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Feature Interviews



Cindy Polzin

Director, Wisconsin Lottery
and President of NASPL



Ryan Mindell

Executive Director,
Texas Lottery Commission

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development timeline

Turning LVMs into MVPs, Part II, IGT

EL (European Lotteries Association)
Highlights the Positive Impact of
Lotteries



Pat McHugh

CEO, Scientific Games

LETTER FROM THE CEO

To our valued clients and partners worldwide,

Our collective passion, and what inspires me daily, is our role in bringing new gaming and wagering technology to market safely and responsibly as we work between regulators, operators, and suppliers. I saw it firsthand at our annual Regulators Roundtable in Las Vegas. We made history with a record-breaking attendance of nearly 400 regulators and industry experts traveling from across the U.S., Australia, Europe, and Latin America to collaborate on some of the biggest issues our industry faces today. Our highly anticipated cocktail reception also drew over 150 supplier representatives eager to network and join in discussion with regulators.

That drive to collaborate and problem-solve speaks to our determination to find new ways to bring new technology to market that was simply unimaginable just years ago. I am energized by the strides we continue to make as suppliers and operators innovate with input from regulators, who adjust to embrace novel ideas. Working together, we are changing the future of our industry.

As technology evolves and gaming moves more remote, one of the most significant issues our industry continues to face is cyberattacks. Last year, more than 60% of online gaming platforms and their casino affiliate programs experienced breaches or attacks. We saw a need for an organized security standard governing technology in the gaming industry, and so, assisted by our integrated cybersecurity company Bulletproof, GLI introduced our new Gaming Security Framework (GSF) that provides a standardized security approach for online, land-based, and cloud technology platforms.

We also increased our global testing footprint with the addition of Trisigma in April, adding their Spanish and Dutch offices to our testing platform. It joins our growing list of global testing labs, where we have completed 1,424,600 tests and 75,179 certifications in 463 unique jurisdictions over the past year - all while providing the highest quality, consistency, and world-class service.

These numbers are a true testament to your dedication to safety and accuracy as our industry continues to innovate. Our world changes daily, so adaptability will continue to propel us forward, and together, we can continue to redefine what's possible.

Looking forward to seeing you somewhere on the globe,



James Maida



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CONTENTS



FEATURED INTERVIEWS

10

NURTURING AN INDUSTRY-WIDE CULTURE OF COLLABORATION AND SUPPORT

Cindy Polzin

Director, Wisconsin Lottery and President, North American Association of State & Provincial Lotteries (NASPL)



14

CHANGE BRINGS OPPORTUNITIES FOR THE TEXAS LOTTERY

Ryan Mindell

Executive Director, Texas Lottery Commission

24

LEADING GROWTH AT SCIENTIFIC GAMES

Pat McHugh

Chief Executive Officer, Scientific Games



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9 out of
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Michigan Lottery



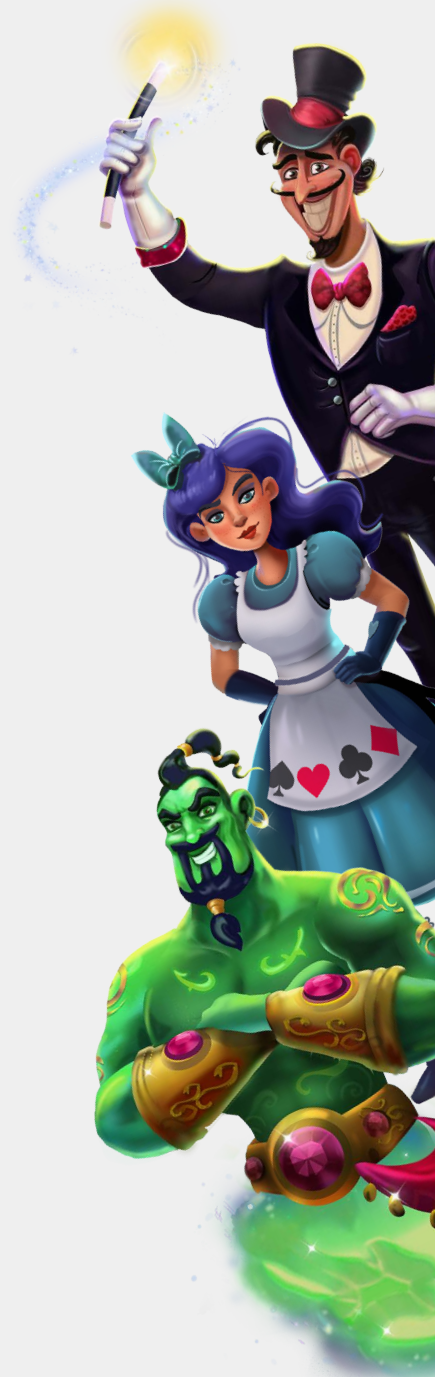
8 out of
10 games

New Hampshire Lottery



6 out of
10 games

Virginia Lottery



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Based on the top 10 revenue generating games in 2023

FEATURED ARTICLES

18

THE FUTURE OF THE IN-STORE SHOPPING EXPERIENCE

Tom Seaver *Executive Director of the Colorado Lottery*

Jason Barrs, *Senior Vice President Global Sales & Business Development, Carmanah Signs*

Tonya Beenders, *Chief Sales Officer, Missouri Lottery*

Amy Drooker, *Vice President Chief Revenue Officer, Kentucky Lottery*

Michael Martin, *Vice President Retail Solutions, Scientific Games*

Terry Presta, *Head of Business, North America, Abacus Lottery Solutions*

Justin Rock, *Deputy Director of Product & Sales, Florida Lottery*

22

INSIGHTS FROM RETAIL EXECUTIVES

Eric Grubbs, *Deputy Executive Director, Sales, of the Pennsylvania Lottery*

Jarrold Cummins, *Director Commercial Business Lines and Digital Solutions, Kroger Personal Finance*

Nick Murtagh, *Category Analyst Lottery, Sheetz Inc.*

30

TURNING LVMS INTO MVPS, PART II: OPTIMIZING THE PERFORMANCE AND PLAYER EXPERIENCE OF LOTTERY VENDING MACHINES IGT



DEPARTMENTS

8

FROM THE PUBLISHER

Paul Jason

20

MUSL DEBUTS BOLD PRODUCT DEVELOPMENT TIMELINE

MUSL NEWS (Multi-State Lottery Association)

28

THE POWER OF POWERBALL

Simon Jaworski, *Founder & CEO, Lotto Research*



34

EL INDUSTRY DAYS 2024 HIGHLIGHTS THE POSITIVE IMPACT OF LOTTERIES

36

PHOTO COLLAGE: SCENES FROM EL INDUSTRY DAYS IN SALZBURG, JUNE 16-19

38

EL (EUROPEAN LOTTERIES ASSOCIATION) ANNUAL REPORT: UNVEILING EL'S NEW STRATEGY

40

THE EUROPEAN LOTTERIES' (EL) MANIFESTO FOR THE NEW EU TERM LOTTERIES IN EUROPE: AT THE SERVICE OF THE COMMON GOOD

41

RESPONDING TO THE CHANGING FACE OF RETAIL

Pollard Banknote

44

LOTTERY LOVE: ALWAYS IN SEASON IGT

50

PHOTO COLLAGE: Scenes from the PGRI Smart-Tech Conference in Fort Lauderdale, March 4-6

53

PULSE OF THE INDUSTRY:

Synopsis of recent gaming industry news

Visit Our Family Of Websites



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industry news & information

PGRITalks.com

videos of conference presentations

PublicGaming.org

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From the Publisher

Responsible Gaming, and the broader commitment to the betterment of society, are the DNA cornerstone ideals of government lottery. The community of commercial gambling operators have always proclaimed that there is nothing the government lottery sector does that commercial gambling operators can't do just as well. That may be true. But the reality is that they don't do it. They do not put the customer before profits until and unless they are required by law. Their charter to pursue profit within the boundaries of the law causes them to deliberately act in ways that they know to be detrimental to the well-being of their customer, i.e. the players. See top left column of page 55 for brief news items about how measures to protect the consumer that are required by law in the UK and other jurisdictions are not being applied in the U.S. The commercial operators are not breaking the law in the U.S. They are just exercising their rights to conduct business in ways that comply with the laws that apply jurisdictionally. The fact that they know their business practices are harming the consumer is not part of the calculus.

Contrast this with government lotteries. Check out the feature on **EL (European Lotteries Association) Positive Impact of Lotteries** for an in-depth look at lotteries' genuine commitment to the welfare of its players and society in general. Lotteries and their regional and world associations do this because it is the right thing to do. I wish that our political stakeholders might appreciate this difference between commercial and government operators. It often seems like they don't. Or maybe they do but choose to side with commercial operators because they contribute to political campaigns. In any event,

government lotteries' dedication to the welfare and improvement of society should be leveraged as a competitive differentiator. Lottery deserves the whole-hearted support of government constituents and media in the competition for playership.

Slight digression: Commercial operators like Allwyn, IGT, The Lottery Corporation, FDJ, and others are licensed to operate what I call "government lotteries". I still refer to them as government lotteries; not only for the mission to serve society, but for the culture they inhabit. To my mind, these commercial operators adopt the player-first and society-first ideals of what I call "government lotteries, which is why I still refer to them as government lotteries. I hope that is OK!

Thank you to our feature interviewees:

Cindy Polzin leadership of NASPL includes hosting the last annual event in Milwaukee and navigating a post-pandemic era in which many assumptions are being revisited. This year, for instance, the annual NASPL event in Kansas City will focus on the conference instead of trade show. As Cindy says, we need to be open to change, to experimenting with new ways of thinking and meeting the needs of our constituents. We so look forward to seeing Cindy, Team NASPL, and all of you at NASPL's A State of Winning event in Kansas City!

Ryan Mindell has been with the Texas Lottery for seven years now and so brings a wealth of lottery experience, and hands-on leadership experience with the Texas Lottery, to his new role as Executive Director. All lotteries are unique in some ways. The Texas Lottery is so interesting for many reasons, one of which is its

intense focus on building the digital connection with the players even though it is prohibited from selling tickets online.

Pat McHugh has led Scientific Games through what must be counted as one of the most transformational periods in its history. It feels like a culmination of sorts. Merging with casino suppliers and other game categories and then de-coupling to return to its core value and competency of government lottery. And doing that just in time to navigate the pandemic and set a fresh course for its future. Thank you, Pat, for sharing the vision of where Scientific Games is going from here.

We started to include executive summaries of PGRI conference panel discussions and so hope you enjoy the focus on retail with the two summaries in this issue.

Continuing the focus on retail are articles by **IGT on optimizing LVMs** (self-service Lottery Vending Machines) and **Pollard Banknote on big-picture retail and consumer shopping trends**. And thank you to **Simon Jaworski** for his ongoing research into the players' attitudes and perceptions of Lottery's uber-brands like Powerball and Mega Millions and how they compare to other giant consumer brands, and how we might leverage these insights into increased player engagement.

Next up is **NASPL annual conference in Kansas City, Sept. 9-12**. Visit NASPL.org for complete info. Susan and I look forward to seeing you there!

Paul Jason, Publisher
Public Gaming International Magazine



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Nurturing an industry-wide culture of collaboration and support

Cindy Polzin

Director, Wisconsin Lottery

President, North American Association of State & Provincial Lotteries (NASPL)



PGRI Introduction: As Cindy Polzin says “I’ve been in politics my whole life.” She served for fifteen years in state government including Deputy Chief of Staff to the governor of Wisconsin in 2016 just prior to her appointment to lead the Wisconsin Lottery. That prepared her for some of the mission-critical functions of a lottery director. For the rest, she learned on the job. This discussion is largely about that process. How does a new director, who often has no experience in this industry, or business management or consumer products marketing, begin the leadership role on day one? Now, seven plus years later, Cindy brings a fun and thoughtful perspective to this interesting journey.



WISCONSIN LOTTERY

Paul Jason: What a fabulous NASPL annual conference & Trade Show you hosted last October in Milwaukee.

Cindy Polzin: Yes, wasn't that special? I have known the NASPL team for many years now, but gained a newfound respect for them, seeing everything that needs to be done to make all the parts move in the right direction at the right time to produce a great event. Since it was in Milwaukee, I wanted there to be a Wisconsin touch and feeling on everything. And since I was going to be NASPL president, I wanted a true understanding of what the NASPL and Wisconsin Lottery staff and others

have to go through for these conferences. Walking side-by-side with them and seeing David Gale's (Executive Director of NASPL) leadership and all of the hard work that his very close team put into it is truly astonishing.

It's so great to recognize the talent and hard work that goes into a production like that. David Gale and Team NASPL deliver on that front and others as well.

C. Polzin: Yes! Now that I have been in president of NASPL, I see just how much they do. Of course, we are all aware of the educational seminars and other outputs of the association. But getting up close

and personal with all the work involved to produce the seminars and deliver all the services provided by NASPL has given me a new perspective and appreciation for David Gale and Team NASPL. I feel so blessed for the opportunity to get to know them so well over the past year. I'm sure there were times David Gale wished I wasn't so involved! But in the end, I think we worked very well together. And honestly, I am forever grateful for them and their support and all that they do to make this industry what it is today. And a shout-out to our vendor partners who are so vital to the success of this industry and so appreciated for their support and guidance on the conferences too. I'm probably speaking for you and Susan too, who already know what it's like to produce an event like this.



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Yes you are, thank you, Cindy! Susan and I work great together, as long as I never forget who the real boss is! But there's no comparison to what NASPL does. The number and scale of their events and services increases the complexity and challenge exponentially.

C. Polzin: We changed it up a little bit last year for Brewing the Best in Milwaukee. We wanted to celebrate a little bit of Wisconsin culture and so I hope everyone loved it! The main thing is that we need to push ourselves to evolve, to disrupt and reinvent and try new things. Mistakes will be made and learned from and that's okay because it is the only way to drive progress.

“The main thing is that we need to push ourselves to evolve, to disrupt and reinvent and try new things.”

This year in Kansas City will be something new as well. The focus will be on the conference as there won't be a trade-show. Our valued sponsors and vendor partners are helping more than ever as well. It will be an interesting event with a whole different feeling to it. The trade-show component to the annual NASPL event will be back in 2025. That will be in Niagara Falls, which should afford lots of opportunity to do some fresh and different things as well. But we are all gearing up and excited about A State of Winning from Sept. 9-12 in Kansas City. NASPL, and Lester Elder's (Exec Director of Missouri Lottery) whole team at the Missouri Lottery, the vendor partners, and everyone involved are all stretching to produce a refreshed and fabulous conference event. They all deserve a lot of respect for all they are doing to create a new and special experience. I promise everyone will be impressed by the format, the content, the social and networking time, and love the whole experience!

What are some of the high-priority goals of your tenure as president of NASPL?

C. Polzin: I appreciate and am humbled by the opportunity to serve as president of NASPL. The presiden-

cy is for only one year, so part of our job is to just provide continuity for strategic plans that are already in place. But I do have two goals. My first goal is prefaced with a bit of a story. I was appointed lottery director in 2016. The first time I met my colleagues was at a MUSL strategic planning meeting in Iowa in Spring of 2017. Of course, I did not know anyone. I don't think I even knew what "MUSL" or "NASPL" stands for. And I walked into the room and realized I didn't know what I was doing there, or what was expected of me. It was very uncomfortable, right? Thankfully I sat next to this lovely man named Gary Grief, who helped me get acquainted with things. The interim Director of the Wisconsin

Lottery before me told me to find a woman named Sarah Taylor – that she would be a great mentor and friend for me. She was and is to this day!

The long and short of it is that we should make it easier for new directors to be brought up to speed on who does what, on the mission and purpose of the different

associations, committees, working groups, task forces, etc. So one of my goals was to start a mentorship program for new directors. We now have a skeleton blueprint for that. My friend Adam Prock (Director of Minnesota Lottery) had the same idea which we discussed shortly after I was elected president of NASPL. Adam's guidance has been very helpful as the program developed. Team NASPL put together and we sent it out a first version of the new director mentorship program for directors to review. Since that time, there have been at least five new directors appointed. I want to also thank the four regional directors of NASPL for their support and engagement. They have always been so generous with their time to pitch in and help me and others as needed.

David Gale has always reached out to the new director, to introduce NASPL, offer to help or connect, talk any time, etc. After that, the regional director reaches out to the new director and offers their mentorship or to find another director who may have experience or insights into particular issues that the new director is interested in. I, of course, also reach out to the new director. We share with them the activities of the associations and ask them if they have thoughts on how they might like to be involved with NASPL, MUSL, and the industry in general so we might offer guidance on how to proceed. The new crop of directors since I've been president are outstanding! I can't wait to see what they bring to the industry!

The new director gets great guidance from their own senior staff. Of course, we all so value our senior executive team, and all our staff, as they are the ones who keep this business running. But there are some issues that can only be understood by someone at the director level, someone who truly understands the complex diversity of stakeholders. Too, incumbent staff is likely to be too invested in procedures and methods that have been in place for years and may be ready for a change. The new director needs friends in a similar position to help them navigate some of these issues. So, I am proud of this initiative, proud of David and the regionals for advancing it, and



Cindy at Vending Machine

Continued on page 49

The background features a photograph of the Eiffel Tower in Paris, France, set against a sky with soft, golden clouds. A stylized graphic overlay, consisting of a white outline of the tower's structure with blue and red accents, is positioned on the left side of the image. The text is placed to the right of the tower.

Be inspired at the World Lottery Summit

A stylized graphic overlay, similar to the one on the left, is positioned on the right side of the image. It consists of a white outline of the tower's structure with blue and red accents.

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Change Brings Opportunities for the Texas Lottery



Ryan Mindell

Executive Director, Texas Lottery Commission

PGRI Introduction: Ryan Mindell joined the Texas Lottery in April 2016 as Deputy General Counsel and moved over to Director of Lottery Operations in February 2018 before being appointed Deputy Executive Director in September 2022. Ryan had been on the front lines for many years prior to his appointment as Executive Director in April 2024.

While our discussion ranges across a variety of topics, it focuses on how lotteries operating within constraints (like prohibition to sell online) can still take an ambitious approach towards technological and digital innovation. Congratulations, Ryan, on your appointment to lead the Texas Lottery!



Paul Jason: Nobody really goes to college with plans to pursue a career in the lottery. How did you go from being a New York City lawyer to being the executive director of the Texas Lottery?

Ryan Mindell: I graduated from Duke University in 2007. New York has that “If you can make it there ...” aura, so I thought that it was a good place to start my career. The actual work of being a lawyer is not as exciting as it might appear on TV. But it was a fabulous learning experience, preparing me for opportunities in ways that may not have happened if I had stayed in North Carolina. And it’s where I met my wife, so we have a very special fondness for New York.

My wife and I had been in New York for a few years and were starting our family and decided it was time for something different. We considered the places where she and I had family and friends. There were some personal connections to Austin, so I applied to the office of the Texas Attorney General and was hired. It happened that the lawyer who dealt with

the Lottery retired shortly after I arrived and right before legal issues came up that threw me into the deep water right away. I worked with Gary Grief and others at the Texas Lottery directly on these issues. Two years later, in 2016, a legal position at the Texas Lottery opened up. I applied and was hired and that’s how I ended up at the Texas Lottery.

I see that you were then promoted to be Director of Lottery Operations just 18 months later. Legal Counsel to Op’s seems like an interesting leap.

R. Mindell: My attitude is that the best way to qualify for the job you want is to excel at whatever job you are currently doing. I did not join the Texas Lottery with a plan to move to operations or to be appointed executive director. I must

admit, though, that it did not take long to be absorbed in all aspects of the lottery business! I asked to be included in planning and problem-solving meetings in other areas of the business so I could learn and grow. One thing led to another as I embraced the opportunity to make a difference beyond legal issues.

How does private sector work differ from working for an agency of state government?

R. Mindell: In successful private sector companies, the focus is on results more than the execution of tasks. It might seem like the client is the boss who is yelling at you. But the real client is the customer who pays for the product or service your company produces. In my case, if a client like JP Morgan is not

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happy with our work, they could easily get another law firm. And whoever is held responsible for losing a big client is typically invited to leave the firm. The focus on accountability for outcomes is intense.

This level of hyper competition can be very counterproductive. Our priority at the Texas Lottery is decisively different. We support a hospitable corporate culture that nurtures mutual respect and a collaborative team spirit. We help our colleagues be the best that they can be, so we all win as a team. We do hold fast to an intense customer-first focus, and personal accountability for producing results. But the result we want most is to win as a team for the benefit of all our stakeholders, especially public education, veterans, and the other causes supported by the Texas Lottery.



R. Mindell: I would call it a re-solidification. Our sales are down around 2% compared to last year. But we should put these trend lines into proper context. The pandemic disrupted the whole games-of-chance industry in the middle of 2020. The closing of casinos and curtailing of sports betting and other entertainment

2018 to \$8.7 billion last year. That's a massive increase. The fact that we may end up at \$8.3 billion this year still reflects a pretty robust trend line for a mature lottery.

That leads most of us to be confident that there is still lots of headroom for innovation to continue to enhance the player experience, bringing in new players and continuing to drive sales increases.

Higher price-points have boosted sales over the last decade or more. Has that pathway to growth run its course?

R. Mindell: The kinds of innovation in scratch tickets that have appealed to players extend far beyond high price tickets. Second-chance promotions and licensed properties have been around for years because players love these additions to the experience, and they continue to represent huge opportunities for change and innovation.

As always, we need to deconstruct and drill down on the underlying motivations. For instance, some of the players who jumped on higher-priced tickets were not playing the lottery when tickets were only available at lower price points. The data clearly show that we brought new players in by launching a \$100 ticket because that is what those players wanted. Granted, we likely lost some of those players who returned to casinos and sports betting. But the data also clearly shows that some of those newcomers continue to play lottery at the higher price-points. What does this mean? Should we be creating products with

“Everything is changing in ways that represent incredible opportunities for all of us as we learn how to tap into them and make disruption work for us.”

I would observe that lotteries are incredibly innovative at forging creative pathways to enhance the player experience. Many of the fundamental attributes of the games are immutable. Lotteries operate within statutory and regulatory constraints far more rigorous than those applied to private operators. And lotteries hold themselves to even higher standards of security, integrity, and responsible gaming. Lotteries turn over a much higher percentage of wagers than do private operators. But the history of lotteries is a success story unmatched by most in private enterprise for their innovation, creativity, and results that benefit everyone.

Is the sales growth trajectory of Instant Scratch-Offs starting to soften?

options left consumers with fewer ways to spend money to have fun. Convenience stores stayed open and continued to offer lottery products. Consumers turned to lottery as a source of entertainment. This situation and perhaps other factors contributed to a spike in sales that began in the middle of 2021 and for many lotteries lasted into 2023. But those sales increases were never going to be fully sustainable as consumers slowly drifted back to pre-Covid behavior patterns.

For that reason, it is probably more useful to compare current sales to pre-Covid sales. Do that and you see that sales at most lotteries, including the Texas Lottery, are way up. Texas Lottery sales increased from just over \$5 billion in

Continued on page 46



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The Future of the in-store shopping experience

L to R: Tom Seaver, Jason Barrs, Tonya Beenders, Amy Drooker, Michael Martin, Terry Presta, Justin Rock



The world may be changing at a dizzying pace, but Lottery’s relationship with retail remains essential to sales success, with around 90% of revenue coming through stores last year. But what challenges will that relationship face from new technology, business models, and competitive channels? And what actions can lotteries and vendors take to optimize partnerships with retail and go from strength to strength?

Moderator **Tom Seaver** (Executive Director of the Colorado Lottery) led the discussion with a panel of experts from the lottery and vendor communities. Alongside Tom were panelists:

- **Jason Barrs**, Senior Vice President Global Sales & Business Development, Carmanah Signs
- **Tonya Beenders**, Chief Sales Officer, Missouri Lottery
- **Amy Drooker**, Vice President Chief Revenue Officer, Kentucky Lottery
- **Michael Martin**, Vice President Retail Solutions, Scientific Games
- **Terry Presta**, Head of Business, North America, Abacus Lottery Solutions
- **Justin Rock**, Deputy Director of Product & Sales, Florida Lottery

Tom began by inviting the panel to

highlight their key takeaways from the prior conference discussions about the relationship between retail and Lottery. “We keep talking about retail as if it’s one entity,” **Michael Martin** responded. And it’s just not. Retail has so many different facets, strategies, and components. Some stores are all about speed to keep creating space in the parking lot for the next customers. Others focus on being a destination, dwell time, and creating an in-store experience that will get people to stay. So, we have to approach retail flexibly; it’s not one size fits all, and we have to adjust and adapt accordingly.”

Similarly, **Tonya Beenders** stressed the importance of understanding each retail partner to enable mutually beneficial collaborations. “We talk about KYC—know your customer—but it’s also essential to KYR—know your retailer. Every time we face a decision, we should put ourselves in the retailer’s shoes and think about what’s

in it for them and how we can help them be more profitable.”

Thinking about retail innovation, **Terry Presta** pointed out, “Innovation can be more than technology. It can be design or tactics. But often we still only have one lottery terminal and maybe one vending machine in a superstore. So, we’re losing sales at peak times or when there’s a big jackpot when lots of people want to buy tickets, but they haven’t got time to wait in line. And when you’ve lost that sale, it’s lost forever. So, let’s change the design so we’ve got Lottery everywhere.”

Justin Rock also reflected on how some retailers are increasingly prioritizing vending machines. “It’s scary for us because we’re so used to doing business at the counter with customer service. But we’ve got to adapt because lots of retailers are looking for different ways to integrate Lottery into their stores.”

“Every time we face a decision, we should put ourselves in the retailer’s shoes and think about what’s in it for them and how we can help them be more profitable.”

Continued on page 42



Raise the Bar at Retail

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MUSL DEBUTS BOLD PRODUCT DEVELOPMENT TIMELINE

A new slate of Board officers and Product Group chairs has stepped up to lead the Multi-State Lottery Association (MUSL) through its next strategic undertaking – the development and potential rollout of multiple new product offerings.

It's an aggressive product development schedule and one that MUSL has been sharing industry-wide to get lotteries and vendors united behind future product opportunities.

- Sept. 2024 – Jackpot USA™ fast play game
- Fall 2025 – NFL national game
- Spring 2026 – National for Life game
- Fall 2026 – potential Powerball® enhancement

Leading the charge through this development Renaissance

will be Board President Drew Svitko, executive director of the Pennsylvania Lottery. Svitko previously served as Chair of the Powerball Product Group for the past two years and was Chair of the Development Committee from 2019 – 2021. He was a driving force in the development of a third weekly Powerball drawing and the Double Play® add-on feature.

“The national games category has seen exceptional growth in the past two to three years, and it underscores MUSL’s commitment to support member lotteries with new development initiatives,” said Svitko. “MUSL has established a bold product development timeline with exciting new offerings. Lottery stakeholders should buckle up. It’s going to be another year of ‘foot, gas, go.’”

The pedal to the metal approach continues to gain momentum. For the second year in a row, MUSL has achieved a fiscal year sales record, with sales of products facilitated by the Association, including Mega Millions® sales by member lotteries, totaling \$11.7 billion. The record year extended to Powerball®, Power Play® and Double Play®, which all produced record game sales in Fiscal Year 2024.

The Powerball Product Group will have a new resource to aid future game development. MUSL just completed its first-ever comprehensive brand research on Powerball at the national, regional, and state levels. Matt Strawn, CEO of the Iowa Lottery, has taken the reins as Powerball Product Group Chair and is looking forward to utilizing the research findings.

“The brand research is our gateway to further optimize the Powerball product, from jackpot marketing campaigns to the selection of future partners,” said Strawn. “As my colleagues and I look ahead to what’s next for Powerball, we have the ability to make informed decisions to ensure the game’s responsible growth, so that it continues to be a reliable source of funding for lottery beneficiaries well into the future.”

Jackpot USA™ will be the first product launch on the new timeline. The fast play product is priced at \$20 and offers a progressive jackpot that starts at \$1 million. The game also offers a bonus game of key-symbol matching with prizes ranging from \$10 to

\$50. The launch of the Jackpot USA fast play product is slated for late September.

The much-anticipated NFL national product

continues to progress, with both the NFL and MUSL working on the game concept and development. The collaboration has given MUSL direct access to the NFL fan base, including concept and insight studies. The final product concept for the NFL-themed game will be presented to the MUSL Board of Directors for approval this fall, with a scheduled launch in fall 2025.

A new National for Life Product Group has been established at MUSL in the past year, which is led by Colorado Lottery Director Tom Seaver. The Product Group has already evaluated \$2 and \$5 game models, with a final decision expected soon. MUSL leaders have tentatively slated a spring 2025 launch date for the new National for Life game but depending on the progress of the NFL-themed game, MUSL leaders have a contingency to swap the two launch dates to keep the product rollouts progressing.

“The MUSL Board of Directors has indicated a desire to execute strategies in a proactive manner” noted J. Bret Toyne, MUSL Executive Director. “MUSL has developed the FLEX game management system to support product rollouts, Powerball brand research has been completed, and we’re ready to assist lotteries in maximizing the national games category.”

MUSL Board Officers



President – Drew Svitko, Pennsylvania



Vice President – Matt Strawn, Iowa

Secretary – Rebecca Paul, Tennessee

Past President – David Barden, New Mexico

Product Groups Chairs

Powerball® Chair – Matt Strawn, Iowa

Powerball Vice Chair – Gwen Dean, New York

M2G2 Chair – Mary Harville, Kentucky

M2G2 Vice Chair – Mark Furcolo, Rhode Island

Lotto America® Chair – Helene Keeley, Delaware

Lotto America Vice Chair – Lance Gaebe, North Dakota

2by2® Chair – Brian Rockey, Nebraska

2by2 Vice Chair – Stephen Durrell, Kansas

National for Life Chair – Tom Seaver, Colorado

National for Life Vice Chair – James Carey, New Jersey



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Insights from Retail Executives on how Brand Lottery can optimize long-term success at Retail



L to R: Eric Grubbs, Jarrod Cummins, Nick Murtagh

For almost the whole history of the Lottery in the US, retail has been the place “where the rubber meets the road”, the face of lottery to the consumer where all the behind-the-scenes planning, marketing strategies, and product development culminate with ticket sales to customers.

Recent years have seen the supremacy of stores challenged by new online options. The rapid growth of eCommerce is undeniable. But retail is evolving and will continue to be the dominant channel and consumer touchpoint for Brand Lottery. Retail has been innovating to meet the needs of the modern consumer, and is challenging lotteries to do the same and make the most of this win-win relationship in the future.

Introducing this panel discussion on retail optimization, moderator **Eric Grubbs, Deputy Executive Director, Sales, of the Pennsylvania Lottery**, posed the question, “How are retail

processes, operations, and expectations changing, and how will Team Lottery need to evolve its methods to keep up?”

Welcoming the opportunity to get “unvarnished guidance” straight from senior executives who manage the lottery category for two major multistate retailers, Eric introduced the panelists:

Jarrold Cummins is the Director Commercial Business Lines and Digital Solutions for Kroger Personal Finance. The Kroger Company operates 2,723 Supermarket Stores across thirty-five states and the District of Columbia.

Nick Murtagh is the Category Analyst Lottery for Sheetz across three of the six states in which it operates convenience stores (Maryland, North Carolina, and Pennsylvania).

Eric began by inviting the panelists to comment on Lottery’s role in the retail business model and what Team Lottery does well now. Jarrod highlighted how Lottery has become an increasingly important part of Kroger’s business in recent years. “Lottery is a trip driver, it draws in a wide range of customers who engage with it, which in turn supports our core business.”

“If you’re looking to develop unique omnichannel marketing strategies for your customers, I recommend trying to leverage the expertise of some of your key retailers.”

Continued on page 46



24

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*THIS IS THE
Science Inside*



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LEADING Growth

AT



WITH CEO

Pat McHugh



Pat McHugh epitomizes the commitment to **innovation**, **integrity** and **performance** that makes Scientific Games a leader in helping lotteries maximize good-cause funding for their beneficiaries.

Community service has always been a core value for McHugh. The Boston-area son of Irish immigrants found his off-the-beaten-path way to the industry after a service-focused start as a volunteer leader for community youth programs in college, coaching high school track and field, and then working in law enforcement. By luck, Pat met a former director of the Massachusetts Lottery who encouraged him to take an entry-level job with a lottery tech provider. It would be a turning point in his life.

Logging around-the-clock hours traveling the globe, Pat learned everything he could about lottery systems and operations in project management, leading teams on some of the industry's largest lottery start-ups and conversions. He joined Scientific Games in 2004 and following a series of promotions over the years – including running the company's U.S., then global, systems business – Pat was named Lottery Group CEO in 2018. Throughout his career, his core focus has remained on the industry's beneficiary funding mission and leading high-performing teams to achieve together.

Under his leadership team, Scientific Games successfully navigated challenges brought about by the COVID-19 pandemic and emerged stronger. In 2022, following the most financially successful year in its history, the Scientific Games Lottery Group was sold to Brookfield Business Partners, one of the world's most successful investment companies.

Pat and his team led the company through the process, steering the ship for the now independent and 100% lottery-focused Scientific Games. After standing up a new organization with all the right people, parts and pieces needed to keep the company and its customers running smoothly, he's leading change and evolving culture for Scientific Games' more than 3,000 employees worldwide while achieving record revenues for the company with major wins globally across all retail and digital business lines.

Two years into the company's transition, Pat continues to drive growth and help sustain the global lottery industry, through innovation and customer service excellence.

Q: Scientific Games recently announced several executive promotions and new leaders joining the company. What do these changes mean for the company's future?

Pat McHugh: Scientific Games is a rapidly growing company in a continuously evolving industry. Over the last two years, we've hired hundreds of new employees to keep pace with our growth, including some executive-level positions to support our customers as we scale the business. Our people are what makes us unique, and I am grateful every day for the support our team gives our customers.

We have a lot of employees with 20 and 30 years of experience, and several have been planning their retirements. This allowed us to make minor realignments to improve service by giving new opportunities to other experienced leaders within our organization, and a few newly hired executives joined our team. We've been deliberate in promoting strong leaders from within and bringing in new talent to increase bench strength and transfer knowledge. I'm incredibly grateful for several of our leaders who agreed to extend retirements to see us through our transition seamlessly. As a result, we're stronger than ever to support our customers into the future.



Mike Cardell's appointment to Senior VP of Americas Systems is an example of our continued investments in people and products to strengthen our systems and software delivery. Mike is an accomplished business technology leader with more than 17 years of experience. Coming to us from global fintech and payments company, Fiserv, where he most recently served as VP and General

Manager of Next Gen Solutions: Signature and Cloud Solutions. As the industry's fastest-growing systems provider, Mike is a perfect fit as we evolve our systems business beyond transaction processing into strategic technology-based products and services. Mike has a proven track record in innovating technology-based products and services, including enterprise and consumer-facing applications, transaction processing platforms, large-scale IT conversions, strategic growth and impactful results.

We have also made some realignments to increase our focus around the two different aspects of marketing: marketing Scientific Games' products to the industry and supporting our customers in how they market their products to consumers. This included aligning our analytics and lottery portfolio marketing support directing into our customer-facing teams.



An exciting part of this was Beth Bresnahan's promotion to Chief Communications and Brand Officer and member of our Executive Leadership Team. Beth has served as our VP of Strategic Communications since March 2022. This promotion came as no surprise to those who know and have worked with Beth. Her strategic vision, extensive experience in brand communications and deep knowledge of the lottery industry have earned her the respect and support of her colleagues. Before joining Scientific Games, she spent nearly 10 years in leadership

roles at the Massachusetts Lottery, including serving as its executive director, as well as heading the District of Columbia's Office of Lottery & Gaming. Beth has integrated our internal and external communications, advertising, media, customer proposals and industry trade support, creating a clear focus on Scientific Games' message to the industry about our products and who we are today.



We also just announced that Amy Steinman has been named Chief Human Resources Officer and a new member of our Executive Leadership Team. Before joining us, Amy had a 25-year career with Koch Industries serving as the organization's executive responsible for integrating enterprise software, overseeing organizational design, developing talent and building a values-based, collaborative global culture. She brings substantial knowledge spanning cultural development, change management, compliance, operations, HRIS systems, manufacturing, compensation, benefits and recruiting. The breadth of her knowledge will be instrumental in the ongoing success of our people, culture and business worldwide.

And as I shared, a number of our business leaders were promoted within their groups and their teams were realigned to better serve our customers. So, we are very excited about what's happening across the organization.

Q: How is Scientific Games performing two years into the new, independent company?



Pat McHugh: We've grown on an annualized basis over the last four years and have reached record revenues. Like many companies, we were impacted significantly by cost inflation, particularly around paper, ink and shipping instant game products. We've navigated through that and continue to focus on growth investment. So, our strategy has been performing very well each year as an independent company.

Another good indicator of our strong financial performance is the number of outside investors who want to invest in our business and the confidence they have in our financial profile. Our CFO, Nick Negro, is focused on making sure that we continue to build financial strength and drive continued execution and financial stability for the organization.

Q: There was talk about the company's newfound ability to increase investment in lottery growth opportunities since becoming a pure lottery company. Where has investment been focused and are there still opportunities today?

Pat McHugh: Over the past two years, we have made significant investments, and this will continue. We're making targeted investments across our retail and digital portfolio around the globe. We are investing in expanding our infrastructure, as well as new products and new technologies, largely in our systems technologies, retail solutions, digital games and iLottery platforms. We have acquired digital game content and studios. And as the industry's largest game provider with a 70% global market share in instant games, we continue to invest in innovation. On the retail side, this year we commissioned Press 10 in Alpharetta, made a significant investment in our Montréal instant games facility, and

just last year invested in our Leeds, UK facility. This is a \$65 million investment back into our instant game facilities to enhance our production capabilities.

In the last two to three years, we've significantly increased capital growth investments to well over \$100 million annually. Some of this investment was planned for new customer contracts like our new award-winning Warrington, UK facility to serve The National Lottery. We also made start-up investments in Brazil for Loteria Mineira. We've invested in our development centers around the world and continue ramping up our capabilities to scale growth.

Q: What plans do you have to invest in Scientific Games' workforce?

Pat McHugh: We already executing those plans. The past two years have seen the largest increase in employee base in our history. Our real differentiators are our people. We can have the greatest products in the world, but how we engage with our customers sets us apart. So, developing our people is something that we've tried to be very deliberate about at Scientific Games – by increasing teams to support growth as well as strengthening our team members' capabilities to innovate and support our customers. Amy Steinman, our new CHRO, joined the company in June. Amy's background includes coaching teams in growth companies. We are thrilled to have a seasoned, energetic people leader with these skills on our executive team. She has deep experience and a successful track record of building high-performing global teams and industry-specific operating models to support organizational growth.



Q: It sounds like Scientific Games is hiring?

Pat McHugh: We are always investing in our business. So, yes, we are actively recruiting for jobs at our metro Atlanta global headquarters, opportunities at our operating sites in lottery jurisdictions, and on our teams in countries around the world. You can go to our company website, or you can go to LinkedIn and see that we have a good number of job openings that we continue to post and hire new talent to fill. Or just reach out through email: info@scientificgames.com

Q: If there was one thing you wanted the industry to know about Scientific Games' next era, what would it be?

Pat McHugh: We exist to serve our lottery customers' mission of responsibly maximizing good-cause funding for their beneficiaries. As an industry, we need to accelerate innovation to remain relevant to consumers in order to protect and grow good cause funding. Our teams are committed to this. I'm incredibly proud and grateful for the work our teams have done to evolve our

business into one global lottery company delivering the industry's best games, technology, analytics and services to meet that mission. We're all incredibly proud that our products and services are generating tens of billions of dollars globally for good causes.

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MEET THESE KEY SCIENTIFIC GAMES

Business Leaders



John Schulz
President Americas & Global Instant Products
39 years @SG



Kyle Rogers
Senior VP, Instant Strategy & Licensing
20 years @SG



Charlie Scannella
VP, Commercial Sales & Client Relations
34 years @SG



Angela Goodwin
SGEP Sales & Operations
16 years at SG



Mike Cardell
Senior VP, Americas Systems
New to SG



Walt Eisele
Chief Technology Officer
10 years @SG



Steve Beason
President, Digital & Sports Betting
12 years with SG



Amy Bergette
Senior VP, Digital Strategy & Business Development
22 years @SG



Beth Bresnahan
Chief Communications & Brand Officer
2 years @ SG



Steve Richardson
Chief Administrative & Compliance Officer
6 years @SG



Samanda Drewry
VP, Regulatory Compliance & Licensing
11 years @SG



Phil Bauer
General Council & Corporate Secretary
25 years @SG



Jim Schultz
Executive VP, Global Legal & Public Policy
2 years @ SG



Christine Weschler
Senior VP, Legislation & Litigation
1 year @SG



Mike Conforti
President, International & Strategic Accounts
13 years @ SG



Kevin Anderson
VP, Global Strategic Accounts, EMEA
31 years @ SG



Matthias Müller
VP, International Sales & Marketing
19 years @SG



Jeanna King
VP, Creative Engagement & Events
23 years @SG



Andrew Jackson
VP, ESG
25 years @SG



Amy Steinman
Chief Human Resources Officer
New to SG

THE POWER OF POWERBALL.

UNCOVERING THE FACTS BEHIND ONE OF AMERICA'S LEADING BRANDS.

Simon Jaworski, Founder & CEO, Lotto Research

Close your eyes (ok, maybe don't have them completely closed) and imagine a brand that has a greater reputation than the World Cup (coming soon to an America near you in 2026!), provides better value than Starbucks and is recommended at a significantly higher level than the likes of TikTok, DraftKings and Ceasars.

This brand's aided awareness is also significantly higher than world renowned institutions such as American Airlines, Marriott, Major League Baseball (is it still America's pastime?) and United Airlines.

If you said Powerball, you would be correct.

Quite remarkably, for a brand without much fanfare in the landscape of these United States, when more than 30,000 Americans (the largest representative sample I personally have ever managed in 29 years of researching!) were asked which lottery, gaming or gambling brand comes to mind first, the answer once again is Powerball at 17%, beating out the likes FanDuel, and MGM Grand.

Reputation is the cornerstone of power!

The great reputation for Powerball is driven by females (who also score both Amazon and Starbucks significantly higher than their male counterparts), while American men have stronger reputation scores for the likes of BMW, MLB, McDonalds, DraftKings and FanDuel.

Value is more expensive than price.

Powerball currently sits alongside BMW in terms of 'value,' not a terrible brand to be compared with.

Powerball and Mega Millions have remarkably similar USP's (unique

selling positions), but they currently have a strong and significant advantage over other gambling and sports betting brands in terms of value proposition, loyalty, and reputation, such as MGM Grand, FanDuel and Caesars.

"Winning isn't everything, it's the only thing." V Lombardi

One interesting way to get at what a brand stands for is asking an unaided 'key word' association. Powerball is strongly connected to 'Winning'. However, the word 'Jackpot' is significantly lower as a 'top of mind' word among younger Americans (18-34-year-olds), when compared to older Americans, who have witnessed many more jackpots above \$500m in their lifetimes.

The biggest risk is not taking any risk...

In terms of its aided key words (respondents were asked to select words shown to them), Powerball is strongly associated with two major words or phrases - 'Lucky' and 'Risk Taking.' Meanwhile younger Americans (18-34-year-olds) over-index on Powerball's word associations with terms like 'Rewarding', 'Thrilling' and 'American'.



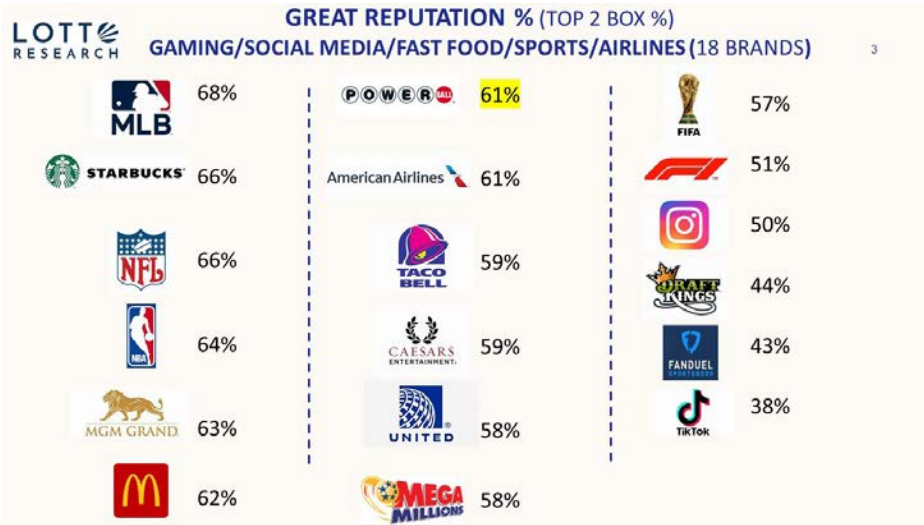
LOTT
RESEARCH

The fact that different generations across America think about the Powerball brand in different ways is definitely a positive for all the ad agencies and marketers in the Lottery industry, allowing wider scope for verbiage and imagery in games, advertisements and promotional tools.

Understanding Powerball and add-ons. An opportunity for new players?

Two-thirds of Americans claim they understand how to play Powerball. This is driven predominantly by males (75%) over females (62%), although as a male myself, I often overestimate how much I actually understand about anything and everything in this





Applying Powerball's strengths to the future of Lottery.

Picture the scene. New Jersey. July 2026. Following the Powerball NFL Super Bowl promotion in February '26, in which Powerball second chance winners were offered the opportunity of winning tickets to the World Cup final, the USMNT (that's the U.S. Men's National 'Soccer' Team for those uninitiated), warm up with balls numbered 1 to 26 to represent the 26 potential red bonus balls. After the warmups, legacy U.S. men's and women's soccer players take penalty shots with those same Power balls to determine the winners.

It is time to dream bigger, utilizing the undoubted power of our Powerball.

Trust me, I'm a researcher. ■

Simon Jaworski
 Founder & CEO, LottoResearch
simon@lottoresearch.com

About the research.

This research project, commissioned by the Multi-State Lottery organization, was an all-encompassing venture conducted by Lotto Research, with balanced interviews across forty-six of the forty-seven seven U.S. jurisdictions that sell Powerball. The total number of online completes was a little more than 43,700, with state representative samples ranging from n=2,000 at the higher end for the likes of Texas and California, down to n=250 in Maine and Delaware, the results of which were all balanced to state demographics for age, gender and ethnicity. The national sample was also balanced by region/states, and for age, gender, ethnicity, and Hispanic/non-Hispanic residents.

The analysis contained in this article represents Lotto Research's interpretation of the results of the research. MUSL and all the state lotteries are still reviewing the full comprehensive report and the individual state level reports as this article goes to press.

All forty-six jurisdictions received their own state level report for the Powerball Brand Study, but if anyone reading this would like to know more, don't hesitate to get in contact with the MUSL team, led by Bret Toyne.

world, which is why my wife hires professionals to do even the most routine household improvements. That said, only just over half of 18–34-year-old Americans claim they understand how to play Powerball right now, so there may be an opportunity to engage with the Gen Z's and younger Millennials sooner rather than later.

One of the most interesting data points in the 15-minute questionnaire came from the Powerball add-ons information. Just over half of all Powerball players 'usually' buy an add-on to their Powerball game, and this number skews noticeably and significantly younger, with three quarters of 18–34-year-old Powerball players claiming to currently buy an add-on. This alone may provide current state jurisdictions without Double Play to build a case for attracting that all important 'new' consumer.

Powerball partners for the future

Powerball's undoubted strengths in the U.S. marketplace have often been questioned by so called 'bigger' brands, but this research firmly underscores the fact that Powerball is among the best and brightest brands in America, and certainly top in the Lottery and Gaming world.

The most forward-thinking aspect of the research was the brand partnership section.

Lotto Research asked more than 43,000 people what brands they felt would be best for Powerball to partner

with in the future. Americans believe Mega Millions is the best brand for Powerball to partner with. This was a perfectly logical and expected response. However, we the people then selected some very intriguing partners out of the thirty total brands tested. The NFL was a particularly strong second place choice after Mega, with MGM Grand, 7-Eleven, Caesar's, Draft Kings, FanDuel and Coke all being brands Powerball should strongly consider partnering with. Perhaps some of these major brands would think about a partnership once they have viewed all this information.

Generational brand partners for Powerball.

Younger Americans recommend the top sports brands (NFL, NBA) as Powerball partners, which will be music to every brand manager's ears, while 55+ Americans are significantly more likely to recommend gambling brands such as DraftKings, FanDuel, Caesar's and MGM Grand.

How iLottery is helping state lotteries remain 'top of mind'

As discussed in the May/June issue of PGRI Magazine, unaided 'top of mind awareness' is strongly and significantly higher for 'State Lotteries' (net) and 'Lottery Games' (net) in iLottery states, compared to non-iLottery states. For those states whose revenues may have started to level off, this may be a good way to help the legislative body understand the power of being in a consumer's hand (literally) every day.

Turning LVMs

Into MVPs

Part 2



What makes self-service a win for players, and how can effective execution make a difference?

In fulfilling their mission to generate funds for beneficiaries, lotteries know there is always an opportunity to take a fresh look at strategies to increase player satisfaction and drive sustainable growth.

Self-service optimization is immediately actionable for most lotteries and holds enormous potential upside for lotteries, retailers, and players.

As discussed in Part 1 of this article (PGRI May/June), data analysis by IGT shows that

retail locations with an LVM to complement the sales-counter offering consistently outperform those without an LVM. Based on RMI data for sites that report vending sales, the average weekly lottery sales for retailers with lottery vending is \$11,866, versus \$7,405 for those without — amounting to more than 60% greater sales.

Jurisdictions with fully optimized LVM networks provide roughly one vending machine per 1,000 inhabitants, with a ratio of vending to retail points of sale of about 70%. While the optimal target will vary by state — based, in part, on the trade-style mix — a view across the U.S. lottery market by retailer type reveals the extent of the untapped opportunity to add vending (see orange on graph).

Once you've made a commitment to offer self-service, how do you make the most of it? The mix of instant games stocked is critical.

“This is why we support our customers by first working to optimize the portfolio and product mix before they add or move machines,” says Nat Worley, IGT Vice President North American

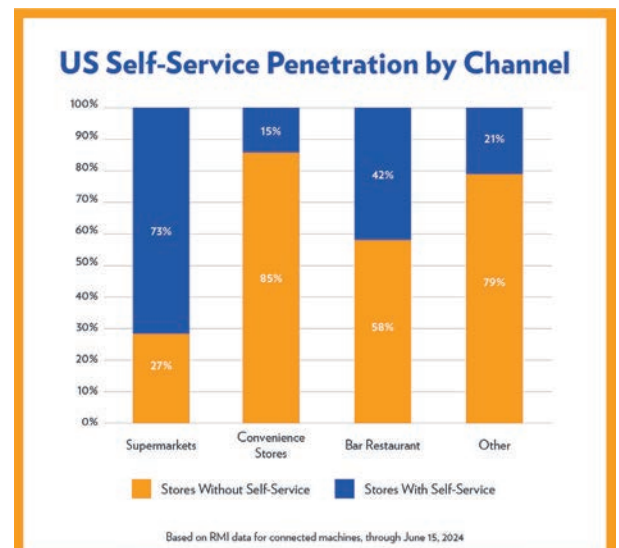
Sales Development. Additional points of sale can only perform best when they offer the games players want to buy. And even when the game mix is right, another important piece of the puzzle is ensuring that LVM bins remain properly stocked to avoid player disappointment and, over time, potential disengagement.

Optimizing via Space-to-Sales Analysis

Space-to-sales analysis of instant games by price point helps lotteries maintain a balanced

How Optimizing LVMs Makes It Easier for People to Play

- ✓ Improve player convenience
- ✓ Connect with new players
- ✓ Ensure that the products players find most appealing are available
- ✓ All of which help to sustainably drive sales



offering and make available more of the products players find appealing.

The analysis compares the percentage of sales that come from each price point to the percentage of bins allocated to that price point. If the percentage of bins is much higher or much lower than the percentage of sales, the ratio is out of alignment.

“Beyond missing opportunities, being out of alignment creates extra work and potential problems at retail,” explains Andrew Hill, IGT Director Marketing and Same Store Sales for North America. “If you have multiple bins full of \$X games that are selling very slowly, it means players have lost excitement for them. And if very few bins are dedicated to a price point that’s selling rapidly, retailers constantly need to go in and refill them, which creates many more opportunities for out of stocks to occur — and even opportunities for theft. When bins are more correctly allocated to each price point, it also makes things easier on a lottery’s inside sales team, on their sales force, and on their retailers. And all of that makes the experience better for players.”

IGT’s Sales Development team reviews space-to-sales analysis with lottery customers to confirm what product mix will help players find games they want and produce returns to a state’s beneficiaries.

“When we do rate of sales analysis,” Hill continues, “we look at it from the lottery’s perspective with a focus on lottery profitability.” In addition to the standard rate of sales analysis, the team also analyzes bin profitability — the weekly profit per bin produced for the lottery to return to the state for good causes — informing adjustments to the price-point mix. If there is a price point that players rarely choose, fewer bins are needed for that price point. “It’s common sense to offer more of what players want to buy, and any business would be making a similar move when confronted with that data,” he observes.

Not all lotteries use planograms, and among those that do, not all strictly enforce them. When a lottery sees the space-to-sales data, sometimes the mix of games faced at retail turns out not to be what they intended to display.

“We can look at the penetration data with a lottery and determine the implied planogram,” Hill continues. “If a lottery has an average bin count of 36 games, for instance, then the top 36-most-penetrated games is essentially their planogram — what is actually faced in the majority of the lottery’s retailers. It can be eye-opening to see that, and if that doesn’t align with what a lottery had

expected it to be, that’s definitely a starting point for optimization. Whether or not a lottery uses planograms or even the word planogram, what’s the mix of games they want a consumer to see when they walk into a retailer? We can help lotteries determine that mix and other opportunities with meaningful upside. If they’re adding LVMs, we can help them make strategic decisions on what to face in those bins.”

While lotteries can do this strategic analysis on their own, many like to review it with IGT analysts. “We can share a national or international perspective to help identify relevant leading practices or pinpoint what has worked well in other jurisdictions and bring those successes forward,” Hill notes.

There’s a Tool for That

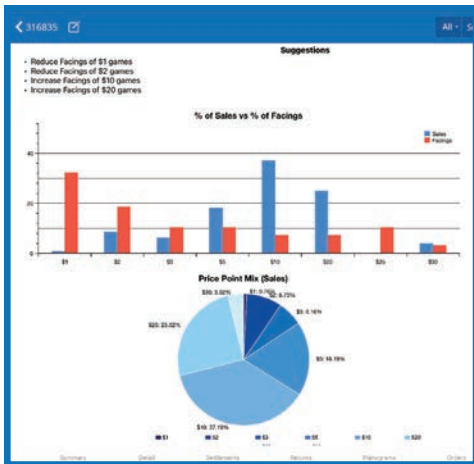
IGT’s Sales Wizard provides Lottery sales teams, including sales reps in the field, with Space to Sales analysis for each retailer. It calculates the percentage of sales coming from each instant ticket price point, compares that to the number of facings a lottery offers at each price point, and recommends increasing or decreasing the number of facings for that price point based on the sales by facing. While not vending-specific, lotteries can use it for vending.

Space-to-Sales Analysis in Texas

Many stores in the state have 60+ lottery games available at any time. With just under 20,000 retailers to manage, lottery sales representatives in Texas use space-to-sales analysis to customize the Lottery’s price-point planograms for a particular store location. “Space-to-sales analysis helps us create a mix aligned with how players are purchasing at each store. While every store is unique, we can design a plan that is aligned to that part of the city or the state,” says Derek Meier, IGT Senior Manager Order Fulfillment. The Space to Sales function within IGT’s Sales Wizard tool also helps lottery sales reps in Texas work with retailers to face the correct price-point mix.



A key aspect of how the sales team manages the business effectively is the use of the Scratch Sales Summary function in Sales Wizard. This can help reps forecast which games should be removed before a new game launch. Using the validation-based sales data, reps can determine how many packs of a scratch game retailers will sell through before a new game release and adjust the inventory accordingly. You can’t return a partial pack; however, you can forecast how many tickets a retailer will sell of a particular game before the new scratch game is launched and remove excess confirmed inventory to allow the game to sell out. This creates room for the new game to be activated as soon as possible.



“There are a number of ways you can take action on that data,” says Danielle Davis, IGT Director of Product Management, Retailer Management and Optimization. “One, am I selling the best games within each of my price points? Two, if a lottery is trying to get retailers to follow a planogram, sales reps can look at the data to see if a retailer is out of compliance, and the suggestions from the tool can guide them to planogram compliance. A third way you can use it is to support bin expansion. For example, if \$X games have fewer facings, yet their overall sales are strong — showing they can support more bins — you could increase those facings. Or you could do a simple swap in/out with another price point.”

The Space-to-Sales screen in Sales Wizard graphically presents analysis of each retailer’s instant game mix and recommendations to optimize (see figure). It also shows the sales per facing by price point, as well as the overall average sales per facing for each retailer. This information has been successfully used by lotteries to help their retailers efficiently right-size their display by optimizing their price-point mix and increasing their ticket facings.

Minimizing Out of Stocks (OOS)

Keeping all LVM bins full directly correlates with optimal sales by providing game choices to players.

A successful method for boosting self-service sales by addressing empty LVM bins was implemented in recent years by IGT Indiana, responsible for Hoosier Lottery marketing and sales support.

The approach measures success through the **Full and Available percentage (F&A%)** metric, where 0% is ideal for OOS, 100% is the target for F&A.

To achieve this, IGT Indiana implemented a series of strategic initiatives:

Out-of-Stock percentage (OOS%) is a metric calculated based on the percentage of bins in lottery vending machines (LVM) that have run out of tickets.

By tracking OOS%, lotteries can create plans for specific LVMs and limit lost sales due to empty bins.

Although some of the metrics utilized by the different jurisdictions vary, the results are clear: Keeping the OOS% low has a direct, positive impact on sales.

- Integrating self-service revenue as a fundamental pillar across the organization, while also incentivizing the sales team and retailers based on F&A% performance;
- Leveraging an IGT terminal tool that alerted retailers when LVMs had OOS bins;
- Prioritizing field-service support for LVM repairs and developing advanced reporting tools for better insights. Leveraging network connectivity, it obtained near-real-time data on machine performance and enhanced LVM features to provide retailers with actionable inventory information.
- Targeting high-volume retail locations for support;
- Collaborating closely with sales reps and analytics teams to optimize LVM placement and maximize capital investment.

The efforts collectively resulted in significant improvements in self-service sales and operational efficiency for IGT Indiana and the Hoosier Lottery. Since IGT Indiana began tracking self-service data in FY14, its total self-service scratch-offs sales has tripled, jumping from \$74m to \$222m in FY23, with self-service growing on a consistent basis every year. In FY16, self-service machines had an F&A% of 90.6%, which equated to more than \$10m in potential sales lost to empty bins. **From FY16 to FY23, the average yearly Full and Available percentage has risen to a record 97.4%.**

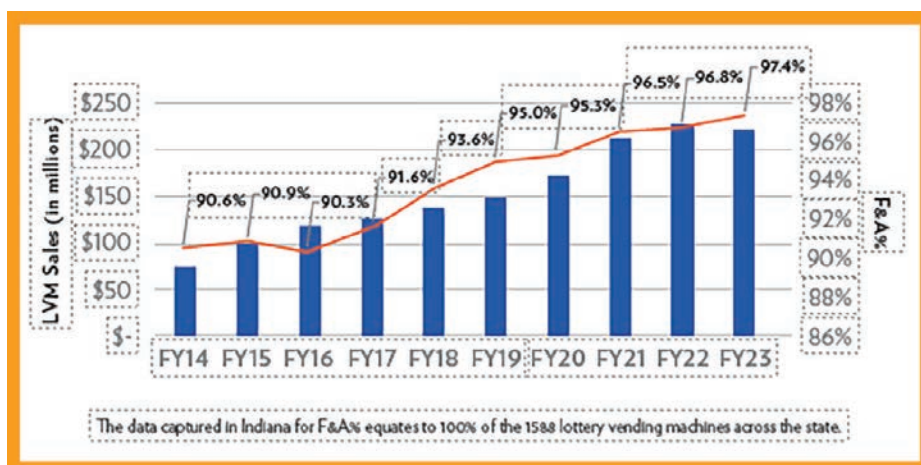
For more on how lotteries are using leading-edge data and analytics for LVM optimization, see **Part 1 of this article in PGRI May/June.**

For detail on two jurisdictions where lotteries have spent years perfecting the art of keeping LVM bins full, read a case study at: igt.com/products-and-services/lottery/case-studies. To learn more about how IGT teams and tools can assist with LVM optimization, contact your IGT representative.



Maximizing Full and Available meets player demand while driving sales growth across the self-service network.

Clayton Atkinson, Vice President of Sales, IGT Indiana on behalf of the Hoosier Lottery



End-to-End Efforts at Walmart

“Walmart’s lottery team is committed to working out of stocks at every level with a set of initiatives spanning from corporate to the stores, and down to the individual machines,” notes IGT’s **Gina Easley, IGT Senior Manager National Retail Accounts**, who plays a pivotal role translating the retailer’s goals and leading practices across 22 IGT-customer jurisdictions and has worked closely with Walmart in the decade-plus journey since its first lottery pilot.

The retailer’s corporate team processes the lottery sales reporting they receive from around the country, filtering and consolidating where needed for use by the division managers. The team also communicates and shares reporting with the store level, and is focused on locations that regularly have a problem with out of stocks.

At the store level, IGT added the option of a lighted indicator on top of its GameTouch™ 20s vending units to alert Walmart associates of issues related to the machine’s status, such as the need to refill a bin. “Focusing on out of stocks at the store and LVM level raises the importance in associates’ minds of attending to any issues quickly,” says Walmart’s **Sheri Brogdon, Senior Manager II – Lottery**. The retailer is also working with IGT to consider the business case for sending real-time alerts to Walmart associates’ handheld device. If implemented, such timely prompts would directly alert associates of the need to fill paper, refresh games, load empty bins, and other key actions.

The retailer is now in the process of supplementing many of its 20-bin machines with full-size vending options on the front walls of its Supercenters and in the stores’ Grab-N-Go cooler areas, a newly approved location near the self-checkouts. Having at least two areas in the stores that can accommodate full-size vending units not only increases the number of bins that can be optimized, it raises the visibility of the lottery program.

When it comes to visibility, Walmart’s lottery program further benefits from its unique “Re-Grand Opening” events. The recent implementation of the retailer’s lottery program at Supercenter locations in Michigan is a prime example. The rollout in Michigan is the

Walmart Out-of-Stock Initiatives at Every Level



retailer’s 35th state to offer lottery sales. The rollout began in late April, with the first lottery installation taking place in conjunction with the Re-Grand Opening of a newly renovated Supercenter.

The Michigan Lottery offered giveaways at the event, with its sales representatives and IGT’s field merchandisers on site engaging players and store associates to help energize the launch and inform consumers that lottery was now available. The retailer welcomes lottery participation and is now working with the Michigan Lottery to create similar events at additional locations, as well as the Michigan launch of Walmart’s Ambassador program, which has been effective and well-received in other states to drive awareness of lottery availability.

Walmart continues to expand the lottery program to new states.



In April, Michigan became the 35th state to launch lottery with Walmart, and the first state where the retailer has deployed only IGT GameTouch 28™ full-size vending units. When completed, more than 150 of IGT’s GameTouch 28 self-service units will be found among 90 Supercenter locations in the state.

EL INDUSTRY DAYS 2024

PROMISING INITIAL FINDINGS ON THE POSITIVE IMPACT OF LOTTERIES

The initial results of the multiple studies and projects on the impact of lotteries were presented and discussed at the 10th edition of The European Lotteries (EL) Industry Days, held from 16 to 19 June 2024 in Salzburg. The impact of the EL members on society is even more positive than we could have hoped.



EL President Romana Girandon and Austrian Lotteries as the host, officially opened the EL Industry Days all about "Creating Positive Social Impact Together". The Industry Days are supported by EL Level 1 Partners IGT and Scientific Games, and Level 2 Partner NeoGames (now Aristocrat Interactive iLottery).

Academic Insights on Social Impact

Preliminary results from a University of Lille study on the social value of lotteries were presented. Initial findings from France and Belgium demonstrate a positive impact of lottery games. As the econometric model will be applied to more international data, future research over the next 12 months will provide a better understanding of the (positive) societal benefits of lotteries.

EL Impact Report Shows Promising First Results

By prioritising the purpose of lotteries – to promote and defend a sustainable lottery model – EL and its members aim to be recognised leaders in Positive Social Impact. EL's aim is to build up an Impact Report, to show a comprehensive

overview of its members' sustainability activities. First elements show that this report can become leading in the sector. Initiatives, best practices and case studies emphasis positive social impact they have and their valuable contributions to society.

Here not only the diverse projects to support grassroots sports, culture, heritage or healthcare were presented. EL leads the way in underlining the importance of player protection, next to a zero tolerance towards illegal activities.

A CEO panel debate on this topic concluded that targeted communications, transparency, trust, innovation, collaboration, promoting funding for good causes, and shared values could

further showcase lottery leadership in social sustainability. Furthermore, various insights were presented in EL's environmental initiatives, focusing on the promotion of certified paper in the sector as well as the measurement of carbon footprints. EL's 4th class of its Women's Initiative in Lottery Leadership (WiLL) was highlighted in the programme as well.

Collaborative Projects and Partner Contributions to Sustainability

New initiatives such as the EL Heritage Project, called on EL members to come together to safeguard and protect the



EL Initiatives, panel discussions and a celebration of the WiLL class 2023-24 all contributed to the Industry Days' programme



A CEO Panel Debate highlighted the importance of showing lotteries' positive social impact on society

cultural heritage of lotteries. Examples were given from El Gordo in Spain and The National Lottery in Belgium where the first modern lottery game was born, back in 1441 in Bruges.

Collaborative projects with partners ENGSO and Sport & Citizenship were announced, emphasizing the unifying power of grassroots sports to unite and drive positive social impact. Notable initiatives included "Football shirt Friday" by Danske Spil in Denmark and projects in North-Rhine Westphalia supported by WestLotto.

EL's partners IGT, Scientific Games and NeoGames (now Aristocrat Interactive iLottery) presented their far reaching projects and work on creating a sustainable impact on society as well. Although these initiatives may be not highlighted in the everyday services to their clients, these suppliers are taking initiatives as water based printing, electrical transportation methodes, extensive reports and award winning innovations. EL's partners show true leadership in supporting the sectors initiatives to create positive impact.



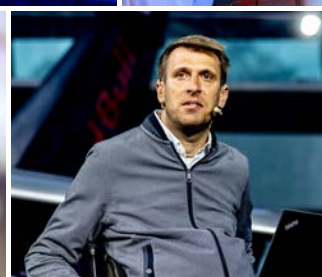
Thanks to EL Partners for supporting the Industry Days. From left to right: Pat McHugh, CEO, Scientific Games, Renato Ascoli, CEO, Global Lottery, IGT & Chris Shaban, Managing Director, iLottery, NeoGames

Looking ahead – Building a Better Future

EL and its members strive to make their positive social impact bigger and further reaching, to differ from illegal operators, and showcase their valuable contributions to society. Over the coming months, more evidence will be gathered on the importance of preserving the sustainable lottery model for society. These findings will be presented during the 2025 EL Congress, organised in Bern and hosted by Loterie Romande and Swisslos.

General Assembly highlights

On the occasion of the General Assembly in Salzburg, EL members endorsed



The Industry Days were moderated by EL's Lucy Lenaers-Mathieson, and inspirational speakers brought their personal stories to participants.

the co-optation of Mr Ionut-Valeriu Andrei (CEO, Loteria Română) into the EL Executive Committee. The National Lottery Authority of Ghana was approved as a new EL Observer member and the following as Associate members: Greentube GmbH, Allodium Games s.r.o., Custom Group and Optimove. The membership of Caspian Tech was discontinued due to non-compliance with the mandatory responsible gaming certification. The General Assembly decided to consolidate all activities at its Brussels headquarters, thanking Loterie Romande for its longstanding support of the EL Lausanne office.

View a video of the EL Industry Days:
<https://vimeo.com/968613904>

View a video of Romana Girandon on the Positive Impact of lotteries:
vimeo.com/936673706



The EL General Assembly 2024 took place on the occasion of the Industry Days

Scenes from EL Industry Days in Salzburg, June 16-19



1. Susanna Saikkonen, Veikkaus 2. Stéphane Pallez, FDJ 3. Peter Simoner, Austrian Lotteries with colleagues 4. Wendy Montgomery, IGT
 5. Hansjörg Holtkemeier, Deutsche Klassenlotterie Berlin 6. Arjan Van T' Veer, EL 7. Andrew Jackson, Scientific Games 8. Hangar 7 venue
 9. EL Public Affairs Coordination working group 10. Romana Girandon, Loterija Slovenije & Andreas Kötter, West Lotto
 11. Winfried Wortmann EL Honorary President 12. Marie Denitton and Stefan Bergh, ENGSO 13. Children's Theatre Choir Salzburg



15. Patricio Carceles, Maria Medina, Sara Reyero, Alfonso Galiano and Oscar Castro, ONCE 16. Stefan Konradsson, Íslensk Getspá 17. Jean Luc Moner Banet, Loterie Romande
 18. Laura Feliziani, IGT Italy 19. Opera singers 20. Václav Štěpán, SAZKA & Dimitra Voulgari, OPAP 21. Samuel Awuku, Ghana and Romana Girandon
 22. Lajos Szabo, Zsófia Banhegyi, Karoly Sarkadi, Gyorgy Simon, Szerencsejáték Zrt 23. Kinga Toth, FDJ and Aisling Troy, Premier Lotteries, Ireland
 24. Ronen Grinfeld, Shabtai Tsur, Meir Bardugo, TOTO Israel Sports Betting Board 25. Rebecca Paul, WLA 26. Vincent Perrotin, FDJ
 27. Bryndis Hrankelsdóttir and Guðrún Indriðadóttir, Happpdrætti Háskóla Íslands 28. Claudiu Mindrut, Dragos Nicola-Badita, Ionut-Valeriu Andrei, Raluca Dimitriu-Chirita 29. CEO Panel

EL Annual Report 2023: A Year's work on Positive Social Impact

The latest EL Annual Report highlights a year that stands as further evidence of the significant impact that lotteries are making as responsible, forward-thinking and innovative entities. In 2023, the election of a new President and Executive Committee brought with it a new strategy and advancements in the field of responsible gaming, sustainability and innovation, all reflecting EL's members commitments to create a positive social impact for the benefit of society.

Unveiling EL's New Strategy

With the new Executive Committee came a refreshed EL Strategic Outline for the period 2023–2025. The strategy focuses on three key areas, essential for achievement the strategic goals: positive social impact, effective communications and responsible innovation facilitation. In 2023 EL started to showcase the first evidence on how its members are increasingly shaping the European games of chance landscape towards responsibility, sustainability and inclusion. Simultaneously, EL and its members remained a community of accomplished market players, as evidenced by the achievements and success stories in 2023. EL's

members contributed 22,2 billion euros back to society – from sport and cultural heritage to healthcare and services for the disabled.

"Looking Forward" – EL Congress & Trade Show 2023, Šibenik (Croatia)

The 10th edition of the EL Congress was a highlight last year, with a record number of participants, top keynote speakers, a Trade Show and award winning advertisement commercials. The Congress was a chance to reconnect and look to the future of lotteries, emphasising the ongoing commitment to innovation and growth in the lottery sector.



68 EL Members

Contributing to the EL Report 2022.



€22.2bn

Money for Society.

11% higher contribution from EL Members to society than the previous year.



51,344

Direct full-time employment. (Yearly average number of full-time employees).

EL and its Members believe sustainability topics such as diversity, equity and inclusion (DEI) are of crucial importance in the workplace, for the advancement of society and to ensure fairness and inclusion for all.



€38.3bn

Gross Gaming Revenue (GGR). Sales minus prizes of the five gaming Categories.

57.8 percent of the GGR generated by EL Members went back to society (not including sponsorships) in the respective countries.

Source: EL Members who took part in the 2022 survey; data being collected and aggregated by Kantar CZ, 2023.

Responsibility and Sustainability at heart of EL activities

At the core of national lotteries as EL members lies a common heritage of responsible games for public good. In 2023, EL continued its efforts to promote responsible gaming. Thanks to its Support Programme, by the end of the year, all EL Members successfully achieved independent Responsible Gaming certification, or a commitment level. This achievement is unique in the sector.

Significantly upgraded EL Sustainability Guidelines in 2023 have strengthened the lotteries' commitment across broader topics. By the end of the year, over 40 percent of EL members had signed the voluntary EL Environmental Initiative, also benefiting from the newly introduced Support Programme.

The fourth European class of WILL – Women's Initiative in Lottery Leadership – welcomed a record number of participating female mentees in 2023 (11 in total). For the first time, four male colleagues stepped forward as mentors. WILL was also recognised externally as a 2023 finalist for the DEI award from the European Society of Association Executives.

Advocating & promoting the interest of EL Members

In 2023, EL actively engaged in policy debates at both supra-national level and, when asked by a member, at national level. The Association continued to advocate for the sustainable lottery model



Caption: A spectacular firework display opened the EL Congress in Šibenik in 2023

that it so importantly promotes and defends. For example, EL welcomed the European Parliament's adoption of its resolution on "Consumer Protection in Online Video Games," but called for the clear separation to be maintained between gambling and gaming.

As part of strategic advocacy efforts at EU level, EL, together with the Public Affairs Working Group developed a series of position papers on key topics, namely, consumer protection and responsible gaming, taxonomy, videogames & Web3 and sport integrity. EL continued to address regulatory challenges, such as gambling advertising restrictions, by updating the Antwerp Resolution in 2023, and emphasising a risk-based approach to gambling regulation.

Forward Thinking

With its new strategy and continued dedication to responsible gaming, sustainability, and innovation, EL is well-positioned to lead the lottery sector towards a responsible and sustainable future. The Association grew successfully in 2023, as a

vibrant community with its own unique culture and a profound mission: for the benefit of society.

The work continues into 2024 to further show the importance of the sustainable lottery model, and to fight illegal gambling activities. The visibility of EL members' positive impact as well as to protect the players with the highest standards towards responsible gaming will also be showcased.

Visit [european-lotteries.org](https://www.european-lotteries.org) for further information about the services provided by EL.



The European Lotteries
**Annual 20
Report 23**



Direct link to the EL Annual Report in its entirety:

https://www.european-lotteries.org/system/files/2024-06/EL%20Annual%20Report%202023_FINAL.pdf

Lotteries in Europe: At the Service of the Common Good

A new chapter begins for European Union (EU) governance for the next five years. In early June, the new European Parliament was elected and during the first plenary session in Strasbourg (15–19 July), Roberta Metsola was re-elected President of the European Parliament, and Ursula von der Leyen re-elected as European Commission President.

During the new EU Mandate (2024–2029), EL remains committed to closely monitoring key policy developments

relevant for the lottery sector. Lotteries are not just games of chance; they are integral to the social fabric of Europe, and by acting for the public good, European society gains every year over 22 billion Euros in total.

EL and its Members therefore believe it is crucial to safeguard the important societal role of lotteries and to protect the sustainable lottery model at national and European level.

EL Manifesto

In light of the new European Parliament and incoming European Commission (Autumn 2024), EL has published its eight most important focus points in its Manifesto. The aim is to inform EU policy makers on the importance of national lotteries for society, to safeguard the sustainable lottery model, and to build alliances and relations with relevant stakeholders and influence debates at European level.

FOCUS POINTS

Maximising Positive Social Impact, While Minimising Harm

Safeguard National Lotteries Unique Role for Society

In 2010, the EU Council recognised the positive impact lotteries make for society. EL calls on the EU institutions to reaffirm and protect the unique role national lotteries play for society in all EU Member States, the cultural heritage enshrined in their historical traditions and their principles.

Fight Illegal Operators and Their Online Content

Any operator offering gambling services to consumers in an EU Member State where it does not hold a national license, is de facto an illegal operator. EU policymakers should clearly distinguish legal from illegal operators. EL welcomes the concept of trusted flaggers introduced by the Digital Services Act, as a powerful tool in the fight against illegal content online in the lottery and wider gambling sector. What is illegal offline, should also be illegal online.

Tax Operators in the Consumers' Country

Illegal operators avoid paying taxes in the countries where they operate. By doing so, they can offer more appealing pay-out rates, creating an unfair competition to the EL members. EL urges EU institutions and EU Member States to ensure that all gambling operators pay taxes in the country of the consumer. However, operators do not become legal solely by paying taxes.

Strengthen Consumer Protection by Leveraging National Expertise

Because of its peculiar nature, the sector is exempt from specific EU legislations, with the European Commission rather opting for non-legislative initiatives on this matter. EL calls on the EU institutions to maintain such approach, recognising that EU Member States are best placed to address local needs and achieve the highest level of consumer protection in the gambling sector.

Take a Risk Based Approach to Advertising

Advertising plays a crucial role in channelling consumers towards the legal and safer offerings. It should be handled responsibly at national level in strict observance with the risk based approach. High-risk games should be subject to more rigorous rules than the low-risk ones (lottery games).

AI in Digital Gambling: Explore Opportunities, Prevent Misuse

While AI can play an important role in consumer protection and responsible gaming, it also poses risks when misused. To ensure integrity, AI implementations in the lottery sector must be carefully assessed and ethically deployed, in line with EU and national applicable legislation.

Sport Integrity: Urge the ratification of the Macolin Convention

EL supports the Council of Europe's Convention on the Manipulation of Sports Competitions and its key definition of "illegal sports betting": "any sports betting activity whose type or operator is not allowed under the applicable law of the jurisdiction where the consumer is located". EL invites EU institutions and all EU Member States that have not done so, to ratify the Convention.

Include Lotteries into Environmental and Future Social Taxonomy

In any future discussions on the review of the environmental taxonomy or the future social taxonomy, EU policymakers should take into account the unique characteristics of lotteries. A broad sectoral exclusion would harm EL members by hindering their collaboration with investors and insurers.

The manifesto can, and should also be seen as a document that in general addresses the most urgent topics that the lottery sector is facing Europe wide. Some 20 EL members operate in non-EU countries with issues that are in many ways similar to

those members within the EU-sphere. The manifesto acts also as an integrated part of the strategic outline of EL.

Read the full EL manifesto: <https://shorturl.at/pWiWH>

Responding to the Changing Face of Retail

Over the last 10 years, while the U.S. GDP has grown 62% and instant ticket sales have increased by 72%, the lottery player base has remained fairly consistent, with monthly instant ticket players comprising around 30% of the population. Revenue growth has been largely driven by higher-priced ticket strategies, with 30 of the 49 North American lotteries now offering tickets at \$50 and above. This revenue model relies on a static player base, creating a challenge for lotteries: how to grow revenue responsibly and successfully with a broader player base.

While digital products offer new ways to grow revenue, retail remains a central driver of lottery sales. There is no doubt that COVID-19 catapulted retailers into uncharted territories, forcing them to quickly pivot and adapt amid uncertain times. It also emphasized the value of lottery retail partners to the overall success of lottery. As we get further away from the pandemic years, lotteries need to consider the persistent headwinds, the encouraging tailwinds, and emerging technologies that shape the retail environment today, as they explore and implement solutions that will support lottery retailers through an evolving market.

Persistent Headwinds – Trends Challenging Purchasing Behavior

A recent online survey in Michigan shows that 54% of scratch ticket sales are impulse-based. Retailers, however, are facing trends that contribute to downward pressure on spontaneous instant ticket sales. For example:

- E-commerce and buy-online-pickup-in-store (BOPIS) continue to grow. The United States is the largest BOPIS market in the world, with about 10% of all online sales involving pick-up. Now, nearly one-third of consumers who online shop use BOPIS, an increase of about 33% over last year.
- Still finding its place in retail is self-checkout, which remains a popular choice for many shoppers and reduces the opportunity for impulse purchasing. New formats, like Amazon GO walk-out stores and their Dash Cart technology, continue to evolve and change the transaction

processes for instant tickets. Over the next few years, Circle K, a key lottery retailer, is launching thousands of AI-powered self-checkout systems that do not utilize barcode technology.

- When it comes to refueling at gas stations, our research shows that light and lapsed scratch players—who are prone to impulse purchases—are more likely to use pay-at-the-pump or mobile apps.

Convenience stores, which account for roughly 70% of instant ticket sales, continue to dominate the retail landscape with approximately 150,000 in the U.S., while grocery and dollar stores number 45,000 and 40,000 locations, respectively. C-stores have faced their own challenges over the last couple of years, which have limited new location growth and led to a decline in the size of the lottery retailer network overall.

Encouraging Tailwinds – Some Good News on the Horizon

While challenges remain, positive signs and exciting opportunities are emerging in the retail environment. C-stores that have weathered the storm are thriving, driving increased sales per retailer over time. In fact, Convenience Store News reports that convenience store traffic has been up by more than 60% over the last four and half years. This has been attributed to increased inflationary pressure, which has driven people to explore lower-cost food options; C-stores have made enhancements to their models in response, making investments in store style, size, and offerings, to attract more price-conscious customers, allowing them to compete with traditional retailers. A good example of the shift in convenience stores is Maverik, now with 380 locations in 12 western states. With a core value of “Creating the coolest convenience-experience on the planet,” stores are designed to make customers feel as if they’re “walking into the great outdoors”, with fresh food options prepared in-store.

On the gas front, consumer behavior seems to be changing. Recent NACS research shows a rise in customers entering the store after fueling, up to 58% in 2024 compared to 44% in 2020.

The trend to offer a variety of check-out options to meet the unique needs and wants of different consumers has

emerged recently, which could present new opportunities for lottery product placement. For example, some retailers have introduced “slow lanes” catering to the elderly and those customers who value social interaction over speed of service. For customers who prioritize convenience, self-checkout continues to evolve, as retailers learn how to balance the convenience factor with labor and losses.

Adapting to Changes

To thrive in an evolving environment, lotteries and retailers need solutions that put instant tickets in the path of purchase in critical retail channels, like C-stores, as well as expand to other channels, such as dollar stores and grocery by reducing friction in the purchasing process. Through our subsidiary Schafer Retail Solutions +, Pollard Banknote is committed to deploying new merchandising solutions to respond to these unique challenges.

For example, our easyVEND™ solution is an integrated in-lane dispenser that allows the player to purchase tickets along with their other goods, creating a frictionless transaction and dispensing experience that is vital for any retailer. Select 4™ is a compact, four-game instant ticket vending machine designed for social spaces such as bars and sports lounges and provides a viable solution to the opening of new retail channels, especially those with ample foot traffic, like gyms and coffee shops.

Visibility within retail locations is critical, especially since shelf and counter space is so crowded. Installing eye-catching merchandisers that cut through the clutter, like our Digital Menu Board (DMB), encourages players to make spontaneous purchases by making them highly visible. New solutions for instant ticket dispensers, such as HALO, our lighted enhancement kit that mounts on existing dispensers, demonstrates that light and color attract the player and stimulate that important impulse purchase in a crowded retail space.

As the retail environment continues to change, lotteries and their retailers will need to implement a range of solutions that encourage purchase behavior and reduce transaction friction in a diverse and ever-evolving retail space that includes convenience stores, gas stations, grocery, and other multi-lane stores. ■

Addressing the future of lottery sales, **Jason Barrs** highlighted the importance of continuing to value partnerships with retailers. “Lottery revenue last year was around \$108 billion; sports betting was about \$7.5 billion but growing 75% year-on-year. Currently, about 90% of Lottery’s revenue comes through retail channels.

We need to continue to treat our retailers as the valued partners that they are and come up with innovative solutions together so that we are generating digital sales with and through retail media networks.”

Moving on to retailers’ attitudes toward Lottery, Tom asked the panel to comment on changes that they’ve seen and how they are adapting to those changes.

Responding first, Justin drew distinctions between two categories of retailers. “The independent retailers love Lottery and are really willing to work with us on any ideas we have that could grow their business because they are under threat from the big corporate super retailers which are putting downward pressure on the independent retailers’ percentage of sales or market share. On the other hand, those corporate super retailers are also great partners. But Lottery is not as important to them, as it doesn’t fit in as well with their overall model and strategies.”

Amy Drooker agreed with the distinctions between those two categories of retailers but added that, in her experience, the big chain stores are “also really open to discussing different options for collaboration.” She also shared her perspective on retailers’ attitudes toward iLottery. “There’s a common misconception that retailers don’t like iLottery. Actually, they understand that it’s wildly growing, and they want to be connected into that. They want to get a piece of the iLottery pie.” Amy also argued for involving all stakeholders right from the start when formulating a digital strategy “because that’s the best way to ensure that the eventual strategy is executed effectively for everyone’s benefit.”

Jason described STRATACACHE’s approach to measuring customer traffic at a large U.S. grocery chain. Sensors are placed in carts and baskets, along with counters installed at doors, that map each

“Being able to incentivize our sales force is a game changer for me.”

customer’s journey throughout the store while quantifying dwell time and engagement. A unique session ID is

created, which can then be matched against the grocer’s transaction data and

loyalty program. “This allows us to measure the store like you would a website, looking at how many impressions a screen gets and comparing against transactions,” said Jason. “We can look at how many people visited a display, how long they stayed, where they came from, and where they went next. These insights inform decisions about store layout, allowing the retailer to move products around to monetize real estate. And if the customer swipes a loyalty card, the retailer can upsell through targeted advertisements online - creating a true omnichannel customer journey that provides value to both the retailer and the consumer.”

Tonya celebrated the “very, very good relationships” that the Missouri Lottery has with its retailers, which helped when negotiating a significant increase in the number of self-service vending machines across the state. However, she also highlighted some challenges encountered following that expansion. “New vending machines require retailers’ staff to stock them. And they’ve faced problems with labor shortages or clerks not showing up or not doing their jobs. So, we need to work out solutions to keep our machines full and switched on.”

Turning to the role of the clerk in Lottery, Tom asked the panel how they saw that developing in the future. Michael emphasized the ongoing importance of both clerks and store managers, who are responsible for keeping tickets loaded and displays updated. “If the clerks and managers aren’t engaged,” he said, “then we’re all going to struggle.”

Amy stressed the importance of providing clerks with the support they need to sell and process lottery tickets. “We need to give retailers lots of training videos and have QR codes on the vending machines

that show clerks how to deal with the most common problems. We have an abundance of resources for retailers on our website, and we need to support them however we can.”

Terry made the case for using technology that prioritizes the customer experience and gave the example of Jackpocket, which identified that many customers want to buy at retail but order through an app. “Jackpocket met that demand with an app that delivers what those customers wanted. And that’s probably why they’re the number one retailer in every state they’re in. So, retailers who are making decisions about self-checkout need to work out what their customers want, and the answers will differ from place to place.”

Referencing the idea that modern customers are increasingly focused on shopping speedily, Tom asked, “What can we do to try to make sure that quick visit includes an interaction with the Lottery?”

For Tonya, the key issue was product visibility and the quality of the signage and digital menu boards. Similarly, Jason talked about the placement of in-store advertising, recommending it should be right above the cashier’s point of sale if possible. Terry agreed about the importance of in-lane jackpot signs to encourage impulse purchases and posed the question, “Why is it that convenience stores are generally outselling grocery stores when they have ten times less traffic? It comes down to signage and distribution points.”

Returning to his earlier point about stores’ differing priorities, Michael again discussed those experience-oriented retailers that are trying to keep customers present for longer. He also agreed with Jason, “The closer you can get your product to the point of sale, the more you will sell. You want to have the digital displays, the actual products, and everything right there at checkout.”

On that theme, Amy reflected on the

different approaches taken by the lotteries of Kentucky and Indiana. “In Kentucky, we have digital menu boards in all of the Circle Ks, and they’re placed so that the people standing in line can access them. We’ve seen the benefits of using digital boards across Kentucky, and in some places they’ve increased Fast Play sales by up to 76%. But in Indiana, they don’t have the digital boards, but they have a tower of four right there on the self-checkout, and it’s really engaging. So, we’re going to do some testing and maybe add those towers too, so we’ll have a mixture of the old approach and the new.”

Moving on, Tom asked the panel’s opinions on the in-store media that retailers and other vendors try to sell as spaces to promote the Lottery.

Justin responded that gas station TV had been very effective for the Florida Lottery. “It lets you capture that consumer who’s not really willing to go into the store for anything else. And you can catch them in a moment of impulse, promoting your product right there at the pump and prompting them to go into the store. The only downside to it is inconsistency and making sure that it’s working properly in all the places where you’re paying for it.”

Jason emphasized the importance of owning and controlling in-store media to achieve maximum ROI. He explained, “Our partners at OLG own and control their retail media network and use it to focus on specific games, showing direct correlation with increased product sales. So, it has been valuable to them, and they’re able to control and dictate how they want to implement in-store media instead of having to beg, borrow, and steal time on a retailer-owned media network.”

In another example, Jason described recent research results from the North Carolina Education Lottery, “We saw that players were much more likely to try games featured on the Digital Menu Boards. For example, 24% of players at stores with Digital Menu Boards tried Fast Play games in the past six months, compared to just 3% of players at stores without Digital Menu Boards.”

Next, Tom asked about the effectiveness

of in-store promotions and how they can best be used to generate sales.

Tonya explained how the Missouri Lottery has a limited budget for paid media in stores, but they do use in-store promotions as part of the statewide promotion of new games, such as their recently launched Frogger scratch ticket. “We try to leverage whatever is happening at a statewide level within stores. We get into the stores and ‘tryvertise’ to expose customers to the product. And it works really well, especially when you have fun brands that create a lot of buzz at retail. For example, lottery sales reps conducted more than 200 on-site promotions at retail with the launch of the Frogger Scratchers ticket.”

Justin made the case for offering instant win opportunities as part of in-store promotions. “Instant win opportunities put money straight in the player’s pocket and give them that buzz of instant gratification, which is a big part of our business.”

Thinking about the visual side of in-store promotions, Michael stated, “Obviously, promotions can only be effective if people notice them. And that’s why you need something that’s colorful and moves, ideally something digital that changes. And if you can partner with retailers to do a cross-promotion, that’s one of the best ways of tying the two businesses together, digital and retail, and really getting people’s attention.”

Answering Tom’s question about how changing retail environments have impacted lotteries’ vending strategies, Amy shared the experience of the Kentucky Lottery. “We have a really well-established, robust vending program with around 2,200 machines spread across about 55% of our retailers. Our perspective is that retailers want time and money. And with our vending program, we’re basically giving them a free employee. And although we’re asking more of them, we’re giving them much more too in terms of driving sales and improving their bottom line.”

In Florida, the number of vending machines is limited by law, so the Lottery has only placed them in very high-performing top-tier stores. But Justin shared his concern about retailers who only want

to sell through vending machines. “It’s as if some retailers are breaking up with us. Some of them are telling us, ‘It’s our way or the highway—we don’t need you at the counter, so if you don’t want to sell out of a vending machine only, we don’t really want to sell.’ And because our retailer commission is set by law, we can’t even change that when negotiating with them.”

Sharing a success story from Missouri, Tonya explained how the Lottery there has traditionally set strict rules for retailers, such as you can only get a vending machine if you agree to take at least two. However, they’ve recently done a big rollout of vending machines in QuikTrip stores, which saw the retailer agreeing to go from having eight games at the counter to 20 or more. “We have over 5,000 new facings just with that deal,” she added, “and QuikTrip’s sales are up 30% in their lottery category, which is huge.”

Finally, Tom asked the panel about the next big initiatives that they are working on. Responding first, Amy discussed Kentucky’s forthcoming “Epic Program,” which is about recognizing and celebrating best practices among retail clerks. Echoing Amy’s earlier point, Tonya emphasized the importance of “really working on providing retailers with better tools to onboard and train their staff on issues like loading games into a vending machine.”

Michael explained how Scientific Games will continue to work with the whole ecosystem to improve retailer collaboration and use data to drive actions and accountability. For Terry and Abacus Solutions, the emphasis remains on bringing Powerball, Mega Millions, and both traditional and digital instant in-lane.

Finally, Justin was excited about a new initiative that could revolutionize sales in Florida. “Being able to incentivize our sales force is a game changer for me. No more just pats on the back, now we can really motivate the team with proper incentives, and that’s what I’m really looking forward to.” ■

LOTTERY LOVE: ALWAYS IN SEASON

Georgia, Kentucky, and Rhode Island Lotteries Catch Love Fever



IGT's popular Love Fever game is full of love, surprises, and an array of prizes to warm players' hearts.

IGT debuted a fun new instant, Love Fever, in February 2024, full of love, surprises, and an array of prizes to warm players' hearts year-round.

Love Fever boasts a tumbler mechanic with an expanding board, sweet graphics, animations, wilds, instant wins, and multipliers. In the instant game, players collect clusters of matching love-filled symbols to win prizes. Players may find that the expander symbol expands the grid, making way for even bigger clusters and bigger prizes. Players who reveal three bonus symbols can trigger the "Love-Struck Bonus," with even more chances to get hearts racing and win rewards.

IGT's Love Fever game successfully anticipated player preferences. "We hadn't

previously offered a love-and-romance-themed game," said IGT Game Studio Game Producer Georgina Sallis. "The female demographic is a major player group, and I felt this was a game that this audience would enjoy."

Cute Creative

Sallis had fun deciding what the engaging game symbols would be, like the lock and key, halo heart, and devil heart. "To determine a really clear visual hierarchy of value, where all the symbols are very lovely," she recommended that the highest-value symbol should be the most luxurious and feature the most gold, and the lesser-value-ones could be cute items like the strawberry.

Passionate about Promotions

IGT's Player Marketing team was excited to help the Georgia, Kentucky, and Rhode Island Lotteries launch, market, and create awareness for IGT's new Love Fever instant game to new and returning players. Fun promotions showcasing many engaging facets of iLottery leveraged seasonality, playing an important part of these successful Lotteries' marketing calendars.

RHODE ISLAND

The Ocean State caught Love Fever with marketing leading to a positive performance. The new game launched February 1, experiencing the third-strongest Rhode

Island first-game launch sales to date with new higher payouts, and was ranked number two in gross player counts, including very strong first three days of sales. **More than 66% of all Rhode Island elnstants players wagered on Love Fever at least once during the month of February.** The Rhode Island lovefest never ended: 73.4% of players who tried the game during the promotion continued to wager on Love Fever even after the promotion concluded.

KENTUCKY

Just six days after the game launched, the Kentucky Lottery presented “A Bouquet of Bonus Bucks” promotion from February 13-15, centralized around Love Fever. Players in the Bluegrass State fell in love with the sweet promotion for the new elnstant game.

Sales of new games typically decrease after the first seven days, but due to the Bouquet of Bonus Bucks campaign, Kentucky was able to increase sales.

From Feb 13-15, those who played Love Fever were entered for a chance to win Bonus Bucks. Fourteen players won \$100, **for a return on investment of 199.5%.**

There was a 1.3% increase in transactions, as this promotion allowed every play to be counted as an entry into the drawing.

GEORGIA

Love and romance promotions were tailor-made for the Georgia Lottery’s female audience—the predominant player segment

of the elnstant category (branded in Georgia as “Diggi Games”).

After the Love Fever Diggi game launched in late January, two promotions were offered in the Peach State.

The first opportunity ran from February 2-4: Players who played the Love Fever game had the chance to be one of 200 people to receive a \$30 bonus credit.

On February 11, L is for Lottery: Play any lottery game online and be one of 100 players winning a \$40 bonus credit.

On February 12, O Day is for Online: Play both Mega Millions and Powerball and be one of 50 players winning a \$100 bonus credit.

On February 13, V is for Variety: Play Love Fever and one more Diggi game, and you could be one of 200 players to receive a \$20 credit. This effort engaged new and existing Diggi players to try new games.

On February 14, E is for Education: Get a 30% Valentine’s deposit match. Featuring the E for Education reinforced awareness of the Georgia Lottery’s mission to maximize revenues to specific educational initiatives such as Pre-K programs and HOPE (Helping Outstanding Pupils Educationally) scholarships.

The Georgia Lottery promoted these offerings via the Georgia Lottery mobile app and website, along with Facebook, Instagram, and Twitter. Google Display Ads for the Georgia promotion garnered over 800,000 sweet impressions.

Georgia Lottery sales for Love Fever were up more than 26% during the promotion period. Plus, on February 14, 2024, players loved the 30% deposit match, which made Valentine’s Day the second-highest deposit day for the Georgia Lottery for the entire month.

Players Embrace Love Fever

As of March 2024, Love Fever was globally ranked third for the year of all IGT elnstant games live in market, propelled by marketing to the female audience.

IGT creatively leveraged content developed by its in-house game studio and offered lotteries marketing promotions for this consumer demographic. To date, over 63% of players who have played Love Fever are women, who responded to the game’s attractive design and targeted marketing efforts.

In Love, with Love Fever

Cross-promotional campaigns and tactical deployment of creative contribute to sweet success with Love Fever. With love and romance always popular themes, Love Fever can be offered by lotteries all year long!



BE OUR VALENTINE? LOVE
FEBRUARY 11-14TH

L ...is for lottery
Feb. 11: Play any lottery game **ONLINE** for a chance to be **1** of **100** players winning **\$40!**

V ...is for Valentine
Feb. 13: Play **Love Fever** and at least **1** other Diggi Game **TODAY** for a chance to be among **200** players to win **20!**

O ...is for online
Feb. 12: Play **Mega Millions** and **Powerball ONLINE** for a chance to be **1** of **50** players winning **\$100!**

E ...is for education
Feb. 14: Deposit today to receive a **30% match!**

Clever, multifaceted marketing efforts support the Love Fever elnstant.

other attributes that appeal to new demographic profiles? What can we do to tap into these new play styles and motivations? We are seeing that being responsive to the market and giving players what they want is leading to incremental sales and greater success.

I think we're just scratching the surface of the potential to integrate digital platforms into the lottery-playing experience. Likewise with licensed properties, experiential prizes, and innovative prize structures. The impact of our Cowboys and Luke Combs licenses are hugely amplified by their own social media megaphones. Lotteries are now sending people into space. The runway for experiential prizes and ability to tap into a new universe of players on social media appears to be without limits.

do more. So, we began by talking to movie theater operator Alamo Drafthouse who helped us gin up exciting events to support the launch. To augment the launch, there will be a Spielberg film festival in the theater sponsored by the Texas Lottery. During the pre-roll before every movie, a commercial for the ticket will be shown. It's an effective way to connect with an engaged audience who is just sitting there watching the screen, waiting for the movie to begin, and whose interest is directly tied to our ticket theme. That level of engagement is hard to match. The movie theater loves this collaboration too as it supports the movie. Then later in the summer, a Jaws show will be broadcast on a big screen with viewers actually in the water! Texas Lottery and our Jaws game will get lots

building and implementing our mobile claims app costs money that could have been spent on advertising that we know from experience impacts sales. Some might ask how much sales increased by implementing the mobile app, right? That may be hard to measure. What's not hard to measure is the level of service and convenience produced by the mobile app as we now have over 15% of eligible claims being paid out on mobile — and we have not even promoted it yet. That is a concrete data-point confirming the value of the mobile app to our players.

As lotteries that sell online will attest, the value of digital is much less about selling tickets online as it is about engaging the players in a dynamic relationship.

Isn't the success of the mobile app' a testament to the power of the lottery's website?

R. Mindell: Absolutely. Our websites are a grossly underutilized resource. They are a direct line of communication with players, they cost much less than traditional advertising, and they are flexible to change the message as frequently as you want. Compare that to billboards which are costly, the singular message is static, and you're hoping that people who happen to drive by will see it and act on it sometime in the future when they are in a store. The future is in creating more services and benefits for our players, where our players are.

How do you measure the effectiveness of digital advertising or unconventional promotional strategies?

R. Mindell: The tools we use to measure are evolving. I would submit that we need to use common-sense and judgment in addition to raw data. You might have a data-point that a brief scoreboard ad in a sports stadium delivers hundreds of thousands of "impressions". And our ad that displays during the pre-movie rolls delivers far fewer "impressions." I would argue that these raw data-points do not tell us what we need to know. It might be hard to measure the effect of a captured audience who is watching a dynamic 10-second story told about our lottery on

“The fact that outcomes may be hard to measure and turned into easily measured data does not mean the strategy or initiative is not producing a powerful impact.”

Of course, all markets are local. Maybe some states would not be as responsive to \$100 tickets, Luke Combs, and trips into space. But it's not as if we can't cater to the needs of all playstyles and preferences. This is true at high price points as well as low ones. Some states have essentially eliminated the \$1 ticket, but in Texas, we cut back without eliminating. The point is that everything is changing in ways that represent incredible opportunities for all of us as we learn how to tap into them and make disruption work for us.

Texas Lottery has always been good at forging creative brand tie-ins and promotions. What's in the pipeline?

R. Mindell: We are planning to launch Jaws for next summer's 50th anniversary of the original movie. The launch plan was impressive, but we thought we could

of publicity for our sponsorship. And our brand collaborators, the water park owners, benefit as they deliver more fun and value for their customers. As these kinds of promotional integrations get tighter and more synergistic, the value for both the Texas Lottery and our brand collaborators is enhanced.

It is incredibly exciting to imagine the possibilities for reinventing the whole area of co-branding initiatives and promotions. Could you talk about how you assess the ROI for initiatives that are longer-term and have hard to measure outcomes like digital versus more conventional advertising and promotional media?

R. Mindell: Our basic philosophy is that the best way to increase sales is to produce and deliver a better player experience across the board. For example,

a movie screen, but the fact that it's hard to measure does not mean the strategy or initiative is not producing a powerful impact. We can see the increase in sales of our Cowboys-themed tickets and increased use of our mobile app when we run digital ads in the stadium. So, we are confident with our decision to invest in digital ads even though we can't draw a straight cause-and-effect line between these events.

Is the trend towards self-service stopping short of the Amazon Go model of zero clerk-assistance?

R. Mindell: It seems that way. But the previous thinking that convenience equals getting in and out of the store as quickly as possible turns out to not be true for at least some shoppers.

I do think self-service will continue to be a part of the picture, along with BOPIS (buy online, pick up in store), online sales, and probably more options that haven't been invented yet! The main idea is that retail will always evolve to provide the kind of service and shopping experience the customer wants.

You and the Texas Lottery have been on the forefront of initiatives to enhance lottery's position for in-lane sales. What's the next step?

R. Mindell: We are ready and operational with retailers in Texas. APIs (Application Program Interface) are now in place to produce draw game receipt tickets and QUICKTICKETS right in the check-out process. The transaction details are transmitted from check-out directly to the lottery gaming system. The next step, which I am very excited about, is enabling the in-lane sale of scratch tickets. We are changing the inventory bar code on our scratch tickets to be readable by scanners at the register.

Next, we have to get ticket information from retail to the gaming system. Whether it is an intermediary like Abacus or a direct integration like we do with the grocery store H-E-B, you have to bridge that gap. That is where the API becomes a key part of the solution,

enabling all parties to communicate in the common programming language. The API program may need minor tweaking in different jurisdictions, but it is the communications enabler which turns the transmission of data and information into an automated friction-free process.

APIs aren't just for in-lane sales applications either. APIs enable all kinds of communications functionality that will be incredibly powerful. Inventory and sales tracking, ticket activations, and all kinds of reporting become streamlined. Jackpot information can be instantly communicated to digital menus and billboards in real-time. Jackpot alerts can be transmitted to retailers who can promote it themselves.

This process of finding solutions for in-lane sales has also transformed the retailers' perception of lottery. We have gone from having a "take it or leave it" approach to being a leader in helping retailers modernize on their terms and in ways that put the customer first. Talking to our friends at the National Association of Convenience Stores, reveals a keen interest in learning how they can adopt new methods to sell lottery tickets because these innovations are contributing to their broader goals of technological transformation on multiple levels. The positive feedback we get from retailers has been incredibly encouraging.

Retail continues to be Team Lottery's most powerful competitive advantage. That is as true in iLottery states as it is in Texas where we have 21,000 stores selling lottery. That's why driving innovation and progress at retail is our long-term success strategy.

You have been right in the middle of all the strategic planning and decisions being made over the last five years at least. Our discussion has touched on some of those initiatives and strategic guideposts. Any surprises come with your appointment to Executive Director?

R. Mindell: It's not really a surprise, but I have been most pleased by the warm

welcome from the vendor community and my colleagues from other state lotteries and NASPL and MUSL teams as well as my direct stakeholders of the Texas Lottery team and our Commission board. Of course, I had already become acquainted with them. But executive director is a different level of responsibility, and I very much appreciate the comradery and support of industry leaders.

I have learned to appreciate the importance of engaging more team members earlier in the strategic planning and decision-making process. For practical reasons, we do need to specialize by the different functional areas of the business: sales, marketing, finance, security, product development, legal and compliance, responsible gaming, etc. But I have seen over the last seven years that everything we do involves all of these in some measure and so it is best to engage them earlier in the process if possible. It can be a bit of a balancing act. We need to let the specialists in product development develop the product, right? But we can't wait too long in the process to enlist the input from others.

For the last seven years I was fortunate to work with Gary Grief, who taught me many things including the importance of collaboration. I am so impressed with the accomplishments of Team MUSL, for instance, which is creating new pathways for growth. Uniting behind MUSL initiatives to negotiate with uber-brands like NASCAR and the NFL, serves the interests of each of our individual state lotteries. And Team NASPL does so much to facilitate communication between all levels of lottery leadership and create fabulous programs. And of course PGRI's content and conferences are always outstanding. I think there's still so much for me to learn about our fascinating industry. I am excited to be here, excited to learn from my colleagues, and excited to contribute to the worthy mission of government lotteries! ■

In terms of what Lottery does well, Jarrod highlighted consistency and innovation. “Lottery is a consistent, mature product that customers understand well. But at the same time, the industry has become really strong in innovation in recent years — creating digital solutions, tracking data, and developing new marketing approaches. I really believe the lottery industry is on the path to innovation and unlocking significantly more value for retailers, players, and its other stakeholders.”

Nick echoed Jarrod by highlighting how the importance of lottery as a category has increased for Sheetz. He also praised the “wonderful” collaborative spirit of the lotteries in the states where Sheetz operates. Giving an example of that, he said, “Pennsylvania has been fantastic. We’ve been able to use their retail incentive program to get funding for some promotions that we’ve run, which have helped us to give money back to our customers and show our gratitude to them. And it’s thanks to great partners like the six lotteries we work with that we’ve been able to do that.”

Responding to Eric’s question about “big-picture shopping behavior and retail trends,” Nick spoke about the increased move toward online ordering, delivery, and in-store pickup. “How do we interact more with those customers that are in and out very rapidly?” he asked. “And is there a way we can work with those customers and change the foot traffic to help grow the business?”

Approaching the same theme from a different angle, Jarrod emphasized the importance of helping customers shop speedily. “People are generally busier and living increasingly fast-paced lives, so when they can get their shopping done quickly, they feel a bit better. Customers expect one-stop-shop solutions, where they can get groceries, and pharmacy solutions, and financial services solutions in the same place.”

However, both Nick and Jarrod agreed that the balance between self-checkout and staffed cash registers is unlikely to change significantly in the next few years.

In the spirit of improving collaboration, Eric asked how the lottery industry and its vendors can work better with retail and develop mutually beneficial innovations and initiatives. Jarrod stressed the importance of engaging retailers early in the planning process so they can explain what might (and what won’t) work for them. “Some solutions we might be able to integrate, some we won’t. For example, most retailers will be resistant to a solution that involves integrating into our point of sale. Some solutions may create data privacy issues that would likely be preventative. So, when you’ve got a new idea, come talk to us as soon as you can, and together we can work the out best way to unlock growth for both parties.”

Similarly, Nick emphasized the importance of open and honest communication, with a willingness to give feedback and accept criticism. He also agreed with Jarrod about the importance of early involvement in planning. “We want to try new things and pilot ideas for you. But if we can be on the ground floor of those conversations from day one, rather than being brought in on day 30, then I think there’s a much better chance of a successful outcome.”

Picking up on those points, Jarrod highlighted the importance of “approaching pilots with the mindset that it’s okay to fail as long as you learn from that and use the experience to develop something better.”

Finally, Eric asked the panel for details of how they are currently marketing lottery products and their thoughts on how that could be improved.

Nick talked about Sheetz promotions that encourage customers to buy tickets for specific lottery games which can

be entered for a chance to win various prizes such as free gas, free car washes for a year, Sheetz gift cards, or even scratch-off lottery tickets. Jarrod discussed how simple marketing tactics such as destination signage has directly impacted Kroger’s sales of lottery tickets, but also highlighted how he is keen to do much more to increase data-driven, targeted marketing that takes advantage of digital technologies. “The next stage is to leverage our assets to have more focused communication. We’ve got a lot of customer data, and we can use that to engage people who are likely to buy with unique omnichannel strategies. And when we’ve got a digital solution, we can message digitally engaged households to engage with key events such as elevated jackpot drawings. That sort of very quick, very targeted marketing is a model that has a really strong ROI.”

Both panelists concluded their remarks by reemphasizing the importance of the Lottery to retailers and highlighting the potential for improved collaboration. “At Sheetz, Lottery is our third-best category in terms of revenue per square foot,” said Nick. “So, the amount of space that we operate in is very small, but the impact we have from that space is extraordinary, and I love to imagine where that could go if we can find even better ways to engage and interact with customers.”

Picking up on that theme, Jarrod stated, “One of the key themes at this conference has been the importance of omnichannel marketing. This is an area where grocery retailers are already innovating and applying sophisticated new technology and methods. So, if you’re looking to develop unique omnichannel marketing strategies for your customers, I recommend trying to leverage the expertise of some of your key retailers. I think you’ll be happy with the results.” ■

hope that it continues after I am no longer president. An important missing link right now is vendor partner involvement, which I think is critical. But at least we started it so the new directors know they can reach out to any of us and can connect with a mentor as they like.

My second goal revolves around engagement. What makes this industry so special is the personal relationships, which are an invaluable resource for advice and guidance. We do not compete with each other and so there is no barrier to sharing and helping each other. Too, while we all seem to be keenly aware of our differences, there are far more commonalities to the way our businesses operate. So there is hardly a single issue or problem that has not been faced by someone in our industry. NASPL itself has tremendous resources - facts, data, and information - that can be helpful. Or one state may identify with the gaming and pop culture of another state and decide to share ideas and even creative when it comes to advertising and promotions. Think about the incredible redundancies of 45-plus lotteries all separately paying to reinvent the wheel instead of working together and building a brain-trust that would help to defray costs, increase efficiencies, and otherwise optimize outcomes. Of course, we already do share and work together a lot. NASPL, MUSL and others do a great job of facilitating interaction. I just think there is a lot of opportunity for more engagement amongst NASPL directors, vendor partners, and folks like yourselves at PGRI that are friends of the lottery industry. These things are being discussed and I hope we continue to build out more formal structures that facilitate collaboration within our industry.

We heard about some of the fabulous results that can be achieved by collaboration at your last PGRI conference. David Barden and a team of MUSL directors have completely reshaped the landscape of co-branding and promotional initiatives. NASCAR and New Year's Rockin' Eve First Powerball Millionaire with Ryan Seacrest being a couple examples. The MUSL directors emphasized, though, how important it is for them to approach uber-brands like the NFL with the full support and engagement of all lotteries. It makes all the difference to our ability to maximize the value of our brand, and therefore the terms and conditions they can negotiate

with potential brand partners.

Hundreds of millions of dollars are spent by U.S. on advertising every year. Surely there are more ways that we can collaborate and find ways to create templates that can be shared by multiple lotteries. And maybe save tens of millions of dollars?

And how about RFP's and RFI's? NASPL has fabulous resources to streamline and modernize the compilation of information that goes into these documents. We just need further engagement and buy-in to these initiatives, some of which are in process already.

An example of advice you were given early on?

C. Polzin: It was from a colleague on the vendor partner side, not a lottery director. His comment when I first started was for me to listen and ask questions. Ask why they are doing things the way they are, even if I do not feel like I am in a position to weigh in on it. Ask staff to just explain why they think the way they think. That was a great way to learn the business. I took his advice and after a year, I asked him for a new directive for year two. He told me to continue to ask questions, but now make sure I resist the temptation to tell them what to do. Let the team do what they do every day and stay out of their way. I truly believe in and trust my team. And they have produced a 63% increase in sales in the short time I've been here.

And now you are so much more knowledgeable and effective as an industry leader than you were seven years ago. It is a shame the industry is not able to capitalize more on the experience gained by lottery directors who are allowed to serve a longer tenure.

C. Polzin: I think that's the toughest part of this industry. There are so many talented, solid, smart, hard-working directors, who are asked to leave after an election ushers in a change of political parties, just when they were getting up to speed. It is probably the one obstacle to this industry achieving its full potential. It is also difficult on the staff who is trying to execute on longer-term strategic plans. It is hard to maintain momentum and continuity with so many changes of leadership. And they don't know if the incoming director will be a micro-manager who does not know what

they don't know and wants to dive in and change everything. Fortunately, most of us have good intentions and are smart enough to not interfere and mess things up! It would still be better if industry leaders were given longer terms to accomplish more ambitious goals and contribute more to optimizing multi-state games and strategies.

What does the future hold for the Wisconsin Lottery?

C. Polzin: Wisconsin operates within even stricter limits than most lotteries. No iLottery or games like Keno. So we look at distribution as being the place we can innovate to drive sales. Wisconsin has a large tavern industry so we are working hard to penetrate that sector. We did just implement a mobile app with our vendor partner IGT to a phenomenal reception. Players love it!

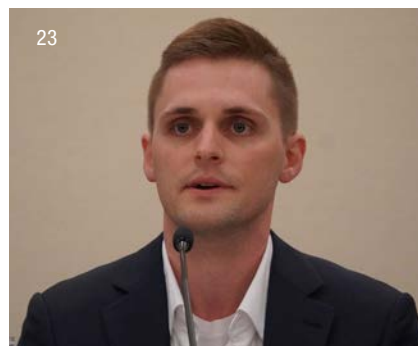
I have a great relationship with our legislature. I was in politics all my life and so I have a lot of dear friends that are both legislators and legislative staff that I'm very comfortable just to pick up the phone and say, hey, what do you think about this idea for the lottery. They can give me guidance on which ideas should be run up the flagpole. For most things, the issue is already decided. State statutes, for instance, prohibit iLottery. But we have succeeded at getting some laws amended to allow us more flexibility to improve results and funding for our beneficiary which is property tax relief. Like almost all lotteries, our business would make excellent use of more resources in general. Responsible gaming, research, sales, marketing and advertising would all benefit with the end result being more funds generated for Wisconsin taxpayers. Lotteries are the most responsible stewards of resources. I don't think there are any billion-dollar consumer products companies that contain operating expenses to 5% or 6% of revenues like most U.S. lotteries do. Ours is 5.1%. Credit to the support we get from the legislature and our stakeholders along with the incredible Wisconsin Lottery staff who knows their job is to produce the results with the resources we have. I am so proud of them for their dedication, talent, ingenuity, and hard work. These people are the heart and soul of the industry and make my job the most rewarding job in the world. ■

Scenes from the PGRI Smart-Tech Conference in Fort Lauderdale, March 4-6



1. Brad Cummings 2. Bret Toyne 3. Brooks Pierce 4. David Barden 5. Dolly Garfield and Mark Audi 6. Derek Gwaltney 7. Don Silberstein
8. Jason Barrs 9. Eric Grubbs 10. Helene Keeley 11. Karen Harris and Rose Hudson 12. Jason Lisiecki 14. Ashley Richards, Amy Drooker, Mary Harville

Scenes from the PGRI Smart-Tech Conference in Fort Lauderdale, March 4-6



15. Jay Finks 16. Jennifer Westbury 17. Joni Hovi 18. Joshua Johnston 19. Justin Rock 20. Karri Paavilainen 21. Lori Szymanski
22. Lorne Weil 23. Matt Taormina 24. Merv Huber 25. Michael Martin 26. Mike Purcell 27. Miriam Lindhorst 28. Moti Malul 29. Norm Lingle

Scenes from the PGRI Smart-Tech Conference in Fort Lauderdale, March 4-6



1. Paul Jason 2. Paul Riley 3. Peter Sullivan 4. Randy Spielman 5. Rebecca Paul 6. Rebecca Swindle 7. Rhyidan Fisher 8. Richard Bateson 9. Rob Wesley
10. Ryan Mindell and Doug Pollard 11. Stephanie Weyant 12. Shannon DeHaven 13. Stephen Durrell 14. Tina Wolf 15. Tom Seaver 16. Tonya Beenders



PULSE of the Industry

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NORTH AMERICAN NEWS

Frank Suarez, formerly Executive Director of the DC Lottery, appointed President and CEO of the Connecticut Lottery Corporation (CLC)

The CT Lottery Corporation Board of Directors voted to appoint Frank Suarez, Executive Director of the DC Office of Lottery and Gaming, as the new permanent President and CEO of the Connecticut Lottery Corporation (CLC). The appointment of Mr. Suarez takes effect August 1, 2024.

The appointment is the culmination of a nationwide search that began eleven months ago, with nearly 300 candidates from across the country having applied for the position. Mr. Suarez was selected for the position, as his strategic vision, dedication to customer-centric solutions, and commitment to fostering a collaborative and inclusive work environment best aligned with CLC's core values and vision for the future.

Mr. Suarez brings with him a wealth of experience and a strong track record of success in the lottery and gaming industry. With over 10 years of progressive lottery leadership roles, including seven years with the North Carolina Education Lottery as Deputy Executive Director of Brand Management and Communications and, most recently, as Executive Director of the DC Lottery for the past 3 years, he is uniquely qualified to lead CLC into its next phase of growth and innovation.

Since 2014, Mr. Suarez has served in leadership roles at two state lotteries, the North Carolina Education Lottery and the DC Lottery. Under his leadership, the DC Lottery saw significant increases in revenue and profitability through innovative strategies and effective management. During his tenure, Mr. Suarez directed a remarkable turnaround in sports betting operations, transforming a loss into profitability in less than a year and establishing the DC Lottery sportsbook as the largest in the District. He also successfully negotiated and led the conversion to a new mobile and online sports betting platform, resulting in

an astounding 887% growth in gross gaming revenue within the first 30 days of operation. Mr. Suarez also helped to revitalize iLottery marketing strategies, launch a new mobile app and expand the DC Lottery's game portfolio. These efforts led to a 168% increase in gross gaming revenue, ensuring long-term growth and profitability for the iLottery segment. Mr. Suarez also currently serves as Vice Chair of Multi-State Lottery Association's (MUSL) Product Development Committee and Chairman of the MUSL Fast Play Product Group.

In addition to his lottery experience, Mr. Suarez also possesses extensive private sector experience in Brand Marketing and Management, which includes strategy, planning, product innovation, and promotion, for several national and global brands. He holds a Master of Business Administration (M.B.A) degree from Darden Graduate School of Business Administration, University of Virginia, as well as a Bachelor of Science in Business Administration (B.S.B.A) degree from the Kenan-Flagler Business School at the University of North Carolina.

As CLC welcomes Mr. Suarez to Connecticut, the Board of Directors would like to acknowledge and express gratitude to Greg Smith for his leadership and dedication over the past 6 years. He has been instrumental in steering the Connecticut Lottery to its current position as one of the highest performing lotteries in the country.

Sharon Strong named Director of Arkansas Scholarship Lottery

Strong joins the Lottery from the Office of Attorney General Tim Griffin where she served as Senior Assistant Attorney General. In this role, Strong supervised a team of special agents and attorneys who investigate and prosecute criminal fraud and abuse. She also played a key role in drafting and supporting legislation to protect vulnerable Arkansans.

Prior to joining the Attorney General's Office, Strong served as a Deputy Prosecuting Attorney in Pulaski County and Perry County. She was also a Staff Attorney for the Public Service Commission and Disability Rights Arkansas.

Strong is a Little Rock native. She obtained a Bachelor of Arts Degree in Public Policy from Southern Methodist University. Strong obtained

her law degree from The American University, Washington College of Law. Immediately following law school, she served as an Assistant State's Attorney in Frederick County, Maryland, and a Public Defender for the State of Maryland.

Idaho Lottery and State Liquor Division Director Jeff Anderson Set to Retire

The longest serving Lottery Director in Idaho history has announced his retirement after 17 ½ years of service. Since 2007, under Anderson's leadership, the Idaho Lottery has returned \$938 million to support public education and permanent facilities.

During his tenure, Anderson represented Idaho nationally, serving as President of the Multi-State Lottery Association Board of Directors, the North American Association of State and Provincial Lotteries Board of Directors, and Chairman of the National Alcohol Beverage Control Association (NABCA) Board of Directors. Anderson has served as the Idaho Lottery's Director for half of its operational existence. He is one of the longest tenured United States Lottery directors and the longest serving NABCA director.

Anderson came to state service after twenty-eight years in broadcasting. His last ten years were as Vice President and General Manager of CBS television affiliates KBOI (Boise) and KIDK (Idaho Falls).

INTRALOT successfully transitions British Columbia Lottery Corporation's lottery system to LotosX Omni ecosystem cloud deployment

intralot

This achievement signifies a major milestone for INTRALOT in North America, while making BCLC one of the first lotteries in the world to adopt a fully cloud-based lottery system. The system is now "live" with INTRALOT's next-generation lottery terminals deployed in BCLC's

retail network and hospitality locations across the province of British Columbia.

Working together, BCLC and INTRALOT executed conversion of the Lottery's central gaming system. INTRALOT's cutting-edge LotosX Omni ecosystem will enhance the Lottery's ability to provide innovative experiences that meet the evolving needs of its players, while maintaining the exceptional quality of its existing games and lottery entertainment services. Parallel workstreams achieved a smooth roll out of around 8,000 lottery terminals in 3,400 locations, installing INTRALOT's flagship Photon X terminal as well as compact and self-service terminals.

INTRALOT's terminals will help transform BCLC's retail operations with advanced features, enhanced security, improved user interface, and increased frontline productivity. Additionally, the deployed Digital Signage system will provide BCLC with the ability to dynamically communicate with retail players.

This project represents a landmark moment for INTRALOT, establishing a benchmark in the North American lottery market with the first end-to-end deployment of LotosX Omni in the region.

Walmart Prepares for Major Push into Lottery Sector

At its annual summit in early April, retail giant Walmart convened various lottery industry vendors and suppliers to discuss Walmart's intention to transition from lottery bystander to active participant and competitor, with plans to launch an app that may eventually be equipped with iLottery capabilities. Walmart representatives even unveiled a slogan aimed at the lottery industry, "Be in it to Win it." The exact mechanics of Walmart's play are as yet unclear and the shift may prove slow moving, but the "Lottery@Walmart" plan is indeed underway, according to multiple sources who discussed a sensitive matter on condition of anonymity.

IGT to Optimize Player Convenience and Retail Solutions for Mississippi Lottery via Three-Year Contract Extension



Joe Froehlich Named Chief Operating Officer of the Michigan Lottery

Amy Steinman Joins Scientific Games' Executive Leadership Team as New Chief Human Resources Officer

Penn Entertainment rallied 4.70% on Rumor of Flutter Joining Boyd in takeover bid

Flutter, which operates a FanDuel sportsbook and online casino in the Michigan, would thoroughly dominate Michigan Online Gambling by purchasing PENN

IN MEMORIAM: Walter Szrek

It is with deep sadness that Szrek2Solutions announces the passing of Walter Szrek, co-founder and former Chief Technologist, on June 28, 2024. Walter was a beloved friend, husband, father, grandfather, and esteemed technologist, who deeply valued each relationship that he built over the years. Throughout his career, Walter dedicated himself to serving the lottery industry, excelling in solving complex system problems and designing radical technical solutions. As one of the original developers in the startup that evolved into GTECH, later IGT, Walter played a pivotal role in revolutionizing the early lottery industry. After 24 years at GTECH/IGT, Walter and his wife Irena pioneered a random number generation solution, known as Trusted Draw and together they founded Szrek2Solutions, a producer of advanced and auditable RNG solutions for the lottery sector.

Lawsuit claims federal law exempts tribes from Colorado's 10% sports betting tax

Two tribes filed a lawsuit alleging they've been unfairly blocked by the state from engaging in online sports betting in violation of state-tribal compacts.

Michael "Mickey" Boardman, Director of the Maine State Lottery voted the Lead Director of the The Lucky for Life® game group

Scientific Games announces Gina Smith has joined the company as the new Vice President, Lottery Enterprise Systems Products



iLottery Authorized in Massachusetts: issues RFP for iLottery consulting services

IGT's Gaming and Digital Business and Everi to Be Acquired Simultaneously by Apollo Funds in All-Cash Transaction

IGT and Everi Holdings Inc. have entered into definitive agreements whereby IGT's Gaming & Digital business ("IGT Gaming") and Everi will be simultaneously acquired by a newly formed holding company owned by funds managed by affiliates of Apollo Global Management, Inc in an all-cash transaction that values the acquired businesses at approximately \$6.3 billion on a combined basis.



On February 29, 2024, IGT and Everi announced that they had entered into definitive agreements pursuant to which IGT would separate the IGT Gaming business by way of a taxable spin-off to IGT shareholders and then immediately combine such business with Everi. Under the terms of the new agreements, the Apollo Funds will acquire IGT Gaming and Everi. Following closing, IGT Gaming and Everi will be privately owned companies that are part of one combined enterprise.

IGT will receive \$4.05 billion of gross cash proceeds for IGT Gaming. IGT expects significant portions of the cash proceeds to be used to repay debt and to be returned to shareholders. *Upon completion of the sale of IGT Gaming to the Apollo Funds, IGT will change its name and stock ticker symbol, becoming a premier pure play lottery business.*

IGT PLC CEO Vince Sadusky will oversee the separation of IGT Gaming and support the transition through transaction completion. Post-closing, Mr. Sadusky will continue in his role, leading the lottery-focused company under its new name and stock ticker symbol. Following the acquisitions of IGT Gaming and Everi by the Apollo Funds, current IGT EVP Strategy and Corporate Development, Fabio Celadon, will serve as CFO, and current Everi CFO, Mark Labay, will assume the role of Chief Integration Officer, of the combined enterprise. The newly formed combined enterprise will be headquartered in Las Vegas.

Contacts For IGT

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Francesco Luti, Italian media inquiries, +39 06 5189 9184

James Hurley, Investor Relations, +1 (401) 392-7190

Online-gambling giants conquer U.S. with tactics that are prohibited in other jurisdictions like Great Britain

Online-gambling firms FanDuel and BetMGM are not offering in the United States some of the safeguards they have implemented in the United Kingdom according to Reuters report. The two companies — FanDuel is owned by Irish company Flutter and BetMGM is jointly owned by British company Entain and MGM Resorts International — are leading competitors in the U.S. online gambling market. In the U.K., both companies have placed limits on VIP programs that cater to their most active customers. However, in the U.S., both companies placed job ads in recent months that said that VIP account managers would be expected to increase player activity and drive revenue, according to the report. Another difference has to do with protections for customers who are under the age of 25. Flutter places net deposit limits on these customers in the U.K. and Ireland, but has no such limits for those under 25 in the U.S., the report said.

In addition, in the U.K., both companies monitor customers' affordability of bets and intervene when they spot signs of a gambling problem. In the U.S., in contrast, the companies use voluntary measures that require the customer to take action, per the report.

In 2018, British regulators sanctioned the UK arm of online gambling, requiring Flutter to pay about \$2.8 million for not protecting customers from obviously uncontrolled gambling and not stopping the use of stolen money.

Flutter's Chief Executive Peter Jackson publicly apologized for failing to intervene, saying the company had a responsibility to do so "when our customers show signs of problem gambling."

“There’s a very fine line between VIPs and someone with a gambling problem.” Josh Giaramita Former BETMGM VIP Manager

As in the UK, American VIP clients typically aren't the limousine-driven high roller depicted in Hollywood movies, according to industry insiders, who say such individuals are usually much more modest earners. For sports betting, they were people who, on average, made wagers worth \$5,000 to \$10,000 per month and lost a minimum of \$1,000 per month, according to an ex-BetMGM VIP manager, who asked not to be identified because he still works in the industry. He said his aim wasn't to encourage VIP clients to bet more than they could afford to lose, but he acknowledged his team had revenue targets.

European companies behind FanDuel and BetMGM are using features in America that they dropped in Britain after acknowledging them as risks to gamblers

Maximizing loyalty with CRM: Leveraging gamification and AI strategies

Google To Allow Lottery Courier And

Fantasy Sports Ads In Many States

Google has announced a new update to its advertising policies, allowing ads for lottery couriers and daily fantasy sports (DFS) in numerous states across the U.S. starting July 15. This policy shift reflects the growing acceptance and regulation of online gaming and lottery services within the country. However, the change comes with strict guidelines and requirements for advertisers to ensure compliance with state laws and Google's own certification standards.

Advertisers looking to promote lottery courier and DFS services on Google Ads will need to undergo a certification process. This is mandatory, regardless of the state in which the ads will be targeted.

Google's new lottery courier policy will apply to Alaska, Arkansas, Colorado, District of Columbia, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, West Virginia, and Wyoming.

These advertisers must demonstrate that they are fully licensed to operate in at least one U.S. state that requires a license for such services, even if they intend to target ads in states that do not have such licensing requirements. This measure is designed to uphold a standard of legitimacy and ensure that only reputable services can advertise through Google's platform.

Despite the convenience and growing popularity of lottery courier services, they are not universally accepted across the U.S. Some states, like California, have expressly prohibited the operation of lottery courier services within their jurisdiction.

The West Virginia Lottery sent a cease-and-desist letter to Bovada, an unregulated online casino and sportsbook based outside the US



The West Virginia Lottery, which oversees West Virginia online casinos and sports betting, has made it clear that Bovada, an unregulated online casino and sportsbook based outside of the United States, is not welcome in the Mountaineer State. The lottery sent a cease-and-desist letter to the operator late last month, according to Legal Sports Report, telling Bovada to either stop allowing those located in West Virginia to gamble or face legal action.

West Virginia is one of several states that have taken an active approach to shutting down unregulated online gaming within its borders. Bovada faced a similar situation in Michigan and chose to stop its operations there.

Offshore online casinos and sportsbooks generate

an estimated \$500 billion a year in bets. Bovada will likely agree to stop setting up new accounts and accepting bets from customers within West Virginia's borders.

The offshore online casino and sportsbook faced a similar situation in Michigan and agreed to leave the Wolverine State. Connecticut and Colorado have also sent cease-and-desist letters to Bovada. The offshore site agreed to stop doing business in Colorado. We should see the same thing happen in Connecticut, too.

In addition to Colorado and Michigan, Bovada is no longer available in Delaware, Maryland, Nevada, New Jersey and New York.

The issue of offshore operators affects states, their residents, and visitors. Their impact comes down to two main areas: tax revenue and consumer safety.

Because offshore sites are unregulated, they don't pay taxes on the revenue they generate in West Virginia. All regulated casinos operating in the state must pay a 15% tax on their revenue. The state sends that tax revenue to key state programs for schools and education, senior citizens, tourism, and state parks.

When illegal online casinos take deposits and bets from West Virginians, state programs miss out on valuable revenue.

But it's not just state programs that lose out. Because Bovada's online casino is unregulated, it can refuse to pay out online casino winnings without any consequences. Whereas regulated US online casinos would face penalties for such a move, Bovada wouldn't.

Michigan Gaming Control Board attempting to parse legal and illegal igaming market activity

A new six-page, six-question attestation form issued by the Michigan Gaming Control Board in late April has left some licensed iGaming and sports betting suppliers in a lurch, unsure how to respond to the open-ended inquiry that the board itself has revealed is more about "information gathering" at this point.

The "Illegal Gaming Attestation Internet Game Content Providers" form may be well-intentioned to stamp out support for illegal actors siphoning business and taxable revenue from Michigan's legal market, but it has numerous stakeholders concerned, owing to their relationships and involvement in areas where the legality or illegality of iGaming is not cut-and-dried. Those operating globally are especially alarmed by some unclear questions and undefined terms and believe unintended consequences may follow from the Michigan regulators' methods.

"The form does not define every single relevant term, such as what constitutes 'illegal gambling,'" said gaming lawyer Susan Hensel of Hensel Grad P.C., who has served on both the Pennsylvania Gaming Control Board as the director of licensing and on the International Association of Gaming Regulators. "The language requires some interpretation, and it may make sense for companies with questions to go to the regulator and seek clarification. Normally this type of inquiry is done through the interviews of key executives as part of the overall background investigation. This

is an up-front, in-your-face attestation, putting the company on record as to its answers to the questions.”

Asked by Casino Reports to clarify the term “illegal gambling,” MGCIB Public Information Officer Lisa Keith advised, “the term ‘illegal’ is not a defined term on the form; therefore, the common and ordinary meaning of this term should be applied.”

The U.S. Supreme Court decision upholding a ruling allowing a tribal and state compacts to include statewide online gaming eases their path for adoption

The U.S. Supreme Court decision upholding a ruling allowing a tribal and state compacts to include statewide online gaming won't impact the timeline of California tribes pursuing sports betting in the future, but eases their path for adoption, tribal leaders said Wednesday.

The Indian Gaming Association hosted its New Normal podcast to talk about last week's ruling by the high court, which decided not to take up a challenge of a D.C. Circuit Court of Appeals ruling. The lower court in 2023 allowed tribal-offered online wagering off reservations, saying that it didn't violate the Indian Gaming Regulatory Act approved by Congress in 1988. The opponents, West Flagler Associates and the Bonita-Fort Myers Corp., a racetrack and poker room operator, challenged the state of Florida granting sports-betting exclusivity to the Seminole Tribe.

The decision, which sent shockwaves through the gaming industry, could pave the way for significant expansion of tribal gaming into sports betting and online casinos, analysts have suggested.

Florida sports betting challenge turned down by U.S. Supreme Court

The court's decision keeps online sports betting in Florida in the hands of the state's Seminole Tribe. In a major win for the Seminole Tribe, the U.S. Supreme Court on Monday refused to unpend a 30-year, multibillion-dollar deal giving the tribe control of sports betting throughout Florida.

The case was focused on a “hub-and-spoke” system in the deal allowing the Seminoles to accept bets anywhere in the state, with the wagers run through servers on tribal land. The deal said bets “using a mobile app or other electronic device shall be deemed to be exclusively conducted by the tribe.” U.S. Department of the Interior Secretary Deb Haaland, whose agency oversees tribal gambling, allowed the deal to go into effect.

California Lottery Warns Against Digital Ticket-Ordering “Courier” Companies; Tickets Ineligible to Win

The California Lottery is sending a directive to its more than 23,000 retail partners about the dangers of selling to online lottery couriers, which are businesses that offer California Lottery ticket-ordering via websites or mobile apps.

In the directive, the California Lottery cautions that any retail partner knowingly engaging in ticket sales to online lottery couriers, their employees, agents, and/or contractors may be subject to the termination of their retailer contract.

“Online lottery ticket courier services are illegal in California,” said Carolyn Becker, California Lottery spokesperson. “We are thankful for the support of our retail partners in helping our customers play safely, rather than exchanging money with a third-party, unregulated business.”

Any California Lottery player who buys their games through an online courier is not eligible to win.”

Because these services are illegal, the California Lottery is prohibited from knowingly paying a prize on any ticket acquired through a digital service, and no retailer bonuses would be paid if the winning ticket was sold online.

Couriers operate, but are unregulated, in many states. Currently only two states, New York and New Jersey, license and regulate couriers, such as Lotto.com, The Lotter, and JackPocket. These companies are required to comply with a framework of regulation that includes things like age verification and responsible gambling measures.

While some states tolerate couriers, California does not, and has been one of the most vocal in denouncing them. In a statement this week, Lottery spokesperson Carolyn Becker emphasized that such services were illegal in the state.

Alberta estimates that unregulated operators have 55% of its sports betting and iGaming market

Coquille Indian Tribe has lashed out at efforts by other tribes to oppose its plans for a casino in the city of Medford, Ore

In an op-ed for Oregon Live this week, Coquille tribal chair Brenda Meade accused fellow tribal leaders of “throwing tribal sovereignty under the bus” in order to retain their regional gaming monopolies.

WORLD NEWS

Danish Gambling Authority to host third round training anti-money laundering (AML) and financing of terrorism case-based training event

Germany's black market gambling operators recorded up to \$648M GGR in 2023, says regulator

Germany's gambling regulator, Gemeinsamen Glücksspielbehörde der Länder (GGL), reported that illegal gambling revenue accounted for up to 4% of the country's total gross gaming revenue (GGR) in 2023.

An insider-betting scandal helped sweep the Labour Party to a landslide victory in the UK general election

Kindred Group's Trannel subsidiary has been ordered by a Dutch court to return more than €676,000 to a losing player.

The plaintiff is a player in the Netherlands who gambled on Trannel's Malta-licensed website between September 2011 and September 2021, when the company was not licensed by the Netherlands authorities. During that time, the player lost a total of €676,224.77 with Trannel, which the court has now ordered the company to return to the player.

Lotteries and legal betting sites unite to report 254 illegal gambling platforms in Argentina

The German Sports Betting Association (DSWV) issues warning over black market growth

The German Sports Betting Association (DSWV) warns that Germany's offshore sports betting market is drawing a growing number of players away from regulated offerings. To halt this development, stricter enforcement should be taken against black market operators, while simultaneously taking steps to increase the attractiveness of legal alternatives.

Macau Casino Suspicious Transaction Reports Catapult by 90%

Macau casinos filed 89.1% more suspicious transaction reports (STRs) in Q1 of 2024 than in the corresponding period last year, according to new data from the special administrative region's (SAR) Financial Intelligence Office. The numbers reflect a growth in transactions generally, as Macau's post-pandemic rebound continues, but also the tightening of regulatory controls in the casino hub.

STRs are prompted by customer behavior that could be indicative of money laundering, such as the conversion of chips when no or minimal gaming has taken place, or the conversion of chips on behalf of third parties.

The WLA publishes seminal report on Best Practices for Marketing Communications in Sports Betting. To read the report in full, Visit www.world-lotteries.org



Veikkaus keeps lottery rights as Finland begins 2027 reforms

The Ministry of the Interior of Finland has submitted its draft proposal of a new Gambling Act which intends to end the monopoly arrangements of state-owned gambling firm Veikkaus Oy, which currently has an exclusivity over sports betting and online casino games. The proposals call for Veikkaus Oy to exit the online gambling market, though the monopoly will retain exclusive rights to operate lotteries, racing pools, totalisator bets, physical slot machines, and arcade games.

The new regime will prioritise the introduction of a licensing system for online operators. This will allow foreign and domestic businesses to apply for licences granted by the Finnish Supervisory Agency.

The government plans to develop an IT network for barring and payment blocking to restrict unlicensed gambling activities and exposure to the black market.

The proposal calls for Finland to tighten its gambling compliance with new laws on customer registration, identity verification, and age limits for gamblers. A centralised player registry will oversee new customer protections, allowing for customer self-exclusion across all licensed operators. This measure is needed to enhance consumer protection and reduce gambling-related harm.

The Ministry of Social Affairs and Health will monitor and assess the harms associated with gambling. They will conduct market research and well-being studies alongside the Finnish Institute for Health and Welfare.

Finland will revise its advertising laws to moderate the volume of gambling advertising in terms of scope, visibility, and repetitiveness. The government warned stakeholders that the outdoor marketing of gambling games involving 'a high risk of harm' will be prohibited.

The government intends to implement the proposed changes gradually, with licensing applications opening in early 2026 and licensed gambling operations starting in 2027. Veikkaus Oy will maintain its monopoly until the end of 2026, with full compliance for game software licensing expected by 2028.

The Ministry of the Interior has recommended that the state review the ownership structure of Veikkaus Oy as soon as the new system has settled. The new licensing system will also increase the annual compensation of Veikkaus Oy for its remaining exclusive contracts.

Reiner Moser, a Minister of the Bundesland of Baden-Württemberg, replaces Udo Götze as Chairman of the GGL.

Netherlands appoints Teun Struycken as Gambling Minister

Mr. Nikolaos Nikolakopoulos appointed as CEO of INTRALOT

Election of a New Board of Directors & appointment of its independent members - Election of a New Audit Committee - Mr. Nikolaos Nikolakopoulos is appointed as the new CEO. The board includes Sokratis P. Kokkalis as Chairman, Executive member; Constantinos G. Antonopoulos as Vice- Chairman, Non-Executive member; Nikolaos Nikolakopoulos as CEO, Executive member; Chrysostomos D. Sfatos as Deputy CEO, Executive member; and Konstantinos E. Farris, Executive member, among others.

Vlaemminck.law opens dedicated office Poland in initiative to enhance service and support for clients throughout Europe

Paulo Alexandre Duarte de Sousa assumes responsibilities as the new president of the Santa Casa da Misericórdia in Lisbon

NeoGames™—now part of Aristocrat Interactive™—to provide complete iLottery solutions to the New Hampshire Lottery in multi-year, turnkey deal



Leading Lottery Expert Kurt Freedlund Joins Gaming Laboratories International (GLI®) as Senior Lottery Solutions Account Executive

Owner of UK national lottery operator severs ties with Gazprom

FDJ Group sells its Sporting Solutions Services subsidiary to the Betsson group

FDJ Group, France's leading gaming operator, announced that it has signed an agreement to sell its Sporting Solutions Services Limited subsidiary in the UK to the Betsson Group, a global sports betting and gaming operator.

DraftKings is shutting down its non-fungible token (NFT) business following recent legal challenges



ITHUBA Uganda officially launches the Uganda National Lottery

Online gambling in Australia has 'exponentially increased', new report warns

New research shows an increasing number of Australians are gambling online and entering "risky" territory.

The Australian National University's centre for gambling research found people have continued to gamble at elevated levels, after spiking post-pandemic.

The director of the gambling research centre, Dr Aino Suomi, said the "new normal" of gambling participation – which included entering lotteries – had plateaued at around 60%, an increase from about 50% of the adult population who participated in gambling during the Covid shut downs.

The UK Gambling Commission launched a new gambling survey which is set to become one of the largest in the world and establish a new baseline for understanding gambling behaviour in Britain; to be published July 25

Ladbrokes owner Entain names Gavin Isaacs, former CEO of betting group Scientific Games, as its new boss, aiming to bring stability to the British gambling company at a time when regulatory challenges are hurting its profit.

UK: The Department for Culture, Media and Sport (DCMS) has announced Fiona Twycross appointed Minister for Gambling

New Zealand Announces iGaming Legalization to Thwart Offshore Websites

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Hilton Fort Lauderdale Beach Resort

March 4, 5, and 6, 2025

March 4, Tuesday: Opening Night Reception

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

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

See PublicGaming.org for complete information and conference updates

- Conference Info & Details: www.PublicGaming.org
- News website: www.PublicGaming.com
- View video of conference presentations: www.PGRItalks.com
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Introducing Smartplay's OriginConnect™, server-based digital draw system. It's built on the robust security and integrity of the Origin® Workstation, trusted by 35 North American lotteries including MUSL.

Proven Reliability. GLI Certified and live in real-world environments for over 5 years, OriginConnect has generated millions of draw results.

Seamless Integration. Integrate effortlessly with your gaming system provider or operate as a standalone system, delivering results on your schedule.

Versatile Gaming Options. Expand your offerings with high-frequency options like keno or single-digit games, backed by the transparency of a third-party RNG.

Elevate your gaming operations with OriginConnect. Experience precision, security, and unparalleled performance.

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