

PGRI PUBLIC GAMING

I N T E R N A T I O N A L

MAY/JUNE 2021

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RETAIL AND LOTTERY POSITIONED FOR GROWTH IN A POST-PANDEMIC WORLD



Feature Interviews

John F. Davis, Secretary, Florida Lottery

Jay Finks, Executive Director, Oklahoma Lottery Commission (OLC)

Eric Hagler, Director, Office of the Arkansas Lottery (OAL)

LETTER FROM THE CEO

To all our clients and partners around the world,

The pandemic has been difficult for all of us in the gaming, lottery, and hospitality industries, compelling us to reinvent our businesses overnight, while dealing with the loss of loved ones and battling the emotional hardships that will leave a lasting impact on us and our families.

Though 2020 was one of the most challenging times for our industry and the world, I'm excited that we have been able to take the steps necessary to return to a more normal life. Personally, I've taken this time to reflect on our business, ensuring that our global team of 1,200+ advisers, testing personnel and security team members continue to serve you and your shifting needs. Since our founding in 1989, GLI has always focused on helping our clients thrive, no matter the circumstances. Working with you to solve difficult problems and create growth and success is what drives us; it's in our DNA.

During the pandemic, we recognized that clients needed not only a trusted testing lab, but a strategic adviser to help them evaluate and capitalize on new opportunities across the globe. We were quietly ready to help. We helped clients transition to cashless technologies and pivot into new global iGaming and digital markets at an accelerated pace. As global cybersecurity threats reached an epic level, Bulletproof, a GLI company, worked tirelessly to provide security services to clients including security and penetration testing, security audits, end-to-end network security, and 24/7/365 monitoring. As an industry, we've learned a lot and should be proud of our collective agility.

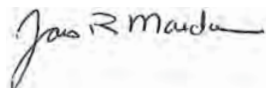
As we emerge from the pandemic and shutdowns, we are ready to expertly help our 480+ regulatory and lottery clients, as well as operators and suppliers to understand new legislation, regulations and cybersecurity requirements. We've reinvigorated our end-to-end compliance and testing road map to better accommodate all your needs, from the earliest quality assurance tests and user acceptance testing, straight through to final compliance certification. We've also reshaped our leadership team for the GLI of tomorrow with an even greater focus on client partnership, world-class service delivery, and team member growth and engagement.

Our global team of advisers and testing personnel has been hard at work preparing for what's next. We can leverage decades of experience to help you achieve your goals—no matter how big or small, or how unique the challenge. At GLI, this has always been our core mission, and as we look toward the future, it will remain our ongoing promise to you.

Simply put, we're ready whenever you're ready.

I cannot thank our clients and partners enough for your continued collaboration and trust as our industry returns stronger than ever.

Sincerely,



James Maida

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CONTENTS

FEATURED INTERVIEWS



12



14



16

- 12** One of the most successful lotteries in the world continues to drive innovation and bold growth initiatives
John F. Davis, Secretary, Florida Lottery Lottery Corp.
- 14** Making sure that Retail Modernization works in our favor to produce sales increases and positive ROI
Jay Finks, Executive Director, Oklahoma Lottery Commission (OLC)
- 16** Arkansas Executive Director Brings Fresh Eyes, Varied Background to His New Role
Eric Hagler, Director, Office of the Arkansas Lottery (OAL)

FEATURED ARTICLES



10



18

- 10** Blame it on Montana
Duane Burke describes the start of Public Gaming Research Institute (PGRI)
- 18** B2B: Focus on Retail
Article based on a Roundtable Discussion conducted at PGRI Retail Modernization eConference featuring:
Max Goldstein, VP of Sales for the Americas, Carmanah Signs
Mary Harville, President and CEO, Kentucky Lottery
Adam Perlow, VP and COO, Northstar New Jersey
Terry Presta, Head of Business-North America, Abacus Solutions
Sarah Taylor, Executive Director, Hoosier Lottery
Frank Taylor, SVP of Sales, Georgia Lottery



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BY THE NUMBERS

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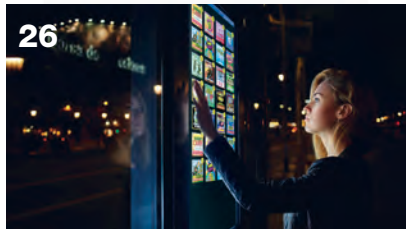
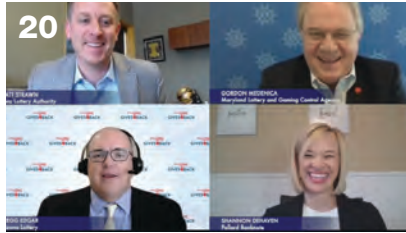
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FEATURED ARTICLES CONT.

- 20 B2C: Lottery Focus on the Consumer**
Article based on a Roundtable Discussion conducted at PGRI Retail Modernization eConference featuring: Shannon DeHaven, Vice President of Digital Engagement at Pollard Banknote Gregg Edgar, Executive Director of the Arizona Lottery Gordon Medenica, Director of the Maryland Lottery, Matt Strawn, CEO of the Iowa Lottery
- 23 Eurojackpot cooperation heads into the future with Andreas Kötter, CEO of WestLotto, as Chair**
- 24 Customer-centricity: A New Meaning to Putting the Customer First**
Pollard Banknote
- 26 Offline, We Miss You: The role of touching, feeling, and tangibly experiencing our world**
Christina Boubalou, Group Marketing Director, INTRALOT
- 28 Real-Time Partnership & Strategic Planning Position Texas to Maximize Growth Opportunities, IGT**
- 34 O Canada! Exploring Lottery in the Great White North**
Scientific Games
- 40 Going Mobile with the flexible app that has over 55 features, IGT**



DEPARTMENTS

- 8 From the Publisher**
Paul Jason
- 22 MUSL 2by2® Draw Game Expands West to include**
Kansas, Nebraska, North Dakota, Wyoming Lottery and Idaho Lotteries MUSL NEWS (Multi-State Lottery Association)
- 46 Pulse of the Industry**
Synopsis of Recent Gaming Industry News



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From the Publisher

Dear Friends,

We are saddened to share the passing of our dad, Duane Burke. Duane lived an accomplished and adventurous life, starting new businesses, writing books, travelling, and raising two children with Doris, his wife of 65 wonderful years. Dad's career was astonishing for its diversity: He was an engineer with the Boeing Corporation until he was 41 years old when he struck out on his own to start a company that ended up being a publications and conference company in the lottery industry – and all that when he had no experience in any of those fields. He was also a pilot, writer, piano player, raconteur, the list goes on. He even started a foundation called Goals R 4 Kids after he retired from starting businesses.



In 1971, he and his wife Doris founded the Public Gaming Research Institute, Inc. (PGRI), a Publishing and conference management company for the world lottery industry that celebrates its 50th anniversary this year. Duane and Doris held conferences around the world in 64 countries. He was a registered lobbyist for the North American Association of State Lotteries from 1974 to 1980. In 2006, Duane and Doris started the Goals Learning Institute which published Goals R 4 Kids.

Duane lived a wonderful life and was beloved by many friends through the years. His warm smile, kindness, generosity and love were such a blessing for everyone,

and his spirit will always shine brightly in our hearts. He is survived by his daughter Susan Jason and her husband Paul; son Stephen Burke and wife Anne; grandchildren Nicolle Meyers (Matt), Julie Drozdov (Brian), Robert Burke (Greer); and great-grandchildren Ella, Jack, and Lillian. And I will always draw inspiration from Duane for his resilience and his abiding kindness and love.

We asked Rebecca Paul Hargrove (President & CEO Tennessee Lottery and President of the World Lottery Association who first met Duane in 1985 and was a close friend ever since) to share her remembrance of Duane.

Rebecca: Duane served as a mentor for dozens of lottery directors, myself included.

He provided training and educational opportunities when none other existed in the US. Whenever a new state or country decided to assess whether to implement a lottery, Duane and Doris were the first they would call. Many of the businesses with a new idea for our industry which are providing services today, are doing so with the help and guidance given by Duane. For Doris and Duane, it was never as much about business and “the industry” as it was about people, connecting with people and helping wherever

and however they could. The list of their accomplishments is lengthy, including the creation of PGRI and its magazine, representing the early association of lotteries (NASL) as a lobbyist on Capitol Hill and state capitols, the creation of the first industry conferences and trade-shows, the founding of the Lottery Industry Hall of Fame and Lottery Industry Lifetime Achievement Awards, and founding a Guatemalan company to operate video lottery and generate funds for children's health programs. But it was always really about the people and the Good Causes supported by government lotteries. Whenever anyone needed a pep talk, the Burke's were there. Their generosity was



legendary. But what I will miss the most is his smile and the twinkle in his eye whenever Doris was near.

By the time you receive this, we will have completed our third eConference – Digital Lottery on June 16 and 17. The pandemic has given rise to many changes in the way we do things, from conducting meetings to shopping and working. Many people lament the explosion of virtual meetings and yearn to return to life as we knew it pre-COVID. To be sure, change has been foisted on us without our consent and in ways that were not always agreeable, and sometimes in ways that were downright unpleasant. And of course, we all look forward to seeing each other and being able to interact and socialize and meet in person. I would respectfully submit, though, that there may be some good things to come from the fast-track adoption of new ways of doing things like video-conferencing and working remotely.

Thank you **John Davis, Jay Finks, and Eric Hagler** (interviews featured in this issue) for sharing your vision for your state lotteries and for the lottery industry. We look forward to seeing you and everyone at **Lottery Expo Nashville in October**. The specific dates and hotel venue should be posted by now on our news website PublicGaming.com.

Paul Jason

Paul Jason, Publisher
Public Gaming International Magazine

A photograph of three people in a retail environment. In the foreground, a woman with dark hair tied back, wearing a light blue blazer, holds a smartphone. A man with a beard, wearing a grey blazer over a blue shirt, points at the screen of the phone. In the background, another man with dark hair, wearing a dark sweater over a white collared shirt, smiles. They are standing near a white counter or display. The background is slightly blurred, showing shelves of products.

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BLAME IT ON MONTANA

RE-Printed from September 2011 In
Memoriam of Duane Burke
1931 to April 30, 2021

ON THE OCCASION OF THE 40TH ANNIVERSARY OF PUBLIC GAMING RESEARCH INSTITUTE

by Doris & Duane Burke

It has been amazing to see how the world lottery industry has grown over the past 40 years! We are very proud of the men and women in government and industry who have created this great success. You have done an inspirational job!

It is also amazing to see that Public Gaming Research Institute continues to be a part of the industry. We feel privileged to have been a part of this great industry and to have, perhaps, made a small contribution to its success. We are also proud of Susan and Paul Jason for continuing, and improving upon, this tradition.

Some (a few; actually, one person) expressed interest in what inspired us to start

Public Gaming Research Institute. So, here is the short version. While working in new business development at the Boeing Company's Boeing Computer Services subsidiary, we developed a plan for using the company's computer and human resources to help New York City and other regions of the state, as well as other states, use off-track betting on horse-racing as a way to raise money for good causes, in lieu of increased taxes. New York was one of three states that had lotteries at that time (1971). The tipping point, though, for starting Public Gaming to foster lotteries and other gaming for good causes, was legislation filed in Montana that proposed to legalize all forms of gaming with no provisions to benefit good causes. We lobbied the Montana legislature and subsequently concluded that other states needed help and so we started an information service to help the states and the companies interested in this new "gaming for good causes" field.

Well, enough of that. The important thing is your continued success. So, we wish you all the very best for continued growth and success on behalf of good causes!



Duane, Susan, Paul, and Doris

The Founders of Public Gaming Research Institute and Pioneers in the Lottery Industry: Duane and Doris Burke

Introduction by Paul Jason: I am often asked about my in-laws, Doris and Duane Burke. Doris and Duane retired five years ago and invited their daughter, Susan, and Susan's husband, me, to take the reins of Public Gaming Research Institute. I am happy to say that Doris and Duane are doing fantastically well. The four of us live just east of Seattle, Washington and get together at least twice a week. While they are very happily retired, they do enjoy the news of the industry almost as much as we enjoy sharing it with them. I asked Duane to describe how he and Doris got started in the business and adjacent you'll see their story.

I will fill in a few of the blanks. The Burkes dedicated 36 years to promoting the health and prosperity of the lottery industry. But for Doris and Duane, it was never so much about "the industry". It was about people, connecting with people and helping wherever and however they could. The list of their accomplishments is lengthy, including the creation of this publication, representing the early association of lotteries (NASL) as a lobbyist on Capitol Hill and in state capitols, the creation of the first industry conferences and trade-shows, the founding of the Lottery Industry Hall of Fame and Lottery Lifetime Achievement Awards, and founding a Guatemalan company to operate video lottery salons and generate funds for children's health programs. But it was always really about the people and the Good Causes supported by government lotteries.

Their advice to us four years ago was simple. Never ever lose sight of the mission of supporting the lotteries. Let's just extend a Thank You for all they have done for the industry. And a personal Thank You from us, from Susan and Paul, to Doris and Duane for being a friend, mentor, and for guiding us in life as well as in business. ■

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ONE OF THE MOST SUCCESSFUL LOTTERIES IN THE WORLD CONTINUES TO DRIVE INNOVATION AND BOLD GROWTH INITIATIVES

John F. Davis, Florida Lottery Secretary

PGRI Introduction: Secretary Davis is an accomplished leader with more than 20 years of service in the public and private sectors. Prior to his appointment to lead the Florida Lottery in October 2020, John served as the Executive Vice President of the Orlando Regional Chamber of Commerce, where he established solid organizational structures that accelerated revenue and growth. He was also the President of the African American Chamber of Commerce of Central Florida, overseeing businesses and organizations in six counties. In 2018, Orlando Magazine named Secretary Davis one of the Top 15 Leaders to Watch.

The Florida Lottery's mission to maximize revenues to enhance education in Florida is something that Secretary Davis holds near and dear to his heart. His previous leadership roles in the greater Orlando community were rooted in supporting youth and students to help them achieve their dreams. And prior to his career in the public sector, Secretary Davis co-founded a private business aimed at offering professional training services and youth sport programs.

Paul Jason: What are a couple of the high-priority initiatives planned for the Florida Lottery over the coming 12 to 18 months?

John Davis: The Florida Lottery, at its core, sells tickets and pays prizes. While every ticket we sell may not result in a prize payment, there is always a winner when a Florida Lottery ticket is purchased – our state's schools and students receive funding to help enhance educational opportunities and scholarships; retailers reap the benefits of increased foot traffic and revenue; and players win money ranging from modest payouts to grand prizes – essentially, we are all winners! As we look to our Path Forward, the initiatives we have planned focus on maximizing efficiencies with relevant innovations that allow us to not only be one of the most economical lotteries in the nation, but one of the most productive, too. A few of our high-priority initiatives,

outlined below, focus on improving player expectations and providing convenient ways for them to learn about and engage with our products.

The legislative session here has just ended, and the Florida Lottery was fortunate to receive funding for each of its Legislative Budget Requests, including replacement of our **Prize Payment System**. The current system we utilize was developed internally by Lottery staff more than 10 years ago.

As with other lotteries, the Florida Lottery experienced challenges during the pandemic that led to innovative ways in which to pay our players. We plan to incorporate these methods into our new claims and payment system, which we foresee far exceeding our current system's limitations and allowing our business to grow with its ever-changing customer needs. We are currently collaborating internally and reaching out to other



lotteries for innovative claims and payment options that are new to market, and we are aiming to have this new system in place within the next 18 months.

Another opportunity we are seizing to enhance our players' experience is an overhauled **Website Redesign**. This project focuses on an updated design that leverages best-in-class UX (user experience) and technology to keep our players informed and engaged. We are leveraging a new CMS (content management system) that will allow real time updates, internal efficiencies in workflow, and more clearly defined governance over the website content. Our desire is to build something that works today but is flexible enough to carry us into the future. We are working closely with our Advertising agency to help with design and customer experience tools that ensure a consistent look, feel, and tone across ALL of our marketing efforts.

Our **Southeastern Grocers Floor Merchandising Project** is a high priority initiative we are looking to expand upon in the very near future. This pilot project with Winn-Dixie, one of the largest

Continued on page 32

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MAKING SURE THAT RETAIL MODERNIZATION WORKS IN OUR FAVOR TO DRIVE SALES INCREASES AND POSITIVE ROI

Jay Finks, Executive Director, Oklahoma Lottery Commission (OLC)

PGRI Introduction: Jay Finks has been with the Oklahoma Lottery Commission since its launch in 2005 and was appointed Executive Director on November 1, 2020. Jay began his career at the Lottery Commission in the Marketing Department and has served as the Marketing Manager, Marketing Director and Director of Marketing and Administration before his appointment to Deputy Director in January of 2019. He brings over 20 years of experience to the position in the fields of strategic marketing, product development, and advertising. Jay was awarded the 2010 Powers Award for excellence in Marketing.

Some aspects of Retail Modernization have not always delivered the desired results. Historically, players have tended to spend more at the counter than they do at self-serve lottery ticket vending machines. Does that mean that the lottery industry should push back against consumer trends like self-serve? Jay talks about why Lottery needs to evolve with the consumer-driven retail modernization trends, and how our actions can ensure these trends deliver value for the Lottery as well as value for the players and our retail partners.

Paul Jason: What are a couple of the high-priority initiatives planned for the Oklahoma Lottery Commission (OLC) over the coming 12 to 18 months?

Jay Finks: Two priorities are rising to the forefront as we continue to keep pace with our exploding business — total sales up 133% over the past 4 years. One, we are aggressively attempting to capture as much market share as possible while there are still limits to discretionary spending (with casinos, movie theatres, and other forms of recreational entertainment not at full capacity). Typically, for instance, a Lottery may wait years to launch a full complement of high price point tickets. Now however, the OLC is being more aggressive during what we see as a window of opportunity. In December of 2019 we launched our first \$20 ticket. We launched our first \$30 in

February and are planning on a \$50 ticket by the end of this year. We have our foot on the gas.

Two, we are seeing an explosion of activity on the corporate retail side of the business. Expansion, mergers and acquisitions in the retail sector are creating additional opportunities for our business. With the growth in sales and ultimately commissions for the retailers, the corporate chains have taken notice and are seeking out additional resources to support the growth of lottery. By the end of the calendar year, in our top 3 chains alone, we anticipate having a self-service machine in over 80% of their stores. And it's not stopping there... we are launching Quick Ticket in almost 500 Dollar General stores in the next two months and executing a test program with our large-size HD self-service machine at



Walmart Super Centers (a test that could have major implications for many other Lotteries).

Is there a shift away from clerk assisted full-service retail?

J. Finks: There is a reason the Walgreens and Lowes of the world are embracing self-service ... consumers want that choice. To resist this major trend only serves to set us further behind in our efforts to engage new an ever-changing set of play styles and preferences.

I don't think we will ever get away from the power of clerk-assisted retail but we can't ignore how strong a complement self-service is to it. They work together to provide consumers with stronger choices to engage in our brand. Additionally, we are seeing it work not only as a complement, but also as a stand-alone POS in convenience stores. In the end we will always look to combine counter sales and self-service, but we can't be afraid to break the model and try new approaches. We must be ready to evolve with the consumer shopping trends that are driving retail modernization.

Continued on page 43



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ARKANSAS EXECUTIVE DIRECTOR BRINGS FRESH EYES, VARIED BACKGROUND TO HIS NEW ROLE

Eric Hagler, Director, Office of the Arkansas Lottery (OAL)

PGRI Introduction: As the Director of the Office of the Arkansas Lottery, Eric Hagler is responsible for running all facets of lottery operations for the State of Arkansas, including administration of the Arkansas Scholarship Lottery. Mr. Hagler was appointed to the directorship in August 2020 by Governor Asa Hutchinson, leading to his return to Arkansas from Southern California where he held senior executive positions for almost two decades. Prior to joining the Lottery, Mr. Hagler co-managed a large commercial real estate portfolio for a Huntington Beach-based PFO with a market value of \$120 million. Over the course of his executive career, he has served as General Counsel to Wedbush Securities and Crowell-Weedon & Co. (now D.A. Davidson), where he was an equity partner. After completing his service with Crowell Weedon & Co., Mr. Hagler served as President of a Newport Beach, CA based investment holding company, where he navigated the sale of all subsidiaries to a Fortune 500 company. Prior to his corporate career, he served as a Special Associate Justice for the Arkansas Supreme Court, as well as serving as Benton County Magistrate Judge. Mr. Hagler began his career by serving as a prosecuting attorney for the State of Arkansas. He is a graduate of the University of Arkansas (B.S.B.A.), and the University of Arkansas-Little Rock School of Law (J.D.).



Paul Jason: What are a couple of the high-priority initiatives planned for the Arkansas Lottery over the coming 12 to 18 months?

Eric Hagler: OAL is experiencing a record sales year. But, with growth comes certain growing pains which can create inefficiencies. In response, we are simultaneously evaluating our overall operations. A prime example of our review is our migration to a fully-automated draw procedure, a process that was spearheaded by OAL Security Director Angela Springer. The automated draw procedure has served to advance the integrity and efficiency of our process. The newly implemented Szrek2 Solutions draw platform also serves to reduce the potential for error. Human verification is still necessary, but the process itself is a closed environment with a complete audit trail. Another example of our focus on operational efficiencies is the creation of a procedure for conducting an ongoing margin analysis of our game suite. Increasing sales is a true

and noble goal, however, there are points of inflection where the continued sale of certain games or price points simply does not make economic sense. This ensures proper balance within the game portfolio. We have only recently implemented the margin analysis method and we are in the early stages of gaining additional clarity around the ebb-and-flow of certain games and price points. Currently, we are using the data results for fiscal year planning, but we are eager to develop avenues for mid-year portfolio pivots designed to ensure that we are properly managing the profitability of our game suite. Meeting consumer demand is the primary driver for our offerings, but effective marketing can also drive sales to games that are in need of market traction. At the end of the day, OAL's statutory mission is "to raise Net Proceeds for scholarships in a responsible manner." We believe operational and financial efficiencies are the cornerstone for driving sustainable increases in sales.

What do you think is the likelihood of iLottery being approved in your state, maybe in the next two years? Do you expect any other regulatory changes to be enacted in the near future?

E. Hagler: Our team is unified in the belief that e-commerce transactions are a critical component of the modern business landscape. The lottery sector has borne witness to both the successes and struggles of the early adopters of iLottery. There is now objective data available that serves to inform the decision-making process. What was once simply a hypothesis supported by a theory now enjoys proof of concept. There is no doubt that omni-channel distribution will be necessary for any lottery to effectively compete for consumer discretionary spend. We opposed a bill in the current legislative session that would have authorized a limited form of iLottery. Senior management's goals and vision for iLottery did not align with the proposed legislation. To be sure, I believe that Arkansas must move towards an adoption of iLottery to ensure continued growth. With that being said, we have a wonderful relationship with our lottery retailers and any move into the digital

Continued on page 32



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BUILDING STRONG BONDS WITH LOTTERY'S RETAIL CHANNEL PARTNERS

The following article is based on a Roundtable Discussion conducted at PGRI Retail Modernization eConference on April 13.



Under normal circumstances, owning and operating a business is stressful. It is even more so for the businesses where lottery products are sold. Payroll, rent, stock control, marketing, personnel – there is no shortage of issues which keep business owners up at night.

Now, throw in a worldwide pandemic and government-mandated lockdowns, and it's a wonder lottery retailers stayed in business, let alone thrived. But thrived they did, with a huge assist from their lottery and vendor partners. This success has set the groundwork for even stronger revenue growth in the quarters ahead.

Under the general subject of "Focus on Retail," a panel of experts looked ahead to the future of retail. Led by moderator **Sarah Taylor, Executive Director of the Hoosier Lottery**, the Roundtable panelists included:

- **Max Goldstein**, VP of Sales for the Americas, Carmanah Signs
- **Mary Harville**, President and CEO, Kentucky Lottery
- **Adam Perlow**, VP and COO, Northstar New Jersey
- **Terry Presta**, Head of Business-North America, Abacus Solutions
- **Frank Taylor**, SVP of Sales, Georgia Lottery

To better understand the decisions being made by lottery retailers, it helps to review the landscape and pressures faced by these businesses. Setting that stage was Terry Presta, who is the former director of the Kansas Lottery and owned a chain of convenience stores throughout Kansas. Terry walked through the variety of concerns at retail.

"From the moment you open a store, the meter is running on your rent, labor, utilities, property tax," he said. "These are 24/7 pressures and with no regard for whether sales or gross margins are enough to cover the costs. Lottery is a very important product for retailers, but we don't have high margins. 5 to 5.5% on average, which is among the lowest of all products offered at retail. So, we must deliver our product in a way that requires very little spend on their end. If we can make sure that happens, our product will be welcomed, and the industry will see potentially unlimited growth."

Of course, critical no-cost support is provided to retailers by lotteries in the

form of equipment, lottery products and marketing/advertising. Perhaps the most popular piece of equipment is the jackpot signs which are often visible from the gas pumps and passing streets (certainly when a customer approaches a store). Many of those signs are supplied by Carmanah Signs, where support of the brick-and-mortar locations is of primary importance.

"We are seeing an increase in investment by retailers in digital – not necessarily digital sales, but in-store digital marketing tools," said Max Goldstein. "Lotteries are working with their retail partners to create brand awareness and merchandise their products. According to Market Data Forecast, the size of the global digital signage market was estimated at \$19 billion in 2019 and is expected to reach \$32 billion by 2025. This digital investment will attract, engage, and inform players and ultimately help drive sales."

For lotteries, supporting their retailer network is of critical importance. Mary Harville was the legal counsel for the Kentucky Lottery for 16-1/2 years before being appointed President and CEO last fall. She runs an organization that also offers iLottery for players so she is very cognizant of nurturing an effective mix of channels through which lottery products can be purchased.

Continued on page 44



LOTTERY FOCUS ON THE CONSUMER

Lottery Leaders on trends in play styles and preferences



The following article is based on a Roundtable Discussion conducted at PGRI Retail Modernization eConference on April 13.

Lottery sales are up across the product lines. Funds to good causes continue to grow. Retailer commissions have never been higher.

With all this good news, what do lotteries have to worry about?

Like the stock market crash in the late 1980s, the Dotcom bubble in the 90s, and the housing price boom/bust in the 2000s, economic surges are cyclical and typically not sustainable. Preparing for this reality is the best remedy that can help us to overcome that volatility and keep the momentum going. As the old proverb says, “Forewarned is forearmed.”

The lottery leaders who participated in the “Consumer Engagement Strategies” certainly have their eyes on the future, while they also celebrate today’s good numbers.

Led by Iowa Lottery Chief Executive Officer **Matt Strawn**, the panel consisted of Maryland Lottery and Gaming Director **Gordon Medenica**, Arizona Lottery Executive Director **Gregg Edgar**, and Vice President of Digital Engagement at Pollard Banknote **Shannon DeHaven**.

Looking back on the past year, the lottery leaders had different experiences. Arizona Lottery maintained its external communications with players but shifted from product-focused advertising and promotion to its “giving back” messaging. Maryland went dark with most of its messaging. But the one constant for all lotteries was that while strategies, tactics, focus, and media mix might change, they continue to maintain strong outreach to their core constituencies – retailers and players. The approach of industry leaders appears to have worked well, as lottery sales kept climbing in spite of the disruption, and the messaging stayed

respectful of the difficult times being faced by everyone over the past year. And now we hope table is set for ongoing success.

For Iowa, sales are up close to 24% year-over-year. Arizona is up a whopping 42% year-over-year. Maryland has a strong reliance on monitor games in social settings which were closed for many months. In spite of these constraints, Maryland sales are still up over 20%. The panelists agreed that the key to lottery resiliency is the decades-long nurturing of its relationship with the players, aided by compelling games and winning experiences.

“In the end, it all comes down to the player,” Matt said. “Yes, a lottery must have great retailer relationships but ultimately you must have a strategic approach to player engagement and how you will maintain relevancy to your players. In Iowa, we challenge ourselves to think about how to

reinforce the activity of going into a store to shop and then capture the attention of that shopper once they're in the store. Then, of course, you have to convert that attention into sales. It doesn't happen overnight. It requires a multi-year plan that can withstand economic challenges and other market forces, and evolve with consumer tastes and preferences. This past year we've seen real-world experiences of how a focus on the player can reap positive results for lotteries."

Player engagement is a bit different in Maryland where unlike many states, less than 50% of the lottery's sales are from instant tickets. Instead, Maryland's sales are driven by a number of products. Monitor games, like Keno and the horse race-themed game Racetrax, account for 25% of sales. To achieve those impressive sales numbers, the lottery works with its retailers to create gaming environments where players can gather, socialize and play – a much different type of player engagement than seen by other lotteries. "A year ago, we were running into a challenge we thought we'd never see – how do you get players to leave a store," Gordon said. "Our retailers were open, the players were returning but they were also staying a bit too long in the stores. Given the pandemic, the retailers had reasons for concern. But we felt that as we entered the summer months, things were normalizing and that was reflected in the sales numbers. Today, our retailers are more than happy to see their customers spend more time in their stores."

Gregg Edgar has an interesting perspective on what the future holds. He has been studying the impressive growth seen by his lottery and asking "What's the driver? What's behind these numbers?" Stretching for deeper insight into these questions will help inform the Arizona Lottery on its future focus. "We've seen that much of our growth is driven by our core player and not necessarily an expansion of our player base," said Gregg. "I see this as an area of great opportunity. Let's use the tactics that have attracted our current players over the years to get new players. Show them that lottery is fun, that there are many winning experiences. Always make sure the core player is taken care of but work on initiatives that

attract other players to broaden the player base. Providing winning experiences is key to both of those goals. How we branch out into different areas, offer fresh products and different programs, is key to our future growth."

A lottery with different issues is Michigan. Until May of this year, Shannon DeHaven was the long-time Deputy Director of Digital Operations at the Michigan Lottery, where she oversaw the lottery's pace-setting iLottery program. She has since moved on to Pollard Banknote, but she shared some of the learned lessons from a lottery that showed how successful iLottery can be in the U.S., and how retail can grow right alongside the rapid growth of the online channel. "Michigan has always promoted both channels and, given our knowledge of the players, we could send them promotional materials for both retail products and online products," said Shannon. "When the

"If we continue to expect players to disrupt their shopping experience to purchase lottery tickets, we may find ourselves losing sales before we know it."

restrictions over the past year took hold, and we didn't necessarily want to drive people into retail locations, we were able to promote the iLottery options. As things have opened back up, we saw players returning to their normal behaviors. The key is to continue to let players know they have options. If it's 8 pm, we'll let them know the drawing is coming up and they can buy their tickets online. To me, it's all about providing players with convenience."

With her shift to Pollard Banknote where she now oversees the company's digital engagement efforts, Shannon is still focused on how to make the purchase path easier for players. Her work is critical as lotteries seek the appropriate blend of online and at-retail opportunities for players. "If we continue

to expect players to disrupt their shopping experience to purchase lottery tickets, we may find ourselves losing sales before we know it," she said. "I believe that consumers are going to expect the ability to purchase in lane and that may include an integration to offer multiple products within the POS. Make it easier for them. That kind of spontaneous purchase as the consumer goes about their shopping experience is critical to our future growth. It's one of the things that Pollard is focused on providing solutions for and we'll only see this part of our business grow."

All participants on this Consumer Engagement Roundtable agreed that technological advancements are the key to future growth in the lottery industry. Whether it's at retail or in our homes, technology will keep current players coming back and attract new players. For instance, in Arizona, Gregg and his team are right in line with Shannon's feelings about in lane.

Put lottery products where the consumers are located, particularly at the point of payment. Arizona is working with a number of vendors to implement programs designed to offer consumers purchasing options. Arizona currently offers Quickcard in-lane with InComm and Blackhawk, but is in development on a number of other products.

"We're excited to implement a SCiQ in-lane product from Scientific Games and I think that will positively impact how we sell and how much we sell," said Gregg.

"We're also working with Pollard and InComm on an implementation of their ScanACTIV product that allows instant tickets to be displayed in-lane and scanned for purchase. We are also working with Abacus on an in-lane implementation at Costco. All these initiatives are designed to make the lottery purchase easier for the player and put the product in front of them as often as possible at retail. We are currently locked out of iLottery in Arizona because of our Tribal Gaming Compacts, so we need to use other tools at our disposal."

For Maryland, the advancements in self-service machines have noticeably moved the sales needle. Throughout his career at three different lotteries, Gordon has encountered different receptions to the machines. But the

Continued on page 43

2BY2 EXPANDS WEST

One of the Multi-State Lottery Association's lesser-

known products is gaining momentum this year as it expands to new markets – nearly doubling the number of participating lotteries in just a matter of weeks. Since its inception in 2002, the 2by2® draw game has attracted a loyal following of players in Kansas, Nebraska and North Dakota. Now, two new MUSL members have joined the Product Group with the Wyoming Lottery and Idaho Lottery beginning sales in March and April, respectively.

“We went live with 2by2 on March 14 during the worst snow storm of the year, and perhaps the last decade!” said Jon Clontz, WyoLotto CEO. “Despite the raging storm, once sales were available very early the morning of March 14, players were out buying their 2by2 tickets in higher volume than expected, and higher than expected if it were a clear and sunny day!”

The strong launch is an early indicator of what the 2by2 lotteries in the Midwest have been experiencing – year-round demand for a draw product that is not jackpot driven. The 2by2 game has been spared the volatility seen in the national draw games category, in fact,



sales have remained steady over the past five fiscal years.

“Reliable performance is important to us all, and I think the success North Dakota, Kansas and Nebraska have had with 2by2 made the timing right for the group to grow,” said Brian Rockey, 2by2 Product Group Chair and Nebraska Lottery Director. “In past conversations with other directors, I have noted the stability of 2by2 as part of our product portfolio in Nebraska.”

With drawings seven days a week, the 2by2 product has become a frontrunner for

lotteries looking to expand their daily draw lineup.

“The Idaho Lottery was looking for opportunities to add more daily draw games. Until this year, we only offered a single daily draw game, Pick 3,” said Jeff Anderson, Idaho Lottery Director. “Since January, we’ve introduced a daily Pick 4 game, changed our in-state game Weekly Grand to daily draws, and now have added 2by2 this April.”

“The Wyoming Lottery law restricts us from offering instant products, allowing for ‘Draw Games’ only,” Clontz noted. “Of our five games, three are jackpot driven

which is challenging when jackpots are at low levels. Since we had not yet added a daily game, we were looking for one that would be different, inexpensive and daily. We did our research and found that 2by2 was easy to understand, daily, has great odds, is affordable at \$1 and there is a feature that allows players a chance to win double on Tuesdays!”

So, what makes the 2by2 game appealing to players? The \$1 draw game offers eight different ways to win and a top cash prize of \$22,000 every day of the week and up to \$44,000 on Tuesdays. It also has a unique premise that is fun and easy for players to understand. Players pick two red ball numbers from 1 to 26 and two white ball numbers from 1 to 26. Players win a prize by matching a single number; they win the top cash prize by matching all four numbers. In addition, the game encourages daily participation. If a player buys a 7-day multi-draw ticket, the ticket automatically qualifies for the 2by2 Tuesday feature in which all prizes won on Tuesday double in value.

“The daily drawings and chance to double prizes on 2by2 Tuesday with a qualifying multi-draw purchase help keep the game top of mind,” said

Rockey. "We have found that the game responds well to promotional efforts, both in terms of sales performance and in player engagement opportunities, which heightens its value and appeal as a product."

The new participating lotteries say it is those factors that make the game a great fit for their states.

"2by2 works well with a smaller state's portfolio of games and fills an interesting gap in our product line between the daily numbers games and the larger in-state draw games we offer. Plus, 2by2 lends itself to working well with promotions, which we're truly good at doing," added Anderson.



From a MUSL viewpoint, the 2by2 product has two other high-selling points – its scalable and winnable. Adding new lotteries to the 2by2 game was a seamless, easy process for the Association since it already had a draw and sales reporting system, established prize pools and reserves, game rules and draw staff. Operational costs are shared among

participating lotteries, so costs per lottery go down as new members join.

As for the winning experience, 2by2 has the best odds of MUSL's products. The overall odds of a winning a prize are 1 in 3.59. Last year, there were more than 2.9 million winning tickets, including 104 tickets that won the top cash prize of

\$22,000 and three multi-draw tickets that doubled the top prize to \$44,000 with the 2by2 Tuesday feature. Players in the new participating lotteries are riding the winning streak. After six weeks of sales, the Wyoming lottery recorded five top prize winners.

"Having numerous higher tier prize winners is exciting for players and for us, and it keeps players interested in the game. We have already had five \$22,000 winners since launching on March 14, 2021, which is nearly one per week!" Clontz said. "Players love 2by2, and we continue to see weekly sales exceeding projections." ■

EUROJACKPOT COOPERATION HEADS INTO THE FUTURE WITH ANDREAS KOETTER AS CHAIR



At the General Meeting on May 11, 2021, the management team of the European lottery cooperation was newly elected.

Andreas Koetter was unanimously confirmed in his position as Chairman of the Eurojackpot cooperation. The CEO of WestLotto, the state lottery company of North Rhine-Westphalia, will thus continue to lead the internationally successful lottery cooperation for the next three years.

"It is an honor and pleasure for me to be able to continue the task as Chairman, especially in the rapidly changing markets. In terms of stakes, Eurojackpot is the most successful gambling product in Europe launched in the past 10 years, and we are particularly proud of this. This success is both, motivation and obligation, which we want to live up to again as a team in the next three years," said Andreas Koetter after the election,

commenting on the result.

In addition to Andreas Koetter as Chairman, Olli Sarekoski (Veikkaus Oy / Finland) was elected as Deputy Chairman. The Executive Committee Eurojackpot is composed of the following persons in total:

- Robert Chvátal (Sazka a.s. / Czech Republic)
- Andreas Koetter (WestLotto / Germany)
- Giovanni Emilio Maggi (Sisal S.p.A. / Italy)
- Olli Sarekoski (Veikkaus Oy / Finland)
- Dr. Heinz-Georg Sundermann (LOTTO Hessen GmbH / Germany)
- Pernille Wendel Mehl (Danske Lotteri Spil / Denmark)

"Our team looks forward to further promoting the healthy and successful growth of the past years, with 33 lot-

tery companies now in 18 states, and position the product successfully on the gaming market for the benefit of all Eurojackpot lotteries," Andreas Koetter said, already looking to the future.

The meeting and elections were conducted exclusively digitally due to the current pandemic restrictions. Andreas Koetter has thus been serving the largest lottery cooperation in Europe as Chairman since April 2016. Development of Eurojackpot since then has been extremely successful and has included the addition of additional countries and lottery companies.

The countries participating in Eurojackpot are Croatia, the Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Iceland, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Slovakia, Slovenia and Spain. This is done in each case by the lottery companies licensed in the respective countries. ■

Customer-centricity: A New Meaning to Putting the Customer First

When the events of the past year are behind us, at least one thing will remain: a shift in the way we shop. We have been warned for years about the impending retail apocalypse, but even in the midst of a pandemic, it has not occurred. While there has been an undeniable shift towards digital shopping in a variety of forms, with some customers learning to navigate new channels for the first time, many have still chosen to continue to shop in-store, especially for things such as grocery items. In fact, according to Bain & Company, online grocery shopping accounted for 5.1% of total grocery sales at the end of 2019, and by the peak of the pandemic in 2020, had risen only slightly, to 6.6% of sales.

While this past year has been very challenging for retailers, many have seen firsthand what other brands have already discovered: the key to success is making the customer experience the top priority. Providing customers with choice—so that they can decide how and when they want to experience a product or brand—is what defines the new era of retail. In the first era of retail, the focus was on the producer; in the second era, the focus was on the retailer; now in the third era, the focus is on the customer experience. Today's customers will shop online or in-person, based on their preference, convenience, and maybe even the weather. This will dictate how retailers sell their products.

For example, Allbirds, an online shoe company based in New Zealand, was so successful with their customer-

centric approach to the online buying experience that they decided to open brick and mortar retail locations, offering customers a new way to interact with their brand. While some consumers prefer the convenience of online shopping, others prefer to see and feel a product before purchasing, so with this in mind, Allbirds designed their store to have comfortable seating, making trying on shoes easier and more relaxed for their customers. In another departure from the typical shoe retailer, they chose to display a select number of shoes at any given time, so as not to overwhelm shoppers. Allbirds successfully translated its online brand to brick and mortar by keeping the customer at the center of the shopping experience in every respect, regardless of channel.

This customer-centric approach is equally applicable to lottery. As lotteries develop and launch new products and services, they need to place the players at the center of the brand experience. This means considering when, where, and how customers want to play, and ensuring that they have products in place to meet them wherever they are—including, for example, in-lane at grocery stores, in social establishments, and on their phones, making it easy for them to interact with the lottery brand. Traditional brick and mortar retail and digital lottery are not competing. Whether players prefer to purchase or play online or offline, it's all about creating the best customer experience desired at that moment in that channel.

Era's of Retail

1st Era
PRODUCER

2nd Era
RETAILER

3rd Era
CONSUMER



The recent pandemic has presented an unexpected opportunity for lotteries. Many have welcomed a wave of new, lapsed, and infrequent players over the past year, resulting in overall instant sales growth of 13% in North America in 2020—significantly exceeding the growth of the previous years. Furthermore, data shows that many of these new players have indicated that they will continue to play. For example, research in Michigan found that of the casino players that tried instants for the first time during the pandemic, 81% of them said that they will continue to play instants. What is more, over half of those players are under the age of 35.

To encourage these new players to continue to engage with lottery products long after life returns to normal, lotteries need to recognize that continued success is all about the customer experience and therefore seek to leverage customer-centric products and strategies that appeal to players when and where they want to play.

As a leading partner to lotteries worldwide, Pollard Banknote's culture of innovation drives the development of new solutions that will help to support lottery success in the new era of retail, with a specific focus on outstanding games, retail excellence, and digital innovation.

Traditional Retail with a Touch of Digital

Pollard Banknote recently worked closely with the Western Canada Lottery Corporation to launch eight E-PLAY Tickets, including *Ca\$h Frenzy*, *Holiday Treasures*, and *Cro\$sword Moneybag Multiplier*. These games provide a 1st chance digital experience that starts and ends at retail, thereby offering players a traditional purchasing experience while gently introducing the idea of playing lottery digitally without overwhelming new players to that channel. The tickets, which are purchased at a brick and mortar retailer, are scratched to reveal a QR code and URL which players can scan on a mobile device or enter using a desktop computer to play a digital game for a chance to win up to \$5,000. To claim their prize, players must return to retail to scan their winning ticket. E-PLAY Tickets create an easy way to

move players into a digital space with a traditional instant ticket that has an added digital component.

Instants In-lane

To make it easier and more convenient for players to purchase instant tickets alongside other items, Pollard Banknote collaborated with subsidiaries Fastrak Retail and Diamond Game to develop a new in-lane vending solution called easyVEND™. easyVEND™ is integrated into the retailer POS system and allows for the in-lane purchase of instant tickets in a single transaction with other purchases, adding a new level of convenience for customers. This solution also significantly lightens the labor that instant tickets traditionally demand of cashiers and retailers, while placing the tickets conveniently and securely in-lane, very cost-effectively.



familiarity of an ITVM with an easy-to-use interface designed to grab players' attention, making it easier and more convenient for players to purchase and play instant tickets.

Hopping into Omnichannel Lottery Programs

The Michigan Lottery used a true omnichannel approach to launch its latest Frogger offering. It includes traditional scratch ticket play and an e-instant version of the classic Frogger video game from Konami Digital Entertainment, providing players with a multifaceted play experience. The \$2 *Frogger* instant ticket, printed by Pollard Banknote, encourages players to scan their instant tickets—both winning and non-winning—for entry into weekly Second Chance drawings for cash prizes.

By infusing new and retro designs with innovative game mechanics to diversify lottery portfolios, it creates a truly immersive and engaging entertainment experience that appeals to new and returning lottery players alike.

A Customer-centric Future

The pandemic has accelerated the evolution of customer-centric shopping trends and as a result, lotteries must adapt to meet their changing needs. The modern consumer wants options, and therefore it's crucial to have lottery products available for players where and when they want. Now more than ever, using a customer-centric approach is key to keeping customers excited and engaged. Pollard Banknote is proud to be at the forefront of bringing new, innovative products to lotteries so that they can offer their players more choice in this new era of retail.

©Konami Digital Entertainment

Instant Ticket Vending in Non-traditional Retail Locations

Using a customer-centric approach to facilitate instant ticket sales, Pollard Banknote subsidiaries Schafer Systems and Diamond Game collaborated to develop Select 4™, a small footprint four-bin ITVM that facilitates the sale of instant tickets in non-traditional retailers, such as bars, cafés, and other locations that have

previously been difficult to penetrate. The Ohio Lottery seized the opportunity to provide its market with a convenient new way to buy their favorite instant tickets, initially placing 25 Select 4™ units in the upper Cleveland area during a pilot program, which was met with positive feedback by players. The Lottery plans to install an additional 475 units in various locations across the state through the end of Q3 2021. The customizable, compact unit offers the





OFFLINE, WE MISS YOU*

While all projections are giving us a future of people “touchlessly” and remotely doing everything, what is the chance of us rising above these predictions and touching base with our true human nature of needing to touch, feel and tangibly experience things?

** title inspired by the in-person socializing app “Locals” UK campaign called Offline We Miss You.*



by Christina Boubalou,
Group Marketing Director
INTRALOT

Undoubtedly, we have seen many bizarre things taking place these past 18 months:

A PANDEMIC.

If we watched a movie about the pandemic a few years ago we would say “these things only happen in movies!” and if someone told us we would hear the word “unprecedented” a zillion times a day, we would laugh hard and call him an arrogant snob.

REVENGE IS A DISH BETTER SERVED COLD.

Online waited long enough and it successfully took its revenge against Offline, overnight. All doubts and conspiracy theories on the countless things that could go wrong if you used your credit card to pay something on the web were magically gone and above that, it happened in the most data-driven era of all times: Tons of data-based results indicated immediately that we should turn online for everything if we wanted to cope. And we did.

SWITCHING CHANNELS

We tele-worked, we tried out clothes remotely from an app, we YouTube'd videos on how to make our own bread, we Zoomed for school, Teamed for work and Skyped for Pilates' classes, honest-

ly, it is astonishing that Netflix is not yet a verb. In GB, the total proportion of consumers who shop online at least weekly has increased from 32% pre-coronavirus to 61% during lockdown; in the US, the same figure has grown from 33% to 60%** And after running virtual dinners and blowing birthdays candles towards the TV, we played games!

“People could play the lottery from home, buy scratch cards and have them delivered via the post-office.”

FINALLY! GAMING ONLINE

Online gaming at such a short notice was quite a challenge for some – not every business was ready to switch on the spot. Still, players were suddenly willing to try what they would not try before and registering to play online seemed much less horrifying now that it was the only possible way. Regulation became just a little more understanding due to the unprecedented (!) of the situation and players were giving us a chance to engage them. Online gaming platforms were optimized, simplified and up-the-shelf as a top priority and roadmaps for both lottery operators and technology providers were amended accordingly and unanimously to support this.

LONG LIVE THE JOURNEY

New customer journeys were designed to facilitate gaming participation in every way. People could play the lottery from home, buy scratch cards and have them delivered via the post-office and virtual sport events were surfacing to cover for the real ones that could not take place due to COVID-19 restrictions. Payment methods became really creative, withdraw limits in credit cards were increased and even tipping a decent delivery guy was now remotely done through the take-away apps that offered you a chance to pick up your food from the stairs to avoid human contact.



So now the big bet is: will this last? Have we facilitated people so much that they will continue to live their lives from a distance even after they are not obliged to? Mega-trends are identified and speak of a **Cashless Society** that will continue to transform our financial interactions, a **Presence-free Living** during which physical presence becomes as valuable as time, attention or money. They highlight consumers' enhanced **Healthy Habitats** that allow us to safeguard the space we inhabit to protect us and glorify the **Stakeholder Customer** who needs to be empowered to direct, decide for the brand of his choice and be rewarded for his input. Last but not least, consumers look to brands with **Local Credentials** in support of their community, while in need to feel better connected with heritage and in a quest for sustainability.**

The answer is both Yes and No. These new, amazing capabilities and the technology that provides them are already embraced because they make our lives easier. But our brick-n-mortar habits make our lives better because they are perceived by all our senses simultaneously and this is what makes us truly happy people and loyal customers.

If we were to approach these latest mega-trends from a different angle, is there a chance they are a cry of people wanting to have the option to log off on demand? We – marketers – have bombarded customers with so much, so many options for every single decision so sometimes it seems like they are telling us to back off a bit. And maybe that is where true opportunity lies.

They say that drinking a glass of wine is an action that satisfies all five senses: We feel the glass in our hands, see the colors of the liquor, smell the grapes out of it, taste its ingredients one-by-one and hear the sound of the glasses brought together in a common wish. This is our chance to do the same with all our products. So, let us go out and just admit it: Offline we miss you! Maybe now all the trends and the innovation will finally make sense. ■

** Foresight Factory, data 2019

REAL-TIME PARTNERSHIP & STRATEGIC PLANNING POSITION TEXAS TO MAXIMIZE GROWTH OPPORTUNITIES



Most lotteries experienced a sales rebound post-COVID, but in Texas the recovery has been supersized. How did the state move from pandemic shutdown to double-digit growth and \$150 million per week in scratch ticket sales?

Texas have been known to say they have four seasons: drought, flood, blizzard, and twister. Over the past year, the state endured not only some extreme weather – notably, a severe storm in February 2021 that brought widespread power outages – but, of course, the pandemic.

As was the case for lotteries and retail businesses everywhere, sales initially declined with the outbreak of COVID-19. In Texas, they took another hit during the historic winter storm. The Texas Lottery Commission (TLC) was positioned to adapt quickly and make necessary changes to its strategy using a broad-based approach to scratch ticket planning established with longtime partner IGT, with sales rebounding and surging ahead each time.

“Over the years, we’ve created a partnership

where we’ve said, ‘If you have insights and recommendations that you think are material to our business, we want to hear it,’” said **Robert Tirloni, Products Manager, Texas Lottery Commission.**

Prior to April 2020, Texas had topped \$100 million in scratch ticket sales in 18 of the previous 52 weeks, with a maximum of \$118 million. Since that time, scratch ticket sales in Texas have been over \$100 million for 51 out of the past 54 weeks, with a high point of \$158 million – making **Texas’s scratch ticket program the second largest in the U.S. by sales in CY2020 and putting its scratch ticket sales on pace for 20%-25% growth in FY2021.**

“We communicate regularly with the TLC in real time to ensure they get the best information and analytics to proactively make decisions about their business,” said **Michael Kumar, IGT Senior Director Sales Development.**

For much of the past decade, teams from

IGT have worked in partnership with the Texas Lottery Commission to develop and execute strategies that generate additional contributions to Texas schools and veterans. The IGT teams analyze and address the TLC’s business needs through multiple lenses, forming an integrated view of **Portfolio Planning, Ticket Distribution, and Retail Execution.**

The collaborative structure created by the Lottery ensures that the two teams review scratch ticket portfolio, distribution, and retail strategies on a biweekly basis, with additional meetings as needed. This practice of regularly reevaluating strategies and plans proved critical in March 2020 as the pandemic unfolded.

With lottery sales everywhere plummeting, IGT and the Lottery met to assess the impact on new game introductions and develop a plan to stay on track to achieve the TLC’s goals.

THE POWER OF IDENTIFYING TRENDS QUICKLY

As adjustments to the plan for lower sales due to statewide shutdowns were still being solidified, sales began to explode. Teams from IGT monitoring the situation immediately recognized several trends and met with the Lottery to share four key insights:

Casino Closings

IGT identified sizable sales growth for retailers near the state's borders with Oklahoma, Arkansas, and Louisiana. "When we saw sales increasing in these areas, our sales team was able to confirm anecdotally with retailers that, with the closure of casinos in bordering states, players were buying lottery as an alternate form of entertainment," said **Riley Gough, IGT Senior Manager Market Research.**

Population Spend Shift

With more commuters working from home and consumer behaviors changing dramatically, IGT determined that spending on

lottery had shifted from major metro areas to more suburban areas, and that the recent sales history for many retailers was no longer a reliable predictor of future sales. This insight proved valuable as the team rapidly reconfigured distribution and sales support to accommodate the retailers and customers.

Significant Growth in Key Areas of the Portfolio

While the portfolio achieved growth across the board at every price point, the most significant growth was focused on a few areas. The first was the category of extended play games, which includes Bingo, Crossword, and the state's Loteria games. The TLC scratch ticket strategy had already planned for line extensions of Crossword to \$20 (launched February 2021) and Loteria to \$50 (launched October 2020), which have consistently ranked in the top 10 games since their introduction. Along with the new price point additions, significant increases were seen across the extended play category. For example:

- \$10 Loteria increased 30% as average sales increased from \$5.6 million/week to \$7.3 million/week.

- \$10 Crossword increased 25% as average sales increased from \$4 million/week to \$5 million/week.

The second area was a substantial increase in \$30 and \$50 sales, partially supported by the casino players.

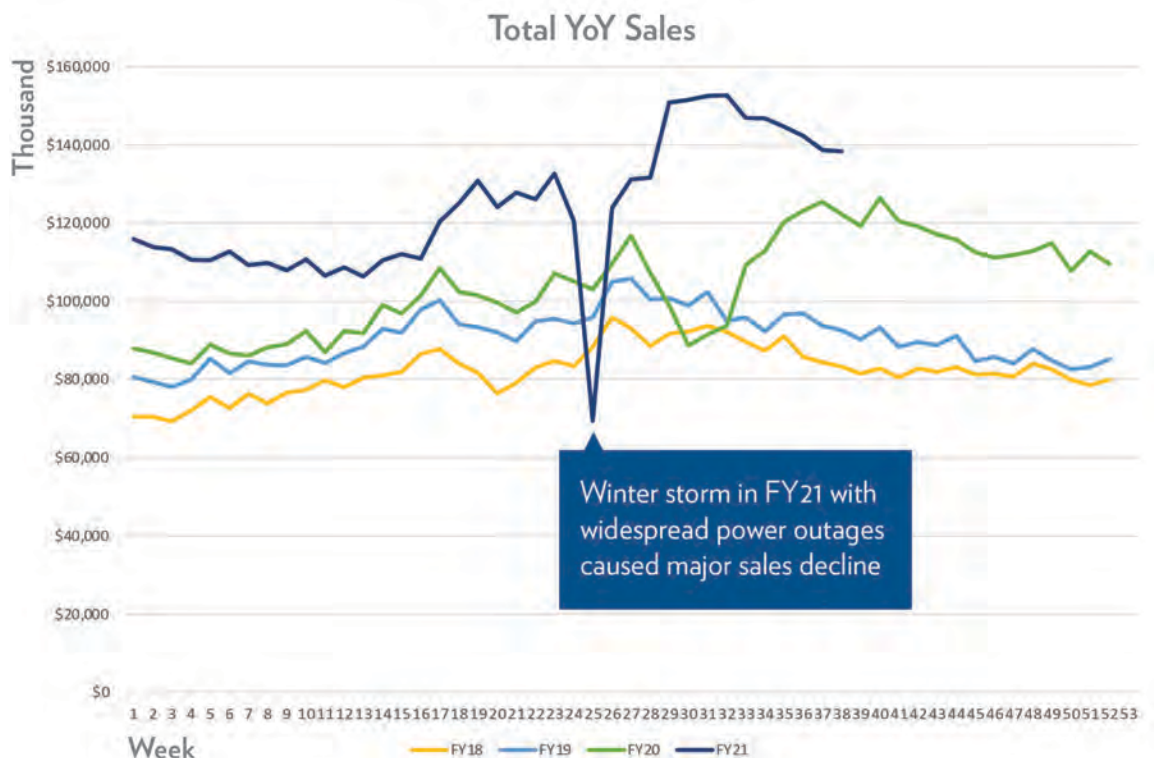
- \$30 sales increased 17% as average sales increased from \$6.5 million/week to \$7.6 million/week
- \$50 sales increased 105% as average sales increased from \$9.0 million/week to \$18.5 million/week
- \$50 sales have grown from \$229 million in FY17 and are tracking to exceed \$1 billion in FY21.

The Need to Address Rapid Inventory Depletion

"Even with all the adjustments that were made early on, sales were stronger than expected," said Kumar. IGT presented the TLC with a refreshed and detailed analysis of the anticipated business growth as well as a proposed strategic plan to fulfill the surge in demand. New games were added to the schedule and print runs were adjusted for existing games in the plan to replenish inventories and meet player preferences.

The Texas Lottery has held on to growth post-COVID, working with teams from IGT to maximize scratch sales.

The green line shows a large sales decline with the onset of COVID. The Lottery emerged stronger from the pandemic and sustained the recovery, surging to new heights in FY2021 (blue line) even after widespread power outages from a winter storm caused a major dip in sales.



OPERATIONS STRATEGY

It takes close coordination to quickly and successfully pivot across a territory covering 268,000 square miles and 254 counties. A hallmark of the partnership is that the IGT teams monitor the business to anticipate potential problems or opportunities and look for answers proactively.

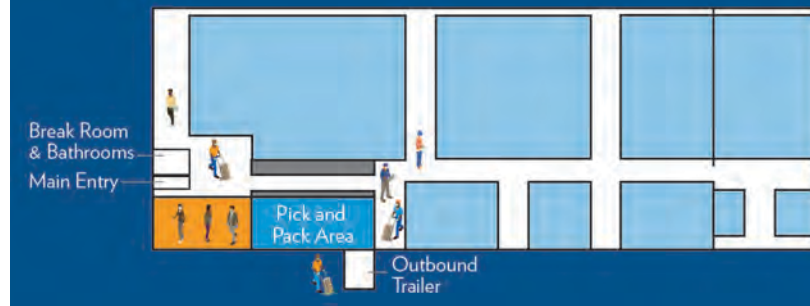
The practice of involving IGT experts on supply chain, retail execution, and the sales team in the strategy meetings was instrumental to the pandemic response. “Our team worked with the Lottery to adjust the portfolio and new game introductions to meet the new demand on the fly,” said **Joseph Lapinski, IGT Account Development Manager**. “Having everyone in the room when you’re having to rapidly make decisions means you can consider the implications across all aspects of the business and help ensure that nothing is overlooked.”

For example, amid rising demand, IGT **reconfigured the warehouse operation** in Texas to maintain scratch ticket distribution capacity and address pandemic safety needs. “We initially switched to an alternating shift for over a week and found we couldn’t match our desired productivity with reduced staffing on each shift,” explained **Philip Hayes, IGT Manager Instant Ticket & Warehouse**. “Instead, we split the existing warehouse operation into two physically separate warehouses under one roof. Our teams continued working the same shifts while maintaining separation and meeting safety protocols at all times.”

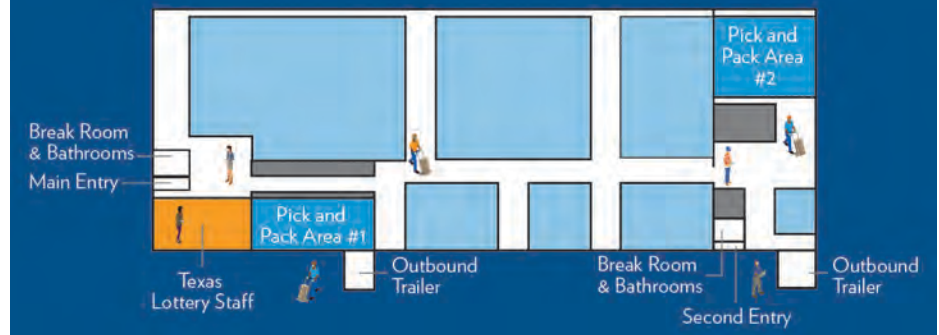
IGT’s **order methodology** enabled the teams to successfully manage the Lottery’s response to retailers. “We shifted from a scheduled order cycle to a needs-based prioritization,” explained Hayes. “This allowed us to address retailer demand as it was happening, day-to-day, optimizing retailer sales and reducing retailer call volume.”

The changes in consumer buying patterns were evident in the series of **dashboards** that IGT developed for the Lottery using Tableau data visualization software. The data displayed using graphic elements told a vivid story as the situation changed. “These reports really brought the numbers to life,” said **Brian Finnigan, IGT Director of Sales**. “They were significant in identifying retailers that were performing. Sales shifted dramatically as people were staying home, and we identified the trend lines immediately in what had

BEFORE



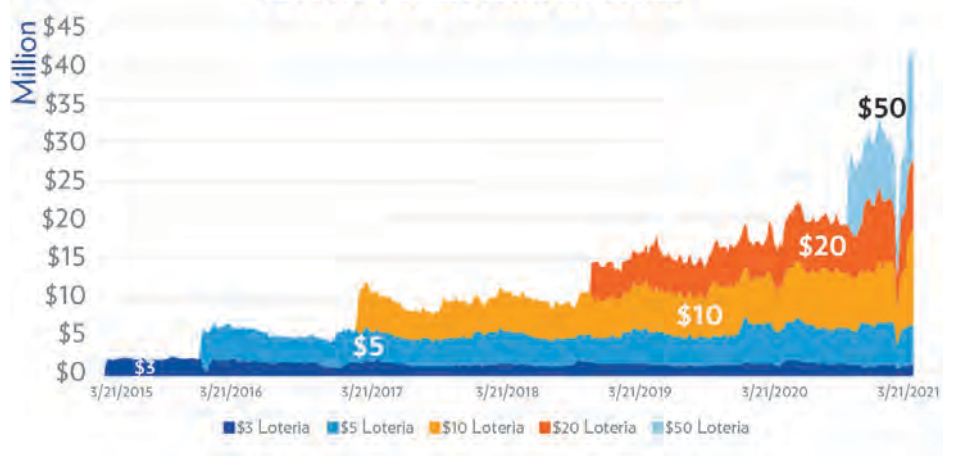
AFTER



Reconfigured Warehouse Operation

To maintain distribution capabilities and meet pandemic safety protocols, IGT teams in Texas reconfigured the warehouse, creating two physically separate operations within one facility with their own bathrooms, entrances, and exits.

Growth of Loteria in Texas



formerly been low-selling territories. Using these dashboards, we were able to respond accordingly.”

PRINTING

The TLC implemented a “multi-vendor” strategy in 2012, which gives its three printing vendors an equal share of the Texas printing

business. This allows the Lottery to leverage the strengths of each vendor and provide maximum ability to accelerate game production when necessary.

IGT is the exclusive printer of the state’s Loteria games and partnered with the TLC seven years ago to evolve a custom-designed, non-licensed version of the traditional lotería game into a full program of line extensions.

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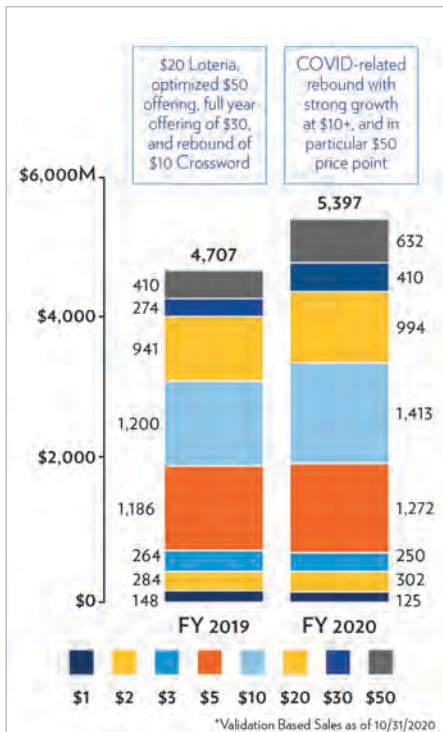


In FY 2020, the state's Loteria category produced 31% of annual scratch ticket sales growth. With the launch of a new \$50 ticket in FY21, this game alone has already contributed \$220 million in growth. Extended play games like Loteria can become a remarkably profitable source of growth for lotteries.

Through the Lottery's commitment to the Loteria brand and its continued expansion to new price points, total Loteria sales now account for **53% of the state's scratch ticket sales growth to date in FY21**.

The Lottery and IGT jointly develop plans for scratch printing based on data and trends. And by planning as far out as they had, based on the established relationship and biweekly meetings, the teams were able to alter the plan and get ahead of the shifts in demand caused by the pandemic.

The state required a massive increase in tickets, and IGT had the agility and flexibility in its printing operation to **quickly scale up print runs** and handle that capacity. For example, for \$10 Loteria, IGT is now printing 49 million tickets per print run, up from its most recent launch of 26 million – an increase of ~50%.



Texas Annual Scratch Ticket Sales

- Growth at high price points driven through product diversity, line extensions, and prize structure optimization
- Substantial growth coming from \$10+

LOOKING AHEAD

The TLC's collaborative approach and multi-year strategy, driven by data analytics, has not only allowed the lottery to maximize growth during periods of uncertainty, but will continue to drive results for sustainable future growth supported by long-term partner IGT.

"IGT's flexibility and ability to execute led directly to historic sales results for the Texas Lottery over the past year," said **Ryan Mindell, Lottery Operations Director, Texas Lottery Commission**. "Our partnership has proven it can handle whatever comes our way, so our future is bright."

For more information on broad-based support for instant program growth, please contact your IGT account representative.



corporate retailer chains in Florida, began in October of 2020 and is on track for exponential growth in 2021. We began with two pilot locations under a proof-of-concept model and have shown a same store Scratch-Off sales increase of more than 20% when compared to the statewide average.

As a result of the sales successes, Winn-Dixie recently authorized an expansion of the project to 21 additional stores, and we are currently installing fixtures for an immediate “go-live.” This pilot will continue to grow the Lottery footprint by placing Scratch-Off games within the check-out lane as an additional point of purchase. It has proven to add player convenience and alleviate bottlenecks at the customer service counter, thereby, also reducing retailer labor pain points.

Our sales team continues to place a heavy emphasis on the promotion of **Cashless** purchase of Lottery at retail. We have support from large corporate chains, including Winn-Dixie, Speedway and Circle K, to promote debit acceptance at their locations with additional point-of-sale (POS).

We began promoting the Cashless option with incremental POS placement at 110 Speedway locations in September 2020, which showed significant positive year-over-year growth when compared to the statewide average. We leveraged this success and secured additional POS presence, specifically promoting debit acceptance, at approximately 300 Circle K locations and all of our 325 Winn-Dixie locations across Florida. We expect to execute on this messaging in the next 13-14 months.

What do you think is the likelihood of iLottery being approved in your state, maybe in the next two years? Do you expect any other regulatory changes to be enacted in the near future?

J. Davis: As a business enterprise, we are responsible for creating thoughtful and innovative methods to position the Florida Lottery for long-term success and sustainability. It is also incumbent upon us to identify best practices in our industry that will lead to revenue growth for our beneficiary and to then share these practices with our policymakers. In line with our Path Forward, iLottery is indeed

a platform that we are watching closely, recognizing that the final decision is up to our legislative partners.

As to other regulatory changes, Florida begins a legislative Special Session next week for the sole purpose of ratifying the 2021 Gaming Compact between the Seminole Tribe of Florida and the State of Florida, as well as other gaming-related legislation. We'll have to stay tuned for what may come from the Special Session!

You've had an incredible run of success with your instant ticket product. How will you keep these impressive results going?

J. Davis: Diligence in product planning and ensuring best practices are executed in the field will remain our pillars for instant ticket success. We'll continue to be extremely conservative in our product launch plans by supporting decision making through thoughtful research. However, the team is primed to remain curious in order to drive innovation within our instant portfolio. The fact is, we won't change a whole lot where we have found success, but we will push the pedal to the floor for innovation. ■

channel must constitute a win-win proposition – which we believe is achievable. Mark Hearn, OAL Sales Director, consistently notes that there exists real-world evidence showing that those states who have launched iLottery have proven that traditional retail grows right alongside of iLottery growth; and, in many instances at faster than the national average. The pandemic environment motivated traditional retail outlets to explore forms of product distribution, so they too have observed the benefits of e-commerce platforms. Thus, we are confident that our retailers will be supportive partners in our development of omni-channel distribution. After all, every consumer retail business is being forced to think outside the box as a result of business lessons learned during 2020-2021.

Given your financial background, are there "best practices" you are able to bring over from other industries and past jobs that help you to lead the Arkansas Lottery?

E. Hagler: Interestingly, there are numerous operational similarities shared by lotteries and financial services firms. Both types of entities must delicately balance the dichotomy associated with ‘managing risk’ within a highly competitive business sector that is surrounded by risk and uncertainty. Accordingly, I view lotteries as “public trusts”, with lottery management acting in a fiduciary capacity on behalf of the citizens of Arkansas. This necessarily means that lottery personnel must approach their daily tasks with a keen eye on risk management. OAL has adopted a risk-matrix approach that is a

derivative of those utilized in the financial services sector. We are also using heat maps to identify areas of operational risk and inefficiencies. The list goes on, and over time, I expect that our team will introduce other processes and procedures that will be a variation of those currently utilized in the financial services sector. The business world is replete with examples of how a risk-based approach provides an overarching focus on best practices. It truly is a top-down exercise that must start in the corner office. ■



Enhanced Partnership

Your Bottom Line is More Than a Number

SGEP Lotteries have weekly per capita sales that are **56%* higher** than self-managed lotteries and **27%* higher** than lotteries managed by other vendors. Drive more to your bottom line and to the good causes your lottery supports.



Reimagine
Next



Reimagine **Next**

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*Based on CY 2019 Weekly Per Capita Instant Game Sales

O Canada!

EXPLORING LOTTERY IN THE GREAT WHITE NORTH

The path to
future growth is open

In the second largest country on the planet, Canada's \$34.5 billion gaming and lottery industry is still growing. With five major lotteries and the Interprovincial Lottery, gaming entertainment options for 38 million Canadians include instant scratch games, numbers games including national games like Lotto Max, digital games played online and on mobile, as well as sports betting, casino and iGaming.

Although lotteries date all the way back to the country's early beginnings to fund public works, the government banned gambling in 1892. Shortly afterwards, bingo and raffles were allowed to raise monies for charities, and soon horse racing followed as an acceptable form of gaming. In the late 1960s, the government began to see the value in lottery funding and amended regulations to permit lotteries for provincial and federal special projects.

In 1970, the first modern lotteries in Canada began when both Loto-Québec and Manitoba launched games. Other provinces followed quickly, establishing lotteries to generate additional public monies, and a national lottery was created to raise monies for the 1976 Olympics in Montreal.

Today, the five regional lotteries are administered by Atlantic Lottery, Loto-Québec, British Columbia Lottery Corporation (BCLC), Ontario Lottery and Gaming Corporation (OLG), and the Western Canada Lottery Corporation (WCLC). The Interprovincial Lottery Corporation (ILC) offers multi-provincial games. Like Canada's early lotteries, all profits benefit public or civil causes.

50 Years of History

Just last year, Loto-Québec celebrated its 50th anniversary. The Lottery's first game, *Mini*, launched in 1970 and instant games in 1984 were produced by Scientific Games. The company played a significant role in helping the Lottery become the second-largest instant game lottery in Canada.

Now with eight facilities in Canada, including a large North American instant game manufacturing facility in Montreal, Scientific Games employs more than 500 Canadians in its lottery, digital and gaming business.





Marc-Andre Doyon

"We have served the Canadian lotteries for more than five decades and we are very bullish on opportunities to help the lotteries further grow their product lines with world-class games, technologies and digital-based programs," said Marc-Andre Doyon, VP Canadian Operations for Scientific Games. "With more than half of our Canadian employees based here in Montreal, we are deepening our work to provide top-performing instant games, including specialty products, all created based on consumer analytics and insights unparalleled in Canada to help further responsible growth."

Doyon joined the company 20 years ago and the Montreal manufacturing facility is now under his leadership, producing up to eight billion 2x4 instant game tickets per year for Canadian lotteries and major lotteries in the U.S., Europe and Australia. In 2020, instant products manufactured at Scientific Games' Montreal facility and exported from Canada to the U.S. and European countries had a retail value of \$11 billion CAD.

Scientific Games was actually one of the first and largest manufacturing and technology companies that invested in east Montreal in the 1990s, supporting the local economy with jobs for several generations of families, including employees who have worked up to 35-40 years for the company. The plant, known for its family-like culture, is a deeply entrenched part of the east Montreal community, with involvement in local schools, charities, events and the chamber of commerce.

With an average tenure of 20 years, Scientific Games' Montreal employees represent a diverse range of professions from game designers to computer programmers, software engineers, quality assurance engineers, manufacturing technologists and printing specialists, as well as management, customer service, operations and accounting staff. The company also has a 13-year collaborative relationship with the union affiliated with Confédération des syndicats nationaux (CSN), the second-largest trade union federation in Québec.

LOTO-QUÉBEC

"We have designed and manufactured an estimated more than 4,500 instant games for Loto-Québec over the last five decades, and we supply the Lottery with licensed properties like *SCRABBLE™* and *SLINGO®*, as well as iLottery and sports betting," said Doyon.

The company collaborated with Loto-Québec to launch its very first games, *L'inter-Loto* and the *Mini*, in 1970, and its first instant game in 1984. Since then, Scientific Games has worked with the Lottery to advance instant game innovation for the enjoyment of Québec players with unique products such as *La Poule aux Oeufs d'Or*, and *Boite Bingo*, to name a few. Recent hits have included the *YUM®* game, and the *Évasion* game which made history as the first instant game in the world produced on 100% recyclable paper stock.



SCIENTIFIC GAMES IN CANADA

500+ Canadian employees

8 locations total

11,000-sq.-meter instant game manufacturing plant in Montreal + facilities in Burnaby, Calgary, Edmonton, Mississauga, Montreal, Richmond and St. Catherine

Instant Games

Atlantic Lottery, ILC, Loto-Québec, OLG, WCLC

Licensed Properties

Atlantic Lottery, BCLC, Loto-Québec, OLG, WCLC

iLottery (incl. player subscriptions)

Atlantic Lottery, BCLC, Loto-Québec, WCLC

Lottery Systems Technology

Atlantic Lottery, WCLC

Sports Betting

Atlantic Lottery, BCLC, Loto-Québec, WCLC

iGaming Content & Technology

Atlantic Lottery, BCLC, Loto-Québec, OLG

Casino Gaming & Technology

All lotteries and private operators.



One of Doyon's best memories working with Loto Québec was creating the first *Utime 100\$* game in 2017, which won the "Best New Instant Game" award at the North American State and Provincial Lottery Association (NASPL) annual conference in 2017.

"The game was so popular that for the first time ever, players were traveling outside the Montreal metropolitan area to find remaining *Utime* tickets. We produced a second *Utime* games in 2017," he shared.

In addition to *SCRABBLE* and *SLINGO*, Quebec players enjoy a variety of licensed property games featuring brands from the Scientific Games portfolio, including *THE PRICE IS RIGHT™* and Hasbro favorite *MONOPOLY™*.

Loto Québec's instant games represent just over 28% of its annual lottery sales. Its specialty instant products are produced by Scientific Games' advanced manufacturing technology and offline finishing equipment in Montreal.

Launched in 2010, Loto-Québec's digital lottery play is exploding, with more than 200% sales growth FY2021 vs. FY2020, as more players discovering the convenience of playing from home or on the go. Both Loto-Québec and Atlantic Lottery are leading digital lottery performance in Canada.

ATLANTIC LOTTERY

The Atlantic Lottery is one of the most innovative in Canada, offering its players a wide variety of entertainment, including retail and digital instant games, numbers games, and sports betting. Here, Scientific Games technology powers the lottery ecosystem following one of the most complex systems conversions in the global industry in 2017.

At the base of the technology is a player account management platform that offers the convenience of one-wallet and limitless opportunities for players to experience cross-channel game entertainment.



Byron Bridger

"Our strong relationship with Atlantic Lottery dates back to 1983, and together we have kept pace with technology advancements. In some respects, our collaborative innovation has served as a global example of why open architecture and the agility to add multiple gaming verticals and respond quickly to marketplace changes is vital to systems technology," explained Byron Bridger, Account Manager for Scientific Games. "It's vital to a lottery's relevance and sustainability in a rapidly changing world, and to future growth."

Like Loto-Québec, Atlantic Lottery's digital lottery play is also expanding rapidly, with more than 325% sales growth FY 2021 vs. FY2020. The Lottery's team continues to drive an innovative digital program across all product verticals that leads the industry. Their recent in-house Apple and Android mobile apps are some of the best.

"Our holistic view of the Lottery's entire product portfolio has helped enhance growth across the enterprise," continued Bridger. "The retail network is very important to Atlantic Lottery. The Lottery is investing to modernize this channel leveraging digital technologies such as new terminal software, new self-serve terminals, evolved digital merchandising, and promoting its new mobile app for cross-channel player experiences."

Scientific Games is supporting these activities, including the continued evolution of the underlying PAM to enable digital transactions at retail and the delivery of *PlayCentral® HD* self-service terminals to provide more points of access for players.

"The recent launch of the *JACKPOT* family of instant games, with an integrated second-chance progressive jackpot showcasing prizes up to \$1 million CAD, highlights the Atlantic Lottery's drive to continually improve the overall player experience," shared Doyon.

As example, the Lottery featured licensed brands like *THE PRICE IS RIGHT* and *FAMILY FEUD®* from the Scientific Games portfolio on oversized *Gigantix®* instant games call *Gameshow*.

WESTERN CANADA LOTTERY CORPORATION

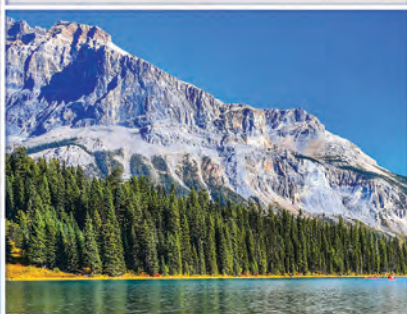
Systems technologies power the lottery world and play a crucial role of protecting funding by enabling product line expansion. And over the last decade, systems are leading the way for lotteries to meet players' increased demand for convenient access to games and payment options.

WCLC serves Alberta, Saskatchewan and Manitoba, Yukon, the Northwest Territories and Nunavut. An advanced gaming system is at the core of generating sales for the Lottery's retail instant and numbers games, digital games and sports betting.

The Lottery's vision for its digital channel is clear with the recent launch of *Subscription Spot*, a new program powered by Scientific Games and accessible via the WCLC website. It is the Lottery's first true digital offering for players. Allowing online purchase of lottery games, *Subscription Spot* is creating a pathway to digital modernization with a larger online presence for the Lottery.

At the foundation of the Lottery's new digital initiative is Scientific Games' player account management platform and purchase-enabled





web-services. Players may purchase subscriptions for LOTTO MAX, LOTTO 6/49, DAILY GRAND, WESTERN MAX, WESTERN 649 and EXTRA games for up to 104 drawings through *Subscription Spot*. The subscription can be set up in minutes, allowing the player to participate immediately. The Company's software offers geo-fencing, age verification and alignment with other rules and regulations.



The subscription allows WCLC to connect to their players directly with marketing and promotions, while offering self-service, which has emerged as a valuable sales channel when access to retail stores becomes a challenge.

"We were extremely pleased to evolve our lottery systems and services in a manner that supports WCLC's long-term strategic plan and facilitates continued, responsible growth across its business to generate maximum proceeds for the governments it serves. This is another great example of omni-channel solutions that modernize the way lottery products are sold," said Bridger.

WCLC more than doubled the number of players participating in two months after launching *Subscription Spot*.

In addition to the subscription services, Scientific Games is working closely with WCLC to advance its sports betting applications. This work will provide the WCLC team with the tools and data feeds necessary to continue evolving the player experience both digitally and at retail while preparing for the potential for single event sports wagering in Canada.

The company has collaborated with WCLC since the 1980s when it began producing its instant lottery games. In March 2020, Scientific Games created and produced WCLC's *Alberta Gold* game featuring the popular Scientific Games' slots brand, and the game reached over 90% sold in under six months. Most recently, WCLC and Scientific Games are collaborating on a proprietary play action game called *Block-O™* which will launch in Q3 this year. The Lottery also adds exciting licensed brands

from the Scientific Games portfolio to its products, including *THE PRICE IS RIGHT* and *UNO®*.

BCLC

Serving players in British Columbia in western Canada, BCLC is the third largest lottery in the country in terms of total sales. Scientific Games began its relationship with BCLC in the 1980s as its instant game provider. Today, the company provides the Lottery with licensed properties like *BATTLESHIP™* and *THE PRICE IS RIGHT*, as well as iLottery and sports betting solutions.

"Scientific Games and BCLC have enjoyed a tremendously successful relationship for more than a decade in the digital lottery and gaming space. This has fueled BCLC to be one of the highest growth digital operators in Scientific Games' global network," said Bridger. "The continued willingness, on both sides, to take risks and drive mutual value is at the core of what makes this a special relationship," shared Bridger.



In 2009, the company began delivering BCLC's Player Account Management system that has proven to be a secure backbone for the digital ecosystem. Collectively, this ecosystem has evolved and grown over the years to become one of the most successful iGaming models in the world.

"Our work with BCLC is results-driven and based on strategic growth planning," said Bridger.



CANADA'S FAVORITE LICENSED BRANDS FOR LOTTERY GAMES

BATTLESHIP™

CLUE™

DEAL OR NO DEAL™

MONOPOLY™

**NATIONAL
LAMPLOON'S
CHRISTMAS VACATION**™

SCRABBLE™
Crossword Game

SLINGO®
★★★★★

the Game of **LIFE**

**the Price
is Right**™

UNO®

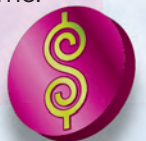
ONTARIO LOTTERY & GAMING CORPORATION

OLG is the largest lottery corporation in Canada, operating in the most populous province of 13 million people. In 2020-2021, the Lottery's retail sales topped \$4 billion, with its instant games portfolio representing 35% of sales.

OLG continues to innovate products for its players with an eye to creating world-class entertainment experiences in and out of the retail environment. In January, the Lottery launched an instant game featuring the *PLINKO*® brand from the Scientific Games licensed properties portfolio. The game is the most successful instant product launch in OLG's history, exceeding sales of the popular *THE BIG SPIN* game. A player purchases the game at retail and, if a *CHIP* prize is won an animated chip drop occurs on the lottery terminal screen when validated. If the prize won on the animated chip drop is *PLINKO*, the player attends the OLG prize center in Toronto to drop a chip on a real *PLINKO* board to win a prize from \$100,000 to \$500,000.

PLINKO®

PLINKO is the most successful instant product launch in OLG's history, exceeding sales of the popular *THE BIG SPIN* game.



Now another world-first is on the horizon for OLG with an add-on game for instant tickets. *INSTANT TOP UP* launches in June, giving players a chance to win a growing jackpot in store if added to their instant game purchase. OLG projects this new game will be popular with both new and existing lottery players.

Scientific Games has worked with OLG since 1984, and today produces a number of the Lottery's instant games, providing popular licensed brands from its portfolio including *DEAL OR NO DEAL™*, *UNO*, Hasbro's *MONOPOLY* and *BATTLESHIP*, and the holiday-themed *NATIONAL LAMPOON'S CHRISTMAS VACATION™*.

GROWTH OPPORTUNITIES

Is there a clear opportunity to maximize revenue and profit growth in Canada, an historically draw-based lottery market?

Doyon believes growth is possible through the economies and efficiencies of the *Scientific Games Enhanced Partnership* program used by five of the top six performing instant game lotteries in the U.S.

The program, called *SGEP*, is in place with more than 20 lotteries globally – including a number of top-performers – and manages all aspects of a lottery's instant products including game planning, analytics and insights, advanced logistics, warehousing, distribution and retailer services.

"We truly believe that vendor partnerships are the the path to responsibly growing Canadian retail lottery sales as well as digital sales," Doyon explained. "This growth has been happening in the U.S. for quite some time driven by public/private lottery partnerships and there is great potential in Canada. Investment drives growth."

Bridger agrees. "It's untapped potential. There is definitely a lot of room to grow the instant product category. This can be accomplished by leveraging deeper partnerships, like we do in the digital lottery space," he explained. "The *SGEP* program, provides a great example from our U.S. customers of the potential impact a partnership like this can have in Canada.

"Canadian Lotteries have embraced this concept for digital endeavors but still have strong reservations in the traditional Lottery space. Perceptions remain that vendors are aiming to take over the traditional lottery scheme while eliminating jobs. That's just so far from the reality. The true goal of a program like *SGEP* is to leverage each party's inherent skills to maximize profitable growth."

SGEP is powered by the patented *SciTrak™* system, which includes *OrderCast™* predictive ordering technology to distribute instant games produced by Scientific Games and by other vendors. The analytics-based program also features retailer and digital services.

The technologies have continually improved over the years. *OrderCast* keeps games rolling into the company's warehouses where they're packaged for distribution. This ensures that the right

games are going out in the right quantities to the right retailers in the lottery's network.

"By virtue of Canada's diverse make-up of neighborhoods, cities, towns and regions where player preferences can vary significantly, *SGEP* has the potential to make a demonstrable impact on growth in Canada, perhaps much like the double-digit instant product growth it is currently driving in the U.S.," shared Doyon.

The *SGEP* program optimizes the potential of the category, digging deep into all aspects of the product portfolio and making data-driven decisions on the right mix of price points, play styles, product enhancements like specialty inks and paper and finishing options. Game launch schedules are precise and business analytics keep the lottery informed on sales in real time.

"As an example, just across the national border in Ohio and Pennsylvania, which just experienced record years, instant games make up approximately 55% and 71% of the product portfolio respectively. Both lotteries are in the Top 10 in the U.S. and Top 20 globally for total instant game sales and both participate in the *SGEP* program," said Doyon.

While Scientific Games' manufacturing facility in Canada serves more than the Canadian lotteries, Doyon explained that Canada comes first.

"In the plant we have more than 250 Canadians who are very proud to take part in producing a popular consumer product that their friends and families play," said Doyon. "When you come to work every day, it is truly a source of pride to create something that makes a positive impact in communities throughout Canada."

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GOING MOBILE

With over 55 available features, one flexible mobile application has become the solution of choice for the majority of U.S. lotteries, delivering the convenience and entertainment that today's players expect.

Lotteries understood the consumer demand for convenience and the importance of offering a mobile solution well before the onset of the pandemic. Now the demand is even stronger, calling for deployment at a quicker pace.

According to a 2020 consumer behavior report from App Annie, a trusted mobile app analytics source, "COVID-19 advanced [the] mobile trends we were already seeing by a two-to-three year adoption [rate], speeding up the transition to a mobile-first world." Since 2020, contact-free, cashless, and convenient retail transactions have become even more necessary for players, propelling mobile solutions to the top of the industry's priority list.

Lotteries recognized the new needs of their players and pivoted by offering players more ways to interact with their brand on mobile devices. "We've always understood the importance of mobile engagement to players, so our mobile experience continues to be a linchpin in our digital strategy," explained

Srini Nedunuri, IGT Vice President PlayLottery Product. "Mobile apps have evolved over the years with the latest inherent device hardware capabilities as well as software advancements. Also, regulations have become more stringent, especially with Apple. We have been continuously investing in our mobile app solution to support wagering and convenience for years, and as a result, we were the first lottery mobile app solution in the Apple App Store that was compliant with latest Apple Guidelines of 4.7. The results are clear, we have developed the features that players enjoy to earn our leadership position, with 11 US lotteries having now adopted IGT's mobile application."

The IGT lottery mobile solution is rich with

Top Mobile App Features

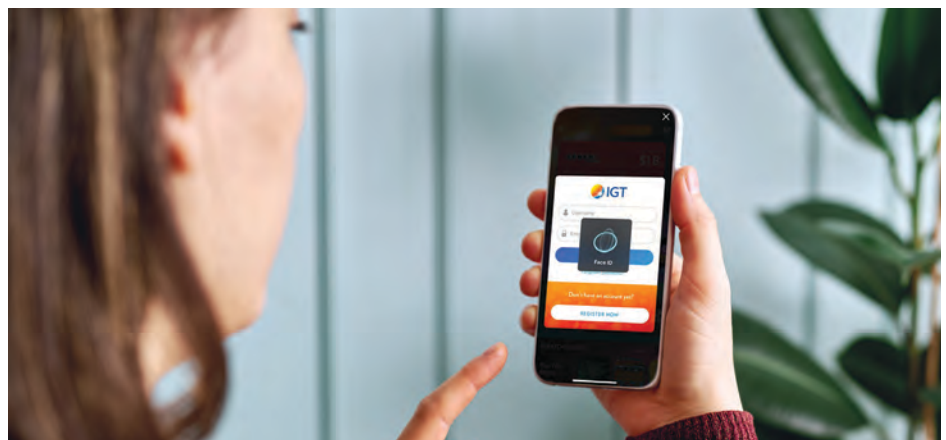
- Biometric Login
- Scan For Winning Tickets
- View Winning Numbers
- Create and Store a Playslip
- Store Favorite Numbers
- Enter Second Chance Drawings

Coming Soon - Scan to Redeem Prizes

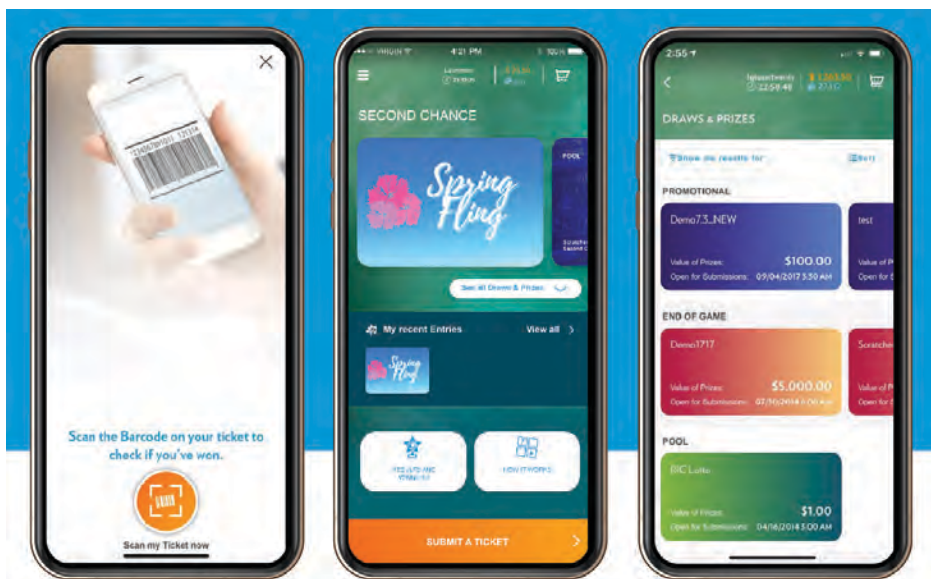
entertaining convenience features and offers lotteries flexibility to configure their app to include those that meet their jurisdictional and player requirements. It puts the lottery ecosystem at players' fingertips, extending their lottery play.

"...you can set up Face ID instead of logging in every time."

- Kentucky Lottery mobile app reviewer



Players conveniently login to their secure account using Face ID or fingerprint Touch ID biometrics.



Players can use the scanner to check winning tickets and, with a few taps, enter non-winning tickets into available second-chance loyalty drawings and view past winners.

EXTENDING THE PLAY EXPERIENCE

As players are seeking to minimize physical retail contact, IGT's mobile app lets players check their tickets at a time and place that suits them by self-scanning the ticket barcode. And if the ticket isn't a winner, the IGT solution provides players with additional value by allowing them to enter their non-winning tickets into available second-chance drawings and loyalty programs, and view results and winners with a few simple taps.

An additional player benefit that connects the retail and digital experience is the ability for a player to scan a physical ticket bought in a retail store into the mobile app to save the ticket details securely behind a login in the app's "My Tickets" section. Not only does this give the player the assurance of never losing their ticket, it also organizes all past and upcoming draws and scanned ticket details by date and identifies winning tickets.

Players can also set up notifications to tell them if their ticket has won a prize, create a playslip of the ticket for a retail repurchase, and if the jurisdiction permits, repurchase from the mobile app.

IGT's development team is continually examining the latest consumer trends and building new features into the app to meet needs as they emerge. "I'm excited to share that, by year end, players will be able to save a trip to retail or the claim center by conveniently scanning their tickets to add

winnings straight to their eWallet within the app," said Nedunuri. "These winnings are stored for future contact-free purchases. We envision players will have a 100% cashless and contactless retail experience using digital playslips and tickets, and will scan their eWallet from their phones for payment."

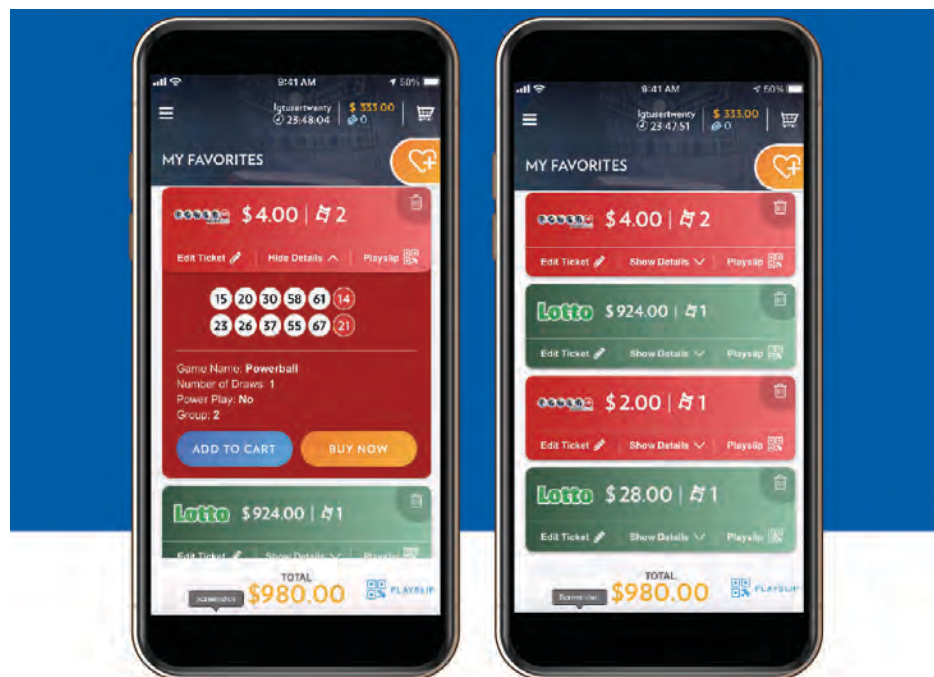
PLAYING FAVORITES

Many lottery players like to play the same numbers for every draw as part of their lottery-playing routine. IGT's mobile app

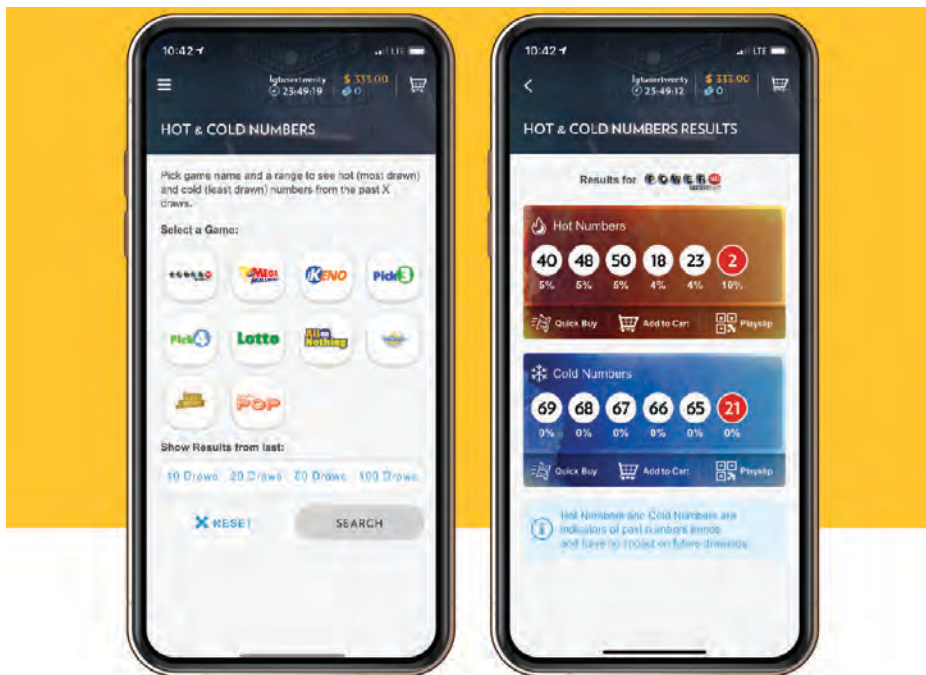
makes it easy for players to save these favorite numbers to play them in store with a simple, contact-free scan of their mobile screen.

To choose their numbers, an intuitive Playslip Wizard guides players through the steps to create a digital playslip and store it as a favorite, where it is always available to scan for purchase at any retail or self-service terminal. This feature gives players the many benefits of digital play in a retail store, even in jurisdictions that do not allow purchasing tickets online.

"IGT's mobile team is excited to continue releasing new mobile benefits for players," said Rafael Munoz, IGT Mobile Product Director. "We're always looking for innovative ways for give players new and better experiences of playing lottery. One unique way to add to the draw game play experience is our 'Hot and Cold Numbers' feature." With this feature, which is available exclusively through the IGT mobile solution, a player can select up to 100 past draws to see the most frequently drawn numbers, "Hot Numbers," as well as the least frequently drawn numbers, "Cold Numbers." Of course, these are strictly indicators of past number trends and have no impact on future drawings, which are based on chance, but players enjoy perusing how numbers have "performed" in prior draws and select from the Hot and Cold lists to create their digital playslip.



Players can store their favorite numbers by ticket, generate a playslip straight from My Favorites and purchase tickets at retail. In the wagering app, a player can purchase right from the app.



IGT's mobile lottery app allows players to review past draw history based on most and least drawn numbers, use numbers to create a playslip for a retail purchase or for wagering app players, and make an online purchase from the app.

"This is an example of IGT's commitment to develop the most engaging mobile solution in the market," added Munoz.

"Our players continue to love the mobile app, especially the features that make it easier for them to do what they want to do in a way that minimizes the effort involved," said Mary R. Harville, President and CEO, Kentucky Lottery Corporation. "Playing lottery online, scanning winning tickets, and entering promotions are favorites. The mobile app is definitely a tool the players have come to expect."

HOW PLAYERS BENEFIT FROM IGT'S MOBILE APP:

- Seamless and fast login using Face ID or Touch ID biometrics
- Ability to secure physical draw tickets after scanning the ticket barcode for safekeeping and repurchase in My Tickets
- Easily set up and save digital playslips with the Playslip Wizard and My Favorites
- On-the-go or at-home ability to determine winning scratch and draw games tickets, plus easily earn entries into second chance drawings for non-winning tickets

- Convenient options on when, where, and how to play lottery
- Contactless experience redeeming winnings back to the player's eWallet to use for future purchases

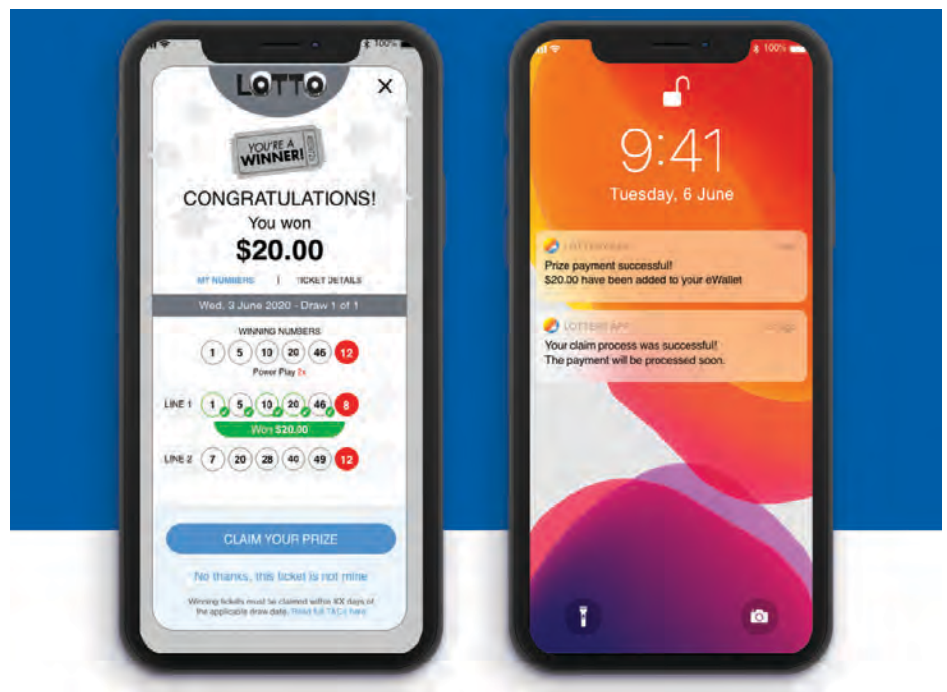
Convenient, cashless, and contact-free functionality are a big part of our new normal, but consumers' need for great experiences has

not gone away. IGT recognizes that consumer purchasing habits have shifted and lotteries need to adopt new technologies. Adapted for those changes, IGT's robust and easy-to-use mobile solution supports the presence-free living trend which, as predicted by IGT's trendspotter partner, Foresight Factory, anticipates that consumers will increasingly look for remote interactions with retailers and brands.

IGT's continued investment in mobile allows lotteries to position themselves for continued success as the industry moves more into a convenience and contactless culture. The mobile app allows players to interact with the lottery brand 24 hours a day wherever they choose, responsibly. The wagering and convenience mobile solution is backed by IGT's proprietary technology and marketing teams who are ready to help lotteries define the right feature-set to deliver the experience players want. ■

To learn more about IGT's mobile solution contact your Account Manager and [watch related video content on IGT's Lottery LinkedIn](#).

Join PGRI's "Digital Lottery, Optimizing the Digital Connection" conference on June 16 and 17. Interact with IGT panelists, Karri Paavilainen, Senior Director, Play Lottery Marketing, and Derek Levesque, Product Director, PlayDigital Lottery, who will cover Player Retention and PlayInstantWin portfolio-management panel topics.



Coming soon is a feature that enables players to scan draw and instant tickets to redeem winnings back to an eWallet for future purchases or withdrawal.

How do you overcome the tendency for self-service options to undermine clerk-assisted counter sales at the counter and sometimes even cause a decline in store sales?

Jay Finks: Oklahoma's grocery sector is dominated by Walmart and Target, not traditional retail grocery chains. In turn, our self-service efforts (and sales related to self-serve) in years past have been weak. Also in years past, when we put a self-service machine in a convenience store, we saw that store immediately move away from counter sales and ultimately hurt our sales efforts. So we decided to take a new approach to mitigate that trade-off and create a synergistic relationship between self-serve and counter sales. We started with our #1 convenience chain and sold in the concept of adding self-service; but we held the line by making the retailer sign a "self-service agreement" that covered things like minimum sales, counter sales, instant game counts, etc. This ultimately led to 25% to 30% increases in total sales in those stores. We used that model to expand to other chains, all the while, holding the line on minimum sales and counter sales initiatives.

This concept was the impetus, in 2020, to finally get 7-Eleven (Oklahoma's largest chain, independently owned) to finally agree to sell Lottery. We launched a self-service only model in over 100 stores and they have already settled in as one of the top 3 chains. In the end, it took a progressive line of thinking to embrace a new model of Lottery delivery to consumers...and the net result is a measurable lift in our sales.

Thankfully, the commercial community is responding to the consumer demand for options by enhancing the user-experience of self-serve machines and processes. Of

Lottery Focus on the Consumer continued from 21

technology behind self-service has changed rapidly and most lottery resistance has now dissipated. "Previous generations of self-service machines were a bit clunky and not user friendly," he said. "But the technology has evolved quickly. Touch screens, large easy-to-read screens, marketing capabilities that appeal to the shopper, replication of purchase patterns – these features have made the machines a must-have in many locations. Couple this with the ability to make cashless

course we still want retailers to continue to deploy clerk-assisted full-service options for lottery players. But self-service is an important trend. Our goal is to make sure it complements and augments the channel mix of options and contributes to sales.

Even though the OLC does not sell tickets online, you have taken a very proactive and progressive approach towards building the online connection and towards digitization in the retail environment.

Jay Finks: Absolutely. We are certainly evolving our business and pushing ourselves to embrace every possible digital outlet available to make us more efficient. For example...

- We are converting all of our traditional outdoor boards to digital. We asked ourselves, what is the ROI of an expensive outdoor board that for the most part promotes a jackpot amount that does not create consumer response (i.e. \$20m to \$200m+)? Why not utilize the flexibility of digital to promote the jackpot when it is most relevant and then use it for other purpose, for all different kinds of messaging objectives, when the jackpot is at lower levels?
- We are adding a fully functional ticket checker to our app and are exploring more ways to engage the player on the smart-phone.
- We are going to launch a digital playslip via our app but here is the kicker ... we are eliminating ALL paper playslips once we launch it.
- We are actively exploring ways to eliminate the large plastic play stations in all stores and continuing our push to put digital advertising screens in as many stores as possible. We have found

that digital point-of-sale creates more efficiencies, as well as a much stronger impression on the shopper, when you compare it to paper point-of-sale.

What do you think iLottery might be approved in your state – maybe in the next two years? Do you expect any other regulatory changes to be enacted in the near future?

Jay Finks: We are actively engaging Legislators to educate them on the value, sales opportunity and return to the State if they would authorize us to execute iLottery. However, that conversation does not stand alone. Oklahoma has over 100 tribal casinos which ranks them 3rd in the nation in total slot machines. All conversations legislatively are going to include tribal gaming compacts, sports betting, iLottery and potentially more. It's a very wide-sweeping topic. I am always hopeful that Oklahoma can come up with a solution where "everyone wins" but the challenge there is significant. It is my top priority from a legislative strategy standpoint.

Given your background and deep experience in Lottery marketing, you didn't need an introduction to the OK Lottery. What has surprised you since you were appointed to lead the lottery last year?

Jay Finks: I wish I had something profound here to say but this transition has been as smooth as anyone could expect. Former Oklahoma Lottery Director Rollo Redburn and I sat down years ago and built a succession plan with one goal in mind ... don't let a leadership transition impact our sales and operational momentum. It was built to keep our internal culture strong and to sustain a high level of confidence with our Board and our legislative leaders. ■

purchase, and lottery consumers have options never before available. I know the retailers appreciate these new trends that have reduced many of the on-counter issues faced by retailers."

For Shannon, it's all about the purchase paths available to players. "In Michigan, there is a high demand for self-service machines," she said. "But it doesn't have to be one or the other. Why not have self-service and in-lane together? These are just

more placement opportunities for lotteries. Having options will help get lottery into retailers who may have been previously resistant to the sales of lottery products. At Pollard, we've been testing the placement of small self-serve machines into bars and restaurants that never thought they could offer lottery. That is how the industry will continue to grow."

One of the interesting trends that took place over the past year-plus was that lottery sales

Continued on page 45

"When I think about how we reach our players, I'm reminded of the old Burger King slogan 'Have it your way,' because that's the kind of flexibility we now offer our players," she said. "Instead of 'hold the pickles, hold the onions,' they expect to buy lottery products any way they want, with the same conveniences that they buy other products. They want to come into a store and complete their shopping quickly and easily. They want the option of an online app. They want to use plastic or Apple Pay. We have to make sure they have it their way.

"And we've done that in Kentucky. We are in the midst of a huge vending machine initiative that was put in place at the end of 2020 with new machines deployed in the field," she said. "We're in the midst of selecting a cashless option. At the same time, we're making sure that the products we provide at retail are attractive to players. So we're focused on the basics and we're seeing that pay off in terrific sales numbers."

In Georgia, Frank Taylor and his colleagues in the sales group have utilized innovation to support their retailers while also making sure all the basics of retailer support are covered.

"Good products, appealing second chance promotions – these are the types of things that drive people into the stores," he said. "We are always looking at the balance between new technology and successful sales techniques. People want cashless. We're looking at the technology that can store your numbers on your mobile device so that when you enter a store, you can receive your ticket with minimal extra steps. But the interaction between retailers and customers is so critical to the success of the lottery. Many have friendly relationships with the customers, talking with them about their families and what's going on in their lives and engaging them on lottery products. For many players, that face-to-face interaction adds relevant value and works better than technology."

"With that said, we're implementing some of the cutting-edge technology where needed. Many of our corporate accounts want vending machines," he said. "I've worked with Max and Carmanah on digital media boards that expand the experience for players and are particularly useful for new players. And, of course, iLottery continues to expand and will be an important sales channel into the future."

Adam Perlow, who has worked at the New Jersey Lottery for Northstar for almost two years, summed up one aspect of how technology helps players. "Sometimes people just don't want to deal with people." He said that all lotteries have retailers who have their player's numbers memorized and hand them their tickets before they even reach the counter. But many people want that self-service experience. Getting even more specific about how a player's interaction can be improved, Adam discussed how the New Jersey Lottery is not only providing the latest technology to its retailers, but also "piggy-backing" on other retailer technology.

"We're partnering with 7-Eleven to work within their technology and rewards program to create an even better experience for players," he said. "They are a critical retailer for many lotteries and working closely with them only benefits the lottery and players. In July, we'll go live with a program that enables a player who purchases a certain \$5 ticket to receive 500 rewards points in their 7-Eleven program. We're basically leveraging their technology to give players a special promotional opportunity. It will be a win for the lottery, a win for 7-Eleven and a win for the player."

Of course, even the best technology won't work in the lottery industry if it's not accompanied by attractive products. That is what will keep players returning to retail and, most importantly, buying product. For the lotteries represented on this panel, and many others in the industry, new products such as IGT's patented Cash Pop™ draw game are leading the way for new games.

In New Jersey, Adam and his team look for games that will engage players and offer new ways to win. "What I like about Cash Pop is that there are different ways to win, and we can also run it as a monitor game alongside Keno," he said. "It's one of the only games in the industry that allows the flexibility to play different numbers at different bet levels with a high number of draws each day. We've seen this particular game rise to 13 cents per capita in New Jersey – so obviously players are responding."

Staying on the Cash Pop bandwagon, Frank said that in Georgia the game is popular across different demographics and some of that is thanks to the Lottery's aggressive communications push. "We talked to many players – current, light, lapsed – and they

all said that a game with this type of play style and flexibility is what they want," he said. "Our push with advertising and on social media also helped raise awareness and resulted in a lot of buzz. Since the game is run five times a day, people don't have to wait too long to play again and that helps build a player following. These types of innovations will keep players engaged."

Mary said that while Cash Pop is available in Kentucky, these types of more social games have been impacted by pandemic closings and restrictions. As things open up, that should change. In the meantime, she is focused on making sure the convergence of brick-and-mortar retail and iLottery is as smooth as possible for her players.

"We want to focus on being there for the players," she said. "I don't see online sales being in competition with retail, in fact I think online can help retail. In Kentucky, we have cross promotions to drive players back and forth and support the two channels. We throw the love at these two channels in different ways but certainly in ways that are most impactful for our players. It's about identifying player needs and meeting those needs through innovation and attractive marketing and products."

Sarah pointed out that at the Hoosier Lottery, they've experimented with different ways to engage their players. The key is make it interesting and keep it fun.

"We're in the entertainment business so why not offer the type of fun, engaging products players see in other places," she said. "Over the years, we've launched play-for-fun games online. Most recently, we offered the Loaded Zone in support of our 'loaded' family of scratch-off tickets. Our retailers appreciate our efforts as well because it keeps players interested and, we hope, buying products. We also focus on our social media networks and players clubs, so we are interacting with players in different ways. The ultimate goal is to drive players to engage with us at retail locations, as well as online."

Max pointed out that player expectations are being set by the best practices applied by retail leaders. Bricks and mortar retail is becoming an omnichannel vertical, where physical and digital channels interact and thrive. So, Lottery needs to deliver a similarly friction-free and engaging purchasing experience. As the Lottery & Gaming Division of STRATACACHE, the global

leader in digital signage, Carmanah brings that retail transformation expertise to Lottery.

"We focus on providing players with the information they need before they reach the counter, just like when they are in a fast-food restaurant," he said. "Today's digital screens are quite amazing in that they deliver multiple screens of easy-to-reach information in a short period of time."

New digital signage technologies, such as Digital Menu Boards and Countertop Displays, offer players more meaningful and interactive visits, transforming physical stores into seamless brand experiences.

"We are not quite there yet with lottery, but it's where we are going and will get there eventually," he said. "It's happening at most other retail locations with other consumer products. It's only a matter of time before these advancements are embraced by the lottery industry."

Terry and his Abacus colleagues are strong believers that lotteries need to work with retailers to integrate with the retailers' technology. This includes their apps as well as points of sale technology.

"If lotteries can get embedded into the retailers' apps, then you have access to all their customers," he said. "We all know that instant tickets are driving revenue for most lotteries. So, we're working on putting additional instants in-lane because that's where we also have draw games. All products should work together synergistically so the whole becomes greater than the sum of the parts. How lotteries handle the traditional/digital balance will be important," he said. "Digital provides many positive attributes – no payment for ticket printing, no shrinkage, no waste. Retail will always be the mission-critical face to the customer. But retail and digital can definitely live together."

That sentiment was echoed by Mary, who used the apt adage "a rising tide lifts all boats" to describe the iLottery channel. "We certainly had some pushback when we launched internet sales. We worked hard to make sure our retail partners know that we are committed to their success," she said. "Coming out of the pandemic, we see that there is a place for iLottery, that some lottery players want the convenience of online lottery. And I think retailers now see that the two can co-exist, that online brings in

new customers, enhances customer engagement, and be a mutually supportive channel partner."

For Georgia, all departments work together to make sure the needs of the retailer are satisfied. "We constantly talk about our messaging to retailers to make sure they are not surprised by anything we are doing, whether it is new products at retail or additional online offerings," he said. "They are our partners, and we want them to be a part of this process. One important point is that the thing that cures all issues is sales. Right now, our sales are high. This certainly helps in the short term and we want to use this opportunity to be ready for the future."

Whether it's the expansion of new technologies or innovative product launches, the focus on retail will be a central mission of lotteries. Providing the retail network with the most advanced tools available to bring lottery products to the players, where and how they want them, will only help lotteries maintain the phenomenal sales growth that most have enjoyed over the past year. The end result will be the support and approval of all lottery stakeholders – retailers, players and beneficiaries. ■

Lottery Focus on the Consumer continued from 43

grew quickly even though consumers were actually visiting retail locations less frequently. Matt said that in his conversations with Iowa's larger corporate chains, they noted that while trip frequency declined the overall size of the basket when the consumer visits the store increased. "This is an interesting trend and one that has to be watched closely, especially by states like Iowa that don't have iLottery," he said. "What are the implications for the industry and the vendors who serve the industry? There is not enough data right now to say this is a lasting trend. But it is something to watch."

The decrease in retailer visits could also be one reason why Powerball and Mega Millions have experienced drops in play. With more people working from home, the impulse purchase by infrequent players was diminished and that impact was felt more by the national games. And even though people who were able to work from home are slowly returning to the office, routines have now been disrupted. Office pools could be a thing of the past, particularly if the pool members are not in the office at the same time (or not at all). How the industry

handles these issues could determine the future of the two national games.

The leaders of Powerball and Mega Millions have carefully evaluated various options for the games and the industry will see the outcome of their hard work over the next year.

"As everyone is aware, Powerball is making a significant change by adding a third draw day to the week, as well as offering the Double Play feature," said Gordon. "And Mega Millions has worked closely with MUSL, as it's important to coordinate strategies. To our players, the games are almost indistinguishable, and research show players don't necessarily care whether it's Powerball or Mega Millions; they just buy whatever jackpot is bigger. But I think we need to differentiate the games to consumers, to cut through the indifference. Could Mega Millions take a step towards something that's been in discussion for many years and take the price to \$5? And what would that \$5 game look like? Important questions and we don't know how it will eventually work out. But for the growth of these important games, we want to figure it out."

Gregg concurred, but with tempered expectations. "While I'm a proponent of the three-day change, I don't think any of us have an expectation that it will drastically change our returns to the state. But it is responsive to the needs of the marketplace and what we've heard from players. This isn't the only change we need to make. Brand messaging, applying all the principles we have discussed today, and our whole approach to marketing are important too. But it is an incremental step in improving the overall playing experience for the lottery consumer."

The bottom line for these industry leaders is that while the past year-plus has been challenging, planning for the future is now the critical task. Players now have more entertainment options than ever before and if the lottery industry is to retain its appeal and player-ship, critical decisions need to be made. The revenue numbers are heartening; ensuring they continue is the task at hand. And continuing to keep the focus on the customers will always be job Number One. ■



PULSE of the Industry

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

NORTH AMERICAN NEWS

IN MEMORIAM:

DUANE BURKE, Founder, Public Gaming Research Institute, Inc.

We are saddened to share the passing of Duane Burke on Friday, April 30, 2021, just seven days shy of his 90th birthday. See Page 10 for Remembrance.

GARY GONDER, Missouri Lottery: Like so many of you who knew Gary, we are shocked and saddened by his passing at the age of 62. Gary was a "young" 62 in that he was always so fun to just be around. Gary was also a highly respected leader in the lottery industry and in life and recipient of PGRI Lottery Industry Lifetime Achievement Award. We will truly miss him dearly.

YVONNE SCHNYDER, WLA (retired), serving the global lottery industry for 40 years, with the last 12 years as General Secretary of the World Lottery Association, passed away at 78 years old. Yvonne was a special friend to PGRI along with the entire global community of lottery industry leaders.

JOBs:

The North Carolina Education Lottery: Legal Counsel

Connecticut Lottery Corporation: Director of Business Affairs – Sports Betting Division

Maryland Lottery Director

JOB: Vice President, Security – Tennessee

Education Lottery

RFPs:

Washington Lottery: Drawing Verification

Montana Lottery: Advertising and Media Services

Chicago: City's First Casino-Resort

Virginia: Production and Distribution of Live Lottery Draw Shows

Connecticut Lottery Sports Betting Solution - system and services

National U.S. legislative update sports betting, gambling, lottery, etc.: Follow this new resource at PublicGaming.com

Canada: The Minister of Finance thanks Lynne Roiter for her work at Loto-Québec for 35 years

Ms. Lynne Roiter, President and CEO of Loto-Québec, will be stepping down functions after a career of more than 35 years with the Crown corporation.

A law graduate from Laval University and member of the Barreau du Québec since 1972, Lynne Roiter began her career at Loto-Québec in 1985 as Director of Legal Affairs, then held the position of General Secretary and Vice-President at the Legal Department from 1996 to 2017. She has been President and Chief Executive Officer since May 31, 2017.

At the same time, the Minister welcomed the arrival of her successor, Mr. Jean-François Bergeron, who will take control of Loto-Québec on 1st June.

Mr. Bergeron was President and Chief Executive Officer of the Société québécoise du cannabis. He previously held vice-president positions at the Société des alcools du Québec.

"The first woman to lead Loto-Québec, Ms. Roiter has done a remarkable job throughout her career, and she has contributed to the success and development of this important Crown corporation for Quebecers. She was an example of integrity and dedication to public service. I want to thank her for her years of service. Her successor, Mr. Bergeron, will be able to continue this work and meet the many challenges that will arise in the coming years." Eric Girard, Minister of Finance of Quebec

Jeffrey L. Hewitt, senior vice president of sales and marketing for the Mississippi Lottery Corporation, will serve as its next president



Hewitt was one of the first employees brought on to the corporation in June 2019. Hewitt is taking over for the corporation's first president, Tom Shaheen, who is retiring June 30. Hewitt said his main vision for leading the corporation is to continue to grow what Shaheen has built. Hewitt has 30 years of lottery experience. He began his career with the Florida Lottery in 1987 and previously served in senior roles with the Georgia Lottery Corporation, as well as Scientific Games, Intralot and IGT Global Services, three of the major technology vendors in the lottery industry.

Scott Sales appointed lottery director for the State of Montana

Sales, who begins his appointment as lottery director on May 3, currently serves as legislative liaison to Governor Gianforte. Sales owns and operates Cottonwood Custom Haying. First elected to serve Montana in the state legislature in 2002, Sales served as Speaker of the House from 2007-2008, House Minority Leader from 2009-2010, and President of the Senate from 2017-2020. Before his public service career began, Sales spent fifteen years with Extended Systems as purchasing manager and regional sales manager, and nearly three years with Hewlett-Packard as a purchasing agent.

Gaming Laboratories International (GLI®) has named former Montana Lottery Director Angela Wong as Director of Lottery Solutions.



Wong's appointment further expands the deep bench of subject matter experts for GLI's

trusted team of professionals that serve thousands of lotteries, regulatory agencies, and related equipment vendors and services providers globally. In her leadership role, Wong will serve as an essential resource for lottery clients and work with lottery suppliers and technology vendors to facilitate end-to-end success in the lottery industry. She will identify technical and business challenges facing U.S. and international lotteries and develop a strategy for engagement and serving of lottery-related needs in every region of the world.

Prior to joining GLI, Wong was director of the Montana Lottery, where she earned an international reputation for her leadership and innovative approach. She also is the immediate past president of the North American States and Provincial Lotteries (NASPL), where she also held multiple leadership positions over 10 years. She is also the immediate past vice president of the Multi-State Lottery Association (MUSL). Wong's unique set of skills will allow her to quickly engage in GLI's work to help its lottery clients navigate the changing landscape and leverage new opportunities created by emerging technology and new delivery channels.

Maryland Lottery and Gaming Director Gordon Medenica to Retire



Appointed by Governor Larry Hogan in 2015, Medenica has had notable success running the Agency, consistently setting revenue and profit records. The fiscal year ending June 30 will be another all-time record for the Maryland Lottery.

"I feel incredibly fortunate for the many unique and wonderful experiences I have been afforded during my career," said Medenica. "The lottery business is like no other. Where else can you raise important revenue for the state and its citizens -- while still having so much fun? I leave here with mixed emotions, but look forward to the next phase of my life." Medenica added, "I feel especially fortunate to have worked for Governor Hogan for the past six years. The Governor has been a great supporter of the Agency and its mission."

"This is truly a bittersweet announcement, as Marylanders have benefited tremendously from Gordon's leadership, but he has certainly earned his retirement after a long and distinguished career," said Governor Larry Hogan. "Gordon's commitment to customer service, and to honesty and integrity, have characterized his successful run at the helm of the agency. I am grateful to Gordon for his service, and wish him all the best."

Medenica's breadth of experience includes management of three lotteries -- New York, New Jersey and Maryland. He began his lottery career in 2007 as the Director of the New York

Lottery, the country's largest. During his time in New York, the lottery set all-time revenue records every year. Medenica authorized the initiative that prompted the U.S. Department of Justice to rescind its interpretation of the 1961 Wire Act, an action that led to the legalization of online lotteries in 2011. In addition to the lottery, Medenica also oversaw New York's nine casinos and managed the successful selection process for the operator at New York City's Aqueduct racetrack, which has become one of the world's largest casinos.

Medenica joined the Maryland Lottery as Director in June 2015, focusing on lottery marketing and casino expansion. He oversaw Maryland's six casinos, including the 2016 opening of the state's largest, MGM National Harbor. His work in the lottery industry includes serving as President of the North American Association of State and Provincial Lotteries (NASPL) in 2011-2012. Most recently, he served as Region 1 Director on the NASPL Executive Committee, as Lead Director of the Mega Millions consortium and Lead Director of the Cash4Life consortium. Internationally, Medenica served on the World Lottery Association Sports Betting Integrity Committee. In October 2020, Medenica was inducted into the Lottery Industry Hall of Fame, joining a distinguished group of world lottery professionals who are recognized for their dedication to promoting excellence and integrity in the industry.

Powerball to increase to three drawings a week



Lottery officials announced that the multi-state Powerball lottery game will increase the number of nightly drawings from two to three times a week starting August 2021. In addition to the drawings held on Wednesday and Saturday nights at 10:59 EST, Powerball will conduct a drawing on Monday nights at the same time. The first-ever Powerball Monday night drawing will take place on Aug. 23, 2021. Players will be able to pick up tickets for the first Monday drawing starting Sun., Aug. 22, 2021. Odds, rules, or set cash prizes will not change with the addition of another drawing, and the ticket price remains \$2.

Victor Blanco to join Scientific Games as Chief Technology Officer

Gold Dust Casino and Hotel to install Scientific Games iVIEW® Systems Solution across 240 slots and table games

Scientific Games Inks Four-Year Extension for Iconic Slingo® Brand

IGT is awarded a long-term contract from the Maryland Lottery and Gaming Commission to upgrade the video lottery central system that connects more than 11,500 video lottery terminals (VLTs) and electronic table games (ETGs) across the State's six casinos.

The contract runs through September 2028 and includes the option to extend for up to an additional four years.

IGT's PeakSlant49 Cabinet Now Available for Purchase with High-Performance Core Video Content



Celebrated for its superior ergonomic design and pristine presentation, the PeakSlant49 video slots cabinet is an attention-grabbing focal point on any casino floor. The cabinet's 49-inch, progressively curved Ultra-HD display is complemented with a 27-inch video topper. The cabinet's intelligent lighting and player-convenience features such as an inductive wireless charger, USB port and comfortable 13.3-inch dynamic player panel all contribute to the hardware's popularity and strong performance.

Scientific Games Corporation efforts to guide full development of the instant product category in European markets are making an impact.



The Company received a new three-year contract from Lutrija Bosne i Hercegovina (or the "Lottery"), which experienced a 41% increase in instant game retail sales since collaboration began in 2016. Through forward planning and effective execution of their game plans, many of Scientific Games' 55 lottery customers in Europe are continuing to register higher than ever sales of instant games despite the challenges of the pandemic.

Ontario Lottery and Gaming Corporation Awards Pollard Banknote 10-Year Instant Ticket Contract Extension

IWG Builds on InstantJackpots™ Success -Virginia Lottery debuts its second progressive jackpot-enabled e-Instant



Jackpot Payout features two instant-win progressive jackpot prizes – the Grand Jackpot and the Swift Jackpot. The game combines a traditional key number match mechanic with bonus rounds, offering the opportunity for players to win fixed prizes, as well as the chance to unlock the jackpot awards. Jackpot Payout follows IWG's previously released Jungle Tumble Jackpots with both games incorporating rolling progressive jackpots. However, each is structured to target different player segments. Whereas Jungle Tumble Jackpots is designed to award its progressive top prize monthly, Jackpot Payout is optimized to award its rolling mid-tier prize multiple times each day.

IWG Extends e-Instant Contract with BCLC Company Will Continue to Supply InstantGames™ Through 2026

Abacus and Playport Announce Reseller Partnership



The new partnership is designed to supply lotteries and lottery retailers a digital game purchase and win redemption solution that seamlessly integrates with their existing point-of-sale systems. Abacus will act as an authorized distributor and reseller of Playport's platform.

Rebranded EQL Games Delivering New Game and Technology Solutions to Grow the Lottery Draw Category

Previously known exclusively as a provider of live sports lottery games, EquiLottery Games has changed its name to EQL Games to better reflect an expanded vision to grow the draw game category through game innovation and technology. First introduced in 2014 with a sole mission to build the first live horse racing lottery game, the company's vision has expanded to include connecting lotteries with other major sports and a fully modernized tech stack that promises to make draw games faster and less expensive to build and implement. This new focus includes a fully customizable GLI-certified draw game system and an integration product designed to simplify the third-party integration process.

Jackpocket Named NYRA's Official Mobile Lottery Partner



Jackpocket, the first and only licensed third-party app lottery app in the United States and the New York Racing Association, Inc. (NYRA) announced today their partnership establishing Jackpocket as the official mobile lottery partner of NYRA.

This partnership comes on the heels of Jackpocket's New York launch in January 2021, and more recently on the Google Play Store. Jackpocket gives New Yorkers an easy, secure way to order official state lottery tickets like Mega Millions, Powerball, Win 4 and more from their smartphones. As part of the agreement, Jackpocket becomes a preferred partner of the Belmont Stakes and racing at Belmont Park and Saratoga Race Course.

Inspired enters Michigan iGaming market with live games

Pennsylvania Court rules against casinos and in favor of Lottery in dispute over what kinds of e-Instant lottery games are allowable

In 2017, the Pennsylvania legislature sanctioned, via Act of October 30, 2017, P.L. 419, No. 42 (Act 42), the Lottery and the State's casino industry to both offer online games, provided that the Lottery not offer any online game that simulates a casino game, and the casino industry not offer any online game that simulates a lottery game. In 2018, the Casinos in the State jointly filed a Petition against the Lottery claiming that the Lottery had overstepped its authorization by offering games, specifically their e-Instants, that simulate casino-style slot machines. On May 25, 2021, the Commonwealth Court of Pennsylvania definitively ruled, supported by a strongly detailed 47-page opinion, that e-Instants do not in any way simulate casino-style slot machines, and ordered the Petition denied and dismissed.

In summary, having reviewed Act 42, the Lottery Law, and the Gaming Law, as well as the parties' arguments and evidence, the Court found none of the features of e-Instants challenged by the Casinos to be signature, iconic, or key features particular to casino slot machines. Rather, the Court found, they are features that relate to technological advances in online gaming; are based on online entertainment and gaming, as well as existing entertainment sources like television and board games, which have indisputably inspired both e-Instant and slot machine game designers; or existed in the same or similar fashion in traditional lottery products that were translated into a new online medium. Further, the Court found that spinning reels and pay lines are signature, iconic, or key features particular to casino slot machines,

and that these features cannot be used by the Lottery. Importantly, however, the evidence also established that no e-Instants use these features.

Because e-Instants do not simulate casino-style slot machines the Casinos did not establish that the Lottery is violating the Lottery Law or Act 42. Therefore, the Casinos did not meet their burden of proving an entitlement to declaratory or injunctive relief, and their Petition was denied and dismissed.

"We are extremely pleased that the court agreed with the Lottery's position that its internet instant games are lottery games, and do not simulate casino-style games," said Drew Svtko, Executive Director, Pennsylvania Lottery. "As we argued before the court, the Lottery operates in accordance with the law and it was clearly the intent of the General Assembly to allow the Lottery and casinos to co-exist in the online space. The Lottery was authorized to offer digital games of chance, which are not limited only to digital representations of physical instant tickets."

"The casinos' attempt to effectively eliminate the Commonwealth's iLottery program was a cynical effort to knock out a competitor, solely in the interest of increasing profits," said Pennsylvania Attorney General Josh Shapiro. "The Judge's order to dismiss this case means the \$170 million generated by the Pennsylvania iLottery program can be used to fund essential services to benefit older Pennsylvanians—services which my office will continue to defend."

American Gaming Association: COVID Reshuffles Commercial Gaming Landscape in 2020 AGA's Annual State of the States Report Highlights State, National Impacts

The COVID-19 pandemic had a significant impact on the gaming industry in 2020, causing a 31 percent drop in commercial gaming revenue and a significant shakeup in the top 20 casino markets. 2020 marked the industry's lowest total annual revenue since 2003, with consumer spending on commercial gaming falling to \$29.98 billion, down 31 percent from 2019. While the pandemic overwhelmed traditional gaming sectors, the industry experienced monumental growth in emerging verticals like sports betting and iGaming. All of last year's shifts in the commercial gaming landscape at both the state and national levels are covered in detail in American Gaming Association's (AGA) State of the States 2021: The AGA Survey of the Commercial Casino Industry.

dick clark productions and POWERBALL® announced today that they are teaming up for the third consecutive year to present the "Powerball First Millionaire of the Year" promotion.

A Powerful Combination

HAZEN HOLOGRAPHY AND MONOPOLY™

The Ohio Lottery launched its MONOPOLY™ family of games, under license through Scientific Games, on Hazen's holographic board. This combination has proven to be extremely effective with all four price points in the series generating index scores ranging from 121 to 146!

When compared with plain board games, Hazen's recyclable holographic games consistently generate higher lottery sales and profits due to their increased visibility and superior performance.



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HOLOGRAPHIC GAMES WILL BOOST YOUR LOTTERY'S PROFITS

Because they are "eye-catching", holographic games typically generate 15% to 30% sales increases vs. plain board games. They have proven to generate sales increases as high as 79%*.

Since a typical \$10 game needs less than a 5% sales increase to fully pay for the holographic material, using holography can easily increase your lottery's profitability.

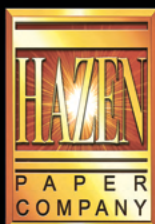


Check out Hazen's PROFIT CALCULATOR to see exactly how much you can grow your lottery's bottom line. Just enter your ticket's size, price, payout percentage, and quantity for your holographic game and you'll instantly see a custom profit chart created for you.

For US Dollars, visit:
www.holographyx.com/profit

For Euros, visit:
www.holographyx.com/EUprofit

*The Tennessee lottery generated a 79% sales increase in a quantitative test that isolated holography as the only key variable. For details, visit: www.holographyx.com/TN



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Five randomly selected finalists will appear on the live broadcast of "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2022" on ABC and have the chance to win \$1 million in a special drawing just after midnight.

Alabama Lottery and Casino Bill Dead in the Water as Legislative Session Ends

SPORTS BETTING

Maryland Legislature Passes and Governor signs, Sports Wagering Bill with Expansive Licensing Opportunities and Targeted Support for Women and Minorities

The Connecticut Lottery Corporation Applauds State Approval of Sports Wagering and Online Lottery in Connecticut

The Connecticut Lottery Corporation is already engaged with prospective vendors and partners with the goal of launching its sports betting platform as quickly as possible.

Florida governor signs bill for Seminole sports betting deal

South Dakota Gaming Commission approves sports betting rules

Arizona Governor signs tribal gaming compact, legalizing sports gambling in Arizona

The agreement protects gambling exclusivity for tribes for the next 25 years.

The measure approved by the Legislature adds additional types of table games at tribal casinos and for the first time allows sports betting under licenses issued to tribes and pro sports teams. It also allows gambling on fantasy sports and new Keno games at horse race tracks and fraternal organizations.

Ohio's professional sports teams are in favor of legalized sports gambling and want in on the action

Scientific Games Corporation strengthened its global suite of sports technology, services

and content with the acquisition of SportCast, the pioneers of sports betting experiences that encompass outright betting, through to pre-match and in-play.

Founded in 2013, SportCast is a leader in sports betting player engagement through their product experiences, technologies and pricing. They are also credited with developing the original BetBuilder product, a feature that allows players to build bets across multiple markets on a single game with instant pricing through a seamless User Interface (UI).

Canada: Bill on single-game sports betting on cusp of passing

The would-be bill aims to amend Criminal Code provisions around gambling on single games of football, hockey, and other sports, which is currently illegal except for horse-racing.

Deal with Seminole Tribe to expand gambling in Florida receives final approval

The Florida House on Wednesday gave final approval to a gambling deal with the Seminole Tribe of Florida that would include allowing sports betting in the state. The House, during the third day of a special legislative session, voted 97-17 to pass the bill. The Senate voted 39-1 on Tuesday to approve it. The deal would lead to the state receiving \$2.5 billion over the first five years.

The tribe would operate sports betting and would receive other benefits, including being able to offer craps and roulette at its casinos.

Tennessee Becomes Quickest State to Reach \$1 Billion in Lifetime Sports Bets in Sports Betting

With April's bets, Tennessee sportsbooks have now generated \$1.1 billion in wagers since November's launch. That makes Tennessee the fastest to the mark, topping New Jersey, which reached \$1 billion in its seventh month.

WynnBET Live in Indiana, Virginia and Tennessee Leveraging Scientific Games Sports Betting Technology

WynnBET users benefit from the OpenSports™ product suite and managed trading services from Don Best Sports, as the operator leverages Scientific Games' leading sports betting technology.

These launches further enhance the partnership between WynnBET and Scientific Games and illustrate the growing appetite in the U.S. sports betting market, with the OpenSports platform providing scalability and robustness for players.

IGT expands its sports betting footprint in North Dakota with IGT PlaySports agreement

Dakota Magic Casino and Hotel will leverage the IGT PlaySports platform, self-service betting kiosks and trading advisory services

Online Gambling Sites Pump \$153.6 Million Into Local TV

According to Nielsen ad-spend data, online sportsbooks and gambling sites in the first quarter poured \$153.6 million into local station coffers, an investment that has made the nascent industry one of the biggest players in the spot TV space.

Leading all comers are FanDuel and DraftKings, both of which operate brick-and-mortar sportsbooks. FanDuel in the past quarter, ending March 31, invested \$57.7 million in local TV ads, good for 38% of the category's overall spend, while DraftKings scarfed up \$43.6 million in local station buys. Together, the two brands were responsible for 66% of the sector's local TV spend, although BetMGM made a splash of its own with a \$24.9 million spree.

The combined national TV spend for the two brands was considerably (and predictably) lower at \$15.4 million, an accounting that factors in DraftKings' \$5.5 million Super Bowl LV buy.

Online gambling now ranks 11th among the 1,200 product categories tracked by Nielsen, accounting for 2% of all spot TV spend. By comparison, the most lucrative spot TV segment, legal services (or shouty ambulance chasers, if you're feeling a bit less charitable), accounts for 7% of all ad spend on local TV stations.

As one might well expect, the rise in sports gambling spend on local TV has coincided with the U.S. Supreme Court's 2018 decision to strike down the Professional and Amateur Sports Protection Act of 1992, thereby clearing the way for states to adopt legalized betting. Before PASPA bit the dust, brands like DraftKings and FanDuel spent their marketing dollars on national TV, which they used as a means to drive traffic to their daily fantasy sports platforms.

Back in 2015, DraftKings and FanDuel ponied up a staggering \$305.5 million for national TV inventory, the majority of which was targeted to fourth-quarter sports broadcasts. In October of that same year, DraftKings had backed so many NFL games that it was the league's second-most profligate advertiser behind only Verizon. Unfortunately for the DFS pioneers, all the marketing hype caught the attention of the FBI and the Department of Justice, who that fall began investigating the sites for fostering what was then characterized as a "multi-billion-dollar" illegal gambling racket.

For the networks, the heat effectively brought an end to the DFS gold rush, and in 2016 DraftKings and FanDuel's national TV spend plummeted 92% to \$24.3 million.

Post-PASPA, the rush by online gambling sites to invest in local TV has been head-spinning. Per Nielsen, the category dropped a mere \$10.7 million in spot TV during the first quarter of 2019; in other words, investment in local TV has grown 14.3 times, or 1,336%, in two years.

By 2024, local spot TV is expected to increase its haul of online gambling ad revenue to as much as \$590 million.

Local TV spend will only increase as individual states begin to embrace mobile betting. For example, New Hampshire, which legalized sports wagering in July 2019, granted DraftKings an exclusive retail and mobile license in early 2020 after the company agreed to share 51% of its sports-betting revenues with the state.

New York is pursuing a similar arrangement as it works to legalize mobile gambling, as the model endorsed by Gov. Andrew Cuomo will see operators bid for a shot at opening virtual sportsbooks within the Empire State. Cuomo's newly discovered enthusiasm for mobile betting was likely awakened by the knowledge that New York residents account for as much as 25% of New Jersey's virtual handle. That adds up to an awful lot of taxable revenue that hasn't been making its way across the Hudson.

The online-gambling dollars are much appreciated at the local level, as stations are no longer being buoyed by the torrent of political ad spend that helped defray (at least to some degree) the vertiginous drop in automotive and retail spot buys. Back out the \$4.2 billion in political ads booked by the stations, and local TV spend in 2020 plunged 23%, according to the global ad agency GroupM.

Including two states that have authorized wagering by way of Native American-owned casinos, there are currently 26 states that have legitimized sports betting, of which a handful have activated mobile/online gambling operations. Another 11 state legislatures are currently considering moving forward with some form of sanctioned sports betting.

Once state-by-state legalization efforts reach a critical mass, a good deal of the spend that is currently targeting local TV stations is likely to shift to national TV and broad digital-marketing efforts. After a business reaches a certain size, it's simply cheaper (and a whole lot more convenient) to buy local ad inventory rather than try to piece together a series of local spots.

The twin shibboleths of thrift and sloth tend to give way to a phenomenon familiar to anyone who's ever wondered why they are forever being bombarded by commercials for national fast-food chains that don't serve their home market. Case in point: If you happen to live in Brooklyn and are watching an NFL or NBA or college football game, you're guaranteed to see at least two or three Sonic commercials, depending on the network. This is less than ideal, as the nearest Sonic Drive-In is in Bayonne, N.J., and getting there will cost you \$36.34 in tolls.

Which is a roundabout way of saying that if you live in Utah, where you're all but surrounded

by states that have legalized gambling, you're eventually going to be seeing a whole lot of what amounts to the sportsbook version of those Sonic Drive-In ads popping up on your TV.

DraftKings Beats, Raises Guidance After Year's Biggest Events In Online Gambling

Online gambling app DraftKings (DKNG) reported a smaller-than-expected loss and booming revenue growth early Friday after the year's biggest events in sports betting. But DraftKings stock reversed lower. DraftKings lost 36 cents a share as revenue skyrocketed 252% to \$312 million. Monthly unique paying customers jumped 114% to 1.5 million. Average revenue per user climbed 48% to \$61. DraftKings raised its full-year revenue target to \$1.05 billion-\$1.15 billion, up from a prior view of \$900 million-\$1 billion and above consensus estimates for \$999.7 million.

WORLD NEWS

Apollo makes \$4b bid for Tabcorp's wagering, media and pokies assets

The race for Tabcorp's wagering and media business is heating up with private equity outfit Apollo Global Management matching UK bookmaker Entain's \$3.5 billion bid for the struggling business. Confirming Apollo as a suitor for the first time, Tabcorp said on Thursday afternoon that the New York-headquartered outfit had also put forward a second offer, valued at \$4 billion, that would see it take control of Tabcorp's poker machine servicing business as well.

Entain, which owns online bookmakers Ladbrokes and Neds in Australia, made a \$3 billion offer for Tabcorp's TAB wagering arm in February which, after being knocked back, it increased to \$3.5 billion last week.

China details action taken against cross-border gambling

The Chinese Government has been vigilant against the rising trend of cross-border gambling, the Ministry of Public Security has said. Since 2020, authorities have launched multiple nationwide and special operations to combat the phenomenon. Just last month, the Minister of Public Security, Zhao Kezhi, pointed out the importance of combating cross-border gambling and that the country needed to destroy all related operations. Now the Ministry of Public Security has announced that the country is winning its battle against cross-border gambling and has managed to reverse this growing trend.

Alexander Pechtold appointed chairman of the Supervisory Board of the Dutch Lottery.

Pechtold succeeds Jan Loorbach whose term of office had expired.

INTRALOT Empowers Nederlandse Loterij Operations with its LotosX Platform and the Roll-out of Photon Terminals

intralot

Lottery Draw-Based games, Scratch Cards and Passives, as well as the back-office operations are now live in The Netherlands through LotosX. Additionally, INTRALOT has rolled out 4,300 Photon terminals along with its robust signage solution empowering further the retail channel of Nederlandse Loterij's Lottery games and Sports Betting offering. INTRALOT's Photon terminal, one of the most powerful and best-performing terminals, is a key value driver for the acceleration of the modernization of NLO. Mr. Bas van de Bunt, Director Business Transformation & Strategic Projects at Nederlandse Loterij stated, "The new Photon terminal enables us and our retailers to enhance the game and brand experience of our products in-store. With LotosX we work with the latest technology that helps us to innovate in retail."

Intralot announces the sale of its stake in Intralot do Brasil

Saga Business & Gaming Intelligence SA ('SAGA BGI') has entered an agreement for the acquisition of Control of its investee Intralot do Brasil Comércio de Equipamentos e Sistemas de Informática Ltda ('Company') with Intralot Group S.A. Intralot Group S.A. will continue to supply its gaming technology to the Company after the closing of the transaction. Running for more than 10 years in the Minas Gerais State Lottery, the transaction marks the beginning of a new moment for the Company, focused on its project of growing expansion in the lottery and sports betting operations in the Brazilian state and federal markets.

Closing of this transaction is subject to the completion of certain condition precedents standard for this kind of transactions.

FDJ Group appoints Andy Wright as new Sporting Group CEO. S

imon Trim is stepping down after 23 years at the company – including the last 5 years as CEO – after overseeing the successful integration of Sporting Group into FDJ Group following its acquisition in June 2019.



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