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POST-COVID-19 LOTTERY: THE MOVIE

NASHVILLE 2020

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Post-COVID-19 Lottery: The Movie

Neither conference nor webinar, Post-COVID-19 Lottery: The Movie is both, and aspires to be the Gaming Theory of Everything. Building a "Theory of Everything", at least in the Brainiac world of physics, has been shown to be not entirely possible. But the aspirational goal and the journey itself promises to yield a wealth of insights that place our industry-specific issues into the broader context of global trends and vision-driven momentum to meet the future head-on ... with gusto, confidence, and actionable strategies. All are invited to be a part of Post-COVID-19 Lottery: The Movie.

In Nashville on October 13-15, Post COVID19 Lottery: the Movie will be live-streamed and video-recorded for maximum impact.

Follow PublicGaming.org (our conference website) or PublicGaming.com (home-page and news website) for updates and to follow the production process as we toil to create a new kind of experience, digitally transformed to not just enable but enrich and enhance the joy of working and striving together. Join us in person Nashville or join us online for the celebratory Premier of Post-COVID-19 Lottery: The Movie. Either way, let's come together to re-imagine the collaborative process and continue to build a bright future for Lottery and good causes.

We look forward to seeing you in Nashville!

LOTTERY TENNESSEE

WOMEN'S INITIATIVE in LOTTERY LEADERSHIP PGRI

PGRI LOTTERY EXPO 2020

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From the
Publisher

Insofar as these continue to be interesting times, we want to channel our energies towards building a sustainable future. We all know about the bright-spots of increasing instant ticket sales and online iLottery. That is why this issue includes fabulous articles that speak at length to opportunities to build on those.

This is also a time to take a deep breath and appreciate the epochal moment we live in, and the serious impacts that our current actions will have on future generations. That's true in the big-picture, and it's true for all the component parts of that picture – like the lottery industry. The pre-COVID19 world may have allowed us time to wait and see how trends would unfold and then try to be the "fast-follower" who watched as others blazed the trail and incurred the cost of a learning curve. There was typically a chasm of time that separated the "early adopters" from mass-market embrace of new technologies like decentralized computing, the internet, the Mobile as primary personal digital device, etc. That allowed some time to catch up. One of the effects of the current crisis is to reduce that lag-time between early-adopters and mass-market acceptance. We no longer have the luxury of time to wait and watch and following fast to catch up. We need to spend the time now to understand the big-picture implications of current crises, discern how those will impact and shape our own world, and chart a course forward and act decisively to shape a future that effectively supports the goals of our stakeholders and Good Causes.

PGRI Lottery Expo Nashville presents … drum roll … *Post COVID-19 Lottery: The Movie.* What does that mean? First, we do not know what the world will look like in October. We hope that the number of new virus cases and other metrics will have subsided to the point where everyone feels OK about getting on a plane to go to an in-person meeting. We expect that strict social distancing standards will still be observed, but we hope that won't discourage too many colleagues from attending. There's that.

Next, we want to take this opportunity to take a giant leap, pushing as hard as we can to forge a future that will be even better than the past. That begins with live-streaming the event, and archiving the production in real-time to make it available for instant reviewing. Of course, that is already being done by others as we speak. Insofar as there are varying degrees of quality of production and user-interface, we have the opportunity to learn from the best and improve on that. It is the content side of the current webinar scene that holds the most head-room for improvement, and we will apply ourselves to raising the quality of content. One obvious low-hanging-fruit observation: Digital A/V media are completely different than the medium of a live stage performance. What may be an engaging session in-person with live-on-stage action seems to drag when transposed to the "hot medium" of TV or its proxy, the desk-top computer. Just like iLottery involves more than simply making off-line games available to the community of online players, we need to realize that the user-experience (UX) at a live physical conference is much different, and comes with much different expectations, when delivered on digital platforms. But again, the early pioneers of webinars have made some excellent progress and we commend them for stretching to build out the new platform of digital conferences, and thank them for the shoulders to stand on as we endeavor to improve!

So … Why do we call it a "movie"? Our aspiration is to use this moment to pivot, to modernize the way we spend the time and money to collaborate and share ideas, to reinvent the whole concept of "conference" in either physical meeting or webinar form. We will do that on the media/infrastructure side, and we will do it on the content side. Our concept is that the content needs to be more purpose-driven to deliver a more cohesive, integrated narrative and ultimately a more engaging and rewarding UX, i.e. more like a "movie".

We need your help to do this, to create Post COVID19 Lottery: the Movie and look forward to our industry-wide collaboration!

I want to thank Shannon Dehaven, Stephanie Weyant, and all editorial contributors to this issue. I also want to thank Sarah Taylor and Team MUSL for the creation of a new feature to update us all on the initiatives and leadership of the Multi-State Lottery Association. I want to thank Jim Acton for the extensive work he did to facilitate, write, and edit so many of the articles in this issue. It has been a pleasure to work with Jim and I appreciate his collaboration and friendship. And lastly, I want to thank our new designer, Dan Eggers, for creating the new look and feel for the magazine (the last four issues) – I hope you like it!

It's on! PGRI **Lottery Expo** will be held **October 13-15 in the Sheraton Downtown** Hotel in the fabulous Music City of **Nashville, Tennessee.** Check out conference website PublicGaming.org or news website PublicGaming.com for conference updates. We thank you for your support and re-commit to an industry that serves the interests of society, of good causes, of players and retail partners, and of countless Lottery-sector stakeholders. We are thinking about you with a new sense of appreciation for the great privilege of actually being together again in person – and sooner than later!

Paul Jason, Publisher
Public Gaming International Magazine

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iLOTTERY EVOLUTION CONTINUES AT THE MICHIGAN LOTTERY

DIGITAL LEAD SHANNON DEHAVEN PROVIDES UPDATES, FUTURE PLANS

In early March, prior to the nationwide response to the COVID-19 pandemic, Shannon DeHaven of the Michigan Lottery spoke to the assembled lottery industry representatives at the PGRI Smart-Tech 2020 conference in Miami.

Shannon is the Deputy Director of Digital Operations for the Michigan Lottery and after more than six years working on the program and four years overseeing its success, she has become one of the country's foremost experts in iLottery.

Shannon DeHaven, MI Lottery Deputy Director, Digital Operations

After six years working on the development, launch and operation of the online sales program for the Michigan Lottery, Shannon DeHaven has heard all manner of skepticism about the lottery's program.

- It will wreck the retailer network
- Players won't want to play a digital version of a ticket
- The payouts are too high to make money

But to use current lingo, Shannon "comes with receipts" which show that Michigan's iLottery journey has been a commercial success for the lottery and retailers, and an economic boon to the state. This success has certainly quieted the critics, said Shannon, Deputy Director of Digital Operations.

"It's understandable – people have a natural fear of the unknown," she said. "There can be conflict between the need for certainty and the need for change.

"But here we are nearly six years later, and the Michigan Lottery was able to return more than $1 billion to good causes in FY19, and iLottery played a role in that number. And we expect that to only grow into the future."

While not the first state to offer iLottery (MN Lottery holds that honor, although that program no longer exists), Michigan certainly set a standard for the industry. The lottery was headed by Scott Bowen, now SVP of Business Development for NeoPollard Interactive, and Shannon was a member of the digital team.

"In 2014 when iLottery launched, Michigan Lottery had 174 employees and produced $742.8 million for Michigan's K-12 schools. By all measures, we were a successful lottery," she said. "Today, the lottery has just a few more employees and contributes more than $1 billion to the state's schools. In addition to incremental lift from iLottery, we continue to see retail sales grow. I personally feel expanding our sales channels was critical to the lottery's success."

Like any success story, there are many chapters with ups and downs, positives and negatives but, ultimately, results that allow the business to continue to flourish. While others might want to focus on payouts and product mix, Shannon thinks there is an easy explanation for the success of the Michigan program – the entire online user experience from the registration experience, to marketing to games.

The game experience is critical. Why do some scratch tickets sell better at retail than others? The look of the ticket, call outs, how the winning experience is unveiled to the player. It's similar for iLottery in that all the details and attributes determine the success of the game.

"Digital has a very different user experience than a traditional product. The retail location lends itself to a more extended play style," Shannon said. "The players purchase their tickets, go home, wait for the drawing. Or they scratch a ticket in the store, in their car or at home.

"But with digital, the play is on the go. And it's a quicker pace. These differences mean offering a higher payout for digital products allows us to give the same extended experience to our players online."
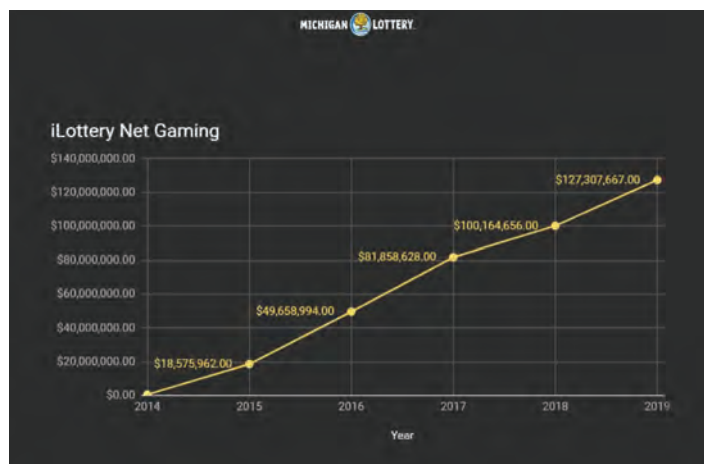
Michigan Lottery's iLottery Net Gaming Revenue

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FOLLOWING A MARKETING ROADMAP

As a marketer for most of her career, Shannon understands the importance of providing players and non-players with the necessary information to move them to the digital space. The journey to purchase is different for digital players than brick-and-mortar players, and the lottery is constantly addressing those differences.

"We don't have nearly 11,000 retailers to help sell our products online; foot traffic and point of sale marketing support is critical for traditional businesses," she said. "When we launched the iLottery program, we had to consider how reaching online players would be different and what the impact on retail could be. Our goal was to reach a new audience. To achieve this, we started by allocating funding to digital advertising to drive traffic directly to the Michigan Lottery website and our mobile apps.

"Digital media kicked off the user journey. We needed to make sure that we were driving traffic to the website but then once the player got to the website, we relied on our platforms to act as our online storefront. Much like point of sale that informs players and clerks that answer questions at retail, the website and mobile apps needed to be informative and accessible to our players."

Fast forward to 2018 and the lottery fully optimized its website, providing pertinent information to players and allowing the lottery to more easily update the site. The latter was among the biggest changes as the lottery could now more frequently update content, easily launch new games, include CRM capabilities, and deliver more personalized offers to players.

And players responded favorably.

"We have been able to improve our players' experiences with our learnings," Shannon said. "We can serve bonuses to iLottery players based on their unique behavior. Some of the bonuses might be working towards converting web visitors to online players. Other times we are simply focused on retaining our current players."

RETAIL TO DIGITAL/ DIGITAL TO RETAIL

The Holy Grail for iLottery sites is to engage retail customers on both the digital and the retail channels, and to do that without a negative impact on the r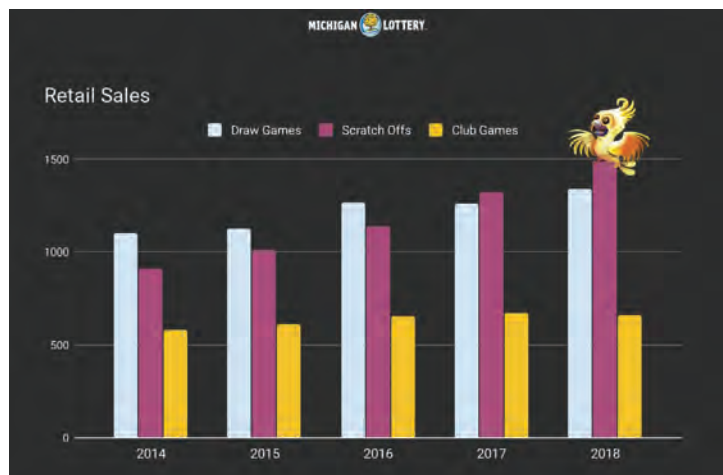etailer network. As Shannon puts it, they strived to "break down silos" between in-store, digital and mobile to focus on the lottery's most important business goal – increase contributions to good causes. This is where Shannon and other executives at the lottery, representing the different areas within the operation, put together a plan that would benefit all stakeholders of the organization.

"We reviewed the user experience from both sides of the business," she said, "and started to define how we would leverage retail outlets to drive traffic online and collect player information, and vice-versa. We then created immersive experiences that allowed players to naturally flow back and forth between the channels at their convenience. By doing this, we were able to double the number of retail players logging into their online accounts on a daily basis and triple the number of digital players logging into their accounts daily. We were then able to expand our marketing efforts to each group.

"As part of our overarching marketing strategy, we gave players a reason to go from in store to online but more importantly have provided them solutions that fit their needs and wants, giving them a value proposition to sign up for an account."

An example of marketing and promotions efforts geared to both sales channels is the lottery's daily Spin to Win. Introduced in 2018, this promotion allows players to log into their online account daily, spin a wheel and win either free play online, an in-store coupon or entries into a monthly drawing to win a cash prize.

The Michigan Lottery also built functionality within its iLottery program that allows players to purchase an Online Game Card at retail to fund their iLottery account. They also created a voucher that allowed their players to withdraw winnings from their online account and cash out at retailer locations. The efforts allow retailers to receive increased foot traffic, a sales commission and a cashing commission, all while Lottery is improving the user experience, making it easier for players to fund their accounts and providing a faster withdrawal option.

The success of these marketing programs is easy to track.

"We expect to send nearly $3 million in cash outs alone to retail locations in FY20," Shannon said. "That's $3 million that players can use in our retail locations. And we have given players who previously only bought at retail a reason to open an online account. Additionally, these efforts are helping us foster our relationships with our retail partners, giving them opportunities to benefit from our online traffic."

WHERE FROM HERE?

Lotteries are fully aware that how they build their digital footprints is critical to their economic futures. Loyalty, in all sectors, has moved online and has been accepted by players. It is only a matter of time before commerce also follows this path.

"How we evolve our online games is a big question on our minds these days," Shannon said. "What play mechanics should we be looking at? How can we enhance the prize tables while also staying within regulatory and responsible gaming guidelines? How can we use advanced technology to provide a more immersive experience? This is not only a challenge for the Michigan Lottery but for the entire industry. How do we continue to evolve our most basic and traditional products when society's attention span is getting shorter and shorter?

"How we answer these important questions will help all of us determine the future of online lottery sales. For me, I'm hoping that one day soon, it will be as easy as a Michigan player saying, 'Alexa, buy me a Powerball ticket for tonight's drawing.'" ■

iLottery poised to explode onto the U.S. Lottery scene

In early March, prior to the nationwide response to the COVID-19 pandemic, lottery industry representatives gathered at the PGRI Smart-Tech 2020 conference in Miami. One of the highlights of the conference was an iLottery panel featuring some of the top public and private sector experts:

Stephanie Weyant, Dep. Exec. Director, Marketing and Product, Pennsylvania Lottery

Doug Pollard, Co-CEO, NeoPollard Interactive and Pollard Banknote

Charlie McIntyre, Executive Director, New Hampshire Lottery

Rhydian Fisher, CEO, Instant Win Gaming

Shannon DeHaven, Deputy Director, Michigan Lottery

The following is a synopsis of the lively and enlightening discussion which took place between panelists at the conference.

Just weeks after Stephanie Weyant served as moderator of the iLottery panel, the Pennsylvania Lottery iLottery program soared past the $1 billion mark in revenue just before its two-year anniversary. In her opening remarks in Miami, Stephanie explained why iLottery programs are critical for keeping lotteries relevant in today's increasingly technology-driven world.

"iLottery might represent incremental growth right now but I firmly believe that it is also the future of our industry," Stephanie said. "It is about staying relevant, expanding the player base, expanding points of distribution, reaching players where they are located, and meeting players' expectations. We really don't have a choice but to offer technology-driven options to our players."

With that opening note of iLottery optimism, the panelists delved into a variety of topics critical to the future of interactive platforms in the lottery industry.

Charlie McIntyre, who now oversees lottery AND sports betting in the Granite State, believes that the results in New Hampshire – which offers a full iLottery program – certainly support Stephanie's point. While Powerball and Mega Millions sales have struggled nationwide this year, the New Hampshire Lottery has seen a surge of online play for the multi-state games.

"Our Powerball and Mega Millions year-on-year sales have soared online – up 80% for Powerball, 28% for Mega Millions," Charlie said. "All while we have seen the same in-store activity drops as other lotteries. So we know there are players who want to play these games, they just don't want to go to the stores to play. Most of us wouldn't consider these traditional lottery products as internet products but now we do 1/10th of our Powerball sales through iLottery. And we expect that share to increase going forward. Obviously, we need to re-calibrate our overall thinking on what works and doesn't work as more lotteries go online, and best-practices get refined over time."

Charlie will certainly find a kindred spirit in Doug Pollard. As the Co-CEO of NeoPollard Interactive ("NPi"), which powers the some of the most profitable iLottery programs, Doug's team has launched programs in Michigan, North Carolina, New Hampshire and, through a recent enhancement of its existing deployment, another full iLottery solution in Virginia, in addition to a forthcoming program with the Alberta Gaming, Liquor and Cannabis Commission. He sees iLottery as not a "nice to have" but a "need to have" for lotteries.

"The data is clear – we know this is going to deliver incremental sales, we know it's going to deliver younger players, we know it's going to create convenience, and we know we're going to attract some people who won't go into a convenience store for whatever reason," Doug said. "Retail is still a really good space for lottery to be in and we do a good job in it. We've got to keep doing a good job. But iLottery is an area where if you want to get to those younger players, you have to provide online access."

From New Hampshire to Pennsylvania to Kentucky to Georgia to Virginia, iLottery programs are becoming more commonplace across the lottery landscape. And the pandemic helped many of these programs attract attention and users. To maintain the momentum, lotteries will need to expand focus on interactive games with entertaining winning experiences.

Rhydian Fisher, CEO of Instant Win Gaming (IWG), knows a lot about both the

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present and future of iLottery games. After all, IWG provides eInstant games to more than 20 WLA/NASPL-member lotteries and has been selected as a supplier to every U.S. lottery offering eInstants.

"Today, it's not about the number of game titles available to lottery players, but rather the wide variety of game mechanics. There's a huge difference," Rhydian said. "And, there's an opportunity for us to use things like multi-player games and progressive jackpots with online instant tickets to revolutionize people's experiences with lotteries.

"People use the term 'social' around lotteries without backing it up. We now have the opportunity to start experimenting and innovating in our own space, working on ways to make people feel like part of a community. As the laws start permitting, iLottery can allow lotteries to seize opportunities to attract new players, and not be scared off by the challenges."

Rhydian continued, "There is a player-base out there that is not being served. They're not necessarily unhappy but they aren't being served. Adding these players to the customer mix means incremental sales today, and customers for the future as well."

IMPACT ON BRICK-AND-MORTAR

Like discussions that are taking place in many jurisdictions, the topic of the impact of iLottery on brick-and-mortar retail sparked an animated and informative discussion. Any lottery considering launching online sales needs to weigh the impact on its retailer base and the opposition it might face. How do lotteries handle this debate? With the facts.

"I remember walking into a retailer just after iLottery had been approved and the owner says to me, 'Mr. McIntyre, what are you going to do when these stores close? How are you going to help these families?'" Charlie said. "It was awful.

"Fast forward to the following year, we had launched iLottery and were the fastest growing lottery for instant ticket sales, up around 8% year-over-year," he said. "The result of the iLottery launch was not even a blip on the retail sales front. And by the way, we took 5.5% of our profits and gave it back to the stores as part of an instant ticket sales incentive program. So, ask any NH Lottery retailer and most will say they have no issue with iLottery."

For Pennsylvania, the tactic was inclusion – make the retailers feel like they are part of the solution, and the future. As head of the lottery's marketing group and iLottery program, Stephanie tackled this from both a marketer and business person's outlook.

"We told the retailers that it was incumbent on us to prove to them the program wouldn't hurt them," she said. "And I think that's what we've done, by making them part of some of the decisions, giving them the opportunities to earn money by referring customers and selling a product, WebCash, for players to load money into their accounts. So we provided them with things they could do at retail to promote the program and be a part of iLottery right from the start.

Rhydian, whose games are featured in most iLottery platforms, and Shannon, who helped launch one of the country's first and most financially-successful online sites, agreed that including retailers right from the start is critical.

Rhydian: "The way that most of these lotteries have launched, including retailers and asking their opinions, is exactly how you need to do it. Reach out to the retailers, give them a reason to transform, create products that will actually give them a reason to come on board, and provide incentives that create a win-win for everyone."

Shannon: "Michigan is six years into iLottery and we are still adding ways to include the retail network. We want and need them to feel good about the program. We'll never get 100% of the network on board. But if we show that we're making an effort to include and help retailers, most will stay with us for the long haul."

DATA: HOW TO USE IT

The group homed in on the immense amount of data that is created from an iLottery program and, most importantly, how to use it. Historically, lotteries have struggled with implementing programs based on data they have collected. Now, iLottery allows for instant data collection and immediate contact with players.

For Doug and his NeoPollard Interactive

colleagues, the data allows lotteries to make informed decisions on how to reach players.

"What's interesting to me is how the data can drive the game development process," he said. "What it shows me is how much we've been operating with one hand tied behind our backs in the retail space. When we evaluate the success of an instant game in retail, we use an index. It's the most blunt instrument

> Data will surprise you and you have to be ready to react to those surprises with action that enhances the games, the promotions, and value to the players.

imaginable, right? It tells you nothing about the demographic. Why did people play? What parts did they like? What didn't they like? We get none of those answers. Now we have the ability to do that, to extract more granular detail about why people play the games.

Doug used the example of a game Charlie launched in New Hampshire – Holiday Cheer. It was launched as an online game in 2018 and made into a retail game in 2019. But the retail game included a code that provided free games of the eInstant Holiday Cheer if players opened an iLottery account.

"Now we could see who the players are," he said. "And we saw that they were younger players, how often they came back, what features kept them online a little longer. Oh, and on the retail side, it indexed at 124. That was all great news."

Rhydian agreed with Doug's take on data and added that data also means you have to be ready to work hard.

"Data is only as good as your ability to react to it," he said. "You have to be flexible, nimble, capable of producing promotions. Data will surprise you and you have to be ready to react to those surprises with action that enhances the games, the promotions, and value to the players."

Rhydian talked about the Jungle Tumble online game they launched in Pennsylvania last year which featured a cascading game mechanic. It was actually a scratch card with the player matching 3, 4, and 5 symbols but it looked like you were matching symbols in

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COVID-19 AND THE LOTTERY INDUSTRY

FROM LOTTERIES TO VENDORS, PANDEMIC PROVIDES CHALLENGES, OPPORTUNITIES

By Jim Acton
Lottery Industry Consultant

INTRODUCTION

As the lottery representatives who attended the PGRI Lottery Expo in Miami parted ways in early March, no one could have imagined it would their last in-person meeting for many, many months. By mid-March, many of us had retreated to the safety of our homes; handshakes and hugs were replaced with Zoom meetings.

With the nationwide spread of COVID-19 and the ongoing stay-at-home/safe-at-home orders given by many Governors, life was turned upside down across the country. The fortunate amongst us were only dealing with barking dogs during video conferences. So many others have been either battling the COVID-19 virus themselves or worrying about friends and loved ones.

For those in the lottery industry, the concerns were multi-layered and the impacts were both small and large:

■ How would employees deal with working from home, many for the first time in their careers?

■ Do daily drawings continue with staff operating ball machines?

■ Is it safe to allow lottery retailers to continue to sell lottery products?

■ How will the vendor-lottery relationship change with few or no in-person visits?

■ What will be the revenue expectations for the new fiscal year and beyond?

The passage of time will provide context to all these issues. While many lotteries saw little revenue impact (and many, in fact, have enjoyed sales boosts as the lottery provided the only available source of entertainment), others were hit hard and the pain will continue. Some lotteries had to make the difficult decision to lay off employees.

As the lottery industry slowly returns to normalcy, it's helpful to look back over the past few months, review what has taken place in the industry, and discuss where the events surrounding the COVID-19 pandemic have left us.

In this special section, we will take a look at how the sudden shift in lottery sales due to pandemic-related stay-at-home orders has renewed the push for iLottery in many states. We will examine how some of the lottery industry's most important retail locations, deemed as "essential businesses," are working to streamline and speed-up lottery purchases. And we'll look at how lotteries have used social media and other online communications tools to stay in touch with critical constituencies.

Is iLottery the Key for States Needing to Fill Budget Shortfalls?

I n 2014, the Michigan Lottery became the envy of the lottery industry when it launched its iLottery e-instant platform. Lotteries watched, inquired and strategized about how they could add a similar platform in their states. Since then, other states have come on board, offering either eScratch tickets or single day draw game sales - Georgia, Kentucky, Pennsylvania, New Hampshire, Illinois, North Carolina and North Dakota. On July 1, Virginia launched eScratch and single ticket/same-day draw game sales.

But what happens now? Will states continue to slow-walk iLottery, even as they fast-track the process of licensing sports-betting operators? Will lotteries be handcuffed as they look to modernize their operations, broaden their customer base and increase revenues? Or now, after months of varying degrees of "stay-at-home" orders to help stop the spread of coronavirus, have we arrived at the tipping point where states realize that retail habits were already changing such that lotteries must offer alternative purchase options that no longer require an in-person retail experience?

As state budget chiefs and lottery directors have nervously monitored there week-over-week sales, there is one critical point – iLottery sales, where available, never faltered. In fact, they skyrocketed in most metrics, including new customer sign-ups and overall sales.

Will it take ongoing sales challenges, profit goal stresses, and continuing revenue gaps across state budgets to finally push more states to expand lottery offerings? If you consider where many states find themselves as the country steps forward and back with economic re-opening, this certainly looks like the final straw:

- New York state is forecasting a $15 billion revenue decline across the state

- West Virginia has been losing $9 million/week from its closed casinos alone

- New Jersey, Pennsylvania and Ohio announced limited spending and hiring freezes

- Virtually unheard of in the past, a number of states laid off workers, including from the ranks of lottery employees, including 60 at the Oregon Lottery alone (13% of the lotteries workforce)

In a radio interview in April, NY Governor said that the state might have to cut education funding to address the state's budget shortfalls.

"I said kiddingly to a legislator, 'This is the easiest budget we've done. There's no option. The number is zero," Cuomo said. "We have no money."

When we look at iLottery during these difficult times, we might just be seeing the future of the lottery put on hyper-speed.

GEORGIA, KENTUCKY iLOTTERY SALES SOAR; RHODE ISLAND LAUNCHES FULL iLOTTERY

For both the Georgia Lottery Corporation and Kentucky Lottery, the stay-at-home orders associated with the COVID-19 outbreak has been a further opportunity to leverage their digital offerings. Both lotteries enjoyed an excellent year for digital sales in 2019 but by mid-May 2020, respectively were performing year-to-date +62% and +57% in digital sales vs. the prior fiscal year. This growth had accelerated through the end of 2019, when both lotteries invested more on digital advertising and focused on player acquisition.

Both Georgia and Kentucky lotteries excel with draw-based-game digital offerings, particularly Keno, for which the digital channel represents 23% of total sales in Georgia and 15% of total sales in Kentucky. Offering the same Keno game at retail and digitally, rather than having a Keno-style e-Instant game at a significantly higher payout, allows those lotteries to benefit from the higher profit margin with a prize payout of 65%, and to promote more cross-selling opportunities between core players. Given all that has happened since the start of the COVID-19 pandemic, with many people not leaving their homes, the long-term strategic planning of both lotteries and their well-timed choice to focus more on the digital channel at the beginning of 2020 resulted in positive momentum and a strong first half of 2020.

Just prior to the COVID-19 outbreak, IGT implemented plans to upgrade the Georgia Lottery's digital platform and increase the marketing support the company provides to the lottery. The results of that work played out March-May, as digital sales accelerated significantly. In the early weeks of May, sales are at +155% in traditional draw-based games, +115% in digital Keno and +330% in e-Instant compared to the same time period in 2019.

apps in the U.S. and most recently installed its latest advancements in player functionality for the Missouri Lottery. Alongside wagering features, players can use the app to create play slips for retail purchases, store their favorites numbers and identify themselves as player's club members. The app is fully compliant with new Apple requirements regarding user experience and native content for HTML5 games. Players have welcomed the new app, and it is number one among US iLottery mo-
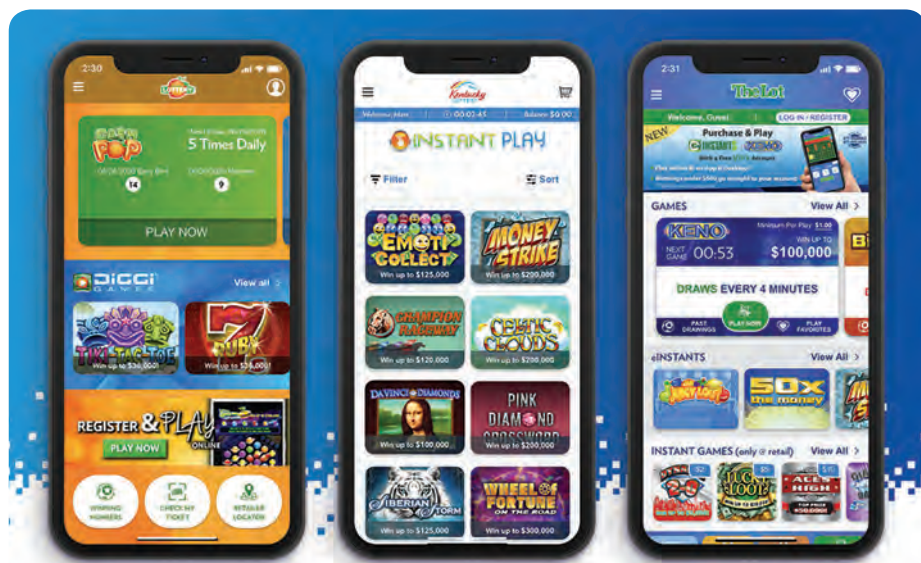
ity in just five months," he said. "This is the leading lottery app solution in the market and the first to comply with Apple Guideline 4.7. We worked closely with the RI Lottery team to develop and launch an iLottery solution that provides a modern playing experience for RI Lottery players. It gives players the choice and convenience to now play Keno and e-instant games from their mobile devices, consistent with how they engage with other forms of entertainment and media as well as purchase goods and services today."

Built on the PlayCommand platform that also supports sports betting in the state, the IGT PlayDigital solution integrates the retail and digital lottery experiences together with a host of tools from purchase to play, and it can all be done in a few touches on the mobile app.

Drago added, "Rhode Island players now have the added convenience of playing the lottery from their homes and personal devices. In collaboration with the Lottery, our expert marketing team has created promotions and loyalty campaigns to attract and retain players that will ensure a successful player engagement strategy to drive revenues for the RI Lottery."

All three Lotteries are powered by the IGT PlayCommand platform and sophisticated player account management system, which enables lotteries to control all administrative functions such as payments, player accounting, marketing campaign management, CRM and responsible gaming controls for players. The team of digital marketing experts help the lotteries improve results by using the powerful reporting tools available to analyze data that is turned into actionable insights that drive the day to day digital business strategy.

IGT's iLottery mobile offerings for the GA Lottery, KY Lottery and RI Lottery

IGT PlayDigital

"It's exciting to see our team's efforts making a difference in Georgia. From the new games that have been developed for the market to the engaging promotions and loyalty campaigns our expert marketing team has rolled out, it's rewarding that it has resulted in a positive outcome for our customer," said Enrico Drago, SVP, IGT PlayDigital.

Similarly, the Kentucky Lottery had improved its focus on iLottery and had started launching new IGT e-instant games that offer increased value to players through higher prize payouts. Sales have improved significantly, from +37% in total year-to-date digital sales in mid-March to +57% by the end of May 2020 (comprised of +60% in digital draw-based game sales and +260% in e-Instants).

In early May, the Kentucky Lottery launched a new mobile wagering app built by IGT that delivers a completely redesigned customer experience. IGT has delivered 10 mobile lottery

bile applications based on app store reviews.

Marty Gibbs, interim President and CEO of the Kentucky Lottery, said, "We are delighted to have launched our new mobile app. We expect the expanded functionality and appearance to help us continue to bring value, convenience and the best entertainment to our players."

In late April, the Rhode Island Lottery launched a new mobile experience that enables players to register and play Keno along with a catalog of exciting e-instant games. Players can register for free, create a digital wallet and have winnings under $600 automatically transferred into their accounts. This enables the lottery to reach a broader range of players and offer a convenient way to play.

As SVP of IGT PlayDigital, Enrico Drago leads the team responsible for creating and delivering the PlayLottery suite. "Our team set another record in delivering this functional-

"There is nothing more satisfying for the IGT PlayDigital team than to help our customers achieve greater results for good causes through the addition of new products and services," explained Enrico Drago. "Bringing modernized playing experiences and solutions to market during this time has further amplified the importance of a digital channel as a growth strategy for lotteries. We are committed to partnering with more and more of our customers to introduce and responsibly grow the digital business over time in order to drive new revenue growth."

PENNSYLVANIA ENJOYS AN ONLINE BOOST

While the Pennsylvania Lottery just launched its iLottery platform in May 2018, it has been an eventful two years – two RFPs for operators (as mandated by the Commonwealth's legislation) and more than $1 billion in revenue. The Lottery has offered internet instant games from the start, and has added draw games to its online lineup, including Mega Millions and Powerball, which have been available on that platform since January 2020.

It has been a busy, eventful two years for the PA Lottery.

Add in the past few months, when at one point about 30 percent of the PA Lottery's roughly 9,800 retailers closed because of COVID-19, PA Lottery executives were certainly happy to have iLottery available to players.

"During this unprecedented time, we have

The PA Lottery's iLottery platform is available on most devices

been seeing incredible growth in PA Lottery online play," said Pennsylvania Lottery Deputy Executive Director of Marketing and Products Stephanie Weyant. "We are setting new records for play and first-time depositors, and breaking them just a quickly."

Weyant added, "While we are happy to see a growth in our online play, a majority of our sales still come from our traditional games. Furthermore, the increase in online sales is not enough to offset the sales the Lottery has lost on the traditional side of the business since Mid-March. Just to put it in perspective, an estimated 70 percent of our business comes from our Scratch-Off sales. So, it's our traditional products that remain the foundation of our business."

Behind the scenes, there are cross-functional teams of lottery, systems, marketing and digital experts at Scientific Games working together to

support the Pennsylvania Lottery's iLottery program, with effective use of powerful CRM tools and bonusing programs that engage and retain players. The growth of the iLottery program in Pennsylvania since the program launched continues to surpass expectations. Based on total wagers, the $1 billion milestone reached just prior to its two-year anniversary makes Pennsylvania the most commercially successful iLottery launch in North America to date.

During its first full fiscal year of iLottery, Pennsylvania traditional lottery sales grew 7.2% over the prior fiscal year and Scratch-Offs alone grew 5.9%. But the month of April is where the Lottery truly saw the potential of this technology start to ramp up. iLottery play was up 35% compared with March, with $89.2 million in topline play and $11.4 million in gross gaming revenue (play minus prizes and promotions/bonuses). The number of first-time players in April was also up 45% over March, with nearly 15,000 new online players.

With stay-at-home orders still in place in PA for most of May, that month then broke new records. Online play in May was up 7 percent compared to April with over $95 million in topline online play and $12 million in gross gaming revenue. May was also a record month for deposits, with over 44,000 depositors.

Powerball and Mega Millions sales online, which are reported separately, are making up about six percent of overall Powerball and Mega Millions weekly sales, as compared to about two percent in previous months.

These numbers can be largely credited to the management of the entire game portfolio, delivery of exciting iLottery content to the market, and tools to enable retailer support, while continuing with the strategic management of all traditional lottery products sold at brick-and-mortar retailers.

Scientific Games offers a variety of games to PA Lottery iLottery players

Amy Bergette, Vice President, Digital Content Studio at Scientific Games which operates the PA Lottery iLottery program, said, "The past few months have seen a big uptick in online/mobile playership, but it has actually been an incredibly busy two years for all of us. iLottery brings game entertainment directly to a player's computer or mobile device, so the ability to offer digital play has allowed the Lottery to maintain a level of sales continuity during the global COVID-19 crisis and provide vital funding for programs benefitting older Pennsylvanians."

Bergette explained, "Our iLottery platform is built to handle an enormous volume of activity so we are equipped for the level of engagement we have seen in Pennsylvania. It also provides the flexibility to integrate powerful tools to enable important affiliate programs that incentivize retailers to participate in the iLottery program by signing up new players. Combined with highly effective marketing campaigns that leverage today's best practices for player retention and engagement, this ensures continued growth for the program."

NPi's CUSTOMERS SEE HIGH ACTIVITY LEVEL

Powering the most profitable iLottery programs in the industry in terms of per capita return to state, NeoPollard Interactive ("NeoPollard" or "NPi") has certainly seen an array of new players of all ages and backgrounds join the ranks of play-from-home customers. While the Michigan Lottery was the first lottery to partner with NeoPollard to

offer full iLottery to it players, the company has since expanded its customer base to include lotteries in Virginia, New Hampshire and North Carolina. Working with a diverse range of lotteries has provided the company with a holistic view of what is happening in the industry.

"There is a pent-up demand for iLottery that has been building among U.S. lotteries for a number of years," said Scott Bowen, SVP of Government Affairs and Business Development for NeoPollard and former Commissioner of the Michigan Lottery. "Considering the continued impact of the COVID-19 pandemic and the economic pressures facing lotteries as a result, the need for iLottery has never been greater. Not only does iLottery give players more options, U.S. lotteries with iLottery have experienced no negative impact on retailers. In fact, the growth of iLottery in Michigan has occurred alongside a 45.5% increase in retail sales since iLottery launched in 2014."

NPi's iLottery programs for the MI and NH Lotteries offer mobile capabilities which expand its accessibility to players
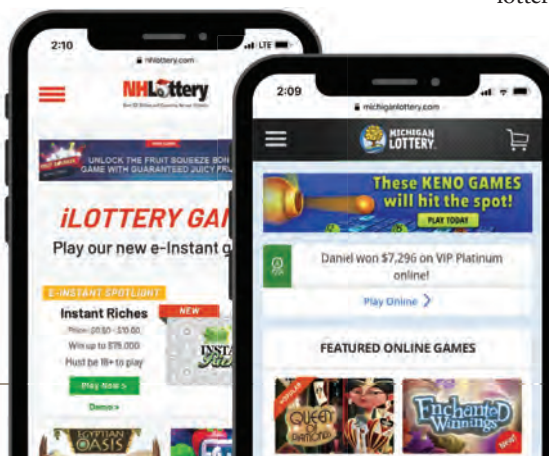
As North America's first $1 billion iLottery operator, the Michigan Lottery has achieved results that show that sustainable growth and performance is available through the iLottery channel. States like New Hampshire, which launched its iLottery program in September 2018, are proving that this model for success can be replicated. Though New Hampshire is a state with a population of only 1.3 million, its per capita iLottery sales in its first year of operations exceeded the standard set by the Michigan Lottery by 75%.

During these past shutdown months, these lotteries have shown the potential of iLottery. Comparing April 2020 to March 2020 performance, both Michigan and New Hampshire Lotteries saw improvement across all major program KPIs. The Michigan Lottery experienced a 40% increase in bets, or growth of $51.7 million. Net Gaming Revenue was similarly improved with an impressive 46% uptick over March. The New Hampshire Lottery's April 2020 results posted 49% higher in terms of bets. This translated to a $580,000 increase in net gaming revenue – the single highest grossing month-over-month change since the New Hampshire Lottery launched in September 2018. Player acquisition has seen highs that have only been outpaced by billion-dollar jackpots, with 105% and 45% increases in first-time depositors in Michigan and New Hampshire, respectively.

Across NPi's customer network, overall performance at the close of May drew significant increases as compared to February, before the impact of shutdown orders. There has been a significant influx of new players – growth, on average, of 227% since February. Similarly, bets grew by over 95% and Net Gaming Revenue saw tremendous improvement, with an average of 120% higher returns.

"The recent and significant impacts of the global COVID-19 pandemic to the way lotteries traditionally operate and market their products has emphasized the need to accelerate digital transformation and diversify how lotteries engage players," said Doug Pollard, Co-CEO, NeoPollard Interactive. "As the industry begins to focus on economic recovery and rebuilding successful retail partnerships, state lotteries and governments will be well-served to advance discussions on

iLottery, which has seen tremendous growth across all major key performance indicators during this period."

While many lotteries have been forced to postpone or cancel game launches, reach new financial settlement terms with their retailers, or even shut down distribution points to protect the health and safety of players, the iLottery channel has continued to flourish with few operational impacts.

One of the most significant performance indicators regarding player adoption of the iLottery channel is through the share of online sales as compared to retail. In North America, online lotteries typically reach 1-3% of their retail sales volumes through draw-based game (DBG) sales online. With its intuitive e-commerce purchase flow, NPi's lottery partners are accustomed to achieving a 10% share of DBG sales through the online channel. In fact, during the COVID-19 shutdown in March, the percentage of online sales compared to retail doubled to nearly 20% of sales.

Doug continued, "As an industry, we've long since understood that the ability to maximize sales through alternate distribution channels, such as iLottery, is a sustainable growth strategy. Channel diversification and the ability to adapt to volatile economic circumstances is vital to protecting future revenues as competition for 'share of mind' and 'share of wallet' encroach upon lottery player bases. While we couldn't have predicted that iLottery would prove to be a solution to softening the revenue impact during a global pandemic, this has been an eye-opening experience, and the time to act is now."

eSCRATCH IS DRIVING GROWTH

As iLottery emerges as a highly successful sales channel, eScratch is the game category that is leading the growth. Lotteries work closely with their system providers and their marketing partners to attract and acquire players. But then it's up to the games to engage. First-time players must be immediately able to find games they love to play. Returning plays must consistently find new games to try. Quickly, lotteries learn that their eScratch portfolio needs to be a systematically evolving mix of game types and play mechanics. A wide variety of visual skins overlaid on just a limited mix of game mechanics is not the same and does not suffice.

A recent game release from IWG

One common thread across all of the US lotteries currently offering eScratch games is Instant Win Gaming (IWG). In fact, IWG supplies eScratch games to every single North American lottery that sells eScratch. As Rhydian Fisher, CEO of IWG, explains, "it is now standard practice for lotteries offering eScratch to contract with an additional eScratch game provider for content to supplement their system provider's games. No single games studio is capable of providing the complete range of content to engage the entire spectrum of players."

Many players will maximize play on a new game when it is released, and this focus will tail off over a 7- to 14-day period. For this reason, best practice, as shown in Michigan, Pennsylvania and others, is to launch one game every two weeks. Players will learn to expect this pattern of launches, so consistency is critical. For selected periods of the year (i.e. the holiday season), introducing games on a weekly basis is a good lever to support peak demand. Further, the release cycle must avoid back-to-back launches of games from the same play category.

"It's common for a game developer to claim to have a large library," explains Fisher. "What is not common is for a developer to frequently invest in new play mechanics. This requires a much high degree of commitment. But regular release of new mechanics is fundamental to driving the eScratch category forward."

WHERE FROM HERE?

The results seen by the Virginia Lottery are indicative of what a new entrant to the online sales arena might see. Virginia has allowed the online purchase of draw game subscriptions since 2005, converting to NPi's platform in 2016. Mega Millions, Powerball and Cash4Life are the games currently offered,

and the online sales of those games have increased more than 400% since Fiscal Year 2017. Last fiscal year sales were up 68% compared to the prior fiscal year, and sales this year are tracking 20% higher.

It will be a new world in Virginia this summer as eInstant tickets are now a part of the Commonwealth's online offerings. Lottery officials are excited about what that will mean for revenue to their good causes.
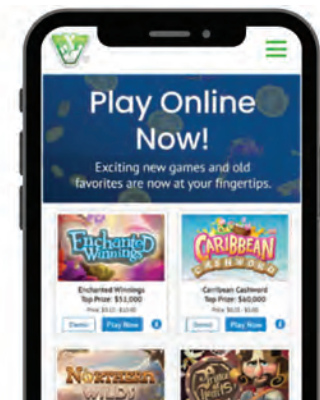
Virginia Lottery customers can now purchase eInstant tickets along with draw games on the new mobile app supplied by NeoPollard.

"When the General Assembly passed the iLottery legislation earlier this year, they obviously had no idea what was about to happen with the pandemic," said Virginia Lottery's Director of Digital Rob Wesley. "But because of their actions, Virginia will be able to offer our players an expanded alternative to in-person retail. They will be able to purchase a variety of lottery products from their homes and anywhere else within the Commonwealth using their computers or mobile devices.

"Lotteries are working hard to adapt to consumer behavior, which includes making purchases on the internet," Rob said. "Our plans have been in motion for many months, and the restrictions around the pandemic simply highlight yet another positive benefit to meeting our players where they already are – online. The current circumstances have led us to accelerate our scheduled launch of iLottery."

Across the country, there are many lotteries which, like Virginia, will look to quickly push iLottery to the top of their "to do" lists. ∎

STAYING IN TOUCH

COVID-19 CHALLENGES LOTTERIES TO MAINTAIN COMMUNICATION

When a Governor tells his or her residents to stay safe by staying at home, suddenly the "blocking and tackling" of lottery advertising is useless. No one driving? Billboards are unseen. Public transportation at a virtual standstill? Posters in the subway make no sense. Foot traffic much-reduced at retail? Sandwich boards and jackpot signs have few eyes on them.

But there are a few avenues of communication that no lockdown can stop – Instagram, Facebook, player's clubs. While these tools are now used by almost all businesses, lotteries have firmly embraced all of them, with great success.

To make sure these internet-based communications are properly utilized, and the messaging is clear, many lotteries have either hired full-time social media coordinators or elevated the activity around this important initiative within their communication departments. This increased emphasis on direct

OH Lottery's Facebook site

communication with players has been particularly evident during the past few months.

Take for example, the Ohio Lottery.

Ohio has been using a multi-pronged communication strategy to stay in touch with its player:

Facebook, Instagram, Twitter: Frequent posts with updates on at-retail safety, social distancing standards, mobile ticket cashing, salutes to caregivers and first responders, and other pertinent posts.

YOUTUBE: The Lottery's monthly show – In The Know – moved to an at-home "studio" to keep players up to date on the latest information, including new mobile cashing for prizes between $50 and $5,000 and cashing by mail.

OHIO LOTTERY WEBSITE: Customers are kept up to date on important information on the site's resources page with all changes made due to COVID-19 listed by category. MyLotto Rewards members receive important updates via the site and bi-weekly emails.

"Lotteries have a responsibility to ensure the safety of their players, retailers and employees," said Ohio Lottery Director Pat McDonald. "While we might not be able to see each other face-to-face, the Ohio Lottery is committed to providing critical information through a variety of avenues. With so many people at home and online, social media and the lottery's website are quick and efficient methods of communicating to our customers and retailers."

WE LOVE OUR PLAYERS

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USE HAND SANITIZER

AVOID TOUCHING
YOUR FACE

MAINTAIN A DISTANCE
OF 6 FEET FROM
OTHERS

WWW.CORONAVIRUS.OHIO.GOV

OH Lottery's Instagram site

The Lottery used its social media presence to highlight the work that medical professionals, first responders and service-industry workers are doing during the crisis. The Get $500, Give $500 promotion ran each week in April highlighting each group separately with posts generated by Ohioans and awarding $500 to four winners each week in a random drawing. This promotion helped share inspiring stories and retain positive sentiment on the Lottery's Facebook page.

The Maryland Lottery has similarly used social media to communicate messages as diverse as responsible play, changes in the multi-state games and reminders to players to return their census forms. Of course, leading the messaging is safety.

When social distancing directives were implemented in the state in March, the Maryland Lottery publicized a number of key recommendations for player safety:

- Fill out playslips in advance
- Use the Quick Pick option rather than taking time to select specific numbers
- Use self-service vending machines
- Buy advance-play tickets that are valid for multiple drawings
- Purchase subscriptions, which don't require visiting a retailer

Most importantly, the Maryland Lottery strongly encouraged players to purchase tickets only while visiting essential stores to buy necessary items and to follow state guidelines by standing at least six feet apart in line and wearing masks in public places.

"Our Sales Division has maintained regular contact with all of our retailers – calling, emailing and staying connected to help them through this difficult time," said Maryland Lottery and Gaming Director Gordon Medenica. "We know that this "new normal" isn't easy for anyone. Our primary concern continues to be focused on the health and safety of our employees, retailers and players."

In the Southwest, the Arizona Lottery has used its social media presence to highlight the heroic work of front line staff - medical workers, grocery staff, first responders, and others - who have kept Arizonans safe and the state running. The lottery asked online followers to nominate deserving workers for a chance to win $500 to boost community morale and give thanks. To keep players entertained, the Lottery offered virtual coloring pages, a free play promotion, and even the chance to be photo-edited to don the beard of the Lottery's "Chief Fun Officer" Windfall Willie.

"We want to strike a balance between communicating the critical, serious information that our players need while trying to continue to provide an entertainment outlet," said Arizona Lottery Director Gregg Edgar. "As an organization that sells tickets to millions of players each

year and communicates with players and retailers on a daily basis, we have a responsibility to provide clear information."

Edgar has been working closely with Arizona Governor Doug Ducey's office, which charged state agencies with helping the businesses he designated as essential. For lotteries, that meant grocery and convenience stores, two of the major locations for lottery sales which have remained open as essential businesses. While sales representatives were remotely "visiting" the lotteries under their responsibility, the lottery has been sending regular communications to retailers and updating the retailer-only section of the web site.

Arizona Governor Doug Ducey (r) and Arizona Lottery Executive Director Gregg Edgar (pictured here pre-Covid-19 social distancing!) have worked closely on the lottery's efforts during the pandemic.

The Arizona Lottery also took steps to remove one worry from its retail network - license extensions. The lottery automatically extended the license term for all retailers with a license expiration date within the calendar year 2020 for an additional year, to expire on the same date in 2021.

"Lotteries have so many constituencies – players, retailers, elected officials, employees, and that provides challenges and opportunities in our communication," Edgar said. "While we certainly couldn't have predicted a total shutdown, the Arizona Lottery has taken steps over the years to move communication with our players and retailers onto the available social media and online avenues. So we were ready and I think we have done a great job of getting out our message under extraordinary circumstances." ■

CORONAVIRUS REDEFINES RETAIL

Safety concerns could speed digitization of the in-store shopping experience, adoption of technology

While lawyers, stock brokers, salespeople and marketers have all worked from home over the past months, cashiers at supermarkets, clerks at convenience stores, and shelf stockers at liquor stores showed up at their workplaces every day. These workers were deemed essential and, indeed, their presence has kept society functioning as normally as possible.

Aside from their importance to providing critical supplies, these essential workers have something else in common. They all work at some of the largest sales locations for lottery.

One of the more interesting developments during this period has been the importance of workers who previously might not have received much attention. With many people sheltering at home, hundreds of thousands of employees headed to supermarkets and convenience stores to keep the community supplied with important provisions. And while lottery sales were down in some states as store foot traffic dropped, the fact that these retail locations remained open meant that the sale of scratch tickets and draw games continued.

Lotteries worked tirelessly to make sure their retailers had the tools they needed to stay safe and continued to provide them with their critical sales tools.

A trend which will certainly have an impact on the future of lottery is the incredible rise in on-line grocery shopping and home delivery of meals. The question is: Will the current shopping patterns continue now that people are free to leave their houses and return to their previous shopping patterns? Last year, just 4% of grocery sales in the United States came online, according to Nielsen. Will this continue to grow throughout 2020 and beyond? And people will certainly need to fill their gas tanks (at least those without electric vehicles).

Lotteries and lottery vendors will need to assess how the retail experience will look for customers when they return in large numbers. Chances are that speed-of-purchase will be important. Get in, get what you want, get out of the store.

LOTTERY VENDORS TAKE THE LEAD

Abacus, the 'Industry Bridge' between the Lottery and the retailers using its unique Abacus Transactional Gateway, has implemented these types of ease-of-sale solutions in Europe for many years. While the United States has been slower to adopt changes at retail, the pandemic has been a clarion call to retailers that they must adapt to protect customers and their business.

"The retail landscape has been in a continuing period of change in recent years," said Terry Presta, Abacus Head of Business and former Director at the Kansas Lottery. "The trend moving towards self-service had already started. At some retailers, one third or more of the customers already use the self-scan option for paying for groceries. And the ordering of groceries online and having them delivered at home is already a significant share of the market. The pandemic has accelerated both of these trends.

"Speed of purchase through contactless shopping and digital ordering are positive trends for customers but they pose challenges for lotteries. Dedicated lottery terminals across limited retail locations will not reach consumers looking for less human contact. Lotteries must adjust to meet changing player trends."

Lottery vendors have been aware of the consumer changes for many years. The impact of COVID-19 has simply sped up the timeline to implement the technology to keep up with these changes. Vendors are implementing at-retail systems that integrate into the retailer's entire omnichannel network. These systems will allow lotteries to offer their products direct to consumers at all retail touch points at lottery retailers.

A self-service, self-check-out terminal enabled by Abacus to sell draw-based lottery games in a grocery store with a digital marketing sign.

IGT was a pioneer in launching in-lane lottery sales internationally and is a prominent player in the in-lane space, with about 50,000 lanes worldwide and a significant number of new lanes to be added later this year. The company is working closely with lottery customers and technology partners to deploy in-lane solutions that make lottery more convenient for U.S. players.

An IGT customer, the Texas Lottery Commission, is currently selling lottery in-lane QuickTickets™ at approximately 1,500 Dollar General stores in the state, one of the most recent examples in the U.S. of lottery penetrating an important trade style within one of the fastest growing retail segments in the country. The TLC is also working with one of its most important retailers, HEB—a supermarket chain based in San Antonio, with more than 400 stores throughout Texas and Mexico, and $28 billion in annual sales—to allow the in-lane sale of Ticket-On-Receipt draw game tickets, along with the redemption of draw and instant games in-lane. This provides a more seamless player experience and with the added benefit of incorporating key lottery data into HEB's existing POS and back office solutions.

IGT is actively working with its other customers to develop similar implementation plans across their vending terminals. Results have shown that cashless comprises about 10-15% of sales, of which IGT estimates 4-5% to be incremental. It is expected that the percentage of cashless sales will rise with the accelerating change in consumer behavior.

Jay Gendron, Chief Operating Officer, Lottery, said "IGT is constantly exploring retail, consumer and technology trends and investing in opportunities. These will now be more important than ever to not only obtain more player engagement, but to help enable our lottery customers with solutions to support a cashless and contactless retail environment for the future."

IGT offers cashless capability on all its vending terminals, such as the GameTouch™ 28 (pictured), and has deployed over 3,300 cashless-enabled units with more to follow this year.

An IGT customer, the Texas Lottery Commission (TLC), is currently selling lottery in-lane QuickTickets™ at approximately 1,500 Dollar General stores in the state. Shoppers choose QuickTickets™ from a POS display (shown at left, bottom row) or immediately at the checkout counter to be purchased and activated in-lane, as confirmed on the pictured receipt. The TLC is also working with IGT and supermarket chain HEB, offering the in-lane sale of Ticket-On-Receipt draw game tickets, along with the redemption of draw and instant games in-lane.

SHIFT TO CASHLESS TRANSACTIONS

IGT has also been working with its customers to address the shift in consumer behavior from using cash to going cashless at retail. This behavior change is accelerating now due to the pandemic. IGT offers cashless on all its vending terminals and has rolled out over 3,300 units across three Lotteries: Michigan, Virginia and North Carolina. In addition, the Georgia Lottery is currently testing cashless at select locations with plans to expand to the entire vending network later in the year. The Missouri Lottery plans to roll out starting in July and the Kentucky Lottery will follow in November.

PROTECTING LOTTERY RETAILERS

As states continue to tweak their stay-at-home orders, lottery retailers will see an increase in customers. This is good news for states that are revenue-starved, given the economic hit every state has taken since March. But it is incumbent upon lotteries to protect their critical retail partners as well as customers.

"When we look at the big picture, generating state revenue is our mission, first and foremost. But we can't forget about retailer commissions, which boost the viability of thousands of local businesses across the country," said Maryland Lottery Director Gordon Medenica. "Collaborative partnerships with retailers are crucial to lotteries' success and that means the safety of retail employees and customers must be a top priority. We can play our part by educating our sales representatives about sales and safety techniques which they can share with their retailers. We are all in this together, and lotteries can lead the way in making sure the lottery retailer network operates safely."

The Maryland Lottery has worked with its retail network to ensure the safety of employees and customers.

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CHALLENGES IN 2020 PROVIDE OPPORTUNITIES IN 2021

2020 will historically be remembered as the year COVID-19 changed life as we knew it. The public health crisis forced every business, big and small, to re-think strategic plans, messaging and what business would look like on the other side of the pandemic. America's favorite jackpot game was no exception.

In April, the Powerball Product Group announced its decision to determine Powerball's advertised jackpot based on game sales and interest rates. Changes were necessary to ensure that ticket sales could support the Powerball jackpot. The priority was to make sure the Powerball game could continue to assist lotteries in raising proceeds for their beneficiaries. More than half of all proceeds from the sale of a Powerball ticket remain in the jurisdiction where the ticket was purchased.

"This year has given each of us challenges never faced and new unchartered waters to navigate," said Sarah M. Taylor, the newly appointed President of MUSL and Executive Director of the Hoosier Lottery.

Now is the time to focus on the future and evolve with a world that has adapted its way of living but still seeks entertainment. Lotteries more than ever will need to execute on their missions to raise funds for good causes. "We must evolve and collaborate in order to contribute to the beneficiaries of each of our participating jurisdictions," said Taylor. On July 1st Sarah started her new term as Board President, elected by the MUSL Board of

Directors. "We are learning much about our industry, our players, our communities and our beneficiaries. We must implement the knowledge gained for future success."

One of the exciting new ventures set to debut this year, a new Powerball Draw Show. The MUSL Marketing and Promotions Committee formed a smaller subcommittee to review changes to the Powerball Draw Show, aired live every Wednesday and Saturday night from the Florida Lottery studio in Tallahassee, FL. Outgoing Marketing and Promotions Committee Chair Rebecca Hargrove (TN) tapped Beth Bresnahan (DC), Gregg Edgar (AZ) and Brian Rockey (NE) to review the current elements and guide the selection process for the fresh new show. The subcommittee met several times to review new background graphics designed by the contracted provider and to select a new original music selection composed with assistance from the Arizona Lottery's advertising agency. These elements will be unveiled along with the new Smart Play draw machines that will be placed into service later this summer. These new machines might steal the show, but the background and music will tie everything together bringing a modern refresh to the presentation of America's favorite jackpot game. "Our objective going into this project was to create a modern, fun and thrilling backdrop that captures the anticipatory excitement of winning a life-changing prize," said Bresnahan, Executive Director of the DC Lottery. "I believe we achieved this with new graphics, new music and tweaks to the

script that showcase the winning numbers and complement the Powerball brand."

MUSL has partnered with dick clark productions once again for the second installment of the Powerball First Millionaire of the Year promotion. One lucky player will have the chance to win $1 million in a special drawing LIVE on ABC just after midnight on Dick Clark's New Year's Rockin' Eve with Ryan Seacrest. Although events of the past few months have changed many aspects of our lives, the ball will drop, time will pass and a new year will begin. The experience with this year's promotion will be different, but the shot at winning a million dollars will remain.

"As a result of the COVID-19 pandemic, the POWERBALL First Millionaire of the Year promotion has been slightly modified for the safety of all participants," says Bret Toyne, MUSL Executive Director. "The finalists will have the option of attending the live drawing in New York or having a Rockin' New Year's Eve party at a local venue. Either way, someone winning one million dollars live on New Year's Rockin' Eve is must see television."

As the world evolves in the coming year, MUSL will also focus on the evolution of Powerball. We are challenged to nurture and grow the game with the need to be more flexible and responsive to an ever-changing marketplace.

"The MUSL Development Committee is looking at a variety of options focused on increasing the player base, enhancing player convenience,

Sarah Taylor, President of MUSL Board and Executive Director of Hoosier Lottery

and strengthening Powerball," says Drew Svitko, Pennsylvania Lottery Executive Director and Chair of the committee. Options under consideration will ensure the long-term stability of the game and its ability to generate money for the great causes our members serve.

As caretakers of this popular brand, we have to continuously look forward for new opportunities and innovations according to Rebecca Hargrove, Chair of the International Working Group (IWG). "The Powerball Product Group and the IWG will continue to work together to identify the best markets to potentially conduct a pilot program for Powerball. Additional population has historically benefitted the Powerball game, and international partners are an additional opportunity to expand the player base," stated Hargrove

As we step into the future at a time like this, the commitment is to be innovative, optimistic and above all else, build our brand as we better serve players everywhere. ■

Big Things Happen
When Small Things Work Together

Strategic Product Enhancements

Some lotteries use their revenues to support a variety of important efforts such as infrastructure, education, and healthcare, ultimately creating a better state for everyone. Scientific Games' Strategic Product Enhancements work the same way. From *Sparkle*® to *Scratch My Back*®, from *HD Games*™ to holographic paper, our Strategic Product Enhancements are designed to grow sales, improve efficiencies, and deliver maximum profits to the good causes our lottery partners support.

SG
SCIENTIFIC GAMES

Reimagine **Next**

8

Ways to Strengthen the Lottery Entertainment Brand

Adding **Wow** to One of the World's Biggest Consumer Products

From specialty inks and papers to unique playstyles and high-definition play symbols, design, printing and packaging options convey wealth, success, prosperity, luxury and enrichment. For the consumer, they can attract attention at retail and enhance both the play experience and the lottery's brand.

"Quality design and printing establishes the lottery's brand, but unique specialty papers, inks and features with aesthetic qualities can elevate the brand even further," says Danielle Hodges, Senior Manager, Global Instant Product Innovation & Development for Scientific Games. Uniquely reflecting her MBA and a graphic and package design degree, Hodges' work at Scientific Games the last eight years has focused on instant game innovation.

Danielle **Hodges**
Senior Manager, Global Instant Product Innovation & Development for Scientific Games

Now, with less foot traffic in stores, innovating for retail products is challenging – particularly in a time of lottery budget concerns. But the highest performing lotteries have demonstrated that investing in innovation is crucial for sales performance and ultimately, for generating maximum proceeds to lottery beneficiaries.

"When you're developing an instant game portfolio, all of the strategic product enhancements should work together to stimulate specific consumer segments and to drive overall sales," Hodges explains.

Here are eight ways for lotteries to maximize this moment in time with instant products that look like million-dollar game entertainment experiences.

It's a new norm for gaming entertainment. Lottery games landed in the unique position of being the only form of gaming available in many jurisdictions this spring and early summer — bringing many first-time players to lottery. But for new and core players alike in a world affected by COVID, consumer habits have changed for the foreseeable future with less frequent trips to retail stores and limited convenience store stops.

Offering an accessible, inexpensive yet entertaining opportunity to win millions, instant "scratch" games are a $53 billion product category in the U.S. The products are stimulating lottery sales across the country, with some states experiencing double-digit year-over-year instant game sales growth. Like never before, these simple games have an unprecedented opportunity to expand playership by strengthening the lottery entertainment brand.

1. HOLOGRAPHIC

Modern uses of holographic paper stock have moved into a variety of consumer products like toothpaste packaging to give it an extra pop at retail—proving there's no better way for scratch games to shine at retail than when they're produced on holographic. This specialty paper has been used in scratch games for about 15 years, representing $20.6 billion in retail sales.

Lately, some spectacular new holographic design trends have made their way to instant game printing presses at Scientific Games. One of these innovations is a *Sand Glitter,* a holographic pattern that's highly reflective and creates the effect of glittering sand. When paired with a wavy design and a strong game name, it can make a stunning impact in stores.
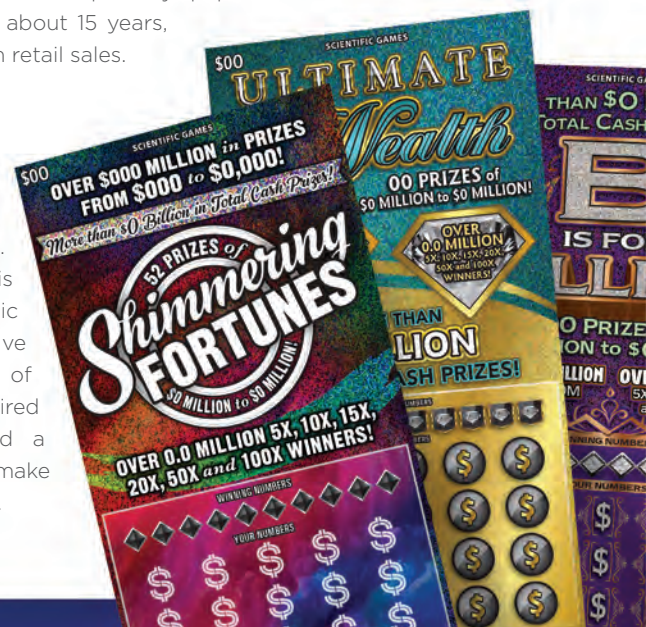
"Lotteries have traditionally used holographic just for higher price point games. Now we are seeing a new trend with holographic families of games," says Hodges. "The added entertainment factor of the holographic $1 and $2 games actually creates interest and helps sell the $5, $10 and $20 games.

Another trend is *Linked Play Holographic*. Developed by the company at a customer's request, it features an intuitive number match playstyle with the patented *SureMark* system – the reveal is holographic play symbols. Although holographic symbols are traditionally effective with extended play games, the new *Linked Play Holographic* approach appeals to consumers beyond the extended play segment.

When asked about holographic play spots, respondents in player research studies indicated that this was a feature that they liked, with some suggesting that it would influence future purchase decisions.

2. SPARKLE® SELECT

Added sparkle at retail is exactly what's needed to reach consumers who may be shortening their time spent in store. Scientific Games developed *Sparkle Select* as an extension of the *Sparkle* product line to offer lotteries more than 75 combinations of colors and patterns for instant games.

A sneak peek at a *Sparkle Select* color wheel received rave reviews from product managers at NASPL 2019 in late September. The wheel spun through combinations of intriguing patterns and rich colors like magenta, Tiffany blue, purple, green, gold and even copper, offering a multitude of creative options.

"The New Hampshire Lottery saw it and was one of the first to use *Sparkle Select* in a game. While their game was in production, another lottery touring our manufacturing facility noticed it and immediately incorporated *Sparkle Select* into a game," shares Hodges.

Sparkle Select offers unique enrichments for Spotlight games, as well as higher price point games and multiplier families of games.

3. SCRATCH MY BACK®

For players wanting extra game entertainment, *Scratch My Back* offers more fun and more ways to win on the back of the game ticket. This product consistently tests very well with players. More recently, Scientific Games has enhanced the back of *Scratch My Back* games with a four-color process to achieve a premiere look.

"With lotteries' ever-increasing use of promotions, social media and online/mobile play, the ability to use four colors on the back of a game makes cross-promotion much easier," Hodges points out. "And it's much more attractive to players."

Scratch My Back is one of the company's most popular product upgrades with lotteries, particularly at the $5 price point. Recently, games at every price point as well as families of games are adding the option to offer more game entertainment with play on the back of the game. Some lotteries are combining it with other specialty options like *Sparkle*.

"The additional four-color area also serves well to help lotteries drive play from retail to online/mobile and vice versa," says Hodges.

Since 2008, nearly 240 *Scratch My Back* games have launched, representing $6 billion in lottery retail sales. The games—more than 60% at the $5 price point—are commonly part of $5 game plans.

4. LUXSHIMMER™

One of the newest strategic product enhancements for instant games is *LuxShimmer*, and the name says it all. *LuxShimmer* debuted in 2019, the latest in Scientific Games' luxury ink collection.

"Intended to be used as a watermark similar to how watermarks are used on real currency, *LuxShimmer* is a transparent metallic ink," she explains. "Money is the most popular image on lottery instant games, so one of our most talented game
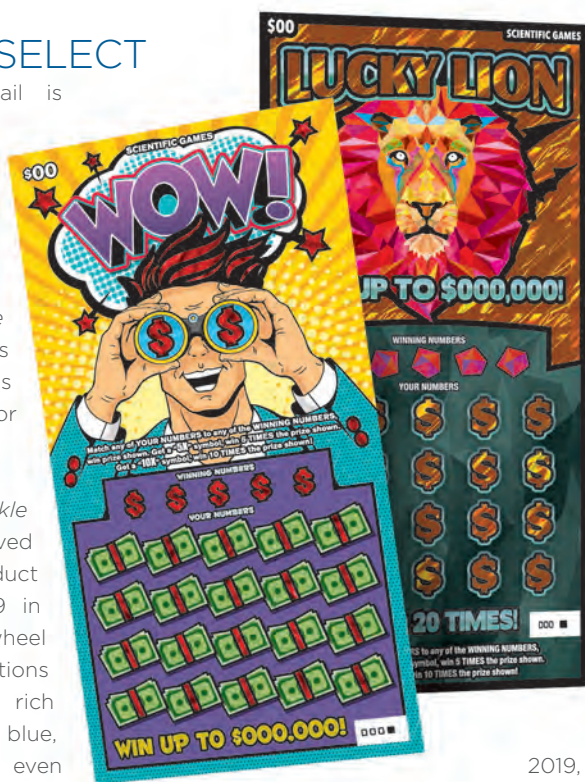
designers added *LuxShimmer* to money-themed games—making them even more appealing in a crowded retail display."

Currently two lotteries are in the process of producing a *LuxShimmer* family of games featuring unique U.S. President graphics.

5. MICROMOTION

"Some of the most intriguing games at retail are simple, yet they make a bigger impact with an upgrade that elevates them to 'premier' games," shares Hodges.

MicroMotion is a proprietary printing technology developed to create the perception of motion through use of UV lines and a super-reflective foil substrate. The ink has been used to highlight certain images on a game so they seem to move. It's been successfully used to launch new licensed branded games, and livening up images on established brands.

More than 40 *MicroMotion* games have been produced since 2016, all but three at the $5 price point or higher.

The Dream Team, one of Scientific Games' best game innovation groups, recently designed stunning families of multiplier games—specifically "mini" families at lower price points— featuring different color washes over the *MicroMotion* foil patterns. The effect makes the games stand out at retail, appealing to players looking for an extra special entertainment experience.

6. HD Games™

One product upgrade that's made its way to most every U.S. lottery's portfolio is *HD Games*. The games feature modern, high-definition play symbols and make any playstyle easy and fun.

The result of 10 years of research, the Scientific Games product line offers a brighter play area, appealing visual play data, premium paper and extra gloss. *HD Games* are available in red, green, blue, purple and black. The printing technology renders detailed, picturesque play symbols that have proven successful with licensed branded games and life-like pet images on everyone's favorite *Lucky Dog* and *Lucky Cat* games.

The most popular HD Games applications are key number match and *VariPlay* (i.e. the pet images), which perform 14% better than other games. "We've also customized *HD Games* crossword products, and created some beautiful *HD Games* with *Sparkle Select* and foil," says Hodges. "Talk about standing out at retail!"

HD Games sales performance has been interesting for the company's data analysts to track. "After the first eight weeks is when *HD Games* performance really kicks in," explains Hodges. "As players realize the advantage of games with high-definition symbols they return to them again and again, extending the sales curve and driving the weekly sales average significantly above other games at the same price point."

7. FOIL

During the holidays, lotteries traditionally turn to foil stock as a strategic product enhancement, but others offer foil games year-round to convey luxury in higher price point games. And sometimes the game's name, like *Ultimate Millions,* just lends itself perfectly to foil.

"Instant games on foil have been in the product mix for quite a while, but over the last year we've seen a trend of using foil on Blowout games loaded with $50, $100 and $500 prizes," observes Hodges. "Blowout games on foil really deliver a great entertainment experience."

Hodges says foil is an intuitive choice for licensed branded games, offering game designers an opportunity to create products that deliver a bigger entertainment experience.

From a performance perspective, over the last six years $1 foil games indexed an average of 17% higher than other $1 games, and $2 and $3 foil games performed an average of 10% higher.

8. GIGANTIX®

Although over-sized *Gigantix* games are a niche product, more than 50 games have been produced in 18 jurisdictions. One of the most successful applications of these 8" x 8" (or larger) games is when a lottery introduces a new price category, garnering immediate attention   at retail.

"Fans and Friends player segments are always up to try any new game, including *Gigantix,* because they can't help but notice the products in store," says Hodges. "But Gigantix is also effective in attracting less frequent players who choose a big, unique *Gigantix* game just because they don't play often."

To achieve continued lottery growth, adding wow factor to games is crucial to drive performance.

INVESTING IN INSTANT GAMES

Lotteries generate nearly $100 billion annually in vital funding to beneficiary programs. As overall lottery sales begin to recover from the global health crisis, the industry faces uncertainty. Governments are reacting by cutting costs to overcome budget shortfalls. Game entertainment channels are expanding with iLottery, iGaming and sports betting in many jurisdictions. During this time, instant products continue to deliver sales, profits—and new players.

"To achieve continued lottery growth, adding wow factor to games is crucial to drive performance," shares Hodges. "This is a crucial time to invest in the instant game entertainment experience."

Additionally, players new to lottery discovered instant games when access to other traditional gaming products was temporarily shut down in many markets due to COVID-19.

"This is an excellent opportunity to impress these new players with the quality and excitement of lottery games while we have their attention," says Hodges. "If the games don't offer a great entertainment value, these players may not be here to stay."

Surveying the specialty inks and papers, unique playstyles, high-definition play symbols, design, printing and packaging options available to lotteries, adding wow to one of the world's biggest consumer products is worth the investment.

COLLABORATE TO DELIVER BEST-IN-CLASS PRODUCT TRANSFORMATION

Fotis Konstantellos, Senior VP, Digital Sales, INTRALOT

Paul Jason: How do we help the players navigate the increased number and variety of different games and channels and media interfaces?

Fotis Konstantellos: In order to create and bundle the experience we need to have a narrative, a storytelling to help the customer put things into context and figure out how they want to respond. The narrative is always a variation on the fundamental story which is that Lottery offers the chance for a life-changing event. Our aim is to find new and exciting ways to inspire the imagination of the players with that fundamental story, that basic principle. And now, technology is enabling us to do so by adding personalization to the storytelling. Each player is unique, with his own ambitions, aspirations, and ideas for where this life-changing event will lead him. That offers a canvas rich with potential to create new and exciting stories that appeal to each player individually. Using technology to personalize the whole player experience has become a primary goal for us.

When we go onto Amazon.com, they know all about us. Knowing what we ordered, they know what we like, and they will tell us what we need before we even think about it. Amazon has trained the consumer to expect this highest level of personalized service. That is what we want to deliver through our games of chance. Understanding the habits of the consumer enables us to automate processes to enhance the player experience. The effective usage of data becomes the guidepost for the players' preferences and behavioral patterns while providing us useful information on how we can create the best experience for each one of them.

An even better example is music apps like Spotify. The consumer first narrows down the selection of music to a specific genre. Then as the songs are played, you indicate which you like or dislike. Spotify collects data on what you like, and its ability to serve up most preferred music improves with each new entry of "like" or "dislike". The app acquires an intimate knowledge of your taste in music, eventually knowing what you like even better than you may think of. Wouldn't

it be great if we could apply some of these AI principles to personalizing the service in lottery and gaming? That is what INTRALOT is focused on doing.

As an industry, we want to be sensitive to the need to respect the privacy and confidentiality of consumer information. But isn't it the case that the modern consumer understands the benefits of allowing merchants to use data to produce and deliver better products and services? The player of the future wants the operator to understand their play-styles and preferences because that enables the operator to create and deliver games and offers that appeal specifically to them.

F. Konstantellos: I think perhaps that younger people are more familiar and comfortable with the benefits of machine-learning, AI, and how the automation being applied by merchants like Amazon enhances the ability to offer the best product at the right time and price. They are used to downloading apps, trying them out, deleting them whenever they feel like it, registering onto websites and getting free stuff in return, and just using a much wider variety of internet tools that require disclosure of personal information. So, they have gone through the thought process and have decided that the benefits make it worthwhile to share personal information. They comprehend that the merchant needs to understand the consumer behavior, as reflected in the record of purchases, games played, and online activities, in order to improve and personalize the offers for each consumer.

On the other hand, older consumers seem to be more concerned about privacy. They are less aware of the benefits of AI and machine-learning and perhaps feel that Amazon or a Lottery operator is spying on them or somehow misusing the information.

Isn't registration a requirement, a prerequisite to achieve this level of personalization?

F. Konstantellos: No, not at all. Registration is a requirement to enable payments and financial transactions. But personalized service just needs a generic, unique identifier

like an app-ID or URL that allows anonymity for the player. For instance, when you go onto Amazon, their ability to recommend books or other products based on your past search activities exists completely apart from your name and other personal information. Of course, you probably have in fact registered with them and other online merchants because they incentivize registration and registration is necessary to buy anything. But the answer to your specific question is that the benefits of AI and machine-learning to deliver personalized service can be applied without registration. That is an important concept in an industry where we know that some people prefer to remain anonymous.

Of course, registration is not only about digital payment processing. Registration unlocks the benefits of a fully interactive relationship, enabling a more robust portfolio of CRM (Customer Relationship Management) services to be enjoyed by the player. So, we certainly do want to incentivize player registration with different marketing offerings, such as promotions and loyalty programs. And convergence of the online and retail channels goes without saying, so that the players are interacting with the operators on a wide variety of levels. Player registration unlocks our ability to develop that universal relationship across channels that is so key now and for our future. It is also key to leveraging Lottery's online player connection

to drive traffic back to retail stores. I think retailers are slowly but surely recognizing that iLottery delivers far more benefits than disadvantages and does not cannibalize their sales; on the contrary it can become an additional revenue stream to them through relevant commission schemes.

How can we get more consumers to register?

F. Konstantellos: Consumers want to register when they recognize the convenience of being able to purchase digitally and the benefits of online marketing offerings. That brings us back to the starting point of storytelling. Digital transformation involves change. The only way to accelerate that rate of change is to get people to feel comfortable with change, to feel confident that it is something they can do, that it won't be hard, and the rewards make it all worthwhile. We need to appeal not just to the brain but to the emotions, the feelings that actually drive most of our decisions and actions. A bullet-point advertisement does not always connect with us emotionally. We need a story, an image, a narrative that humanizes the value proposition, that makes us feel as well as think.

"The only way to accelerate that rate of change is to get people to feel comfortable with change, to feel confident that it is something they can do, that it won't be hard, and the rewards make it all worthwhile."

We realize now more than ever that the lottery games themselves are great. People love to play the lottery. I do not think we need to worry about lottery gaming becoming irrelevant. But we might get so immersed in the deployment of the digital tools that enable the consumer to interact with us that we sometimes forget to engage people on the levels that matter most. We need them to like us, to have genuinely warm positive feelings when they think about us and the games we provide. That marketing communications and brand imaging needs to feel like a story to connect with the emotional world that our players live in.

The other opportunity to improve is enhancing the overall player experience. This too has less to do with the games themselves as with all the elements around the games. We need to make everything not just convenient, but fun. Look for opportunity to gamify everything. Make the whole process of registering and executing digital transactions and checking your online offers and entering second chance draws … make all these things easy and fun to do. That is done by

enhancing the integration of tools and digital touchpoints such that everything is seen as one piece, all bundled into one holistic, organic experience that delights the player.

Another part of this picture is customer care. The real key to success in this time of digital transformation is customer retention. The make-or-break moment happens when the customer has a problem. How do we handle it when the player can't see that her bonus has been properly posted? Or when something doesn't happen the way the player expects it to happen? Hopefully, we make it super easy for the player to resolve the issue quickly because that is the moment when we may well win a customer for life or lose them forever.

Doesn't it cost less to make sure we do everything right to retain the customer than to acquire a new customer?

F. Konstantellos: Of course. That is why we need to invest in retention strategies such as bonuses and promotions, loyalty programs and players clubs, and fast and effective response to player requests. We take for granted that we don't own the customer and the customer owes nothing to us. We prefer to think of it as a mission to earn and keep the players' trust and loyalty with superior service every single moment of every single day.

And bundling. Bundling is a remarkably effective way to drive sales, and it's a special art and science to do it well. It requires a deep understanding of the gaming culture and marketplace to select the specific assortment of product and experiential attributes to appeal to the audience. And "best-practice" templates for bundling do not always translate well as consumer tastes vary across regional and even local markets. Some attributes seem to be universal. We are finding that players across the world are responding to faster and faster games. And they all respond to the ability to get something for free which is what bundling typically promises.

What does 'bundling' mean as applied to our industry?

F. Konstantellos: Let's separate this into two categories. One category is to bundle an incentive to visit a different channel with the purchase of a lottery ticket at retail. For example, include online promotions, like a bonus-play or second-chance draw or online

benefit of some kind, at the in-store POS or on the lottery ticket. Of course, the player has to register to benefit from the online promotion.

"We need to make everything not just convenient, but fun."

The other category would be bundling with non-lottery products or services. Like a promotion at the pump that gives a free quick pick with the purchase of $6 of fresh food. Or appeal to the impulse player by including an in-lane bundled promotion.

Retailers and consumers are both driving the trend towards self-service vending kiosks.

F. Konstantellos: I believe that self-service technologies and processes are nearing the tipping point where they will become ubiquitous, especially in non-dedicated points of sale. More than ever, retailers appreciate the efficiency of off-loading the transaction to an automated process, and the players enjoy the freedom to avoid lines at checkout and take their time and select and play the games.

The goal is to integrate product transformation with customer experience and the digitization of the in-store player and shopping experience – to make the transitions easy and profitable for the retailers and easy and intuitive for the players. We call this equilibrium the universal player experience. Our "product" is now about the overall player experience more than it is about the games themselves.

Most important in the goal of optimizing the universal player experience is the development of partnerships that ensure the consumer and the supply-chain partners are always enjoying the benefit of the very best practices in every single category. INTRALOT in-house solutions are the best in many categories, but when we consider that the customer is better served by looping in a trusted third-party partner, that is what we do. A mature industry like lottery is best served by genuinely open-minded and industry-wide collaboration. Even the biggest companies in the world, companies like P&G, Vodaphone, Microsoft, Apple, and others work hard to create partnership networks that ensure best practices and products are deployed in every category. And that is the strategy applied also by INTRALOT, as a true industry leader. ■

A GREAT SOCIAL EXPERIMENT

WILSON ASSOCIATES

*by JoyceLynn Lagula, **Design Director, Wilson Associates***

While America is known as the 'Great Experiment', one can view Las Vegas to be America's great 'Social Experiment.' Whether a person plans their visit around gambling, eating at a restaurant, or catching a show, the notion of being in a crowd and part of the infamous lively environment was acknowledged and accepted. So, what happens when a global pandemic impacting every industry in an extreme way hits the city's deep-rooted industry? Shock and disbelief, at first. Then panic and anger follow. The realization that the very nature of what made Las Vegas the entertainment capital of the world is also a major way a deadly and infectious virus is spread can stop the entire economy right in its tracks.

Just as in the days following 9/11, airport security ramped up protocols to extremely high levels to meet the increased safety need. Travelers were outraged, inconvenienced, and annoyed, yet accepted the fact that these precautions needed to be met to get on the plane. Almost 20 years later, and while the airport screening experience isn't as extreme as it once was, the industry has found an acceptable, non-invasive way to continue to monitor for safety without sacrificing customer experience through programs such as TSA pre-check or Clear.

Before COVID-19 hit, the gaming industry was already swirling around a very important topic—the Future of Gaming—trying to analyze, understand, and come up with new ways to extend the lifeline of a gambler into the Millennial generation. If you went to every gaming conference anywhere in the world, there would be a session (or entire circuits) dedicated to Millennials. The discourse became almost obsessed with labeling that generation with expectations, rather than actualities. I, myself, am a Millennial. Yet, I rarely found many people my age engaged in these discussions and panels which I found concerning. My generation is beyond assumptions that

everything needs to be digital and accessed on a smart device. A popular fallback subject was that eSports was the wave of the new casino. While there is money to be made in that market, the entire culture and experience of their events is only a distant cousin of the casino experience. Without diving too deep into the eSports world, the type of interaction can be described as focused and intentional while the casino universe centers around interaction and a game of chance. ***The natural high of the flip of a playing card matches that of a simple scratch ticket from the corner store – and that is where the gold lies. The Future of Gaming rested in the expectations of a guest who prefers a more social experience at a high-energy craps table over the mass stock option of a branded slot machine.***

Understanding that fundamental aspect of guest engagement in a casino is important to fully accept our current situation and reimagine it. Stripping away slot chairs and adding acrylic barriers is short-sighted and antithetical to solving the challenge at hand. The world has effectively changed. It is our responsibility to accept that and acknowledge our role, as designers, to set the direction of that change. How do we, in a post-COVID world, continue to enjoy high-contact environments and engage with other guests while respecting social distancing and be hyper aware of cleanliness at the same time?

Taking inventory of the current floor and finding areas of inefficiencies is a start.

The gaming floor always flourished more in a layout where slot rows and circulation runways are replaced with winding paths and gaming neighborhoods, ultimately creating unique experiences and zones under the overall gaming umbrella. Slot spacing would grow to allow social distancing to occur, but to also make room to weave other environmental elements to enhance the vibe, via the concept of biophilia, for example. Bringing the outside in and pushing the inside out is a strong concept that has yet to be fully committed to. Perhaps in a post-pandemic world, now is the opportunity to draw the gaming floor outside and integrate that experience with another exciting setting.

Finding ways to integrate evolving self-cleaning technology into the existing gambling format is also a worthy avenue to explore. Getting down to the high-touch points of a casino, it all starts with the tables. Utilizing UV technologies to become an additive component of a table game is just the beginning of how we, as part of the industry, can effectively reimagine being able to play while maintaining the acceptable level of sanitation.

Pandemic or not, these social environments are not going away, but they do need to evolve. They need to think inclusively of the elements we can design to support the new reality we face. To begin to address our current and future challenges in the gaming industry, our approach needs to stem from the same ideals that brought the industry success—creative risk. After all, the Las Vegas legacy started as a social experiment and it is only fitting to continue to blaze that path. ∎

IGT Leads the Charge in Helping Casinos Redefine Safety and Convenience

Post-reopening, cashless and mobile systems technology can advance the player experience

From bet buttons to door handles to dollar bills, casinos are inherently tactile environments. As U.S. casinos emerge from a two-and-a-half-month pandemic-induced shutdown, social distancing and sanitization continue to be their top priorities. It's a high-stakes challenge in an industry built around attracting large volumes of visitors.

Operators need as much help as possible to comply with new safety standards, recover from the shutdown, and stand apart from their competitors. The good news? Technological advances already exist to help properties meet stringent new health and safety requirements, while simultaneously improving casino liquidity, efficiencies, and player engagement.

"It's essential for casinos to create an atmosphere where players feel confident that they can enjoy themselves without worrying about their personal safety," said Ryan Reddy, IGT Vice President, Global Systems and Payments Products. "Since well before the pandemic, IGT's systems portfolio included cashless and contactless solutions to foster a modern and more convenient play experience. Those innovations are now vital to helping our casino customers meet and exceed their commitment to player and employee safety."

Once considered a way to reach tech-savvy players, the cashless and mobile offerings in IGT's systems portfolio help to reduce the amount of contact and cash handling players experience at slot machines and other gaming devices. In addition, IGT offers technology that enhances social distancing protocols by minimizing the number of people gathering in line-ups, while also giving casinos the option of facilitating timely, frequent machine sanitization.

CARDLESS AND CASHLESS, SIMPLE AND SAFE

Millions of consumers are accustomed to making everyday purchases, payments, and other transactions securely on their mobile phones. As regulatory approvals for cashless gaming continue to expand across the globe., casinos in those jurisdictions can create the same type of mobile experiences for their players, offering effortless access to their Player's Club, game credits, and electronic funds for slot play.

Where players would typically insert their physical Player's Club loyalty card into a slot machine to accrue points and redeem offers, IGT's Cardless Connect module eliminates the need for a membership card by making the smartphone a loyalty card. Players simply tap their phone to any Cardless Connect-enabled gaming machine to card in. They can then transfer game credits between the slot machine to their phone with just a few taps, and apply those credits at the next game. When the player leaves the slot machine, the app automatically cards them out. For casinos using Ticket-In, Ticket-Out (TITO) technology, which replaces cash with paper vouchers, the electronic transfer of game credits can significantly reduce the need to print and handle paper tickets.

IGT's Resort Wallet solution provides players with a secure digital wallet, offering a convenient cashless solution at the slot machine. With Resort Wallet, operators have the flexibility of offering carded cashless play, or mobile cashless play via Cardless Connect, or both.

Players can use their Player's Club card, or a casino-branded Cardless Connect-enabled app, to load cash into a secure digital wallet from either the casino cash desk or any slot machine, and access those funds from any slot machine with a tap of their phone. They can then seamlessly transfer funds to and from their wallet, as well as to and from their favorite enabled slot machines.

IGT's Resort Wallet gives players effortless access to funds for slots and table games fun, and the ability to use it for sports betting, retail, and food and beverages will

IGT's Resort Wallet™ with IGTPay cashless solution transforms the player's smartphone into a mobile digital wallet, enabling players to effortlessly make cashless transactions on gaming devices and minimize cash handling for a safer, more convenient gaming experience.

PRODUCT	SOCIAL DISTANCING BENEFITS	SANITIZATION BENEFITS
IGTPay	Removes the need to stand in line at ATM and Casino Cage/Cash Desk	Removal of cash from casino floor minimizes cash handling
Resort Wallet™	Reduces the need to interact with Casino Cage/Cash Desk	Reduce cash handling and ticket printing
Cardless Connect™	Reduces need to interact with Players Club personnel	Reduces the need to handle plastic Players Club card
Taxable Accrual	Reduces the need to interact with players and casino personnel	Reduces the need to handle forms and pens
Mobile Responder	Minimizes in-person interaction between employees and guests	Sanitize Machine notification for regular sanitization of EGMs
Mobile Accounting	Disables every other EGM to increase space between players	Inactive EGMs can be sanitized

be added very soon. While reducing players' need to carry and handle cash, it also helps shorten ATM line-ups on the property for improved social distancing.

EXTERNAL FUNDING IN THE PALM OF THE PLAYER'S HAND

IGTPay is IGT's proprietary payment gateway, enabling players to responsibly move funds electronically in and out of their digital casino wallet from authorized external sources. The Resort Wallet with IGTPay solution is available as a turnkey, add-on module for IGT ADVANTAGE casino management system customers who want to give their players a secure, effortless cashless wagering option through an external funding source. IGT ADVANTAGE enables responsible gaming information to be displayed through the slot machine's Service Window or a player's mobile device. The IGT casino management system also supports setting of deposit limits in player accounts.

Unlike other options on the market, Resort Wallet with IGTPay can provide direct access to all available major external funding methods, including credit and debit cards, eWallets, and bank accounts. While other funding suppliers have no choice but to integrate their gateway solution into another vendor's casino management system, IGTPay is tightly coupled with its IGT ADVANTAGE system for effortless, one-step access to external funding sources.

"Our proven IGTPay cashless technology has successfully enhanced the player experience in the U.S. digital gaming and lottery verticals for several years — it's live and proven in the U.S. with iLottery and iGaming partners, including Penn National and three state lotteries," Reddy said.

"By offering it to land-based casino operators as part of the Resort Wallet module for our IGT ADVANTAGE casino management sys-

tem, and by including ongoing support from IGT's experienced payments services experts, our customers can easily leverage first-mover advantage and benefit from the increased liquidity, efficiencies, and safety that cashless can deliver."

In addition to the Resort Wallet with IGTPay technology, IGT's experienced Payments team supports operators in all aspects of payment-related services, including being the Merchant of Record, which means IGT enters the contract with the payment services providers. IGT also provides vendor management, funds management, risk management, and player support services. The Payments team has been delivering these services since January 2018 to iLottery, iGaming and retail lottery vending clients, saving them the risk, hassle, and distraction of managing an external funding service by themselves on an ongoing basis.

By minimizing the need for players to carry cash and visit ATMs at a casino property, Resort Wallet with IGTPay can significantly reduce cash handling by both patrons and employees, and encourage social distancing by significantly reducing line-ups on the gaming floor.

GOING THE SOCIAL DISTANCE WITH IGT ADVANTAGE

IGT's Service Window helps operators enhance communication with their players and offer a personalized, kiosk-like experience directly on the game screen for activities, such as reviewing and activating promotions or entering drawings. The kiosk-like functionality also reduces the need for line-ups on the gaming floor.

IGT's Taxable Accrual product gives players the opportunity to process jackpots themselves through the slot machine's Service Window or secondary display. As a result, players don't need to wait for an attendant to perform hand pays or complete multiple tax

forms. Instead, eligible players can continue playing mere seconds after winning and accepting their jackpots, eliminating the need for direct contact with casino staff.

IGT's Mobile Responder automatically recognizes and reports events from the casino floor, sending notifications of slot machine events such as ticket jams, service calls, and jackpots directly to employees' mobile devices. Mobile Responder can also be configured to immediately notify a floor attendant when a slot machine needs to be sanitized for the next player. In addition to making players and employees more comfortable on the gaming floor, it also enables greater machine uptime and increases guest satisfaction.

Mobile Jackpot empowers casino staff to process jackpots at the slot machine. Authorized employees simply log in to the Mobile Jackpot app to process hand pays, including tax forms, without having to travel back to the kiosk or workstation.

Mobile Host can also empower casinos' Player Development teams to identify and register uncarded players and cater to hosted players from one simple app. By enrolling uncarded players directly at the machine, casinos can increase database growth while helping players to stay in their safe space rather than line up at the Player's Club desk or kiosk.

Mobile Responder, Mobile Jackpot, and Mobile Host all minimize multiple player and employee exposure points and improve customer service. Players can receive individual attention to address their needs directly at the machine, supporting greater social distancing protocols and reducing personal safety concerns on the casino floor.

Finally, the Machine Accounting module in the IGT ADVANTAGE portfolio allows an operator to remotely disable slot machines from a desktop application. Operators can quickly deactivate and reactivate machines to ensure adequate social distancing between players.

The COVID-19 pandemic has ushered in a new era for the casino industry. While operators work to recover from the shutdown's impact, technology exists to accelerate that recovery and help them meet the challenge of maintaining a secure, frictionless operation — one where players can relax and safely engage with their favorite games. ■

WITHOUT LIVE SPORTS, INSPIRED ENTERTAINMENT FILLS THE GAP

Virtual Kentucky Derby Attracts Millions of Viewers, Worldwide Attention

By Jim Acton
Lottery Industry Consultant

In the baseball fantasy movie Field of Dreams, one of the characters surveys the baseball field built in an Iowa corn field and points out the legendary players warming up:

"Hey, that's Smoky Joe Wood. And Mel Ott. And Gil Hodges."

All super stars, long since passed.

A horse race version of Field of Dreams took place in May, with track fans certainly exclaiming: "Hey, it's Seattle Slew. And there's War Admiral. And Secretariat!"

If only for a day (the first Saturday of May,

as usual for the Derby) and in highly-stylized animated form, Inspired Entertainment was able to provide sports fans with something they had been missing since early March – competition they could cheer for.

"This was a great event for everyone involved – Churchill Downs got to celebrate on their traditional Derby Day, racing fans got to see the greatest-of-all-time faceoff, we had the opportunity to showcase the realism of our Virtual Horse Racing prod-

uct, and it was all for a good cause," said Brooks Pierce, President and COO of Inspired. "Virtual Sports have been popular in Europe for years, but putting together the Kentucky Derby: Triple Crown Showdown for a national television broadcast was a great marketing opportunity for our Virtual Sports in the U.S."

And they are catching on quickly in the U.S. Just within the last few weeks, the company announced the addition of DraftKings, FanDuel, Borgata and the Oregon Lottery to its customer base, as well as distribution deals with several RGS aggregators, including Playtech, Scientific

Inspired Entertainment's Virtual Kentucky Derby was featured on NBC Sports

Games, Microgaming, Relax Gaming, iForium, Pariplay, SBTech and GAN.

Lottery players in Pennsylvania have seen non-Derby versions of the Inspired horse race game for a few months. "Derby Cash Horse Racing" was available in bars and taverns until the state was placed under a stay-at-home order and will be available again once these locations are operating. But the early results were promising.

"We provided virtual car racing and football for the Pennsylvania Lottery for a few months but when we switched to horse racing, their sales went up dramatically," Pierce said. "Betting on horses is something that resonates with a broad cross section of lottery players. They understand it and it is a natural sport on which to place a bet. And Pennsylvania now has six horse tracks so most Pennsylvanians have been exposed to the sport to some level for the past few years."

With the ongoing discussions about sports betting in many jurisdictions, Inspired fills the space between actual live sports betting and lottery games. The company's Virtual Sports use life-like graphics to mimic the experience of real sports betting. Each event lasts around 90 seconds and games are designed to be easy to play.

Boasting a large array of sports available 24/7, Inspired's management team is a virtual "who's who" of lottery industry veterans. Brooks Pierce was with Scientific Games for nearly 20 years. Inspired's Chairman and CEO Lorne Weil held those same positions at Scientific Games and Autotote for more than two decades and has a long history with the horse race industry. The Group Chief Technology Officer is Steve Beason, a veteran of Sci Games and GTECH, which is now a part of IGT.

To say Inspired Entertainment knows and understands the lottery industry would be quite the understatement.

"We've utilized our cumulative knowledge and experience in the industry to put together a compelling package of content for lotteries," said Weil. "Whether a jurisdiction can offer games of chance, sports betting or both, we have games that work for all levels of players. As was proven in Pennsylvania, given engaging gaming opportunities, players will watch, bet and bet again."

Stephanie Weyant, Deputy Executive Director of Marketing and Products for the Penn-

Realistic horse race action in a featured attraction of Inspired's Derby Cash Horse Racing. This image is from the Virtual KY Derby.

sylvania Lottery, said what started as an idea for a new game for their players has grown into a channel that should spur additional revenue for years to come.

"While we have been considering games to complement our Keno products, our expectations were always tempered. But the acceptance of Derby Cash pre-pandemic makes us hopeful that once bars and taverns are again fully open, the game will continue to gain momentum. Players are certainly attracted to its realistic look. Now we want them to continue to bet like it's a real game as well," she said.

Pierce said that Inspired believes there are three avenues for lotteries:

1. Use Virtual Sports to get lottery into businesses in which they are not currently operating, such as bars and taverns

2. Increase business among current retailers by attracting sports bettors who might not typically purchase lottery products

3. For lotteries with sports betting, use Virtual Sports to supplement current offerings and offer a version of sports betting when live sports are not taking place

Over the past few years, Inspired has quickly expanded its portfolio of content, technology, hardware and services for regulated gaming, betting, lottery, and leisure

operators across retail and mobile channels around the world. The company operates in approximately 35 jurisdictions worldwide, supplying gaming systems with associated terminals and content for more than 50,000 gaming machines located in betting shops, pubs, gaming halls and other locations. Virtual sports products are available through more than 44,000 retail channels.

"We are excited about the opportunities Inspired's virtual games can provide to lottery jurisdictions," Pierce said. "Our games fit well within lottery portfolios and feature payouts that lotteries will find attractive. We know that lotteries will be looked to for additional revenue by states and engaging games by players. Inspired's Virtual Sports satisfy both needs.

For the record, horse racing legend Secretariat reproduced his legendary Kentucky Derby win in 1972 at Inspired's virtual Kentucky Derby, as 47 years later he bested Citation, winner of the Derby in 1948. Here is how the horses finished in the virtual Kentucky Derby:

1-Secretariat	8-Justify
2-Citation	9-Assault
3-Seattle Slew	10-War Admiral
4-Affirmed	11-Omaha
5-American Pharoah	12-Gallant Fox
6-Whirlaway	13-Sir Barton
7-Count Fleet	

![intralot logo]

Using technology to reinvent Retailer Solutions

A new era

The design and development of successful lottery and betting solutions able to deliver impeccable services in today's diverse retail environment is of critical importance to Lotteries. As the retail landscape continues to evolve around omnichannel customer requirements and online offerings, the traditional brick and mortar lottery retailers expect, more than ever, to be provided with superior Retailer Solutions, enabling them to maximize sales and deliver outstanding services with speed, efficiency and high convenience. Moreover, they expect these Retailer Solutions to incorporate the latest technology trends both in hardware and software, so they can improve efficiency, streamline their business functions, lower operating costs and overhead and boost revenue generation from every venue.

INTRALOT's family of Retailer Lottery Solutions is advancing the industry by leveraging cutting edge technology, based on value engineering methodologies, cost efficiencies and, most importantly, advanced features that promote a benefit-centric approach across Lotteries, retailers and stakeholders. INTRALOT's Retailer Solutions offer engaging experiences and meet all kinds of Lottery business requirements regardless of retail venue type or size.

Value Engineering and Cost Efficiencies

INTRALOT's Retailer Solutions substantially improve on traditional scanning functionality by using a patented camera technology that works simpler, reads faster and excels day-to-day operations. From the flagship Photon and PhotonX terminal solution series to the all-in-one Proton series featuring the smallest footprint in the market, this built-in camera technology offers unparalleled reliability that no traditional scanner can ever match.

Requiring no camera cleaning, jamming or everyday wear and tear maintenance, INTRALOT's Retailer Solutions significantly lower stakeholders' operating costs during their lifespan, regardless of operation loads and environmental conditions. Statistics and field data have shown reductions of up to 57% in helpdesk calls, 60% in field visits and 69% in field replacements. On top of that, the built-in camera technology reads selection slips of any shape and color, which can transform them into valuable marketing flyers, offering unlimited opportunities to Lottery marketing departments.

Without compromising efficiency and productivity, INTRALOT's environmentally friendly Retailer Solutions feature powerful platforms with low power consumption, based on a masterfully designed modular built that ensures flexibility throughout the entire lifespan of a retail installation. This modular design offers advanced capabilities and better access options in terms of installation, service and maintenance, as well as everyday use. In INTRALOT's latest Retailer Solutions, modules can be

easily swapped with minimal effort and no special tools, drastically reducing field service time, equipment and Lotteries overheads, while ensuring the least possible downtime to Retailers' business.

Lotteries can achieve even more savings through the special features included in INTRALOT's latest Retailer Solutions such as the built-in multimedia capabilities. Powerful processors effortlessly drive two external multimedia screens, offering full HD and 4K content display and delivering a complete digital signage experience, while saving the costs of additional, external media players at retail venues. INTRALOT's PhotonX, Photon, Proton and Genion series are ideally matched with INTRALOT's state-of-the-art digital signage content management and delivery platform.

All INTRALOT Retailer and Player touchpoints are ergonomically designed, offering effortless everyday use and maximum comfort. This makes them ideal for use in Lottery retail applications, from exclusive gaming stores to non-dedicated retail venues, such as supermarkets, groceries, restaurants and hospitality venues, as well as small businesses. The ideal size and footprint of each solution provides easy placement practically everywhere. The Proton series with its minimal footprint and all-in-one form factor with integrated printer, offers Lotteries even greater flexibility to expand their retail networks by transforming small areas, such as cashier lanes, into profit-generating points, expanding their customer base and further increasing their points of sale.

Benefit-centric features

As Retailer and Player journeys evolve, Retailer Solutions will have to provide versatility and modularity, as well as easy adaptation and expansion, ensuring connectivity and interoperability within constantly changing retail environments. INTRALOT's Retailer Solutions feature a variety of connectivity ports and support both

wireline and wireless protocols so that Lotteries can expand their functionality, upgrade their performance and drive sustainable sales.

Security and integrity are of paramount importance to Lotteries. To meet that requirement, therefore INTRALOT's Retailer Solutions incorporate extensive hardware and software security features to protect end users from unauthorized access. A variety of add-on peripherals offer enhanced security and facilitate day-to-day operations. They vary from barcode readers that can scan any kind of barcode and QR code, to card readers that retrieve card holder/player encrypted information and i-buttons that allow for easy login and additional authorization, as well as fingerprint sensors that ensure retailer identification in the most secure way.

The Lottery industry has accorded high priority to establishing and

promoting Responsible Gaming principles. All INTRALOT's Retailer Solutions, incorporate responsible gaming policies and thereby effectively contribute to responsible play. From explicit spending control mechanisms and self-exclusion technics, to age verification over player profile data, personalized messages and specialized promoting videos, INTRALOT's connected systems and platforms across Retailer and Player touchpoints are set to safely minimize harm and advocate Responsible Gaming.

By utilizing technology to combine cost efficiencies and retailer-centric benefits, INTRALOT's Retailer Solutions provide seamless and engaging experiences to all stakeholders. Lotteries, Retailers and Players are empowered with breakthrough capabilities, services and innovations that offer unrivaled everyday usage and consistently deliver business growth.

When Business as Usual is
Anything But Usual

COVID-19

UNCHARTERED TERRITORY

The impact of the global COVID-19 pandemic has been widespread and dramatic. Stay-at-home orders and the temporary closure of non-essential businesses caused significant economic repercussions across the U.S. which will continue for the foreseeable future. At the same time, there have been countless displays of ingenuity and resilience. Huge sectors of the economy moved quickly to accommodate the rapidly changing landscape. Manufacturers refitted their production lines in order to make ventilators and personal protection equipment. Delivery companies purchased new trucks and hired more employees. Doctors and mental health professionals moved patient visits to online platforms. And these are just a few examples of how businesses large and small pivoted to stay viable during this unprecedented time.

COVID-19 AND THE LOTTERY INDUSTRY

The Lottery industry has also been forced to pivot and adjust over the past several months as consumer behavior and buying habits shifted in response to the pandemic. For example, a recent survey indicated that 62% of the respondents are making purchases with fewer shopping trips and 40% are stopping at fewer places. Another survey showed that 95% of the respondents currently practice social distancing and 15% indicated that they will continue social distancing even after the crisis ends. These trends, compounded by changes in day-part shopping as consumers work from home and skip the commute, mean that it is absolutely critical for lotteries to have the right product available and visible in stores at all times.

Although the after-effects of COVID are far-reaching, there are a number of products and services to help lotteries protect funding for vital state programs while offering players the games they want in a safe and responsible manner. For example, *Scientific Games Enhanced Partnership (SGEP)* customers can rely upon technologies like the new *SciTrak ULTRA®* with *OrderCast™ ML* to ensure the availability of instant game inventory throughout their retail network. The *SciTrak ULTRA* web-based *OrderCast ML* system allows inside sales employees to login from home to place orders or for lotteries to set up state-wide auto-orders. Whether orders are remotely entered, or system generated and automatically sent directly to distribution centers, *SGEP*-powered supply chains keep products continuously in the pipeline.

Another smart technology that's proving invaluable is the *SCiQ®* instant game ecosystem, which provides real-time sales data on the individual instant game ticket level, keeping Lottery Sales Representatives (LSRs) connected to their retailers even when they can't be there in person to address out-of-stocks, optimize product placement and price point mix, manage inventory, and ensure the right product is always available.

The *SCiQ* digital menu board clearly displays games and ticket information allowing customers to make purchase decisions at a distance, prior to reaching the counter and reducing transaction times. And the *SCiQ* lottery-branded mobile app allows players to view which games are on sale and select a game for purchase once in the store, further expediting the transaction process.

CASHLESS AND ONLINE CONVENIENCE

As more businesses move to cashless and contactless payment solutions in response to consumer fear of using physical currency, Scientific Games has worked to make this migration as smooth as possible. The company provides merchant services including card acceptance devices, payment processing, operational support, and fraud/AML mitigation. The solution supports both debit and credit, Apple Pay, Google Pay, and other emerging forms of payment.

Another Scientific Games cashless offering is an eWallet which allows players to use funds from casino players cards, PayPal, and debit to pay for iLottery purchases. The digital sales surge during the COVID crisis is evidence that this channel has a lot to offer and plenty of room for growth. In preparation for that growth, eWallet accepts a wide variety of payment methods in the iLottery channel, including PayPal, Sightline, PayNearMe, Instant ACH, WebCash, and more. Going forward, eWallet will utilize a barcode that players scan at retail to purchase lottery products while keeping money within the lottery ecosystem.

BEHIND THE SCENES

Many of the measures Scientific Games enacted to ensure the safe and responsible sale of lottery products at retail took place before the games ever hit the store. In early February, when the full magnitude of the COVID-19 crisis was still unclear, the company's manufacturing and warehouse teams recognized the impending implications of a worldwide pandemic and immediately began to implement an action plan so its lottery partners could continue selling games and generate funding for the good causes they support. Disinfectants were vetted, personal protection equipment was secured, social distancing procedures were enacted, and the use of commercial deep cleaning services increased.

As shelter-in-place orders came into full effect, access to Scientific Games facilities was restricted and strictly enforced. Safety measures based on CDC recommendations and local and state guidelines were put in place.

The company's service technicians are literally on the frontline at retail servicing equipment. In early March, the Field Service Department, driven by a desire to protect employees, retailers and consumers while providing uninterrupted service, began implementing an official safety policy for all Technicians. The policy includes PPE usage, equipment-specific grab-and-go sanitizing kits, and vests imprinted with the clear message of "Stay Back 6 Feet."

The quick implementation of these protocols, which went beyond the requirements of the CDC, minimized health risks and helped ease the concerns of customers, retailers and employees.

MOVING FORWARD, TOGETHER

As states, businesses, and the economy begin to re-open, a new retail landscape is emerging. Some of the shifts in consumer behavior and buying habits as a result of the pandemic are likely here to stay even after the crisis has passed. Many consumers, for example, shopped online for the first time over the past few months and will likely continue to do so now that they have experienced the convenience it offers. Changes in retail operations, such as plastic shields that protect clerks, are likely to become a permanent fixture. And closer to home, iLottery games will continue to play an even greater role in helping lotteries around the world offer convenience to existing players, reach new players and importantly, achieve growth and revenue goals.

Emerging from this time of change and uncertainty, it is a worthy reminder that the work the lottery industry does ultimately provides much-needed revenues to a wide range of good causes that improve lives in communities around the world. Education. Healthcare. The environment. Veterans. Senior citizens. First responders. Infrastructure improvements. All these beneficiaries and more rely on revenues generated by lotteries. The global COVID crisis demonstrates that industry stakeholders must work together and invest in growth and innovation to protect this vital funding.

Scenes from PGRI SMART-Tech Miami

March 3– 5

1. Rebecca Hargrove 2. Scott Gunn 3. Lars Canedy 4. Team IGT 5. Brad Cummings 6. Debra Douglas 7. May Scheve Reardon 8. May Scheve Reardon 9. Mark Smith 10. Susan Jason 11. Mark Hichar 12. Jay Gendron 13. Vern Kirk, Gerry Aubin, Mark Hichar, Brad Cummings, Scott Gunn

1. Shannon DeHaven 2. Rose Hudson 3. Jennifer Westbury 4. Justin Rock 5. Cindy Polzin, Chris Shaban 6. Bishop Woosley 7. Doug Pollard 8. Wendy Montgomery 9. Gregg Mineo 10. Amy Morin, Matt Whalen 11. Charles McIntyre 12. Scott Gunn, Rose Hudson 13. Stephanie Weyant, Shannon DeHaven 14. Paul Jason 15. Helena Pereira

Scenes from PGRI SMART-Tech Miami March 3– 5

1. Stephanie Weyant 2. Lianne Paturel 3. Gordon Medenica 4. Srini Nedunuri 5. Rodney King, Justin Rock 6. Jennifer Welshons 7. Charles McIntyre, Shannon DeHaven, Doug Pollard, Rhydian Fisher 8. Wayne Dolezal 9. IGT Sponors of WILL 10. Kim Lee, Lisa Bergeron 11. Charles McIntyre 12. Rose Hudson, Scott Gunn, Gerry Aubin 13. Doug Pollard, Shannon DeHaven

1. Mike Purcell 2. Justin Rock 3. Gordon Medenica 4. Ryan Mindell 5. Randall Lex 6. Paul Jason 7. Scott Henneman 8. Lars Canedy 9. Tom Delacenserie 10. Sara Navidazar 11. Jason Lisiecki 12. Rhydian Fisher 13. Callum Mulvihill, Jennifer Westbury 14. Matt Whalen, Marcus Glasper

Scenes from PGRI SMART-Tech Miami March 3– 5

1. Lisa Bergeron 2. Jackie Walker, Christine Bennett 3. Cindy Polzin 4. Randall Lex 5. Mark Smith 6 Rodney King, Jackie Waker 7. Gerry Aubin 8. Vern Kirk 9. Callum Mulvhill 10. Kevin Smith 11. Jennifer Welshons 12. Art Kiuttu 13. Marcus Glasper 14. Bret Toyne 15.Mark Bradford 16.Keith and Fran Cash 17.Andy Koah, Tom Yerke 18. Charles McIntyre, Board Chair Debra Douglas (New Hamshire won the Sharp Award for Good Causes) 19. Manolo Almagro 20. Drew Svitko 21. Sara Navidazar, Bill Breslo 22. Terry Presta

Scenes from the WLA/EL Marketing Seminar
February 5 – 7 in London

It's All About the Player played to a fabulous audience. This seminal industry event, held every year the first week of February, is produced by the European Lotteries and the World Lottery Association. The ICE Gaming Show is held that same week every year. Together, these two events attract industry leaders from all over the world. Highlites from the WLA/EL Marketing seminar include presentations from world-class speakers from outside the lottery industry as well as within our industry, a focus on cutting edge innovation, Women in Leadership presentation and reception, and the EL Innovation awards, and the PGRI Hall of Fame induction ceremony. Most of us think of this as the industry event to kick off the new year and we look forward to seeing you all there in February of 2021! Photos of presenters and honorees follow …

1. Sabrina Faramarzi 2. Ray Bates 3. Randall Lex 4. Totalizator Sportowy Innovation Award 5. Sina Aiello 6. Risto Nieminen, Hansjörg Höltkemeier, May Scheve, Olli Sarekoski, Younes EI Mechrafi, Mark Michalko, Rebecca Hargrove, Jim Kennedy, Ray Bates 7. Scott Gallagher 8. Risto Nieminen, Rebecca Hargrove, 9. Paul Jason, Rebecca Hardgrove 10. Ralf Wetzelz

Scenes from the WLA/EL Marketing Seminar

1. Paul Kemp-Robertson 2. Martina Olbertova 3. La Francaise des Jeux, Innovation Award 4. Hana Barachova 5. MSL Ukraine, Innovation Award 6. Hansjörg Höltkemeier 7. Matt Strawn 8. Ivor Burns 9. Gordon Medinica, Ray Bates, May Scheve, Reardon, 10. Sean Pillot de Chenecey, Gretchen Corbin, Hansjörg Höltkemeier 11. Rachel Moss 12. George Vassilaras 13. Rebecca Hardgrove

1. Jari Vähänen 2. Camelot Innovation Award 3. Olli Sarekoski 4. Paul Jason 5. Austrian Lotteries Innovation Award 6. Sean Pillot de Chenecey 7. Norsk Tipping Innovation Award 8. Olli Sarekoski, Younes EL Mechrafi, Recipients of Hall of Fame 9. Silje Tysse 10. OPAP Innovation Award 11. Gretchen Corbin

PULSE
of the Industry

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

NORTH AMERICAN NEWS

MUSL Board and Powerball Product Group Officers Elected for FY21

The Board of Directors of the Multi-State Lottery Association (MUSL) elected Sarah M. Taylor, Executive Director of the Hoosier Lottery, to serve as Board President for Fiscal Year 2021. Taylor started her term as Board President July 1. Charlie McIntyre, Executive Director of the New Hampshire Lottery, previously held the position.

Sarah will be serving as the 31st MUSL Board President and the first ever to serve from the Hoosier Lottery. "It's my honor to help lead our member lotteries with a strategic plan to help each one responsibly maximize profits for all the good causes they support," said Taylor.

At its annual meeting, MUSL Board of Directors also elected, Angela Wong, Director of the Montana Lottery, and Bishop Woosley, Arkansas Lottery Director as Vice President and Secretary of the Board respectively.

"This year has given each of us challenges never faced and new unchartered waters to navigate," said Taylor. "We have learned much about our industry, our players, our communities and our beneficiaries. Now, we are implementing the knowledge gained for future success."

In addition, the Powerball Product Group elected May Scheve Reardon, Missouri Lottery Executive Director, to serve as Product Group

Chair and Pennsylvania Lottery Executive Director Drew Svitko Vice Chair for Fiscal Year 2021.

The Multi-State Lottery Association (MUSL) is a non-profit association that assists its member lotteries in multi-jurisdictional game development. Each MUSL member offers one or more of the games generally facilitated by MUSL, but retains its independent statutory duties regarding ticket sales, retailer authorization, prize payments, income offsets, and other responsibilities.

Florida Lottery Reaches Sales Goal for Fiscal Year 2019-2020

The Florida Lottery has officially reached its sales goal of $7.26 billion for fiscal year 2019-20, surpassing last year's sales by more than $112.7 million. Strong Scratch-Off sales of more than $5.5 billion helped account for the majority of the success this fiscal year.

The South Carolina Education Lottery is reporting a record win for education

The Lottery generated more than $492.8 million for educational programs for Fiscal Year 2020 ending June 30. This surpasses last year's transfer by $5.2 million.

Grover Gaming Announces Ramping Up Hiring Efforts

Company seeks to add over 40 System & Product Development professionals in the next 6 months.

Pennsylvania Reports Strong iGaming Growth in May as Online Slots Top $1B in Wagers

Pennsylvania's growing online gaming industry hasn't completely filled the void of left by the closure of brick-and-mortar casinos, but mobile slots and table games are providing the state with some revenue as the COVID-19 crisis continues.

Pennsylvanians have apparently pursued their happiness online last month. According to the Pennsylvania Gaming Control Board (PGCB), more than $1 billion was bet on online slots in the state.

The May figures from the PGCB indicate that online slot machine handle topped $1 billion for the first time. The $1.06 billion wagered in the state last month was more than $300 million above the total for April. Table games generated $778.5 million in action last month, a nearly $150 million increase from April.

Meanwhile, sports betting began to climb again as the return of competition in May allowed the state's online sports betting applications to take in $77.5 million in wagers. That's a 68.5 percent increase from the $46 million in bets the books took in April, producing gross revenues of $4.8 million, which in turn created $1.6 million in state taxes.

Pennsylvania state lottery sales have rebounded after initial pandemic drop in Lottery

Pennsylvania's Lottery sales dropped 25 percent in March as the state shutdown most businesses, including 30 percent of the state's Lottery retail-

ers, according to data provided by the state on Friday. But in the months since, Lottery sales have rebounded, in large part due to a spike in online Lottery playing along with increased spending on scratch-off tickets, Lottery data shows.

"We have seen a surge in players turning to the Lottery's online games available on pailottery. com," said Ewa Dworakowski, a Lottery spokeswoman. "Online play increased substantially during the COVID-19 pandemic and is now about 24 percent ahead of estimate for the fiscal year."

Pennsylvania lawmakers wrestle anew with major gambling bill

Legislation would allow slot machine-like terminals in thousands of bars, restaurants, nonprofit social clubs and other businesses that hold liquor licenses.

It also seeks to banish thousands of unregulated cash-paying "skill" game terminals from a wide array of establishments in Pennsylvania, including laundromats, pizza parlors, grocery stores, corner stores and bowling alleys, that do not have liquor licenses.

Maryland Casinos Reopen June 19 and 26 with Social Distancing, Safety Protocols in Place

"The casinos worked intensely with us and with each other to share best practices from across the gaming industry as they developed their reopening plans," said Maryland Lottery and Gaming Director Gordon Medenica. "There was great cooperation on all sides, and a true focus on ensuring that the casinos are safe for both employees and customers."

Revolutionary New Casino and Sports Betting Laws Create Prime Opportunities for Virginia Gaming Industry

On April 22, 2020, the Virginia General Assembly enacted into law two revolutionary bills that legalize the operation of casinos and sports betting in the commonwealth. Under the laws, the Virginia Lottery must draft and enact regulations to govern gambling in Virginia, and the Board must approve the final regulations under the Casino Gaming Law by April 6, 2021. Regulations under the Sports Betting Law must be approved by September 15, 2020.

Eileen Moore Johnson Joins Scientific Games as Chief Human Resources Officer

The Tennessee lottery hires Danielle Boyd as sports gaming operations vice president and Danny DiRienzo as sports gaming investigator

Camelot Lottery Solutions and Arkansas Scholarship Lottery Agree Two-year Contract Extension

Kambi Group plc enters partnership with Four Winds Casinos

Kambi Group plc is pleased to announce a partnership agreement with the Pokagon Band of Potawatomi's Four Winds Casinos. Four Winds Casinos has three locations in Michigan and one location in Indiana.

Under the terms of the partnership, Kambi will install its suite of on-property sports wagering products in Four Winds' casino locations in New Buffalo, Dowagiac and Hartford, Michigan, with an online launch to follow.

IGT Wins Casino Management System Contract and Majority of Class III Game Floor Share at Emerald Queen I-5 Casino in Washington state

GLMS launches Operational Hub on the American Continent, at the Loto-Québec premises in Montreal, Canada, with the objective being to analyse detect, prevent, and report irregular and suspicious betting activities that could threaten the integrity of sport competitions. GLMS' main goal is to provide high quality information and intelligence through a peerless monitoring system supplemented by an extended human analysis targeting North American jurisdictions.

SportsGrid, the U.S. First 24/7 Sports Gambling Channel Launches on Samsung TVs

SportsGrid carries live and original programming with a team of on-air personalities, expert hosts and guest analysts, as well as offering the opportunity for real-time sports wagering. The network offers reporting on daily odds, match-ups, injury reports, news and more across the NFL, NBA, MLB, NHL, college sports, golf, tennis and soccer.

Amid layoffs, Atlantic lottery head says $100M in business lost to unregulated offshore gambling sites

AGLC (Alberta Gaming & Liquor Commission) has entered into a 7-Year agreement with Neo-Pollard Interactive to build and maintain Alberta's legal online gambling platform

The online platform will provide a secure, age-controlled environment that promotes healthy gambling behaviour and fully integrates AGLC's GameSense responsible gambling program.

Nevada gamblers now required to wear masks at table games that have no barriers

Caesars Entertainment and Scientific Games Extend Sports Betting and iGaming Partnership in Indiana

Caesars Entertainment Corp. won FTC approval of a consent order for Caesar's merger with Eldorado Resorts, Inc.

Nevada Gaming Commission Approves 'First Step' To Expand Cashless Wagering at Casinos

Lobbyist Jack Abramoff And CEO Rowland Marcus Andrade Charged With Fraud In Connection With $5 Million Initial Coin Offering Of Cryptocurrency AML Bitcoin

According to the allegations in the charging documents, Andrade and Abramoff conspired to make false and misleading statements to potential purchasers of a proposed new cryptocurrency called AML Bitcoin.

Churchill Downs plans to move its BetAmerica online gambling brand onto a GAN platform and a Kambi sportsbook.

G2E Las Vegas Gaming Expo Cancelled

888 Inks Online Gaming Extension with Delaware Lottery, Preserving Interstate Poker Network

WORLD NEWS

IGT Streamlines Business and Leadership Under New Organizational Structure

Aligns with the Company's strategic focus and provides a simplified, more agile, and customer-centric approach to market

- Renato Ascoli appointed as CEO, Global Gaming

- Fabio Cairoli appointed as CEO, Global Lottery

LONDON, July 1, 2020 /PRNewswire/ -- International Game Technology PLC ("IGT" or the "Company") (NYSE: IGT) today announced a new organizational structure focused primarily on two business segments: Global Gaming and Global Lottery. This new structure is designed to:

provide greater responsiveness to customers and players;

increase IGT's effectiveness and competitiveness in providing products and solutions that address the opportunities of each market segment;

harmonize best practices across both B2B and B2C channels in each product category; and

reduce complexity and increase organizational efficiency to support IGT's intrinsic value.

"A simplified organizational structure grounded in our core competencies creates a stronger, more focused IGT," said Marco Sala, CEO of IGT. "We have always maintained a customer-first mentality and are positioning ourselves to meet ever-evolving needs in a dynamic, global marketplace. Global product segments enable us to leverage our extraordinary talent, unique insights as both an operator and service provider, and economies of scale to continue delivering unrivalled gaming experiences and create value for all stakeholders."

Reporting to Marco Sala, Renato Ascoli will serve as CEO, Global Gaming; Fabio Cairoli will serve as CEO, Global Lottery. This new structure is effective from July 1, 2020, and IGT will start reporting its financial results under these two

business segments starting with the third quarter of 2020. Financial results for the second quarter of 2020 will be reported in line with the legacy organizational structure.

The Global Gaming and Global Lottery segments will have all of the key operating capabilities and autonomy necessary to manage the business, including product management, sales, technology and research and development. The business segments will be supported by central corporate support functions that remain largely unchanged from a leadership standpoint, with the addition of a New Business and Strategic Initiatives function. The new structure addresses key synergy and development areas, while continuing to ensure appropriate governance.

Global Gaming will have full responsibility for the IGT Gaming business, consolidating North America, International and Italy B2C Gaming responsibilities. This includes PlayDigital, Sports and Italy Gaming — led by Enrico Drago — as well as Global Gaming Sales, Global Gaming Product Management, Global Gaming Studios, Global Manufacturing, Operations and Services including Global Gaming Technology.

Global Lottery will have full responsibility for the IGT Lottery business, consolidating North America, International and Italy. This includes Global Lottery Sales and Operations, Global Lottery Product and Sales Development, and Global Lottery Technology and Support. This structure enhances global strategic vision and framework, leveraging proven customer focus and execution while positioning the organization for improved collaboration and best practices sharing.

Reporting to Marco Sala, Walter Bugno will lead a New Business and Strategic Initiatives corporate function. In line with the strategic objective of having a clear focus on our business' priorities within IGT's portfolio, this group is responsible for leading business development in jurisdictions where IGT is not present, and where — while there may be a company presence — there is no defined product segment presence.

Additionally, the New Business and Strategic Initiatives group is responsible for managing new in-country initiatives during the start-up phase and offering on-demand commercial support globally for key accounts with multiple product requirements. It will also be responsible for managing key strategic initiatives within existing jurisdictions as needed and as determined by company leadership. The group will work in unison with the two new global business units in delivery of all initiatives, with financials rolling up to Global Gaming and Global Lottery.

Executive Biographies

Prior to his appointment as CEO, Global Gaming, Renato Ascoli served as CEO, North America of IGT PLC. In this capacity, other than serving all North America Customers, he held

global responsibility for product development, manufacturing, product management, technology and delivery of all the Company's portfolio outside of Italy.

Prior to his appointment as CEO, Global Lottery, Fabio Cairoli served as CEO Italy of IGT PLC, where he was responsible for managing all business lines, marketing services, and sales for the Company's Italian operations. Through his leadership of the largest lottery operator in the world, Mr. Cairoli shares insights and best practices with other organizations in the Company.

Prior to his role as leader of IGT New Business and Strategic Initiatives, Walter Bugno served as CEO, International of IGT PLC, where he was responsible for the management and strategic development of the International region. He led the Company's lottery, gaming, and interactive businesses throughout Europe (except Italy), as well as in the Middle East, Latin America and the Caribbean, Africa, and the Asia-Pacific region.

For more information about IGT, visit IGT.com, go to Facebook at facebook.com/IGT, follow IGT on Twitter at twitter.com/IGTnews, or watch IGT videos on YouTube at youtube.com/igt.

IGT PlayDigital, PlayRGS Solution, and PlayCasino Content Advance Digital Gaming for Svenska Spel Sport & Casino in Sweden

"The introduction of our powerful PlayRGS remote game server and player-tested PlayCasino digital content, combined with IGT's extensive experience in the government-regulated digital gaming market, will help ensure the ongoing success of Svenska Spel Sport & Casino's digital program," said Jonas Reuter, Regional Vice President Northern Europe, IGT International. "As part of our commitment to promoting responsible gaming and sustainably growing our customers' business, IGT was also among the first supporting members to join the Swedish Gambling Association, SPER. We will continue to work with SPER and its founding member, Svenska Spel, to contribute to a sustainable gaming market in Sweden."

The agreement, which is for a minimum term of three years from launch, includes access to the complete library of IGT PlayCasino game content, as well as maintenance, monitoring, and support. One of the most advanced cross-platform delivery systems on the market, PlayRGS provides operators with premium game content and plugs seamlessly into an existing back office. A single integration grants access to an extensive library of slots, table games, video poker and instant win games (eInstants), making them immediately available to players where and when they want to play: on desktop computers, mobile phones, and tablet devices.

In addition to introducing its PlayRGS (remote game server) solution and PlayCasino content, IGT provides Svenska Spel with its PlayPoker (online poker), INTELLIGEN™ VLT (Video Lottery Terminal) central system, VLTs and content, as well as land-based casino cabinets and content. IGT also recently announced the introduction of IGTPay cashless technology for VLTs operated by Svenska Spel.

IGT PlayDigital's PlayRGS solution powers sites for more than 100 customers around the globe for both lottery and commercial operators. In addition to Svenska Spel, IGT supplies its PlayRGS solution to World Lottery Association (WLA) customers including Norsk Tipping in Norway, Veikkaus in Finland, Loterie Nationale in Belgium, and Lottomatica in Italy. IGT also supplies PlayRGS to Canadian members Loto Québec, Ontario Lottery and Gaming Corporation, and the British Columbia Lottery Corporation. In addition, IGT supplies Danske Spil in Denmark with its PlayRGS solution through a third party.

IGT Raises the Bar with Launch of PeakBarTop Cabinet

Jumbo Interactive extends agreement with Tabcorp

Digital lottery company Jumbo Interactive (JIN) has extended its 15-year relationship with Tabcorp (TAB) for a further 10 years. This extension will apply to all States and Territories, except Western Australia and Queensland

Jumbo is currently in discussions with Lotterywest for its WA customers, but there is no certainty that any agreement will be reached. For this 10-year extension, Jumbo will pay an upfront fee of $15 million to Tabcorp, and a service fee of 4.65 per cent based on the ticket subscription price. Jumbo has also reaffirmed its FY20 guidance, announcing that there will be 39 large jackpots in FY20 with a value of $1.57 billion.

"The next 10 years will see a lot of advances in the lottery industry both in Australia and abroad. The new 10-year reseller agreements are the longest ever term in Jumbo's history and provide a basis for continuing expansion," CEO and Founder Mike Veverka commented. "In addition, growing the Australian online lotteries business with continued access to Tabcorp's existing successful portfolio of lottery games, Jumbo will continue to pursue international lottery opportunities, leveraging Jumbo's lottery software-as-a-service (SaaS)," he added.

From FY21 to FY23, and when the subscriptions exceed $400 million per year, Jumbo will pay an additional 4.65 per cent of the exceed value.

If Jumbo fails to meet or perform any of its obligations, then Tabcorp may terminate with 30 days' notice.

EL PUBLISHES 2019 ANNUAL REPORT

At the time of writing the 2019 Annual Report, the world faced the pandemic spread of Covid-19. In only a few weeks, businesses, and society came to a near full standstill in an attempt to halt the virus. The consequences, as well as the never before seen measures to deal with this situation, were felt by lotteries, and no doubt case a shadow over the 2020 developments in the sector. Nonetheless, EL reflects on a successful 2019 and is pleased to present an overview of its activities, which would not have been possible without the ongoing support of EL Members.

2019 saw the 10th EL Congress and Trade Show in Antwerp, hosted by the Nationale Loterij/Loterie Nationale of Belgium, bringing together over 800 attendees. United in their core values, the Congress paid homage to that one element that is at the core base of the lottery sector; chance, and more specifically, the "Success of Chance".

During the General Assembly, EL Members elected a new Executive Committee and the re-appointment of Hansjörg Höltkemeier as EL President (2019-2021). EL Members also adopted the Antwerp Resolution calling for a risk-based approach towards advertisement restrictions for games a chance – a hot topic for 2019.

In parallel to the General Assembly, a new European Parliament was elected with a new European Commission taking officer later in the year, headed by President von der Leyen. Throughout 2019 EL, in close collaboration with the Public Affairs Coordination (PAC) Working Group updated relevant advocacy materials for policymakers. Relevant EU dossiers were followed, with EL's advocacy role continuously based on the importance of a sustainable lottery model for the benefit of society and the principle of subsidiarity. EL also supported various Members with regulatory discussions at national level.

Looking back at 2019, EL is proud of its many activities and achievements as an Association. Lottery professionals had the chance to participate in all sectors of interest from marketing, innovation, sports betting to responsible gaming, legal and retail. The EL education programme continued with the first-ever Executive Module of the EL Corporate University (ELCU), and EL launched the Women's Lottery Leadership (WiLL) Mentoring Pilot Programme in Europe.

2019 saw the historic entry into force of the Council of Europe (CoE) Convention on the

Manipulation of Sports Competitions (Macolin Convention). Since the conceptualisation and drafting phase of the Convention, the global lottery community – through EL, together with the Global Lotteries Monitoring System (GLMS) and the World Lottery Association (WLA) – has fully supported the initiative and assisted the CoE in its effort to promote the Convention. National lotteries have always been historic partners of sport and EL works to fight match fixing and to safeguard these values.

During the year, EL took further steps regarding corporate social responsibility (CSR) with its newly published CSR Guidelines. On responsible gaming, 63% of Members were certified in 2019 with the Commitment Level bringing newly certified EL Members. On innovation, EL conducted a study on blockchain developments and to further improve the knowledge and data sharing, a Socio-economic impact study was issued, the legal study was updated, and a study was done on the various taxation models under the EL Members. The fight against illegal operators is a priority for EL and 2019 saw a newly formed Taskforce on Illegal Gambling.

EL continued with important partnerships including with ENGSO, GLMS, WLA, the European Commission led-initiative European Week of Sport, the ASPIRE project and the Annual Holiday Lottery Responsible Gaming Campaign. The Association also stepped up its communications efforts with a revival of its social media channels, a weekly EL News Briefing for Members, and an increase in engagement with the EL website, digital magazine, and media outlets.

This is the second EL Annual Report, which thanks again EL Members, the Executive Committee, Working Groups, the EL team and Partners for all their support in 2019. It was an exciting year and we hope you enjoy reading about our activities, with always one motto in mind –for the benefit of society!

Happy reading!

Peter Christensen has been appointed by the Minister of Finance as the new Chairman of the Board of Directors of Danske Spil

In addition to experience from the private sector as well as many years of experience from the political system, Peter Christensen also has knowledge of the gaming market from his post as chairman of the board of directors of Det Danske Klasselotteri A / S.

Danske Spil Appoints Nikolas Lyhne-Knudsen as its New CEO

Danish national lottery and gaming operator Danske Spil has appointed Nikolas Lyhne-

Knudsen as its new chief executive officer. Lyhne-Knudsen will assume the role on October 1, replacing Susanne Mørch Koch, who has been in the role since April 2017. Koch announced her intention to step down in March to become the new CEO of Danish amusement park operator Tivoli. Lyhne-Knudsen joins Danske Spil from Danish public-service radio and TV broadcasting company DR, where he served as director of economics, technology.

INTRALOT Powers Taiwan Sports Lottery Corporation with new CMS Solution and eSports Games

INTRALOT is pleased to announce the successful launch of INTRALOT Canvas, its advanced content management system (CMS), and new eSports games for its long-standing customer Taiwan Sports Lottery Corporation (TSLC), the market exclusive licensed betting operator, that will level up the betting experience of its players.

With time-to-market being a key differentiator in the digital space, INTRALOT Canvas will empower TSLC to rapidly build and configure a responsive HTML5 betting portal offering a full-featured betting experience, optimized for all screen sizes, with customized, personalized and rich betting content offering for their online players, differentiating TSLC from the competition. INTRALOT Canvas is a truly powerful CMS, featuring embedded software tools like personal-

ization, analytics, player engagement and marketing and a comprehensive set of betting-specific functionalities.

In parallel, INTRALOT has enabled the launch of eSports Betting supporting the innovative quest of TSLC to enhance its sportsbook and offer an unparalleled player experience through new content. The new eSports games are powered by SPORTRADAR with the first one launched being the major and most popular League of Legends (LOL), available in both retail and online channels. Additional eSports titles are planned to be introduced in the near future.

"We are pleased to successfully have integrated the new multi-tool CMS, INTRALOT Canvas, that will help us address operational efficiency and achieve a fast time-to-market response," said Mr. Ted Lin, President of TSLC. "In addition, the introduction of new eSports games in Taiwan will give us the opportunity to enter the fastestgrowing eSports betting market and broaden our audience with players from different segments."

"We are excited to see our long-standing partner in Taiwan TSLC, paving the way in gaming and keep growing," said Dr. Chris Dimitriadis, INTRALOT Group CEO. "At INTRALOT, we capitalize on our technological expertise to meet the evolving market demand and help our customers offer steadily an elevated gaming entertainment to their players".

ESports betting has become an emerging segment

in the global sports betting sector and its rapid rise recently is expected to transform the landscape of the gaming industry. According to the eSports Ecosystem report from Business Insider Intelligence, the size of the eSports market will surpass $1,5 billion dollars in 2023, while it is predicted that Asia, which is considered the most populated region of the world, will provide the highest increase of eSports fans.

La Française des Jeux : French lottery group FDJ says lockdown knocked 100 million euros off earnings

UK: Camelot gets six-month National Lottery extension

Camelot, the games business, is to get a six-month extension to run the National Lottery, as regulators press pause on an auction to run the competition next.

UK GC data shows May recovery for UK sports betting; virtuals and poker down

New data published by the Gambling Commission shows a May recovery for sports betting after months of sports cancellations and lockdowns.

a row. It was a hit and attracted a different player than they had been seeing.

"So, we launched another game alongside called Pennsylvania Payout with the PA keystone and the tumbling mechanics," he said. "Again, it was a hit and broke all sorts of records. We used data collected from a previous game, made some calculated tweaks, and launched a game that was very good for the lottery. Data helped drive our decisions."

WE'RE ALL IN THIS TOGETHER

The panelists said they are all cheering for their colleagues to go forward with iLottery, where legislatively possible. And they offered some sage advice.

For NPi, which has now launched and operated a series of iLottery programs that have demonstrated measurable impacts to the good causes that lotteries support, lotteries should choose veteran partners who will provide good advice.

"With everything that lotteries have to do day-to-day, launching an iLottery program

can be overwhelming." Doug said. "So seek out trusted partners. And I don't just mean vendors. From Charlie in New Hampshire to Shannon in Michigan to Stephanie in Pennsylvania, there is a wealth of wisdom available for lotteries among their colleagues. If you find the right people to talk to, you can make sense out of what is before you and help avoid any missteps."

Charlie's advice was to get it correct right out of the starting gate.

"Do it right the first time," said Charlie. "I know that sounds so simple but if you can reach the players the first time, make a great first impression, that's a lot easier than trying to get them back down the road. If a new player has a bad experience on your site, there is so much other content out there for their entertainment and you might just lose them.

"To use a construction phrase, 'Measure twice, cut once,'" he said. "The early people you attract with the large marketing spends and player retention efforts will provide enormous lifetime value. Make sure they'll like what you are offering."

Shannon, the preeminent veteran of iLottery as she has worked on the Michigan online effort for six years, said working with colleagues throughout the industry has been interesting – and fun.

"We are all definitely leaning on each other and learning from each other," she said. "Since we are all monopolies within our states, it's easy to cheer on another lottery. That has been enjoyable.

Closing out the discussion, Stephanie said, "Now that a number of lotteries are selling online, we can establish best practices. As an early adopter, Michigan established the baseline for iLottery programs and as more lotteries have come on board, we have been able to see what works and what doesn't. What are the best practices for payout, launch frequency, number of games in market? We're all in this together and lotteries can help each other make their programs as successful as possible."

The most exciting take-away: For all its success to date, iLottery continues to be a work in progress with more upside potential than ever.

POST-COVID-19 LOTTERY: THE MOVIE

NASHVILLE 2020

Co-hosted by PGRI and the Tennessee Education Lottery Corporation

Join us on October 13 – 15 at the Sheraton Hotel in Nashville

PGRI LOTTERY EXPO 2020

Nashville 2020

**Co-Hosted by the Tennessee Lottery
Join us on October 13 – 15 at the
Sheraton Hotel in Nashville!**

- Event Info & Details: www.PublicGaming.org

- News website: www.PublicGaming.com

- View video-recorded presentations: www.PGRItalks.com

- e-mail: Pjason@PublicGaming.com

Post-COVID-19 Lottery: The Movie

Neither conference nor webinar, Post-COVID-19 Lottery: The Movie is both, and aspires to be the Gaming Theory of Everything. Building a "Theory of Everything", at least in the Brainiac world of physics, has been shown to be not entirely possible. But the aspirational goal and the journey itself promises to yield a wealth of insights that place our industry-specific issues into the broader context of global trends and vision-driven momentum to meet the future head-on ... with gusto, confidence, and actionable strategies. All are invited to be a part of Post-COVID-19 Lottery: The Movie.

In Nashville on October 13-15, Post COVID19 Lottery: the Movie will be live-streamed and video-recorded for maximum impact.

Follow PublicGaming.org (our conference website) or PublicGaming.com (home-page and news website) for updates and to follow the production process as we toil to create a new kind of experience, digitally transformed to not just enable but enrich and enhance the joy of working and striving together. Join us in person Nashville or join us online for the celebratory Premier of Post-COVID-19 Lottery: The Movie. Either way, let's come together to re-imagine the collaborative process and continue to build a bright future for Lottery and good causes.

We look forward to seeing you in Nashville!