI cybersecurity practices with a step-by-step approach (FAICP). It consists of three layers: the groundwork of cybersecurity, focusing on the ICT infrastructure used; AI-specific aspects, focusing on the speci-ficities of the AI components deployed; and sectorial AI, which is specific to the sector in which AI is being used.

**On AI in support of cybersecurity,** a number of companies have started to implement and showcase ways in which AI can be used to enhance cybersecurity, which involves four ways: DETECTION, PREDICTION, ANALYSIS AND THREAT MITIGATION.

In particular, for security purposes in AI development, the AI generative models will be critical to enhance security and risk management for lotteries, betting and gambling firms. AI models are rapidly transforming cybersecurity and fortifying IT defenses against sophisticated attacks. Thus, gambling-specific recommendations when using AI in security include imple-menting application Security Verification Standard (ASVS), conducting regular security testing with AI, developing educational materials with AI, imple-menting multifactor AI authentication, and deploying DDoS (denial-of-service) protection solutions. These measures enhance security, mitigate cyber risks, and safeguard user privacy and experiences, especially in online gambling.

In the lotteries, betting and gambling sectors, key is now to understand what cyber-attacks do, how to protect and defend both the customers and the organisations and how to use AI in the digital area. Specifically, there is a number of ways to counter cyber-attacks through AI, namely :

- Through network security trafficking mitigation: protect harmful cyber activities (data trafficking, malware and phishing attacks, illegal content) via AI models specifically designed for gambling platforms

- Software security: pinpoint vulner-abilities and enhance software codes

- Management security services: enhance education, top internal knowledge on the cyber risks and implementation of a risk management strategy

- Human intervention, even when using AI,: with penetration testing: Use anticipative models, to anticipate what attackers will attack next

As such, while the AI Act is setting some unnecessary burdens (for instance via the issuance of conformity certificates for high-risk AI by notified bodies) and reduce the potential for innovation devel-opment in the EU, there is a positive side with engaging tools, bodies and processes to defend consumers and organisations against cybersecurity.

Finally, lotteries, betting and gambling operators must be aware of the growing risk of malicious use of AI. AI can indeed be used itself for cyber-attacks, malware attacks, personal data attacks, deep-learn-ing attacks and more risky behaviours have emerged with the use of AI. Genera-tive AI can also supercharge dark patterns.

**For the use of AI for cybersecurity purposes,** the EU AI Act provides spe-cifically a risk based approach to combat cybersecurity threats:

**'Cybersecurity plays a crucial role in ensuring that AI systems are resilient against attempts to alter their use, behaviour, performance or compromise their security properties by malicious third parties exploiting the system's vulnerabilities. CYBERATTACKS AGAINST AI SYSTEMS** can leverage AI specific assets, such as training data sets (e.g. data poisoning) or trained models (e.g. adversarial attacks or membership inference), or exploit vulnerabilities in the AI system's digital assets or the underlying ICT infrastructure.

To ensure a level of cybersecurity **appropri-ate to the risks,** suitable measures, such as security controls, should therefore be taken by the providers of high-risk AI systems, also taking into account as appropriate the underlying ICT infrastructure." (extracts from AI Act)

The lottery community, already strongly involved in the usage of AI, must of course continue to reflect on the new risks created by AI and continue their process of learning and exchanging best practices jointly with the suppliers, as was done recently during the WLA/EL Cyberse-curity seminar in Marseille. **Lotteries perform a valuable service to society by channeling players to legal, safe and responsible gaming,** and this requires them also to stay upfront of new digital developments and incorporate them into their customer offer. The role of AI and its impact on security and responsible gaming is only at the beginning stage. The key to effective application of AI in all these spheres is follow-up. We look forward to working together with you and the community of lottery leaders to ensure AI is integrated into our businesses for optimal positive impact! ■

**PGRI**

# SMART-TECH
## 2025

FLORIDA Lottery™

# Hilton Fort Lauderdale Beach Resort
## March 4, 5, and 6, 2025

**March 4, Tuesday:** Opening Night Reception

**March 5, Wednesday:** Breakfast, Lunch and Conference sessions all day followed by Reception

**March 6, Thursday:** Breakfast, Conference sessions followed by Lunch and Reception

See **PublicGaming.org** for complete information and conference updates

- Conference Info & Details:
  **www.PublicGaming.org**
- News website: **www.PublicGaming.com**
- View video of conference presentations:
  **www.PGRItalks.com**
- e-mail: **Pjason@PublicGaming.com**

**JURASSIC WORLD**

T. rex sized fun coming your way