

Lotto Hessen Welcomes EL Membership to Wiesbaden for Industry Days



Dr. Heinz-Georg Sundermann

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PGRI INTRODUCTION: EL Industry Days is a special bi-annual event for EL membership that was interrupted by COVID. It has now been over two years since we have visited with each other and are excited to get together again in beautiful Wiesbaden Germany.



Paul Jason: Thank you for hosting Industry Days! This must be an exciting time for you and Team LOTTO Hessen to be the first in-person conference destination in almost 2-1/2 years?

Dr. Heinz-Georg Sundermann: Yes, we are indeed very much looking forward to hosting the first major European Lotteries conference in over two years, from June 13-15. Preparations have been in full swing for weeks now and we are convinced that we will be able to offer the participants a varied and exciting program. Wiesbaden is an excellent venue for the conference, especially at this time of year, and we will provide everyone ample opportunity to get to know our beautiful Hesse capital, including a visit to Eberbach Monastery in the Rheingau region. Over 800 years old, the Monastery is fascinating for its historical significance, and its ancient renown as a center for wine-making was recently rejuvenated with the construction of the Steinbergkeller, a state-of-the-art wine production

facility rivalling any in Europe. It is all only a few kilometers away from Wiesbaden.

And yes, it will be wonderful to finally have the opportunity for a personal exchange again after such a long time. We would like to extend a warm welcome to all participants!

What are some good things to have come about as a result of the disruptions of the last 2-1/2 years?

Dr. Sundermann: It can certainly be said that the pandemic has strengthened the distribution network per se. This may sound strange at first, because after all, the contact restrictions during the pandemic in this country mainly affected brick-and-mortar retailers. But we are in a special situation here. This is because our lottery products are not generally offered independently from other products like food, magazines, and other convenience-store items. In the course of the increased consumer demand and appreciation for

these products of daily use, the importance of the sales outlets for Lotto has also increased. Even during the critical phases of the pandemic-related lockdown, no more than four to five percent of our kiosks were ever closed at peak times. Our portfolio of products was not only available like it had always been – it was now positioned right along side of products with the label "indispensable". To achieve this, we invested a lot, talked to authorities and partners, and made everything as easy as possible for everyone to implement. This effort was ultimately rewarded with excellent sales figures – both 2020 and 2021 have become record years. There are likely to have been few other consumer goods suppliers who have made the same level of commitment as the lottery companies to help us all overcome this crisis together. I believe that our fast response to the crisis has given us recognition and respect from our partners. Further to that, I think it reinforces the stability and trust so important to the future of our relationship with our retailers and customers now that the crisis is over.

Irrespective of this, however, the past few years have also shown how important

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cies, the States need to remain the ultimate decision makers on the lottery and gambling policy they pursue.

Strengthening the authority of member states to grant exclusive rights to operate Lotteries and other forms of gambling are fundamental and require a strong focus on market developments to avoid disruption as already caused in many states by the independent development of online gambling.

Of course, states, together with the operators, need to do so in a responsible manner and strongly rely upon the precautionary principle, a pillar always

to be respected when developing a proper gambling policy.

And the list continues!

Implementing rules as foreseen by the Macolin convention of manipulation of sport events and protecting the integrity of sport and betting is crucial as well. The signature and ratification of the Macolin convention should therefore be a priority on every state's agenda.

Re-iterating the 2010 Declaration for the current discussions at the European level: the contributions from lotteries play a vitally important role for our societies, and this specific role of

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it is to have a well-interlocked multi-channel strategy. The terrestrial offer must be flanked by a contemporary, digitally mature offer via the website and the app. Only those who offer the customer a wide range of access-points can deliver the convenience and the individual preference that the customers have come to expect from all merchants. That is vital not just in extraordinary times like the last two years, but necessary to be successful in the long term. Limiting the customer to two "either-or" options has not acceptable for a long time. Other industries with longer experience are certainly further ahead than we are in this respect, but we are all working constantly to catch up and are now increasingly addressing issues such as personalization and customization of our offering for the individual tastes and preferences of our customers in the digital space.

We were fortunate that the contract to update our central software was signed just prior to the beginning of the Corona crisis, positioning us now with the next generation of technology.

What do you think the most significant long-term change in consumer or shopping behaviour might be?

Dr. Sundermann: On the one hand, the convenience factor will continue to gain in importance which means we need to serve our customers at the spot and in the manner they want. As mentioned above, the dovetailing of sales channels plays a very important role in making our products and services as flexibly accessible as possible to every customer. After all, maximum convenience and flexibility are almost taken for granted today. In addition, a balanced range of products and services will become increasingly important in the future in

order to serve our customers according to their respective preferences within the framework of a responsible gaming offering – regardless of whether they are looking for a the high jackpot, quick luck with a scratch card, or entertainment with a broad variety of online games. Our customers expect an attractive, individualized offer that they can use flexibly across the whole range of channels. Evolving the technologies, the user-interface, and our approach to customer service will also continue to gain in importance.

How about retail: What do you think the most significant long-term change in land-based retailing might be?

Dr. Sundermann: Of course, the retail sector has to deal with a rapidly growing online market. However, we also see opportunities in this, because we believe that people will continue to want personal encounters when shopping in the future. It will be important that the in-person customer interaction not only impresses with a good product and good service, but also takes place in an environment that makes the purchase a positive experience that, in the best case scenario, will be remembered fondly.

And work-style: Will workers return to 5 days a week in the office or more likely a hybrid of 2 or 3 days in office and more work being done remotely? Do you feel that productivity is lost for not being together in an office for 45 hours a week?

Dr. Sundermann: In fact, our flexible home office arrangement will also expire at the end of May. We will then offer a model that allows flexible working one day a week, or two days if necessary. I think the past few years have shown how well remote working

“solidarity” should be factored into our rule-making structure as being just as important as the economic freedoms.

We have come a long way since the start of the debate in 1992. Lotteries have strengthened their market approach and the quality of their governance. The various associations contributed greatly to these developments, as did some individual Lotteries as well. Let's now work to consolidate our “acquis” – consolidate all that has been agreed upon so everyone can move forward, decisively and for the benefit of society and the good causes supported by Lottery. ■

works and that the individual satisfaction of employees with such a solution certainly does not negatively affect their productivity either. Nevertheless, social cohesion and bonding is lost a little when we do not see each other in person, and perhaps people work more individually and more for themselves – a completely normal side effect. In this respect, I'm looking forward to seeing a full house again starting in June during the last four weeks of my time at LOTTO Hessen.

Congratulations for your retirement!

Is there a player trend towards dividing play over multiple game categories? Or do you see lottery players as continuing to stay loyal to lottery like they always did before the advent of sports-betting and online casino gaming and such?

Dr. Sundermann: We can definitely see that a broader range of different game categories is being positively received by players. A bet on a high jackpot once or twice a week is gladly supplemented by participation in other games that offer a different kind of entertainment or other exciting game mechanics. We also see it as our duty as a state-owned gaming provider to offer our customers an attractive and diversified range of games. After all, this is the only way we can fulfill our channeling mandate.

Lastly, I recall your preference for stairs over elevators. Were you anxious to return to the office so you could get back to your stair-climbing exercise?

Dr. Sundermann: Apart from vacation days or during the last weeks when I unfortunately caught the corona illness, I was always in the office. So I am in stair-climbing exercise and can only recommend this likewise to each coworker! ■