

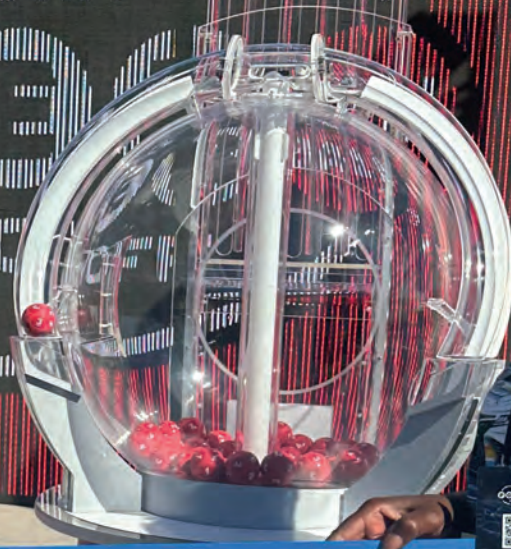
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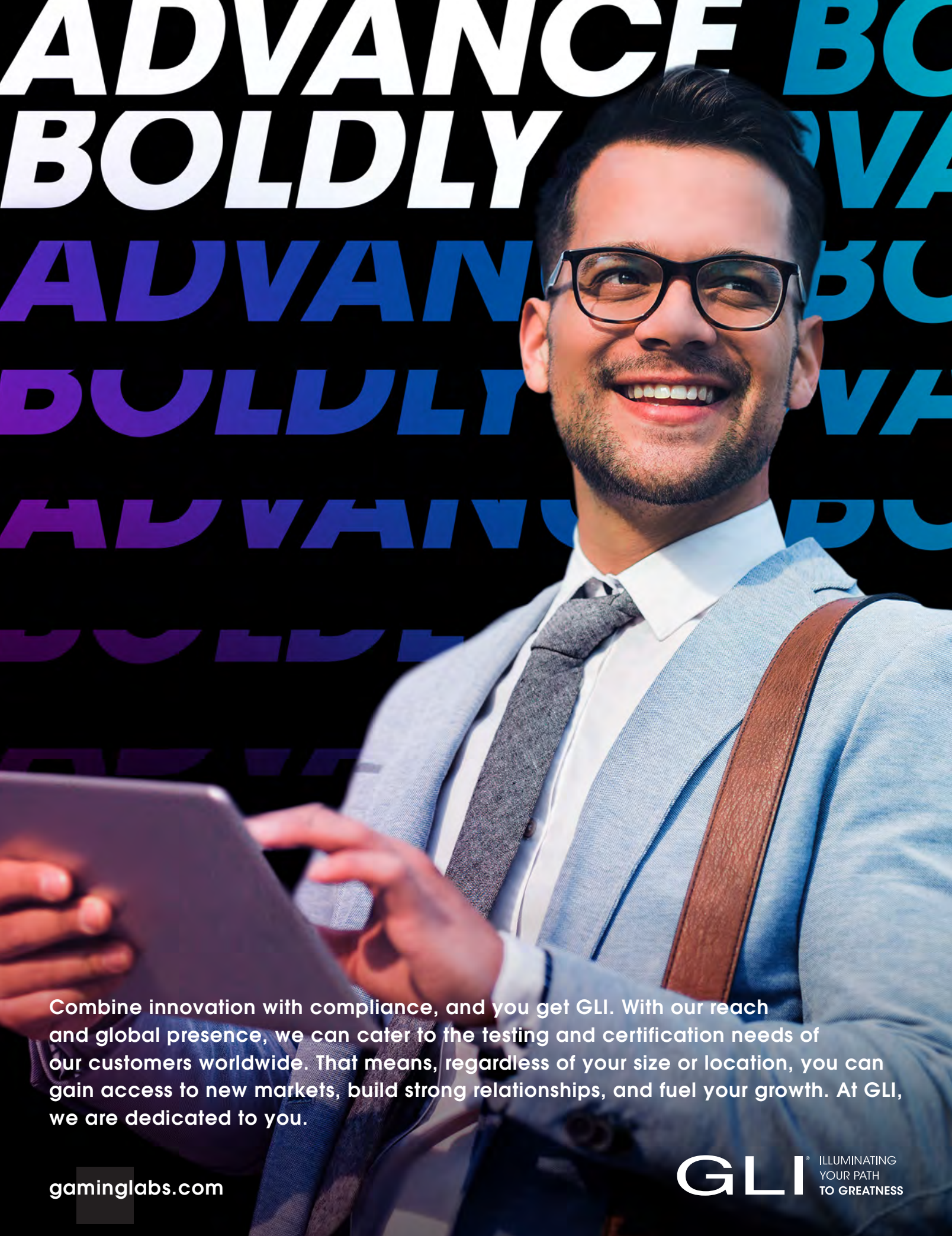
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United States: \$145 USD
Canada & Mexico: \$160 USD
All other countries: \$225 USD
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Public Gaming International Magazine

Published six times a year and distributed to readers all around the world. Electronic version is e-mailed and is also available on our news website: PublicGaming.com

November/December 2023

Volume 52, Issue 6

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Public Gaming Research Institute
cISSN: 1042-1912

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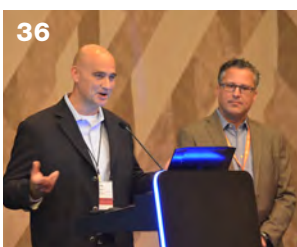
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From the Publisher

Congratulations to **Cindy Polzin** and the **Wisconsin Lottery** for hosting the Brewing the Best **NASPL annual conference and trade show** in Milwaukee last month; and **David Gale** and **Team NASPL** for your vision and expertise at executing these mammoth projects every year. Thank you to **Sarah Taylor** for your tremendous service as president of NASPL this past year, and congratulations to **Cindy Polzin** for your election to president of NASPL for the coming year.

Susan and I conduct as many video interviews with industry leaders as we can, and post them to PGRItalks.com. They're all between five and ten minute discussions about the future of our industry so I hope you'll take a look.

We are so excited to feature the most recent innovation of **MUSL (Multi-State Lottery Association)**. This cover features the Powerball & NASCAR collaboration which represents the ingenuity being applied to expand awareness and playership of Powerball. The partnership is Powerball's first with a major sports league and allows it to engage with players as the Official Lottery Game of NASCAR. The collaboration also signifies a progression in the game's national marketing approach, which in recent years, has focused on identifying partners who can help amplify the Powerball brand by delivering unique Powerball-based content to national audiences. Congratulations to Team MUSL for supporting the promotion, and the participating lotteries for leveraging the incredible brand value of Powerball to collaborate with other uber-brands like NASCAR to bring new consumer groups into the world of lottery for the benefit of good causes.

Every issue of PGRI Magazine features a column called "MUSL News" which keeps us all up-to-date with current MUSL innovations and initiatives. You can also visit the official Powerball website at Powerball.com and the MUSL site at

MUSL.com to learn more about how the MUSL membership is forging creative new ways to drive progress for the benefit of the good causes supported by government lotteries.

New technology and business processes are changing the whole games-of-chance landscape. As the nexus between the communities of compliance and regulatory agents, the commercial companies which produce the products and services that enable lotteries to operate, and the lottery operators themselves - GLI occupies a singularly important role in our industry.

Joe Bunevith puts things in context, helping us to make sense out of the disruption of recent years and understand the straight line that connects yesterday to today and tomorrow.

How exactly is Diversity, Equity, and Inclusion (DEI) being applied in the real-world? What are large enterprises doing to integrate DEI into its culture and business processes? **Brian Blake** talks about how DEI has evolved in his experience outside the lottery industry, how its relevance is increasing going forward, and how it is being applied to at IGT for the benefit of customers as well as organizational productivity, effectiveness, and sustainable growth.

Also featured are executive summaries of the panel discussions from PGRI's Lottery Expo Nashville conference. **Gretchen Corbin's** panel explored the ways in which lotteries are vying for the attention of a player who is being wooed by casinos, sports betting, and now online gambling operators. How does Team Lottery attract and retain the playership of a consumer who is experimenting with other gaming opportunities to find what she likes best?

The discussion on the Intersection of Lottery and Intelligence Systems, moderated by **Drew Svitko**, explored the ways in which Artificial Intelligence is already being applied in Lottery as well as outside of our industry.

It may seem like more hype than reality right now, but it is not too soon to understand how AI will transform every aspect business functions, the gaming industry, and our lives.

iLottery is not just another channel of distribution. It is a new way to play the lottery, and a consumer touch-point with the super-power to reshape the whole playing experience and player journey. **Stephanie Weyant** led the discussion that translated the experience of U.S. iLottery states into the top-of-mind action-items to help those U.S. states which are new to iLottery, and those prepping to implement iLottery.

The only traditional thing about "traditional" retail is that it involves real people interacting with each other in real-time. And as the face of lottery to the consumer, that will thankfully never change. Panelists discussed how digitizing the in-store shopping experience and checkout process; connecting with the shopper via new media, POS strategies, Mobile, and connecting the in-store player with the digital ecosystem is upgrading to meet the needs of the modern consumer.

Thank you to **Paul Lawson, Chris Shaban** and **Rob Wesley, Julian Tietz, Simon Jaworski, SciGames**, and **IGT** for your fabulous editorial contributions. Our readers and I appreciate you, your vision, and your leadership.

Mark your calendars for March 12 to 14 of 2024. Join us in Fort Lauderdale Florida for PGRI Smart-Tech 2024 to discuss how the **Player Journey runs through Digital Lottery**, PGRI's reinvented conference experience.

Paul Jason, Publisher
Public Gaming International Magazine

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OFFICIAL LOTTERY GAME OF NASCAR

Championship Dreams Fueled by Collaboration between *NASCAR and Powerball*



Drew Svitko, Anna Domoto, Stephanie Walker, Barb Niccum, Sue Dooley, Bret Toyne

In the middle of the Arizona desert, a championship dream fueled by NASCAR® and Powerball® came to life. In front of a sold-out crowd at Phoenix Raceway, Stephanie Walker of West Point, MS, was declared the \$1 million winner and champion of the NASCAR Powerball Playoff™ – the latest national Powerball® promotion borne from its new partnership with NASCAR®.

Broadcast live on NBC during the final hour leading up to the 2023 NASCAR Cup Series Championship Race™ on November 5, the \$1 million drawing in Victory Lane served as the grand finale of the national Powerball promotion. The event's crescendo was Walker's triumphant exclamation and embrace with her best friend who ran on stage to congratulate her. The winning moment has resonated with audiences universally, all of whom were moved by the Mississippi Lottery player's stroke of good fortune.

“Stephanie’s victory evoked emotions in

everyone who saw it and humanized the entire promotion and VIP experience for viewers,” said Drew Svitko, Powerball Product Group Chair and Pennsylvania Lottery Executive Director. “It was a genuine expression of pure joy and triumph!”

“This is life-changing for me and my family,” said Walker.

It’s the compelling content the two entertainment titans envisioned when they first announced their partnership last February. The partnership is Powerball’s first with a major sports league and allows it to engage with players as the Official Lottery Game of NASCAR. The collaboration also signifies a progression in the game’s national marketing approach, which in recent years, has focused on identifying partners who can help amplify the Powerball brand by delivering unique

Powerball-based content to national audiences.

“For years, with a few exceptions, Powerball’s marketing efforts were driven largely by the advertised jackpot and varied by each lottery jurisdiction,” said Rebecca Paul, MUSL Marketing and Promotions Committee Chair and Tennessee Lottery President and CEO. “By partnering with NASCAR, we can build brand awareness for Powerball on a national level, while providing lotteries with a promotion that leverages the equity in both brands, so they can use it to engage their players on the local level.”

Twenty-four lotteries participated in the NASCAR Powerball Playoff™ in its inaugural year, with lottery entry periods spanning from April to the end of July. Entry into the promotion began at the state level with participating lotteries holding second-chance drawings and contests of their choosing to form a national pool of entrants. At the end of the NASCAR regular season in August, MUSL randomly selected 16 semi-finalists from the national pool to advance to the playoff drawings – a series of elimination drawings that mirror the elimination rounds of the NASCAR Playoffs.

In the NASCAR Playoffs, the top 16 drivers at the end of the regular season are eligible to compete for the championship title. After each playoff round, the bottom four drivers are eliminated until the field of eligible drivers decreases from 16 to 12 to 8 to 4. The final four drivers, known as the Championship 4, are the elite group competing for the championship title during the final race of the season at Phoenix Raceway.

Likewise, the NASCAR Powerball Playoff™ started with 16 national semi-finalists. When NASCAR reduced its playoff field



Kyle Busch and Friends



Winning Moment



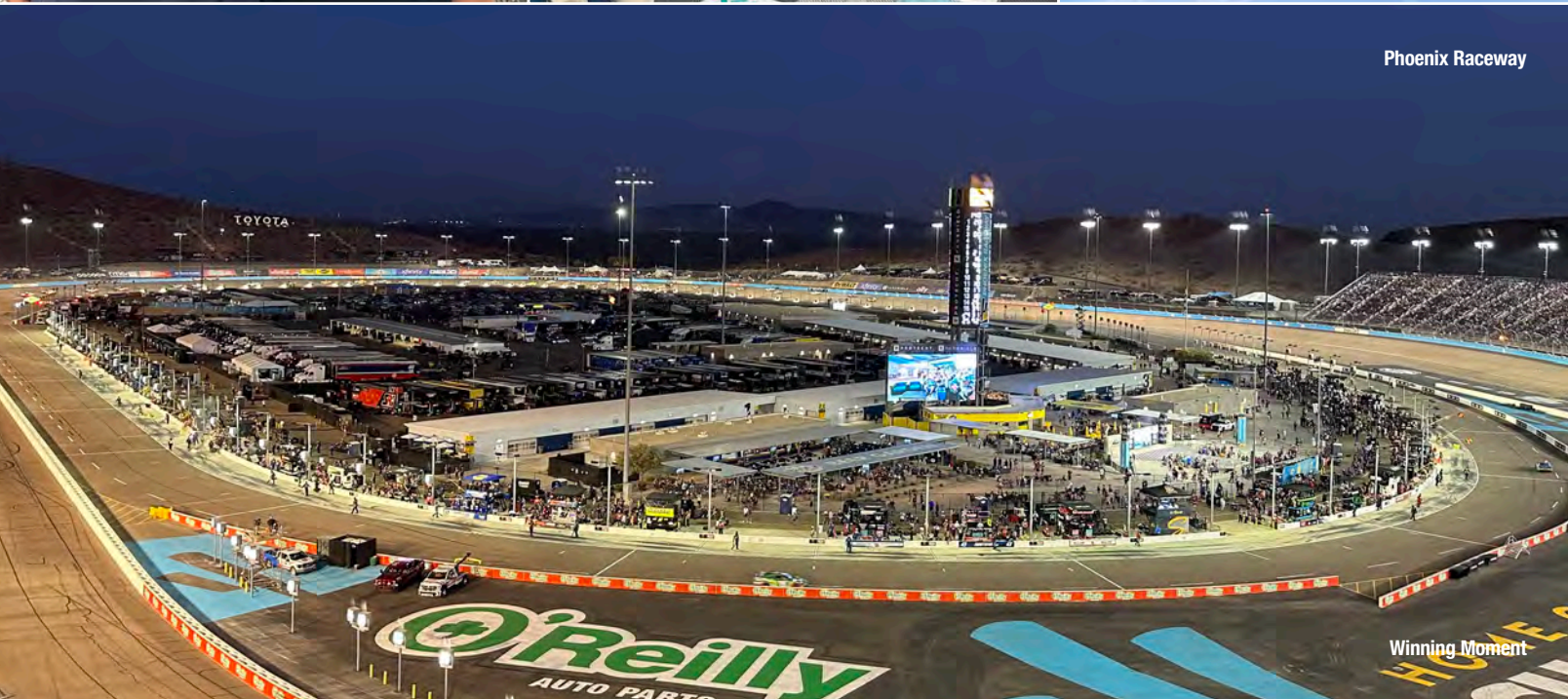
Finalist - Hoosier Lottery - Donald Pope



Victory Lane Stage



Pace Car Ride



Winning Moment



of drivers, Powerball reduced its playoff field of semi-finalists eligible to win the \$1 million grand prize. Through a series of elimination drawings, the field of semi-finalists was reduced from 16 to 12 to 8 to 4 – with the remaining four finalists winning a VIP trip for two to NASCAR Championship Weekend™ at Phoenix Raceway and entry into the \$1 million drawing in Victory Lane. Cash prizes were awarded to all 16 semi-finalists based on their elimination position, ranging from \$2,500 to the \$1 million grand prize.

“The timeline of this promotion gave us multiple opportunities throughout the year to promote the Powerball brand, even when there wasn’t a \$1 billion jackpot,” said J. Bret Toyne, MUSL Executive Director. “The equity in the Powerball brand is worth much more than the advertised jackpot, and the MUSL Marketing and Promotions Committee has prioritized opportunities to grow the national presence of our flagship product.”

To build that presence, Powerball embarked on its largest national advertising campaign in nearly a decade. Working with Kristin Miller, the Director of NASCAR Partnership Marketing assigned to the Powerball account, MUSL staff members reviewed a master calendar of lottery entry periods and the NASCAR race schedule to strategically pinpoint advertising efforts. Collaborating with multiple NASCAR departments and broadcast partners, the two teams set out to tell the exhilarating story of the promotion across multiple mediums, including television, radio, podcast, web

and social media.

To build excitement and anticipation throughout the Playoffs, the two partners treated each elimination drawing as a media event supported with full creative and a coordinated communications plan. The results of each Playoff drawing were made public during NASCAR race broadcasts on NBC and USA networks, with a customized spot that announced the advancing semi-finalists. On the digital side, new creative materials were produced for each announcement and published to Powerball and NASCAR websites and social media accounts, as well as distributed to participating lotteries to post.

By the time the four finalists arrived in Phoenix for NASCAR Championship Weekend, lotteries, players and race fans had already been following the finalists’ journey to the Championship drawing for months.

“Following Stephanie’s journey throughout this promotion has been exciting for all of us in Mississippi,” said Mississippi Lottery President Jeff Hewitt. “It has been a pleasure getting to know her these last several months, and we are incredibly thrilled for her big win.”

While they were in Phoenix, the four finalists – who hailed from the Hoosier Lottery, Mississippi Lottery, New Mexico Lottery, and South Dakota Lottery – experienced NASCAR Championship Weekend™ as Powerball VIPs. Powerball contracted with travel partner, On Location, to oversee travel arrangements for

finalists and guests to Phoenix and private transportation to and from the track each day.

At Phoenix Raceway, the Powerball VIPs had exclusive access to pit row, the garages, and Victory Lane. They also had the option to view the NASCAR Championship Weekend races up-close from the track infield or above in the Ally Curve Hospitality Suite, which boasted panoramic views of the track and the foothills of the Estrella Mountains in the distance. The finalists and their guests also felt the speed of Phoenix Raceway first-hand during a pace car ride with a professional driver, many noted the ride was one of their favorite parts of the experience.

Other events that added to the exclusive NASCAR experience included a guided tour inside a Trackhouse Racing hauler and a visit to the RFK Racing pit box, where finalists discussed race strategy with a pit crew member. The Powerball VIPs also had a private meet-and-greet with Cup Series driver Erik Jones inside his Legacy Motor Club hauler, in addition to numerous encounters with other VIPs, including Richard Petty, Kyle Busch, Richard Childress, and even comedian and actress Tiffany Haddish!

All of these once-in-a-lifetime experiences led up to the final drawing in Victory Lane, where a championship dream collectively fueled by NASCAR and Powerball came to life.

“Just like the NASCAR Playoffs, the NASCAR Powerball Playoff Championship drawing has been filled with anticipation and excitement, culminating with Stephanie Walker taking home the \$1 million prize,” said Michelle Byron, NASCAR Senior Vice President of Partnership Marketing. “This promotion was a perfect way to engage our loyal fans and lottery players alike, and we can’t wait to see it come to life again next year.”

The NASCAR Powerball Playoff™ promotion returns in 2024 with new participating lotteries. Stay tuned to Powerball.com for more information. ■

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Xfinity Series Championship - Finalists



Chad Knaus and Finalist



Phoenix Raceway

Cup Series Trophy & Finalists



RFK Racing Pit Box Tour

New Player Acquisition and Player Retention in an Increasingly Competitive Games-Of-Chance Marketplace



The term of the moment in the lottery world is “omni-channel.” For many people, this means using all the content tools available to attract and retain new players. For **Gretchen Corbin**, President and Chief Executive Officer of the Georgia Lottery, an omni-channel approach is critical, but it includes so much more than just games.

“Is it enough to attract and retain players by just offering new games?” Gretchen asked. “Perhaps not. Having great games is the cornerstone to Lottery’s success, but we need to use all the tools available to us to engage the consumer. The omni-channel model is a critical component. That means optimizing the reach and effectiveness of all consumer touchpoints as well as your online and retail approaches. How do we cut through the noise of our competitors and reach our players? What about younger people who are so critical to lottery’s future and who might not fit into our traditional sales models and distribution and media channels? We need to make sure we provide the tools for lottery employees and retailers to create the content, in-store presence, and delivery channels that will ensure our success in the short and long-term.”

Helping Gretchen tackle this important topic was a panel of industry veterans:

Jessica Fritz, Senior Manager, Digital Growth Marketing, Scientific Games

Ryan Mindell, Deputy Executive Director, Texas Lottery

Brian Rockey, Executive Director, Nebraska Lottery

Jennifer Westbury, Executive Vice President, Sales & Customer Development, Pollard Banknote

Andrea Williams, Vice President, Marketing, INTRALOT

Scientific Games’ **Jessica Fritz** emphasized that player acquisition and retention should begin with a strong digital plan. “Even without iLottery, lotteries need to put resources behind building a digital profile for their players,” she said. “The most successful iLottery programs began with a strong online presence years before lotteries were able to sell online. Digital programs can start with players simply scanning their mobile to check if tickets are winners, loyalty programs or second chance activity. As you begin to move your players online or attract new players through online initiatives, even if they can’t purchase games online yet, you are now building that connection with the player who will play your games and remain more engaged than non-digital players. Access to data about your players will inform the way you make decisions and the way you communicate directly with them which, in the end, will create a stronger relationship with your player base.”

Intralot’s **Andrea Williams** said lotteries should focus on how their technology can attract and retain players. “We can look at player acquisition from a market perspective but it is critical that lotteries have

modern technology in place so players can easily purchase products or communicate with other players,” she said. “Our systems must be nimble and easy to implement and quickly respond to players’ changing needs. A strong marketing plan is really important but it must be married to the technology side of the business for a collaborative approach to solving player needs.”

Looking at how other businesses interface with customers can provide good lessons for lottery, said Pollard’s **Jennifer Westbury**. “I think the lottery industry should be thinking of our customers the way the banking industry thinks about its customers,” she said. “With a bank, if you withdraw money from an ATM, your account immediately reflects that transaction. Or if you go into a bank and deposit money with a teller, when you get home and log into your online account, you see that deposit. Lottery should be thinking about how we get to that model. We need one portal where players can see all their activity. Obviously as you look at it jurisdiction-by-jurisdiction, there are some limitations. But the future of the player relationship is in knowing who those players are, what they are playing now and what they want to play in the future.”

Speaking as a lottery director, Nebraska’s **Brian Rockey** said the road to technological advancement is different for each lottery, but all lotteries are working to modernize their systems. “Some lotteries, particularly smaller lotteries like ours,



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are slowly updating their technology,” he said. “But until this technology is in place, we work to acquire new players through ‘old-fashioned’ promotions and marketing outreach. I’ve had discussions about helping our policymakers understand the importance of modernizing lottery systems to put us on the same footing as other consumer products. Not all lotteries are equal when it comes to the tools available to reach current and potential players, but our hope is that we’re on the road to offering the same type of technology to our players that they see in other industries.”

Ryan Mindell of the Texas Lottery is in a similar boat as Nebraska. “We have little data on our players as we are very limited in what we can offer digitally,” he said. “Without this information, we make sure we don’t treat any segment of the player base as monolithic. We create diversified product offerings using different price points, prize structures, playstyles and second-chance promotions that are appealing to a wide range of players. We have sufficient product in the market to appeal to diverse preferences and also make it available at locations accessible to as many people as possible.”

Gretchen turned the conversation to the use of marketing and promotions to attract customers. “Traditionally, our primary mission in the lottery industry has been to create great games, make sure the consumer knows about these games through effective marketing and promotion campaigns and then provide easy access to the games,” she said. “But if the past three-plus years have shown us anything, it is that the business of acquiring and retaining customers has changed, probably for good. People’s purchasing habits and even lifestyles have changed, where they work has evolved, and these changes are reshaping shopping behaviors. Let’s explore that.”

Jessica rightly pointed out that the past three years have seemed like a lifetime for the lottery industry and change has accelerated. “Suddenly, there’s more focus on self-service, on ‘touchless’ purchase of lottery products,” she said. “For iLottery jurisdictions, the primary changes have been using predictive analysis more than previously. An example is how we identify players before they lapse so the lottery can more easily keep them as active customers. The metrics we are provided by their online activities can help us create personal-

ized marketing campaigns for different segments, with the end result being a stronger relationship with players.”

As more lotteries build out their digital footprint, Andrea said there will be additional opportunities to communicate with them and entice them to play a variety of games. “More lotteries are adding multi-vertical portals which feature a variety of lottery content,” she said. “Some even offer sports betting and casinos. It’s important to communicate with all these players. For iLottery, how do we ensure that our technology allows us to cross-sell different price-points and different play-types? If someone is on a site to place a sports bet, you want to have the capability to send them a message about a sports-related lottery game. And then we have collected data that says this player is a sports fan and we can use that for future promotions.”

On the subject of launching promotions, Brian was pragmatic. “Whatever we can afford,” he said, only somewhat kidding. “We try and develop partnerships with recognizable brands, we support tourism in the state, and we stretch to get our message into the community. Without a strong digital platform, we don’t know how much these programs attract new players, but our feeling is that we are able to reach different groups of customers and non-customers. We do a lot of segmentation research so we know what interests certain types of players. This then informs our promotions. But many of these promotions are designed to marry lottery with brands that are going to attract consumers to the lottery.”

Pollard has found great success with the Frogger brand, and Jennifer said that taking a page from the video game industry could be useful to lotteries. “Many lotteries have games available through a variety of devices,” she said. “The younger player is also playing video games and our colleagues in the eInstant studio tell me that games have to load in six seconds or less or we lose the players. This type of information is critical for the lottery industry to understand as we seek out new players and create gaming experiences for players who are also video game players. Not surprisingly, our data confirms that we lose players if they don’t have an enjoyable experience, and that includes the opportunity to win money. If we marry our lottery knowledge with the experiences players have with video games, we can better develop games

and promotions for current and future lottery players.”

The panel discussion wrapped up with the topic of actionable items or, as Gretchen put it, “where the rubber hits the road.” “All of us are looking for pioneering new directions in which to take lottery to connect with our players and new consumer groups,” she said. “New promotions, relationships with key brands, point of sale material, distribution strategies. Consumers can be fickle. We have many consumers who are committed to our products but others who are a little harder to reach. For those, what are the best strategies to attract and retain them?”

Ryan provided the example of the Texas Lottery’s long-time relationship with the Dallas Cowboys. “The Cowboys were ‘America’s Team’ because they were the best in branding for so many years,” he said. “Our relationship with the Cowboys has provided us with a major boost, particularly considering how little we can spend on advertising. It starts with our second chance program and the incredible experiential prizes we offer. Players can win the opportunity to be in the draft room with (Cowboys owner, president and general manager) Jerry Jones, and that is something even non-lottery players have told us they want to win. We’re tapping into the passion of Texas residents, whether they have played lottery or not. And that’s how you attract new players.

“We have offered a \$100 ticket for a number of years and it has really created a buzz among a certain segment of players,” Ryan continued. “We know there are players who only buy that particular ticket because of the value proposition. Having these diverse options allows you to attract players from across the spectrum. My advice to lotteries is to not be afraid to try something new because you just might be surprised by how your players are going to react. We need to stay relevant in a changing environment, making sure we’re out there trying new things to get in front of as many people as possible. The players will tell you what they like. If you’re responsive to their feedback, you’ll see the results in new players and, we all hope, increased sales.”

Jennifer said that while much attention is being paid to digital, it is at retail where most of the new players will be created. “Most of the challenges we face at retail are

Continued on page 33

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The Intersection of Intelligent Systems and Lottery



Keith Cash



Mark Mitchell



Mike Lightman



Jacob Kreider



Drew Svitko

Why you Soon Won't Be Able to Avoid AI – At Work or At Home

Wall Street Journal

Will U.S. states figure out how to regulate AI before the feds?

Fortune

AI girlfriends imperil generation of young men

CNN

The headlines are inescapable. Artificial Intelligence has become THE topic of 2023. Debates rage about its benefits/negatives as well as the future for this possibly life-altering technology.

Count lottery as another industry taking a careful look at AI and how it might impact game creation and delivery to players. Tackling this critical topic was a panel of experts on the lottery and vendor sides of the business whose core missions are likely to experience fundamental changes depending on where and how this technology is adopted and deployed.

Panel moderator **Drew Svitko**, Executive Director of the Pennsylvania Lottery, framed some of the issues and goals of the panel discussion. “Some of you might be thinking ‘why should I care about AI,’” he said. “Some of you might still be figuring out how to get your VCR clock to stop blinking and if that’s you, this might not be of help to you. But for some others, we hope this panel will provide a better idea of

what AI is and how it’s already influencing our lives and businesses.”

Joining Drew on the panel:

Keith Cash, Vice President Global Instant Ticket Services, IGT

Jacob Kreider, Senior Manager Business Intelligence, Scientific Games

Mike Lightman, Chief Commercial Officer, IWG (Instant Win Gaming)

Mark Mitchell, Director Business Intelligence and Analytics, Intralot, Inc.

Jacob Kreider, who studied AI in graduate school at Northwestern University, provided some context to begin to understand the broad topic of AI and its subsets. “There are three things that make up intelligent systems,” he said. “There’s advanced data modeling, machine learning, and AI. Advanced data modeling has a lot of human input into how a problem is solved as the human decides what data is important and what approach to take. Machine learning is a subset of AI, as all machine learning is a type of AI but not all AI is a type of machine learning. Here, you define your end goal and feed in the data you think is important. AI is much different in that you give it a goal and let the system decide the best way to meet your goal, with very little instruction otherwise. It figures out the model to use, the approach to take, and what parameters are important. It’s still important to

remember that you can’t completely remove the human because the human frames the questions and sets the goals, but AI does everything else.”

With Jacob’s description of what AI is and is not in place, Drew asked the panelists to discuss how AI is being used in lottery. **Mark Mitchell**, who oversees this area for Intralot, pointed out that AI has actually been in use in the lottery industry for a number of years. “When you consider how a lottery receives notification of the need to refill a product before it actually runs out, or how to schedule the automatic delivery of products from a certain facility, these are actions driven by AI,” he said. “One reason AI is such a big topic now is because of ChatGPT. But AI has been in use by many different industries, including lottery, for many years. Its efficacy has been constantly improving, and the rate of improvement seems to be taking off exponentially. So I think we can expect a rapid expansion of its use in the lottery industry over the next few years.”

As Mark observes, ChatGPT has led most of the discussions about AI. ChatGPT has been defined as a natural language processing tool driven by AI technology that allows you to have human-like conversations with the chatbot. The language model can answer questions and assist you with tasks, such as composing emails, writing essays, and even writing software code. ChatGPT was created by OpenAI, an AI and

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research company (50% owned by Microsoft) and launched in November of 2022.

IWG's **Mike Lightman** said that, like many of us, he went from having a casual interest in ChatGPT to wondering how it can be incorporated into different parts of his life. "I've used ChatGPT for everything from answering standard questions to creating an outline of an RFP for eInstants, getting very specific to lottery," he said. "And I was amazed that it did a decent job while also missing a few of the nuances of the lottery industry. There are now tools being offered that will allow people in professional jobs to get a head start on many of our daily tasks. For example, press releases. There are programs where you can feed it past press releases and it will create a first draft of a new press release. Fireflies is a notetaking program that will produce a good summary of what was said in a meeting. As professionals, we might want to start interacting with these technologies, particularly given that many of our competitors will be using them. And business leaders will probably want to be comfortable with these technologies before asking their employees to utilize them in their daily tasks."

Keith Cash said that it is the data that will drive IGT's use of AI — with the company's Player Data Platform being the AI tool that allows customers to derive insights from that data. "While we certainly have a lot of data on all aspects of this industry, iLottery probably leads the way because the nature of the transaction is that it can be digitally captured and recorded," he said. "Data from previously anonymous retail-player transactions, including purchases of physical scratch tickets, can also be captured via the company's OMNIA solution, according to Keith. If we load this data into a system, we can find patterns of play that would likely have been missed if you relied on traditional tools of demographic segmentation, instead of looking at how players actually play games. On top of that, you add tools that allow everyone, even a non-technical person, to query that data and drill down to produce more granular, accurate, and usable game information. AI can certainly help us in three important areas — develop better products, improve consumer engagement, and create efficiencies. While it's in the early stages, AI is already helping us and our customers in all three areas."

Drew then asked how lotteries and vendors are using AI today and ways we can use it

in the future. Mark said that Intralot has been using some form of Artificial Intelligence and Machine Learning for many years and its utility is increasing with every new technological breakthrough. "Whether you're in advertising, sales, procurement, tech support, AI is there as a 'secondary colleague' or co-pilot to help support you in your mission," he said. "With the proper use, something like ChatGPT can help you start your project a third or more way through, instead of starting from scratch. This increases productivity and allows employees to focus on the most important tasks. AI won't necessarily replace employees, it will make us all more efficient and allow us to concentrate on initiatives that are best for our customers and our employer."

Jacob said that while many have been using AI for a few years (and perhaps didn't know it), deploying it to influence decisions materially has taken a bit longer. "Microsoft Word has been predicting the rest of our sentences for a while and it's getting better at doing it," he said. "But using AI to create a marketing plan or improve supply logistics is still a work in progress. It is being applied in ways that may appear to be slow, but it will seem to be sudden when we look back and realize how much has changed, and how much is being affected by AI. For the foreseeable future, AI will work in the background. But when the pivot happens and it becomes a part of everyday lives, AI will be at the forefront of how we interact with customers and how players interact with our products."

Drew turned the conversation to the negatives associated with AI. "There are many people who fear losing their jobs to AI, and who can blame them when we see headlines about machines replacing people," he said. "It seems as though it is the responsibility of leaders to prepare the workforce for what is coming. Once we prepare our workforce, we can better explain the future of AI and its impact on lottery to our customers."

Mike said we should all be working with our workforces to lean into the new technology. "We need to encourage people to be inquisitive, learn, stay up to date," he said. "You also want them to be a bit cautious, not just download free software because it's free. Allowing your employees to try the different tools available to them will only help them become more comfortable with AI. If you're writing a document for the first time, give one of the tools a try. You can see firsthand what it does well, or

not well, and where it needs improvement. It can only help your own development and the development of your business."

The issue of impact on workforces is an emotional one and it must be dealt with carefully, according to Jacob. "We've all been through moments when the way work has been done for many years has been challenged and causes concerns amongst employees," he said. "Email conversations slowly replaced telephone calls, and then people who texted their whole lives were forced to use email. Not easy changes. Now younger employees come in who are already familiar with the new technology and can navigate between the legacy and modern systems. Smoothing these transitions is all about preparing your employees and getting people to think about AI as something they can actually use in their day-to-day lives. This technology is new, it's emerging, and it's fantastic. As long as you can get people to be inquisitive and understand that this technology is a 'helper technology' and not a replacement, not a substitute technology, the transition will be much smoother."

Mark added, "If you can show your employees that a 30-minute exercise can become a 5-minute exercise, they will understand that they now have 25 minutes to do something else. Small wins are important. We can let people know that things are going to be done differently through incremental changes. Show them how and why new technology is better for them, how it improves the business and produces more value for the customers."

Drew steered the conversation to the less technical things humans have historically done in the workplace. "We need to look at specialties like marketing, research, proposal writing and responses, customer service, and how AI is impacting these types of positions that don't necessarily involve technology," he said. "Perhaps AI can help with all these things and more, but someone is always going to have to check the work before it is released or published. Isn't that what ensures humans are going to continue to have a role in most decisions?"

Jacob said this point is exactly why AI will always have limitations. "There are things that I believe AI will never replace and that includes customer service," he said. "Consider a lottery's interaction with its retailers, how retailer portals are used to recruit them and help them with their goals. AI can help personalize the initial interactions and fact-finding and serve as a

conversation starter. But eventually, there needs to be a personal touch. AI will never replace the most important part of the interaction with retailers and that is a real human who cares about your business, who understands their challenges and goals, and has a shared incentive to get them to their goals. The person-to-person contact is important for lotteries and helps them keep on the pulse of what is happening in their state. This is where AI is an enabling helper technology and not a substitute for a person who can meet with lottery retailers face-to-face.”

Mike said that AI will certainly impact the customer service process. “We have all had the frustration of calling customer service and getting a different answer depending on who answers the phone,” he said. “With AI, there will be a consistency resulting from a shared knowledge base and the same level of suggestions and prompts on how to respond to a question. It can still be a human talking with the customer, but they are using AI to get answers that remain consistent no matter who that person is talking with. The machine will not replace humans for some of these important interpersonal interactions. We will always need a human

because even with all the recommendations, someone has to make a final decision based on their judgement. That is the human part that will remain so important.”

And getting “your humans” ready is critical, said Mark. “AI is already a part of our lives and its impact will only grow,” he said. “But we need to prepare employees for this inevitability and understand that there is uncertainty that comes with this new technology. The questions will be as basic as ‘is my job going away’? Let’s identify ‘champions’ within our organizations who can communicate what AI is, what it isn’t, and what are the strategies the organization will implement for use of AI. We know that all companies are thinking about AI and the lottery industry is taking it seriously. Embracing the technology is the first step towards helping employees better understand how it will help their daily work lives.”

Keith said that weighing the pros and cons of the technology is critical before making hard decisions. “We know that AI is not taking days off or calling in sick, so comparisons between technology and humans are not equal on a cost basis,” he said. “But we have to be very careful about

making decisions with costs as the leading qualifier. Our industry is still only as good as the people who are making the decisions and interacting with lotteries, retailers, and players. The technology is moving fast, but speed to market doesn’t mean something is a great solution. And when it comes to AI, we need to take the time and make sure the technology we are building makes the most sense for employees and customers.”

Jacob closed the discussion by suggesting that no matter what AI initiatives an organization ultimately makes, it needs to act responsibly. “At the end of the day, AI is allowing a computer to think like a human, learn from its mistakes, alter its code, and alter the way it approaches things without human input,” he said. “That might fundamentally feel like a threat to many people. But if we can show how AI can contribute to solutions to otherwise daunting problems, how society benefits from AI, and how negative impacts can be mitigated, people may feel more encouraged and even inspired by the potential for AI to make this world a better place. AI is trying to mimic human cognition, not replace it. And in the end, that will hopefully benefit everyone.” ■

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When **Stephanie Weyant**, Deputy Executive Director, Marketing and Products at the Pennsylvania Lottery, hears that the future of lottery is with artificial intelligence or machine learning or improved consumer experiences, she knows firsthand that at her lottery, the future is NOW. All these technologies are currently being deployed today in the service of iLottery - and with great success as Pennsylvania boasts one of the largest iLottery programs in the world.

But with the number of states offering iLottery still at 11, there is much room to grow. Stephanie's goal with this panel was to make sure that all lotteries can learn something from those who have years of experience with iLottery and work towards a future that includes this important sales tool.

Joining Stephanie were:

Steve Beason, President, Digital and Sports Betting, Scientific Games

Jason Lisiecki, Executive Vice President, Instant Win Gaming (IWG)

Karri Paavilainen, Senior Director, iLottery, IGT

Frank Suarez, Executive Director, DC Office of Lottery & Gaming

Bishop Woosley, Senior Lottery Consultant, Jackpocket

Stephanie's goal for the panel was to provide something for everyone. "For the states that are currently offering iLottery, like Pennsylvania, we are looking at ways to manage the product for maximum

growth, player engagement and integration with land-based retail," she said. "But even non-iLottery states are looking at some of these same issues. Most lotteries offer some type of digital component - app, loyalty program, players club. And the high jackpot runs have enabled many lotteries to increase the pool of players engaging with them through these avenues. For iLottery states, once we have attracted these new players, we want to convert them to digital players, not to supplant their play at retail but to augment and enhance their play at retail stores. Let's look at some of the best strategies for doing that."

"The real benefit of omni-channel begins when lotteries create managed player relationships across all the channels."

DC Lottery's **Frank Suarez**, who also served as CMO at the North Carolina Lottery (another iLottery state), said player outreach never ends. "The high jackpot runs are really beneficial for attracting new players, but making people aware that they can actually buy a ticket online is still a big challenge for us," he said. "Once we have a player with a registered account, our CRM kicks in with promotions that lead the player to eInstant games that are more jackpot themed and eventually introduce them to other types of games. The initial promotions are simple - spend \$50, get \$25 on a specific type of eInstant games. Our

conversion rate is about 65% for these types of promotions so they have been working well for us. From there, we do a lot of segmentation to identify who hasn't come back after the jackpot runs and provide them with incentives to return."

IGT runs the digital platforms for several lotteries and **Karri Paavilainen** agreed that jackpot runs lead to large numbers of new players. "One issue is that they are 'slippery' players in that it is challenging to keep them after the jackpot runs end," he said. "In fact, the retention rate of your average jackpot player is one-third that of

a regular player. It is key that once jackpot players are on the platform, that lotteries build more engagement. The optimal time to present new players with an eInstant offer is when their online wallet is open and they are engaged in making draw game transactions. Present them with an eInstant offer. We have seen these types of offers really work and lead to future play. Ongoing communication will keep the player engaged and continuing to purchase through the platform."

Representing the lottery courier Jackpocket, **Bishop Woosley** said player attraction and retention is similar in the

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courier world. “High jackpots are a huge opportunity for us as well because they draw so much attention to lottery,” he said. “We’ll be in 20 states by early 2024 and the jackpot runs certainly help introduce us to the new markets. Jackpocket offers promotions to stimulate interest, such as entering a code to get a free ticket, buy a certain number of tickets and get an additional ticket free. To me as a former director (Arkansas Lottery), the more innovative promotions you can offer, the more success you’ll have in attracting and retaining players.

“If we can get players to join the Players Club, then we can cross promote platforms, and drive retail players online and vice versa.”

Stephanie added a few additional thoughts on attracting players. “We’ve seen success with licensed properties,” she said. “You have players who are not familiar with eInstants and are coming to the site because of the high jackpots. So we’ll make some changes in the lobby. Perhaps we’ll move up the progressive eInstant games or show a licensed game that they can easily recognize. We’ve had great success getting players to try eInstants through games like Monopoly that they know.”

Moving to the subject of eInstants, Stephanie asked the panelists about the importance of offering strong content. “Lotteries are launching eInstant games more frequently, usually a minimum of every two weeks if not more,” she said. “How important is it to have strong content to retain and acquire new players?”

Scientific Games’ **Steve Beason** jumped into this discussion. “There are three very important things when it comes to keeping your eInstant players,” he said. “Make really good games, make really good games and make really good games. It sounds silly but at the end of the day, good games and a diverse set of games are critical. I think the lottery industry is a bit stuck on our existing styles of games. We need to build as many different play styles as possible so we can attract different players with different tastes. Most lotteries are looking at their iLottery programs’ return-to-player.

Some players might want an extended play style which will have a lower RTP. A higher RTP will be a faster game. The reality is that the more games that are out there, the better it will be for everyone.”

IWG’s **Jason Lisiecki** agreed. “Variety is extremely important with eInstant games,” he said. “One threat of launching eInstant games at a slower rate, like every two weeks, is that of the product becoming stale. So we need to figure out how to keep players on their toes, surprise them. Perhaps catch them off guard a bit with

some new features, new themes, new style of play. When you do this, you’re opening the door for an acquisition opportunity but you’re also providing something refreshingly new and interesting for your core players and maybe increasing the retention chances. Lotteries need to make sure that there are strong products available that are successful and create a roadmap that works best for them.”

Stephanie asked Jason about the industry’s first multi-state eInstant progressive game launched recently with the Virginia and Pennsylvania Lotteries. “This game was about two years in the making,” she said. “There were some unique challenges we all faced and when something is an industry first, you don’t have other experiences to fall back on.”

Jason said the road to launching the Mega Money Jackpots progressive game was long and bumpy but the end result has been better than expected. “It’s a cash-themed game and players seem to really like it,” he said. “The jackpot has grown alongside the big Powerball run so it’s been interesting to see how that impacts player conversion. Behind the scenes, there have been a lot of new things for IWG – custom reporting for each lottery, separate prize structure approvals, operational differences. While it’s a bit more work, the outcome has been positive. Our hope is that other lotteries join onto this or a future game.”

Scientific Games also recently ramped up its innovation game for iLottery with the launch of the SG Content Hub and partner program, and Steve said it’s all about easing the integration process. “The SG Content Hub allows for one single integration for the lottery which can then receive content from a lot of providers,” he said. “We developed the hub to also be used to analyze our data, how our games are doing and are we measuring the games equally and making the right decision on what content the lottery should offer. Offer the games and then look at performance to determine what is working and what is not. So the SG Content Hub is a technology program that offers curated games from lottery-focused game studios around the world. It also adds value to partner lotteries with competitive reporting and access to the largest portfolio of licensed properties in the industry.”

Switching to where iLottery fits within the retail channel, Stephanie said that many consumers today shop both online and at retail. “These are the most valuable customers to lottery,” she said. “We know that retail will always be the face of lottery to the consumer, even for those who are building the online experience. For lotteries, it is important to break down the silos so the two sides of the house are working together and providing a seamless experience for players.”

In DC, Frank said that they encourage players to join their Players Club so they reach them with multi-location offers. “If we can get players to join the Players Club, then we can cross promote platforms, and drive retail players online and vice versa,” he said. “We think about this cross promotional strategy when we’re putting together our game strategy, creating games that work at retail and also through iLottery. Then we can advertise everything at once and take advantage of those synergies. If the player is in the Players Club, we can easily send them promotions for both products. Since we’re a small organization it’s easier for everyone to work together. We do have product managers dedicated to iLottery and other products. But they also collaborate on initiatives that drive player engagement and, ultimately, revenue.”

Carefully considering what products will be sold and where is an important ingredient of the overall product mix, Karri said. “Omni-channel is often misunderstood,”

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Retail Modernization and Optimization



Krista Stepa-Ammeter



Terry Presta



Max Goldstein



Tonya Beenders



Paul Riley



Drew Svitko

So much ink and thoughts have been spent pondering the future of the lottery industry in the digital world, one might think that consumers are migrating en masse onto the internet. In reality, the vast majority of revenue continues to flow from brick-and-mortar lottery retailers, the large chains and convenience stores that have driven lottery sales for decades.

The land-based channel may be referred to as “traditional retail,” but retail stores are innovating to stay relevant to their customers just as lottery is evolving to stay relevant to its players. Lottery leaders realize that their players have changed and how they interact with the lottery is going to be quite different in the years to come. Panel moderator and Pennsylvania Lottery Executive Director Drew Svitko began the discussion on retail modernization by pointing out the challenges faced by today’s lottery. “More and more we’re talking about how our players are connecting with us and us with them, and reaching them wherever they are,” he said. “That certainly includes connecting the retail experience with their digital life. Reaching them before they get to the stores and then helping shape their purchasing decisions once they’re in the stores. One of our goals today is to look at how we can best marry the retail and digital experiences.”

Helping answer this, and other important retail questions were:

Krista Stepa-Ammeter, Director, Sales & Marketing, Pollard Banknote

Tonya Beenders, Chief Sales Officer, Missouri Lottery

Max Goldstein, Vice President Sales Americas, Carmanah Signs

Terry Presta, Head of Business, North America, Abacus

Paul Riley, Vice President, Retail Innovation & Partnerships, IGT

Pollard’s **Krista Stepa-Ammeter** pointed out that because our players have such a diversity of motivational drivers and ways to access and play the games, lotteries must be ready to reach everyone no matter where the consumer may be inclined to purchase lottery tickets. “We can’t necessarily utilize the same digital channels to connect with all players,” she said. “And the majority of lotteries can’t sell online. So when it comes to pathways to connect with our players, there is no one-size-fits-all answer for all lotteries. However, we need to be working towards the idea of unified commerce across all channels. Whether the player is buying at a store or online, using their mobile device or a self-service checkout, we need to keep the message the same, and make it easy to navigate across multiple distributional channels to play the games.”

Max Goldstein of Carmanah Signs, a specialist in reaching players at retail, said the tried-and-true method of “can’t miss” signage still provides the best at-retail marketing. “The biggest bang for your buck is putting jackpot signs in-lane,” he said. “We have research from many jurisdictions that shows how placing relatively inexpensive jackpot signs in-lane resulted in as much as a 250% increase in sales versus no signs. Looking at other areas of growth and the future of retail, games like eInstants and Fast Play represent a new communications challenge. These categories require networked digital signage, you need a solution that provides real-time data. And, really, that is what players expect from lottery.

“Consumers, especially those under 40, now expect digital communication at retail,” Max continued. “Leading retailers and brands are responding by installing in-store digital signage, improving the retail experience and generating incremental sales. Lotteries are installing their own digital signage networks in which they can control 100% of the content and messaging. Examples of digital sign formats include Digital Menu Boards, Digital PlayStations, and small footprint countertop signage. This type of digital content reinvents the lottery retail experience and engages players with highly targeted, automated dynamic content.”

Continued on page 48



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Joseph Bunevith

Vice President, Government Relations and Regulatory Affairs,
Gaming Laboratories International (GLI®)
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PGRI Introduction: GLI's first client was the South Dakota Lottery, and nearly 35 years later, they are still a client. Since then, though, GLI's scope-of-work has expanded far beyond testing and certification of technology to include consultation and professional services and support on all aspects of the intersection between technology and games-of-chance. Today, its clients are gaming regulators, suppliers, and operators in 567 jurisdictions all over the world, 65 of which are lottery. The global community of gaming operators has come to depend on GLI for IT consultation, auditing, field inspections, security audits, responsible gaming, project management, Governance, Risk and Compliance, including World Lottery Association Security Control Standards (WLASCS) and ISO 27001 Information Security audit and certification; test automation, and technical services. GLI University® Online combines world-class courses with leading-edge eLearning technology to deliver custom training solutions for lottery & gaming operators.

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tives and frameworks to align with their own unique gaming cultures and public policy objectives. And of course, there are different opinions on everything ... different opinions on public policy objectives and then on how best to accomplish those objectives. It is not within GLI's purview to opine on public policy. The regulatory client determines policy and regulatory objectives. GLI helps to clarify and organize the facts and data, and help the client assess how different technologies and approaches may serve their goals. We have vast resources of information about how different approaches have manifested in other jurisdictions that can help the client anticipate the kinds of results produced by the different regulatory strategies. There are typically pros and cons and trade-offs to be considered when deciding on the specific strategies for regulating games-of-chance, and we try to sort those out for the client to then decide on the approach most consistent with their policy objectives.

Paul Jason: GLI has broadened its scope-of-work in recent years far beyond testing and certifying.

Joe Bunevith: GLI's massive knowledge base is built upon decades of global experience in helping clients sort through the pros and cons of all the different options and strategies. We can help the regulatory client clarify their public and regulatory objectives by sharing the results of different approaches as they have been applied throughout the world. But GLI's core competency is to then help set up the technological systems and procedures to support those objectives.

GLI is fundamentally an engineering and IT company. We deal with everything objectively, taking direction from regulatory clients on what their goals are and helping them sort through the facts and case studies to understand the best ways to get there.

So there is no single set of "best-practices". Instead, there are public policy and regulatory priorities and choices to be made, and then there is a multiplicity of pathways to achieve regulatory objectives once they have been clarified.

J. Bunevith: Different jurisdictions are going to have different regulatory objec-

In the end, at the macro level, everyone wants a regulatory framework that applies standards, rules, and technical requirements that are consistent, enforceable, and clearly understood by everyone. Legislators, regulators, operators, suppliers, and the independent test laboratories need to all be on the same page. Fortunately, we do all have the same big-picture goal. The regulatory structure must support a gaming marketplace that serves the interests of a wide variety of stakeholders while protecting the consumer and the integrity of the marketplace. A diverse set of commercial enterprises, government agencies, and regulators must work harmoniously to ensure the games work according to specs and requirements, that responsible gaming controls are in place and adhered to, that taxes are collected correctly, and that everything gets done right.

How has the proliferation and easy accessibility of gaming options affected the evolution of regulatory structures over the last few years?

J. Bunevith: That is a massively complex question on many levels. For one thing, there is a wide variety of interest groups that include legislators, regulators, suppliers, industry groups like the American Gaming Association (AGA) and NASPL, EL, and WLA. One result of a sound regulatory framework is that instances of integrity violations or corruption are identified. Identifying the violations would be the first step towards enforcement of the laws and the reduction of violations. Proof that effective regulatory structures and enforcement mechanisms work better than the prohibition of gambling is evidenced by the fact that crimes are now being uncovered in ways that they were not under prohibition. Infractions are now more visible and are publicized, so everyone is more aware of it than ever before.

Of course, regulations did not cause the problem any more than your “low oil” light caused the oil to be depleted in your car. Instead, the effective regulatory framework just brought the existing problem to light so it can be properly addressed and stopped. The AGA estimates that over \$50 billion a year was being wagered on sports before it was legalized. That is a \$50 billion illegal underground economy that was untaxed and unregulated. We may never know the extent of the integrity issues, money laundering, fraud, and corruption that riddled this underground economy of illegal betting.

We can be sure, though, that the absence of regulatory oversight provided a very fertile environment for illegality of all kinds to flourish. If the public policy objectives include optimizing security and integrity of the games, protecting the consumer from fraud, minimizing money laundering, channeling economic benefit over to society instead of enriching criminals ... then regulating games-of-chance, including iLottery, is always preferable to prohibition.

What is the most important change in the games-of-chance industry over the last ten years?

J. Bunevith: The biggest change that is happening is the transition from brick-and-mortar to digital gaming. Whether it is buying a lottery ticket at a retail store or playing the slots or table-games in a casino, the players in the pre-digital era were anonymous, with no access to the tools and resources afforded today in the digitally connected world.

Digital gaming starts with player registration. The resulting PAM (Player Account Management System) provides the platform for the player to manage their accounts and playing activity; enabling them to communicate with operators about what they want and do not want. Maybe they want to set play limits, maybe they want to receive promotional offers, or maybe they do not. It enables the operator to communicate with players and implement responsible gaming policies. How are responsible gaming measures even being applied in the anonymous play environment? Putting a tiny message with a phone number for a problem gambling hotline at the bottom of the lottery ticket or slot machine? Advertise “Responsible Gaming Month” or the annual campaign against gifting of lottery tickets at Christmas? How effective do you think these methods really are? The registered player is dialed into a communication system that powers a whole new level of effectiveness when it comes to responsible gaming strategies and methods. Digital gaming enables two-way communication with a registered player base that is the basis for the recreational gaming industry to grow in a healthy, productive, sustainable way.

The broad scope of Digital Gaming in general, and the Player Account Management System in particular, constitute, in my opinion, the biggest delta between today and the previous era of anonymous betting. Digital Gaming enables a whole new relation-

ship between operator and player that is the basis for long-term sustainable growth. The operator can now communicate on a whole new level with its players, delivering information about its products and promotions that enhance the value of its products, instructions on how and where the games are available to play, and whatever communication and informational features the player values. The players now enjoy a whole new level of support and guidance that helps them play responsibly so that they can enjoy recreational gaming long into the future. The operator now knows where the players are located, how old they are, how much and how often they bet, and what they want in terms of games, promotions, and kinds of communications and support services. GLI’s role is to ensure the systems all perform to regulator and operator specifications.

Much of this new functionality will be driven by Artificial Intelligence. AI is powering an increase in speed that amplifies algorithmically driven computer capabilities exponentially. Tasks that have been done for years by marketers and operators are now being performed in a tiny fraction of the time it used to take. And that enables the application of a whole new level of data collection, organization, and analysis, which is transforming the industry. I would submit that we keep this whole notion of AI in proper perspective, though. It is not doing anything that was not done before. It just does it all so much faster and better that the impact is and will in fact be quite dramatic.

Part of the GLI mission is to keep abreast of rapidly changing technology, like in PAM’s, to help its clients ensure proper security and operational integrity of these new systems, right?

J. Bunevith: Yes. These new technologies are delivering incredible value to players and operators. We just talked about PAM’s which, as you point out, need to be tested to ensure they protect the confidentiality of private player information and transaction data, have effective registration and geolocation procedures, and otherwise work properly and meet players’ expectations and operators’ specs and regulators’ requirements.

How does digital gaming differ across the different game categories?

J. Bunevith: I’m sure there are differences. More interesting, though, is how the same

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INCLUSION IS GOOD FOR BUSINESS

Brian Blake

Vice President of Diversity, Equity & Inclusion, IGT

PGRI INTRODUCTION: Following a successful tenure leading Diversity and Inclusion for the National Hockey League (NHL), Brian Blake joined IGT in the spring of 2023 to run the company's Office of Diversity, Equity, and Inclusion (DEI), dedicated to ensuring all IGT employees enjoy a diverse, equitable and inclusive working environment.

In his three and a half years at the NHL, Brian launched the organization's first immersive-inclusion learning experience, which was delivered to all full-time employees including the league's commissioner and senior executive team. He led and facilitated the NHL's internal inclusion steering committee, multiple enterprise-wide town halls on topics such as inclusion and social justice, and the creation of the organization's first Diversity and Inclusion Groups.

Prior to the NHL, Brian was instrumental in reenergizing DEI and learning-and-organizational development solutions at U.S.-based media company Turner (now Warner Bros. Discovery). He also served as a senior career management consultant and organizational development consultant for organizations including JPMorgan Chase and Citizens Financial Group. Brian holds a bachelor's degree in arts, political science, and philosophy from New York University, and a Juris Doctor from the Benjamin N. Cardozo School of Law, in New York.

In a recent conversation, Brian shared why DEI is so important to IGT and its customers, the company's progress to date, and what's next.



You launched the first immersive, inclusion-learning experience for the NHL— what does a program like that involve?

Brian Blake: I proposed to the NHL commissioner that all of the organization's employees —about 600 people — go through two full days of an inclusion learning experience. We didn't see it as training, where you "learn A" and then go and apply it. Inclusion learning is different because there's a lot of nuance to it, a lot of heart and head. You apply self-reflection and learn new concepts, and it can take you into spaces of discomfort. What has to happen in the inclusion process is a willingness to look at yourself and question how you see the world, understand what prism you look through, how you evaluate and make decisions, what

your unconscious biases may be. The program was institutionalized and is now experienced by the league's new hires when they join.

One of the things I learned through this process was that I had forms of privilege that I hadn't recognized. Privilege is not only about the things you get, but also the things that you never have to think about or worry about — while *others do* need to think about and worry about them. Realizing this makes you more empathetic as you interact in the world. It was a game changer for me. The beauty of this work and my role now at IGT is that learning is a critical piece, and you never stop adding to your awareness. DEI is a journey — it brings in multiple practices and principles: change management, emotional intelligence, perception — it's truly a multidisciplinary field. In an organization like IGT, we are designing equipment, software, and games for diverse customers and markets

around the world. Players everywhere interact with our products. We want to be smart and inclusive and make sure we're applying that lens.

How has your transition to IGT been, and what priorities are you focusing on as you take over from your predecessor?

The transition has been exciting and rewarding. Joining a company with the scale of IGT requires a ramp-up period, and overall, I think the transition has been smooth. For the last five-plus years, IGT has been transparent and consistent, both internally and externally, about its commitments to and achievements in DEI, which provided me with a solid foundation. The people, channels and challenges are of course different between the NHL and IGT, but in many ways, the charters are similar. At IGT, our DEI mission is to create a fair and inclusive culture that values unity, difference, equity, and belonging in our people, players, customers, and communities. To that end, research has proven time and again that companies with greater inclusion, diversity, and an environment that values difference, boast higher performance, make better decisions, innovate more frequently, and overall achieve higher employee satisfaction – these are business objectives that apply to all sectors.

My predecessor, Kim Barker Lee, did a wonderful job of building the foundation for DEI here at IGT, starting in 2018 and right through the end of 2022. In that time, IGT's Office of D&I was created – which later became the Office of DEI to reflect equity as a core factor in this work. The company launched inclusive learning to help us with language and terminology and to help each of us to start becoming inclusive leaders. IGT's Diversity and Inclusion employee Groups (DIGS) were launched – we now have seven DIGS with more on the way. The company's Global and Regional DEI Councils were launched, and IGT began participating in indexes like Bloomberg, All-In, and the Disability Equality Index, to ensure we are engaging in DEI practices that benefit multiple dimensions of diversity. We have seen Talent Management DEI Interventions and greater focus on well-being in DEI programming. And our senior executive leaders participated in an

Inclusive Leadership initiative that looked at how well they are engaging in inclusive leadership principles and how they can do so even better.

Why are the company's DEI initiatives important to customers?

It's critical to how IGT drives results and value for customers. Data is important to us at IGT, so I'll share some data I came across recently: Research shows that more diverse organizations are 75% more likely to see ideas become products in some manner. Diverse teams, managed inclusively, are better at solving complex challenges and innovating ideas. And companies that embrace diversity and inclusion are 70% more likely to capture new markets. Our focus on DEI speaks to our mindset, to how we innovate, how well we understand players and consider the ramifications of new technologies. When a business unit is developing gaming characters, for example, and they're applying that inclusive lens and making sure we've considered how a character will resonate – I'm loving those conversations, because that tells me our people are thinking about these things, whether it's to do with how new retailers are onboarded or how we're going to face industry challenges and support our customers in facing those challenges.

Built into our DEI plan are specific metrics that are linked to business objectives. We've also established relevant benchmarks. At the recent NASPL conference, I shared with lottery customers some of the areas where we are making a measurable impact. For example, the representation of women on IGT's leadership and executive teams has increased from 24.6% six years ago to 30% this year. This is higher than the Mercer benchmark of 26%, a metric drawn from various industries and business sizes. The representation of people of color within the U.S. segment of IGT's leadership has grown to its highest level year in five years. We know we have more to do, and we're proud of the progress we have made to this point.

As we further enhance our equity programming, we will be better positioned to increase representation across IGT as a whole and in leadership ranks. The Office of DEI will be working closely with the company's talent acquisition team to

understand the gaps of underrepresented employees within the lines of business and provide guidance in recruiting with an inclusive lens by expanding where we source diverse talent, which affinity/identity organizations we build relationships with, and how we market our job openings to underrepresented candidates so that we are an employer-of-choice for all.

What inspired the addition of Equity into the name of the office you now lead?

Equity is a critical piece of the puzzle, along with diversity and inclusion, because equity is about giving everyone the particular tools that they need to be successful. Most organizations focus on diversity first. Our philosophy is inclusion first, then equity, then diversity. To illustrate why, let's take gender diversity, for example: A company may set out to recruit and promote more women. Perhaps they'll achieve that goal and then



IGT CEO Vince Sadusky

became signatory for the United Nations Women's Empowerment Principles (WEPs) and for the letter on disability inclusion, a call to action to benchmark with the Disability Equality Index (DEI)



quickly implement inclusive practices and environments. Although those steps are integral to the process, they do not ensure that equitable policies and systems are in place that will propel these employees' long-term success and help them unlock their full business potential. Equity is a vital ingredient. Equity means giving each person the unique things that they need to be successful. In the case of women, it can mean efforts to alleviate the historical and social disadvantages they have faced, such as mentorship and sponsorship initiatives that create avenues of upward growth, leadership development programs, inclusion learning experiences that help navigate bias, micro-aggressions, and gender privilege. These are examples of actions that contribute to an equitable work environment. Gender is just one example, but equity touches all dimensions of diversity in the workplace. Compensation, cultural celebrations, time zone considerations, health benefits, accessibility, an environment of psychological safety – equity considerations are vast and dynamic.

What's new and next on the company's DEI journey?

Currently, an initiative that's critical in taking us to the next level is to focus more on IGT's People Managers to ensure that our employee population is operating with an inclusive point of view. No one has a bigger impact on corporate culture and the employee experience than People Managers, which in turn impacts how we work together, the solutions we offer, and ultimately the experience for customers and players. We know that teams managed through an inclusive lens outperform on every metric, and there's a lot of benefit to the organization and our customers in maintaining a real focus on this.

Part of our strategic DEI plan is also to elevate employees' DEI IQ, meaning they become more culturally fluent, adept at managing inclusively, and recognizing the value in peoples' differences. This year, IGT launched Ignite Inclusion, a company-wide program dedicated to thinking, behaving, and decision making through the lens of DEI. Employees dove in and examined topics such as valuing difference, unconscious bias, and navigating obstacles to inclusion. I'm looking



forward to offering more of these learning opportunities and leaning into our DEI strategic approach.

As far as we've come, our organization is continuing to strengthen our foundation. Among many initiatives, we will be leveraging our existing mentorship programs into a scalable, global program so that we have a consistent process for all to follow that can facilitate growth opportunities for all our employees. We will start this with smaller pilot programs across business and corporate units, applying successes and lessons learned, and work our way from there. And we are going to fortify our employee Diversity and Inclusion Groups (DIGs) to be even better stewards of our inclusive culture, by instituting a new governance model that will give them greater guidance and support, encourage greater intersectionality across the DIGs, and create stronger connections between the DIGs and the company's Global/Regional DEI Councils.

In July, IGT released its 16th Sustainability Report. How does DEI tie into the company's sustainability efforts?

IGT's 2022 Sustainability Report details the actions, big and small, that IGT takes to protect its people and the planet. It's organized by the four pillars that comprise the company's Sustainable Play™ initia-

tive: Valuing and Protecting our People, Advancing Responsibility, Supporting Our Communities, and Fostering Sustainable Operations.

IGT's efforts and commitments in the DEI realm are deeply tied to Valuing and Protecting our People. Within this chapter of the Report, readers will find some of IGT's key DEI achievements for 2022, as well as insights into how IGT engages its employees and provides safe and inclusive work environments. For example, for the first time in company history, IGT was included in the Human Rights Campaign Foundation's Corporate Equality Index, which measures LGBTQ+ inclusion in the workplace. Similarly, in 2022, IGT was the first casino and gaming company to become a signatory for the UN Women's Empowerment Principles (WEPs), a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace, and community.

We will continue to leverage best practices and ensure we stay on a consistent and sustainable DEI path, where the way in which we conduct our business is through that lens. I am so excited to be on this journey with everyone across our organization. My team and I could not do this work without their energy and commitment. ■



IGT's most recent Sustainability Report, as well as more information about the company's DEI programs, can be found on IGT.com.

about working with our existing retailers to find new ways to sell and attract players,” she said. “Over the past 20 years we’ve seen the retail product continue to increase in sales and while we’re in a bit of a lull right now, I’m confident sales will increase at retail. The industry has always found ways to keep the retail product growing. But it will take a reimagining of how we do things in the retail environment. You don’t take your wallet into the store to pay for gas anymore. So how do you get that wallet into the store? Things like a digital menu board help merchandise your products and promote sales. We’ve seen it work in a number of lotteries. To attract new players we have to find them where they are at a time that works for them. Some of this is digital but it also means making the retail experience as simple as possible for players.” As the director of a lottery that does not sell online, Brian certainly agreed with Jennifer’s assessment. “Even if you can’t sell through the internet, you need to offer a good mobile app and make sure the retail experience is as seamless as possible,” he said. “In the end, we’re basically selling the same type of product that was created 50 years ago but we have to figure out how to make it relevant, available and, for new players, approachable. I attribute a great deal of our success to adding features to our app. We can’t sell through it, but players can check their numbers and enter promotions. Our app downloads have doubled over the past year. That’s an example of staying relevant, even if you can’t sell through that app. It’s easy to complain about what we don’t have

but that won’t help us attract players. We need to make lottery as simple and accessible as possible, offer exciting promotions and products, and get in front of as many people as possible.”

Andrea added to Brian’s comments by stressing the importance of doing as much as you’re allowed in the area of digital. “To entice new players, you must bring the online experience to retail,” she said. “Most players buy their tickets at gas stations, convenience stores and supermarkets. Lottery is typically not the primary reason they are there. How are we going to make it as easy as possible for them to see the product, to get their hands on lottery tickets, and play our games? Perhaps it’s a single sign-on experience that’s hassle free and allows them to purchase with different types of payment methods. Let’s figure out how we can best attract and engage our customers. We’ve seen it work in the video game world, where players are continually provided with new experiences that keep them online as long as possible. If we can extend the experience for our players, they will find lottery fun and enticing and continue to purchase our products.”

Jessica explains how best to attract and retain players. “Through our CRM platform, we’re collecting first party data that allows us to understand the characteristics of players and predict their future value to the lottery,” she said. “This data is collected from both iLottery and non-iLottery player activity and includes second chance entries, loyalty points earning and iLottery purchases. We can

now build profiles of players that help lotteries create look alike audiences to reach new players in their paid media channels. This information also helps the acquisition and retention teams work together so they are not operating in two separate funnels. The more collaboration, the more your teams can better chart the user journey and make better decisions on how to reach players. Everyone at the lottery should be on the same page and using the player data available to them to make the most informed sales and marketing decisions possible.”

Brian wrapped up the panel by urging his colleagues throughout the industry to identify the competition and make sure we stay a few steps ahead of them. “Look at what happened during the pandemic,” he said. “Lottery was the only game in town and our sales boomed. But when consumers returned to their normal routines, and other forms of gaming returned, our sales didn’t drop to pre-pandemic levels. Why? They liked the experience they had. They liked the value proposition. Currently our growth is not the same as it was in that initial stage of severe disruption, but we are retaining a lot of players, many of whom may not have played lottery before the pandemic. If we can make our games appealing, offer a variety of price-points, and make the sales process as seamless as possible, we’ll continue to attract and retain new players as well as satisfy the needs of our current players. We just need to execute on well-conceived plans and stick to what we all do best.” ■

and directly know if they won or not.

Furthermore, by delivering the best possible service to our partners, which begins with a compelling instant games portfolio, we also bring lots of knowledge about how to optimize market and portfolio strategies. We not only aim to optimize revenue of the games categories our partners have booked from us. Instead, we believe that applying our knowledge to help our partners optimize their portfolio management and therefore their customer lifetime value benefits the operator, the players, and ZEAL as a games supplier. This holistic portfolio

management approach facilitates cross-selling, thereby attracting customers who might never have played instant products and enhancing the overall player experience for everyone. If our operator partners can increase their players’ lifetime value, they can more efficiently monetize customers for the benefit of good causes.

ZEAL’s mission is to build a tailor-made solution for each lottery partner and their portfolios. For that matter, the portfolio of our support services can be configured to align with your exact needs, including some or all of our products and services. We

offer the whole range of managed services from delivering and aggregating game content to managing our partners’ instant game portfolio and even the whole iLottery platform as needed.

Our long-term goal is to work with our partners to shape the future of lottery for the benefit of the good causes supported by government lotteries. Category management is one of several measures that we apply to bring innovation to an industry that is on a tremendous trajectory of change, growth, and prosperity. ■

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Announcing an all-new iLottery game, *MONOPOLY Property Payout*, featuring the No. 1 licensed brand in the lottery industry, and including a progressive jackpot, all wrapped up in a fun, simulated 3D digital play experience.

Analytics & Insights

Analytics and insights have been at the core of our DNA for five decades. Our data scientists give growth-leading insights to lotteries using consumer research, our patented MAP system (3.5 million+ weeks of sales and 67,000+ games) and *Infuse*, our enterprise business intelligence platform.



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iLottery, CRM & Loyalty

More than 30 lotteries drive performance with our iLottery games, award-winning CRM programs and NextGen Loyalty – our new achievement-based loyalty and rewards solution. Now, SG Studios announces the SG Content Hub and partner program, a unique combination of curated games from lottery-focused studios across the globe.



Scientific Games Enhanced Partnership

SGEP is the industry's premiere partnership and the most advanced instant scratch game category management program available today. It's used by 20+ lotteries, including 10 of the Top 20-performing instant game lotteries worldwide and 8 of the Top 10-performing U.S. instant game lotteries.



HEALTHY PLAY™

HAVE FUN. DO GOOD. PLAY HEALTHY.

Healthy Play

Healthy Play offers a robust set of science-based tools and best practices to help lotteries educate all stakeholders about responsible gaming and healthy play. The Healthy Play Study and toolkit includes guidance and research-backed messaging, mechanisms and practices to increase lottery literacy and measure the impact of these efforts.



SCIQ

Our retail ecosystem revolutionized lottery retail and it's now available for inlane and self-checkout to make buying and selling lottery games easier. SCIQ provides the retailer and lottery visibility into when and what kind of games are sold, increased product security, streamlined accounting, market insights, and intelligent inventory management.



Strategic Product Enhancements

More value in the scratch experience with Strategic Product Enhancements builds loyalty to your lottery's brand. Our exciting inks, finishes, play styles and one-of-a-kind game enhancements sizzle at retail, entertain existing players and attract new players.



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Unleashing Your True iLottery Potential

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At the PGRI Lottery Expo held in Nashville in September, NeoGames' Rob Wesley, VP North American Customer Development and Chris Shaban, EVP Global Business & Customer Development, delivered an important message on the fundamental elements needed to ensure a comprehensive iLottery solution. They also shared their key insights on what makes an iLottery program successful.

The growth of iLottery is moving rapidly, with big expansion taking place across the U.S. To give just one example of this, within three years of launching a full iLottery offering, Virginia is now seeing more than half of topline sales and more than 25% of net gaming revenue (NGR) coming from iLottery.

In addition to Virginia, there are numerous success stories across North America. As a result, many states are considering how best to embrace iLottery, capitalizing on the proven increased engagement both in retail and online, and recognizing the positive impact to their communities. Given that the mission is to raise money for good causes, lotteries are realizing that iLottery is becoming a key to achieving that.

The iLottery program in Michigan for example, has been particularly successful, with more than \$1 billion given back to the State Education Fund since it was launched nine years ago.

It goes without saying that each state is different. There are differences in regulatory frameworks and often large differences in internal structures and culture. Couple those considerations with many other nuances, and there is not one set solution for every single lottery.

It also comes as no surprise that establishing and operating a digital lottery offering greatly differs from its retail counterpart. The technology is different, the skillsets and expertise needed are different, the mindset is different. Despite these stark differences, both channels share the same



goal - to support lotteries in their efforts to maximize returns to good causes.

Getting the fundamentals right

An iLottery solution relies on many core elements. One of the most important aspects is a high-performing technology suite, which covers the overall system to ensure the operations run smoothly. The iLottery solutions also require integrated marketing technology that includes a single-player view database and a CRM system that provides real-time, automated capabilities to maximize player acquisition and retention.

Having the right technology is imperative, but just as important is employing digitally-minded people committed to ensuring the technology performs to the highest of standards.

These individuals should have the skillset to understand the nuances of an online platform but also how these differ from a retail lottery offering. Online brings speed, agility, and the need for instantaneous decision making. Therefore, it's critical for the culture of the organization to embrace how fast-paced an iLottery operation needs

to be to maximize results.

There are unquestionably many considerations before launching an iLottery wagering solution, but ultimately placing the player at the heart of every decision is a must. As we have seen from the dozen states that now accept online lottery wagers, it takes a lot of time, money, and effort to acquire a player, and it only takes one bad experience to lose them.

We have learned that every touch point for the player must create a positive experience. This includes registration, "know your customer" (KYC) checks, banking, claiming prizes, and making withdrawals. Each of these interactions needs to be as frictionless as possible.

Real-time marketing

Leveraging technology and real-time capabilities are a must when it comes to player marketing. Sophisticated systems allow us to fully maximize automated segmentation and customer journeys, as well as provide relevant and personalized messaging based on where that player is in their journey.

For lotteries that do not have an iLottery platform, conducting periodic segmentation research is the typical process in defining player groups with a goal of

creating more targeted and effective marketing and advertising activities.

In contrast, with an effective iLottery and CRM solution, this activity can be done in real-time. The use of real-time data is imperative to creating a more personalized experience for players, by seamlessly segmenting players and then leveraging those insights to suggest the right content and promotions to those segments. Performing this with speed and accuracy enhances the approach of lotteries and provides them with a breadth of data and technology to meet modern customer expectations.

Meeting customer expectations also includes comprehensive omnichannel capabilities, allowing the customer to choose when and how they want to engage with the lottery. From a lottery perspective, it also allows for continued engagement from retail to online and back.

In short, the use of an advanced CRM solution allows for timely and tailored messaging depending on where they are in their journey.

These experiences are now an expectation from consumers. Seamless player journeys ultimately translate to maximized revenues. You have your players' trust, and they know you can meet their expectations; meaning they will engage with your platform and the content within it.

Accelerating growth with innovative products

As iLottery continues to grow, the need to leverage technology and innovate is key in product development and portfolio management. In addition to providing another way to purchase the same games sold at retail, technology also enables the development of new and distinct alternatives in both games and experiences.

The number of payment methods have grown significantly in popularity in recent years, and brands need to be able to accommodate player preferences. Additionally, other innovative solutions include the ability to seamlessly cash retail tickets into an online wallet, withdraw online wins at retail, and purchase online wallet credit at retail.

The development of loyalty programs is a great way of rewarding and retaining your most engaged customers and is something the biggest consumer-facing brands in

the world have integrated across their brick and mortar and online businesses. These programs have many benefits, from creating a positive customer experience to encouraging referrals, and the added benefit is the wealth of data lotteries gain.

Digital and retail working together

There are several lotteries that have established a comprehensive digital offering, and it is important to take those learnings and adapt. This industry is great for sharing information, so we all need to continue to lean into this knowledge as much as we can. No lottery is the same, and small tweaks can be made to the products and services of others to ensure it meets the criteria of your player base.

Retailers have been somewhat reluctant to support iLottery. The belief is that the foot traffic into their stores that is driven by the traditional lottery player will be negatively impacted. However, there is clearly data that the relationship between online and land-based platforms can be successful, and this is demonstrated with a strong rise in retail sales in states that have launched iLottery.

Improved content aggregation and technology delivery

Offering fresh content integrations is key and NeoGames is in a unique position to offer this easily with Pariplay, one of NeoGames' subsidiary brands. Pariplay's leading content aggregation solution provides a wide variety of content options and engagement features. Exciting, distinct content is a growing expectation of players, thus requiring you to establish a foundation to fulfill those expectations.

NeoGames customers also receive monthly platform releases that can be shared across lottery customers. Unlike most retail lottery solutions, software does not need to be developed for each lottery customer. NeoGames' single codebase allows for shared features and functions to be implemented across lottery customers while allowing for the customization needed to address the specific jurisdictional needs.

In addition to providing a comprehensive, integrated, and flexible gaming system,

lotteries must equally ensure that comprehensive responsible gaming technology solutions and strategies are in place. Lotteries should set the expectation that their technology partner be poised to collaborate on the design and implementation of industry-established responsible gaming best practices. This requires a dual focus of both meeting or exceeding responsible gaming certification standards while also keeping players safe in a secure environment.

It is imperative that a digital solution recognizes the signs of problem gambling in the early stages. NeoGames has gone to great lengths to ensure that responsible gaming is at the forefront of its offering, whether through products and services, or through the commitment of its employees. In 2023, NeoGames was awarded a responsible gaming certification from the World Lottery Association, meaning that our digital lottery operations have been assessed by an independent auditor and were found to align with an array of WLA standards.

A recipe to thrive

Lotteries have a mission to generate revenue for good causes and are expected to grow that revenue year after year. iLottery has proven to be an incremental contributor for those lotteries who are able to sell online, dispelling retailer concerns over negatively impacting foot traffic and sales in their stores.

Maximizing iLottery results starts with learning from others in the industry. Utilizing these learnings will help future jurisdictions experience stronger launches of their product, resulting in continued growth. That growth should be built on a foundation of a modern, integrated technology solution - one that provides real-time, personalized, and omnichannel capabilities, which ultimately will lead to strong acquisition and retention results. It is imperative to define the right structure, mindset, and culture that recognizes the speed of the business, aligns people resources with the proper skillset and mindset, all while keeping a focus on growing the business in a responsible way. There isn't any one factor that leads to iLottery success, rather it's a collection of many "ingredients" mixed together to create just the right outcome. NeoGames is here to help your lottery take the next step into the future and unleash your true potential. ■

We all use the cloud without knowing it ...



Paul Lawson, Chief Technology Officer, Abacus Lottery Everywhere

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In an age where we use cloud services in our everyday lives without even thinking about it, it is hard to imagine that the mere idea of cloud computing was unthinkable just a few decades ago.

Today, we store photos and music in the cloud, collaborate simultaneously on documents, watch videos on demand, and connect with people around the world via social networks. All of these are services that rely on cloud technologies and are deeply embedded in our personal and business lives.

But when did cloud computing become a “thing”?

The definition of Cloud computing is “*the on-demand availability of computing resources (such as storage and infrastructure), as services over the internet. It eliminates the need for individuals and businesses to self-manage physical resources themselves, and only pay for what they use.*”

Cloud computing would simply not have been possible without the rapid expansion of the internet, which started back in 1969, but it took another 27 years before the term “cloud computing was used by the IT company Compaq in an internal document, referring to the concept of “distributed

computing” and then another 10 years before Amazon launched the very first true Cloud computing services worldwide. Amazon Web Services (AWS) offered virtual computers for rent and allowed people to use their own programs and applications online.

What followed was a very rapid expansion of the services offering with Google entering the market in 2008, followed by players like Microsoft, IBM and Oracle. Today, the public cloud market is split up between a few big players, with only four companies sharing over two thirds of the cloud market in 2022. AWS, Azure, Google Cloud, and Alibaba Cloud make up for 70% of cloud infrastructure.

Everything happens for a reason

When I joined Abacus 10 years ago, one of my first tasks as CTO was to look at how we built and hosted all our gateway environments for the entire business. The option on the table at the time was physical hardware hosted in a data centre supplied and managed by one of our existing partners. Two weeks into the job, the partner pulled out and we were left with no way forward to manage our infrastructure.

Everything happens for a reason, and a quick phone call to a former colleague meant I was on a train the next day travelling into London to start the discussion on the move to cloud computing. I sketched out the initial idea of our cloud computing environment architecture on the back of an envelope during that journey and now wish I had kept that original infrastructure sketch as part of Abacus history. With the help of our new partners the first contract to go live with the Abacus Gateway platform was based on a pure private cloud system, all based around that original sketch on a train.

Why did we move to cloud hosted platforms?

For Abacus the move to a cloud hosted solution was an easy one to make. It gave us the power and flexibility in a hosted environment at a fraction of the cost we would have had to spend to get the physical hardware in place to host our solution, and the managed services fees for the platform gave us access to a wealth of industry experience across a wide range of disciplines without the need to hire permanent infrastructure specialists. There are many advantages to moving to a cloud infrastructure, and each business is different. Ten years ago, we laid down some ground rules on what we expected to achieve from cloud computing and that ethos still stands today.

Flexibility

As a business our resources are finite and with so many different areas of responsibility, flexibility is key. The ability to call on on-demand managed service expertise along with the ability to scale resources such as extra bandwidth was a critical factor in our decision. The cloud-based service we built can meet that demand instantly, rather than undergoing a complex (and expensive) update to an on-premise IT infrastructure.

Security

All organisations have security concerns, and the lottery industry (just like the finance industry) is very sensitive to these concerns. However, the move to cloud hosted solutions allowed us to increase our security footprint by leveraging the power of many of the powerful and flexible components available to us in the cloud environment. We are also

utilising additional machine learning to prevent potential attacks on our platforms, with constant updates based on the latest vulnerabilities without impacting the overall infrastructure.

■ Containerisation

The move to cloud computing has provided the ability to containerise our platform, making it much easier to manage and control. We can segregate all our various customers within the environment to ensure data does not cross boundaries, giving us much better control over auditing of the platforms. This segregation allows better resilience across shared security components which will benefit lottery operators. We have also started the move to granular containerisation of the applications themselves, giving us a much quicker build time and maintenance footprint.

■ Scalability

As we bring on more and more customers to the Abacus platform, any environment we build will have the ability to scale easily with zero impact on the existing customer base. The cloud environment we now have in place allows for additional environments to be built and bolted to the current architecture. Our move to Infrastructure as a Service (IaaS) 3 years ago has simplified our entire solution, allowing the build of new platforms virtually with the push of a button.

■ Sustainability

Given the current state of the environment, it's no longer enough for organizations to place a recycling bin in the breakroom and claim that they're doing their part to help the planet. Abacus is a carbon neutral company, and our move to cloud computing helps reduce our carbon footprint. Cloud infrastructures support environmental proactivity, powering virtual services rather than physical products and hardware, improving energy efficiency.

Embrace the cloud

It hasn't always been an easy ride. When we first started working with the US market it became clear there was a problem around audit and control of the environment as laid out in the MUSL rule 2 guidelines. Part of the audit process required visits to review the security of our data centre, and with a cloud environment this is simply not possible. Additional wording and amendments had to be made to rule 2 to allow cloud computing to be used in the processing of lottery transactions.

As a business we are constantly learning and the infrastructure we have in place today looks nothing like that original sketch on the train. That learning and improvement will never stop as we move forward, and additional monitoring and controls are constantly being added to the platform. For example, we have new machine learning in place to monitor our environment, allowing us to light up test environments when needed and take them offline when not, giving us greater control over our costs. This AI learning is also helping the monitoring of the security footprint of the entire hosted platform, giving us proactive control and reports on all aspects of security.

As an industry we should always look to continually move with the times and embrace any technology that enhances scalability, security, and control of our environments to offer our customers the best solutions possible. Abacus have been quietly leading this charge for many years now and have a wealth of experience in embracing the cloud. ■



Elevating Play with

Multidimensional,

Omnichannel Games



PRECIOUS 7's Sparkle for Kentucky Players with new KY Omnichannel Launch

Bringing a retail brand to life online, and vice versa, gives players an intuitive, interactive, multidimensional experience that modernizes lottery for an evolving audience of players and drives engagement to support ongoing industry growth.

As a partner that offers multiple routes to success, IGT supplies lotteries with the opportunity to replicate and amplify the fun and ambiance of players' favorites, in-store and via digital channels, with a variety of crowd-pleasing omnichannel games.

Popular printed games coupled with eInstant counterparts generate added engagement and reinforce a consistent branding and game experience. With omnichannel titles, IGT offers players brands that are familiar, such as from scratch tickets and Fast Play games, so they can be confident when exploring the digital channel. In an October 2023 research study, a Michigan player noted that familiar brands "make you more interested and more excited, rather than some stuff you've never seen before."

IGT draws on a range of dynamic capabilities — including instant ticket printing, eInstant studios, and retail and draw game innovators — to offer versatile omnichannel games across varied channels and popular game types, thereby expanding and heightening the play experience.

Get Your Sparkle On

Recently, the Kentucky Lottery Corporation selected IGT's popular PRECIOUS 7's brand, which had its beginnings as a fun eInstant game, for an omnichannel player experience to help further fuel imagination and fund education for all Kentuckians.

Kentucky launched PRECIOUS 7's on August 31, 2023, as a scratch ticket, an "Instant Play" eInstant game, and a Fast Play game with retail terminal-generated tickets.

The traditional Collect Symbol Match play game with its Gems, Rocks, and Jewels theme was designed by IGT to work seamlessly in both digital and retail channels for a true omnichannel experience.

Precious Inspiration

To create an exciting scratch ticket, IGT started with the PRECIOUS 7's eInstants design and provided the Kentucky Lottery with traditional printing concepts, as well as an innovative Infinity Instants™ printing option. The Kentucky Lottery chose the visually appealing Infinity Instant™ ticket and was thrilled with the result.

IGT also took inspiration from the selected Infinity Instants artwork to create the Kentucky Lottery's PRECIOUS 7's Fast Play ticket with a chance to win 2x and 3x the prize. A Fast Play ticket entitles the player to play a series of games with instant cash prizes and a rolling jackpot, which grows with every ticket sold and starts at \$10,000. The ticket also includes a callout and barcode that takes players straight to the PRECIOUS 7's Instant Play online eInstant game page.



With the omnichannel group launch of PRECIOUS 7's, glittering gems offer an enjoyable experience for Kentucky players.



Kentucky players can triple their fun with PRECIOUS 7's omnichannel.

This cross-promotion opportunity was part of a robust marketing campaign with television advertising highlighting the multiple ways PRECIOUS 7's can be purchased and played at retail, online, or via a player's phone.

Peachy New Option in Georgia with Quick Win Games

For players in Georgia searching for a game that plays like an instant scratcher but features a progressive jackpot, the hunt is over.

Quick Win is the new suite of progressive jackpot (Fast Play) games, where iLottery and retail players buy into the same, shared jackpot, in the digital or retail channel, whichever is preferred.

Quick Win went live in the Peach State on September 18, 2023, helping the Georgia

Lottery raise revenues for specific Georgia Lottery-funded educational programs such as the Pre-K program and HOPE (Helping Outstanding Pupils Educationally) Scholarship Program.

Happy winners have already taken home jackpots higher than \$164,000! Stay tuned for more about Georgia Quick Win in early 2024.

Bringing it All Together

IGT brings titles that are successful as eInstants to retail, and helps favorite retail games become available online, to support lotteries' growth and ongoing relevance by delivering new player experiences. This includes proprietary, homegrown IGT brands and favorite licensed content.

IGT is proud to help lotteries successfully



Highlights of The Kentucky Lottery omnichannel launch include:

eInstants

- PRECIOUS 7's had the highest player count on the first day of launch for any eInstant game launch and was in the top five for the first three days of sales for all launched eInstant games.
- A one-day only promotion for the PRECIOUS 7's eInstant game on September 14, 2023, offering a chance to win bonus bucks, resulted in the second highest day of players playing the game.

Scratch Tickets

- PRECIOUS 7's was the third best-selling scratch ticket in its first week on sale.

Fast Play

- Since launch, PRECIOUS 7's has accounted for over 21% of the sales of the entire portfolio of Fast Play games, the most of any game in the portfolio. Currently, there are 15 games on the market. The \$10 price point (consisting of PRECIOUS 7's and two other games) accounts for 39% of sales.
- Of the three \$10 price point games, PRECIOUS 7's accounts for 54% of Fast Play sales.
- Strong PRECIOUS 7's sales have also benefited from a progressive jackpot as high as \$775K.

IGT provides services to the Kentucky Lottery Corporation including iLottery Platform; iLottery eInstant; Lottery Gaming Systems; Central System; Instant Ticket Printing; Field Services and Hotline.

PRECIOUS 7's has proven to be a recent Top Performer, helping to support funding for education in the Bluegrass State.

offer players a truly holistic, immersive experience — one that is exciting and enjoyable both in store and online. Omni means all; all paths to engagement exist when lottery operators have opportunities to serve their players in all the ways that are meaningful to them. Thanks to IGT's innovation with omnichannel games, lotteries can be all things to all players. ■

To learn more about other IGT digital games that can be developed for scratch tickets or Fast Play games, contact your IGT representative.

SMART PORTFOLIO MANAGEMENT PAVES THE WAY FOR A SUCCESSFUL ONLINE GAME BUSINESS

Julian Tietz

Managing Director, ZEAL Instant Games



ZEAL

PGRI INTRODUCTION: ZEAL introduced online lottery to the German market almost 25 years ago and has since become the

market leader for online lotteries in Germany. Our aim in becoming member of the World Lottery Association and connecting with our audience in Public Gaming Magazine is to define the future of lottery – both in Germany and internationally.

The ZEAL Group's business model is unique in many respects, encompassing numerous other business models in addition to online distribution in the traditional lottery sector. For example, the ZEAL Group has a Ventures arm for the segmented promotion of and investment in up-and-coming companies with innovative products, services, and business models for the lottery sector. With its subsidiary ZEAL Instant Games, the group successfully develops and markets eInstants and igaming products from the areas of Instant Win, Scratch and Slots; and now successfully implements the online marketing of the Spanish lottery ONCE with its subsidiary ZEAL Iberia. Through a network of international partnerships partnerships, ZEAL distributes its extensive portfolio worldwide, including North America).

As Managing Director ZEAL Instant Games, Julian Tietz leads the virtual slot games and online games business at ZEAL. Previously, Julian worked for the last five years in various positions for ZEAL's portfolio of companies and launched the expansion of the company's online games division.

generating approximately \$2.6 billion in sales. In both Europe, the U.S., and globally, the popularity of online eInstants is expected to increase exponentially over the next three years.

The recent growth and popularity of the Instant Win Game category in the U.S. is unsurprising. From a macro perspective, the US is among the largest e-commerce markets in the world. Smartphones have become the most used device to buy online (approximately 7% of total U.S. retail sales in 2022 (Statista)). From a product/consumer perspective, they are similar in nature to retail scratch cards insofar that games can be played anytime, anyplace, and anywhere. It fulfils an instant gratification consumer need and is largely an impulse driven category. It's clear from ZEAL's ongoing conversations with iLottery operators and directly with the players themselves that players are seeking a more immersive, fun, and involving play experience with vibrant and entertaining game graphics.

The exploding popularity of eInstants

Macro trends in any industry can profoundly impact market dynamics and strategic direction. The Lottery industry is no different and faces considerable and ongoing competition for the discretionary dollar. Lotteries have realized the need to embrace changing player behaviors to ensure

their game portfolios and distribution channels remain relevant, attractive, and easily accessible to the consumer. One of the notable changes over the past decade has been the growth of iLottery, which includes Instant Win Games (also referred to as eInstants). In Europe, they have existed for nearly twenty years. In the U.S. there were eight Lotteries selling eInstants in FY22,

Portfolio Management: Best Practices to Revolutionize the Lottery Industry

Applied extensively throughout U.S. retail, particularly in large grocery chains and big-box stores, portfolio management (also referred to as category management) has transformed the Consumer Products Industry. Retailers employ category managers to optimize product assortments, pricing, and merchandising strategies for categories like food, beverages, household goods, electronics, and almost every consumer product category you can think of. Like category management for consumer goods, managing the product mix for lottery providers is the key to a successful portfolio to provide the most customer-friendly display and offering as well as the best possible user experience online to optimize efficiencies and ROI.

ZEAL has for years pioneered the development of the category management approach for draw-based Games, scratch cards and eInstants. A Lottery Portfolio should incorporate distinct propositions aimed at meeting different player motivations and needs. Therefore, best-practice portfolio management principles help maximize yield, not only for one product category but for the whole bandwidth. ZEAL's goal is not to create local optimums for certain product categories but to enhance customer satisfaction, give players compelling reasons to play. In the end, this approach optimizes customer lifetime value and business sustainability. It's about shaping an optimal mix of high-quality games, with different themes, gameplay mechanics, and price points in combination with the classical lottery products players know from retail, to meet market demand and attract the widest audience.

Transforming an Industry with Holistic Portfolio Management

Lottery is not the only sector that could reap great benefits from the targeted application of portfolio or category management. For example, the consumer package goods industry has long recognized that deep category understanding creates a lasting competitive advantage through effective brand positioning and adaptability to

market dynamics. It serves as the central platform for brand owners in the consumer package goods industry to engage with retailers, offering the essential language, structured processes, and metrics to convey both strategic and tactical suggestions to the retailer. Furthermore, category management has profoundly reshaped consumer products marketing, market segmentation, and brand management. This strategic approach centers on treating product categories as discrete business units and has revolutionized marketing through data analysis and consumer insights, empowering companies to comprehend consumer behavior, preferences, and trends, enhancing the effectiveness of marketing strategies. Category management also streamlines product assortments, allowing marketing teams to focus on high-performing products, reducing inventory risk and improving resource allocation. The development of brand portfolio strategies is also enabling companies to cater to diverse consumer needs within a category. The approach has also encouraged innovation, ensuring that brands adapt to evolving consumer demands and market trends, securing their relevance and longevity.

A valuable example for category management in the consumer package goods industry is the consumer goods group Procter & Gamble, a market leader that boasts more billion-dollar brands than any other competitor in its field and pioneered the implementation of category management back in the 1980s. Applying data-driven category management principles has enabled P&G to optimize their product categories and thereby maximize overall sales and market penetration. By analyzing consumer behavior and market trends, the group makes informed, consumer-centric decisions. This approach, combined with a diverse brand portfolio strategy, enhances brand loyalty and market competitiveness. And for lotteries, this translates into increased diversity of player profiles and overall playership.

Fit for Revolutionizing the Lottery Industry

Despite the success stories in other industries, category management is not a well-established practice in the Lottery industry yet. But as gambling competition intensifies (especially in the USA), consumers are being granted greater access to alternative

ways of winning money. For example, the rise of sports betting in the U.S. has been prolific. (Gross revenue reached \$6.9bn across 23 active online sports-betting states in 2022. Nationwide, it has soared by 91% YoY.). The availability of non-lottery games widens the competition for consumer's discretionary dollar.

This is why, now more than ever, Lotteries must look to their portfolios and apply best practice category principles to optimize their range, overall sales, and net income returns.

The ZEAL Approach to Category Management

In our own category management approach, ZEAL places particular emphasis on data analytics to learn more about consumer requirements and preferences, market developments and player behavior before developing and distributing new products.

For the ZEAL Instant Games business, we want our products – and by this, I mean every single game – to be a success in the market for the benefit of our clients. Therefore, we invest a lot of time and resources to analyze the market and our target audiences even before launching our first games. We wanted to deeply and thoroughly understand the market for instant games, get familiar with the players and the competitors in the games-of-chance space. Our goal is to offer exactly the products the market wants and needs, and in the quality the players have come to expect from ZEAL.

For us, well thought-out category management and regular data collection were a real game changer for the positioning of our instant games. It helps us on a daily basis to make more informed decisions about which games to promote, retire, or update, leading to more effective strategies.

ZEAL's approach also drives synergies between lotteries and instant products. For example, by developing ways to use eInstants as conversion tools to optimize cross-selling, lottery activity can be funneled from draw based to instant products and vice-versa. ZEAL Instant Games achieved strong results by resembling the look and feel of local lottery products with instant draw products that offer players the chance to apply their preferred thoughts, feelings, and play-styles across multiple game categories. For instance, players might like to use the same numbers they just played in a draw-game afterwards in an instant game

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he said. “It’s often just thought of as putting the same product into digital and retail, putting a little marketing behind it and calling it a day. The real benefit of omni-channel begins when lotteries create managed player relationships across all the channels. Provide digital services, such as digital play slip, mobile cashing, etc., for your retail player and give them a reason to interact with your digital platforms. And use rewards, whether through loyalty or second chance programs, to engage all players. When lotteries start to manage the players, you are now able to drive them towards certain channels and have better insight into the overall player relationship.”

As a lottery director, Bishop obviously wanted his products in as many channels as possible and that hasn’t changed. “We need to be in as many places as possible,” he said. “In retail, we can have three or four lottery retailers on the same block. We don’t say ‘sorry, you can’t sell lottery.’ I sometimes don’t see that philosophy translated into the digital space. If it’s going to be true omni-channel, we can’t have a situation where you must choose between your online provider and a courier. More channels help everyone. Couriers are up and running in markets quickly, they’re selling products and they have marketing money. I think some states are realizing that from a digital standpoint, there needs to be additional channels to reach as many people as possible. If we’re going to have an omni-channel discussion, there can’t be limitations on who can sell. Put our products in front of as many people as possible.”

Stephanie brought up the topic of how providing “real money” gaming opportunities is an enormous change for lotteries and creates some challenges (along with the opportunities). “Take for example our app, which is so important – 90% of all our iLottery sales are through our app,” she said. “But working with the large mobile carriers and companies such as Facebook, Apple and Google is not easy. Apple, for example, has strict guidelines for their real-money gaming which has required the industry to redesign our apps. Things like that add to the eInstant game development schedules because now Apple basically has to approve games before they launch. But you must be on the iOS platform, given the large number of iPhone users that exist today.”

Steve said he feels, and has lived, Stephanie’s pain. “When lotteries first started using apps, Google was okay with everything, but Apple said there was no way they’re allowing lottery apps in their store,” he said. “Then Google became all about advertising and didn’t want anything even resembling advertising in an app. But Scientific Games has been successful in getting our case heard and getting our apps into the app stores. As an industry, we must continue to lobby and push our mission, lean on the good causes. Just like we did many years ago, we have to continue to fight for our place in these app stores and for as few restrictions as possible.”

Karri agreed that taking on the kings can be daunting. “Apple and Google are two of the world’s largest companies so there’s a bit of an Ivory Tower effect, looking down as everyone fights for their place in the Apple and Google ecospheres,” he said. “It is difficult to get heard. But we have to keep talking, the business opportunity is too critical. Like other organizations, IGT has been developing apps for years. We have developed a working relationship with these platforms and we understand how to work with them and react quickly to any new regulation or guideline that comes along.”

A collective voice of the industry is critical when dealing with these companies, Jason agreed. “Together we are able to make these companies understand our position, and there is definitely strength in numbers,” he said. “From a development standpoint, it does elongate the production cycle for eInstant games so when you’re creating roadmaps and lining up your games, you need to build in ample time for testing. In the end, we need to have as many tools as possible to reach players. Whether it’s apps, mobile web, or desktop, players have their preferences and we want to make sure all channels are operating efficiently, so we’re casting the widest net possible.”

Stephanie ended the panel by talking about the future of iLottery, more specifically a quick look at the state of iLottery and where it is going. “About 14 states will be legally allowed to sell online by early 2024,” she said. “Some can only sell draw games or subscriptions. Others, like Pennsylvania, can sell all products. But why aren’t more states selling online? Is

it still the thought that iLottery will hurt retail? What is holding things back?”

While it can be the nature of government to move slowly with new initiatives, Steve said iLottery acceptance has been tough to watch. “Twenty-five years ago, we said the internet was going to change the industry as lotteries looked to sell games online,” he said. “But there are so many constituents working for and against lottery that I think it’s easy to see why we are in this place. Because of this, Scientific Games tries to tackle each jurisdiction separately and work with them on their specific issues. And the vendors try to work together whenever possible. We want our customers to succeed, and getting online is an important component of sustainability. For many states, the biggest challenges are at the legislative level, and the government relations acumen of the vendors can be very helpful.”

Karri agreed that working together is important. “Lotteries can help each other by sharing information that can be used to promote the iLottery cause,” he said. “Providing data on what steps they took to move to digital, how they managed the twists and turns, and what the results show. Our consumers are already highly involved in digital, and this will pose a challenge for lottery in the coming years. To remain relevant, lottery needs to have the same capabilities and accessibility as other consumer products. If the barrier to purchase is too great, we will struggle to retain consumers.”

Having worked at two lotteries that sell online, Frank has a unique perspective. “North Carolina has been selling draw games online for more than 10 years, and they have just recently been approved to start selling eInstants,” he said. “Depending on the state, it takes time to knock down the barriers thrown in front of you. One barrier will be the retailers saying it will hurt their sales and the responsible gaming folks will present their case. But we now have data to refute the negative disinformation being floated. Retail sales have grown in states with iLottery. Online sales allow us to reach players more easily so we can promote the responsible gaming angle. And, of course, we can make the economic case. We all know that iLottery generates more funds for the state or for good causes

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TO GIFT, OR NOT TO GIFT LOTTERY, THAT IS THE QUESTION.

LOTTO RESEARCH

More and more consumers are joining in the fun and ease of sharing the joy of playing the lottery with friends and family

Almost half of all Americans have gifted a Lottery product at some point in their lives. However, despite this not being a new concept, the % of Americans that has gifted a Lottery ticket has risen significantly since 2017, from 37% to 47% in 2023.

Now this increasing trend may have a lot to do with the COVID pandemic, and the ease of access to Lottery games and products during a time when we had limited human interaction, but it also illustrates the power of the individual state lottery brands, and especially their Instant ticket products.

93% of those who have gifted Lottery have given a Scratch-off/Instant ticket as a gift, significantly more than Powerball/Mega Millions tickets at 16%. Even so, this still means that around 7% of Americans have bought a jackpot ticket as a gift for a friend, family member or co-worker. That's a pretty amazing data-point!

However, with Scratch-offs being the dominant gifted product, it is interesting to see the breadth of tickets purchased as gifts for others. At least one-third of gifters have bought either the \$1 or \$2 Scratch off ticket as a gift, but as with the national trend towards the higher priced tickets, it is the \$5 Scratch-off which is the most gifted ticket in terms of volume, at 47% of Americans.

Higher up the chain, a quarter of gifters have given out \$10 Instant games, whilst one in eight have generously offered a \$20 Scratch-off. For these two higher price points, men are significantly more likely (about 30% higher) than women to send



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a \$10 or \$20 to a friend or relative. These generous gifters also skew younger, with 18-34 year olds significantly more likely to gift a \$20 ticket (18%) than those 55+ (8%).

So, does that mean that Lotteries should aim their higher priced holiday tickets towards the younger market? Well, not necessarily. Gifting in general (or, "in aggregate?") skews higher among older age groups (35-54 and 55+) and also among white/Caucasian Americans.

As my dear reader may expect, there is definitely a large skew towards gifting Lottery games for the holidays. **More than three-quarters of U.S. Lottery gifters say they buy Lottery for the holidays/Christmas, while 62% buy for birthdays, and even 19% gift Lottery "just because"**, which further illustrates the convenience, ease and adaptability of state lottery games and products in our day to day lives.

However, 'ease of purchase' (35%) is not even the #1 reason why Americans gift Lottery. That privilege sits with 'I know the person I am buying for likes the Lottery' at 45%, which is significantly higher among females at 49%, and those aged 55+ at 48%.

Perhaps even more surprising is the fact that almost two-thirds (64%) of Americans enjoy receiving Lottery games as gifts. Only 24% of people don't enjoy getting a Lottery ticket as a gift, while a further 12% sat firmly on the fence.

So how are we looking for this holiday

season? **Approximately six years ago, 16% of Americans planned to buy Lottery as a gift during December, but in 2023 this number is up strongly and significantly to 26% of all Americans.**

This skews significantly higher among males, 35-54 year olds and higher income households (\$100k+) which is at a surprisingly strong 35%.

What consumers plan on gifting in 2023 though is of little surprise, with Scratch-offs/Instant games as the clear top product at 86%, and Powerball/Mega Millions a distant second at 21%, driven by male gifters.

Finally, planned spending on gifting Lottery in the United States is also on the rise, albeit slightly, when compared to 6 years ago. In 2017, 40% of gifters planned to spend at least \$20 on Lottery products as gifts, whilst in 2023 this number has risen to 42%, although a small pocket (5%) of Lottery gifters does plan to spend at least \$100 during this holiday season just on gifting Lottery games.

What does all this information mean for the Lottery industry? Ultimately, it is a very positive story, with **strong underlying upwards trends in planned gifting and spend on Lottery products and games in Q4 2023.** It also points to the importance of being visible and effective at all forms of Lottery retail during the post-Thanksgiving period through to the New Year. Maybe there are things we can appeal to more consumers to join in the fun and ease of holiday gifting of Lottery games?

Based on all the available research, Lotteries across America will not only have the opportunity to spread a little happiness this Winter, but the odds are that gifting might also generate new Lottery players, and re-engage lapsed Lottery players, as an affordable and fun way to play games during the holiday season, enabling the good cause charitable buckets to be filled even higher.

Trust me I'm a researcher. ■

Taking Versatility to the Max

Lotteries have an opportunity as never before to meet a wide range of operational and player needs. Here's how.

One quality has been hailed as a superpower in everything from business leadership to personal fitness to architectural design: "Flexibility," said basketball great John Wooden, "is the key to stability."

The same is true for lotteries working to shape sustainable operations, harness emergent technologies, adapt to new selling models, and meet evolving player expectations.

To be flexible enough to strategize and act on various fronts, lotteries need solutions that are purpose-built to offer versatility and accommodate changing needs:

- A variety of ways for players to purchase and play
- Equipment to serve different retailer trade styles
- True omnichannel play
- The ability to offer convenient, digitalized player services at retail — and access to a single-player view with integrated data from multiple channels, which can be used to better serve individual player preferences.

All of this versatility and more is uniquely built into OMNIA™, IGT's holistic, end-to-end solution. Comprising all the products



OMNIA™ provides lotteries with maximum versatility through flexible point-of-sale solutions, true omnichannel play, robust APIs enabling third-party integrations, and scalable architecture to meet growing demand.



and solutions a lottery needs to operate in an omnichannel, player-centric way, OMNIA is not only comprehensive but highly configurable to suit individual lottery and player needs today and into the future.

For Players

Some lottery players still prefer clerk-assisted transactions, others prioritize the efficiency and convenience of self-service. Some seek a wide product selection, the newest games, or games they can play across channels. Some like to use mobile apps for purchases and payouts, others favor cash.

Such factors and dozens more make up each player journey. And all can be understood and optimized to offer each individual a more fun, convenient, and satisfying experience — if the lottery has enough versatility.

That's where OMNIA comes in, enabling lotteries to

- Offer the same games to players via any device or channel
- Expand points of sale
- Provide players with more choice and

convenience through flexible point-of-sale solutions for every trade style

- Offer a variety of ways to pay and play.

A set of features built into OMNIA can be deployed to digitalize aspects of the retail lottery journey — what IGT calls Connected Play — bringing the in-store experience in step with contemporary consumer expectations while providing more versatility and convenience.

Via a light registration feature within OMNIA, players can create an account with the least possible friction and access new digital experiences at retail, such as creating and using a digital playslip, paying with an eWallet, receiving tickets digitally, and scanning winning tickets to redeem prizes to the eWallet — all connected to the player account.

These new types of digital interactions enable data to be collected however the transaction takes place — through the use of a mobile app at retail, or online.

And with a view of all player transactions in all channels, lotteries can get a deeper understanding of player behaviors and preferences, make more informed decisions

OMNIA™



OMNIA™ is IGT's integrated lottery solution that converges the retail and digital channels, delivering the industry's first truly player-centric, omnichannel solution.



OMNIA™ modernizes the retail environment with convenient, digitalized player services – **Connected Play** – while providing a lottery with new insights on player-specific retail behavior.



OMNIA™ brings together IGT's proven, high-performing, reliable, and industry-leading solutions, leverages a modular, open architecture and standardized APIs to maximize flexibility, interoperability, and time-to-market for product innovation.

to strengthen game portfolios, and offer more tailored promotions and messaging to responsibly drive sales.

A deeper understanding of the player also unlocks lotteries' ability to apply modern and more cost-effective digital marketing techniques and CRM tools to reach players directly with more personalized messaging and offers. This helps to manage advertising budgets by lessening reliance upon costly mass-m communications.

Lotteries can provide players more information and resources to help them make responsible and informed decisions about playing. All of this versatility can be applied to drive not only better player experiences, but better overall ROI and returns to good causes.

For Lotteries

Via a single platform, OMNIA gives lotteries the versatility to offer lottery products in any channel. Even for those not currently regulated to sell online, enabling the Connected Play functionality will not only

provide previously unavailable retail-player data but also establish much of the foundation needed to offer digital sales once a jurisdiction is ready to enable that sales channel.

Because each lottery has different rules and needs, every layer of OMNIA can be tailored by customer.



IGT's new high-performance, high-volume Retailer Pro S2 terminal was built on the proven design of the Retailer Pro and features a high-performance CPU system, smaller footprint, expandability for increased player engagement, and lower total cost of ownership.

And while the components of the solution are open and provide a robust set of APIs that enable integration with third parties, OMNIA provides a fully integrated solution out of the box. This enables true omnichannel and single player view capabilities — without the need for long and complex integration projects with greater costs and maintenance challenges.

No matter the type of trade style a lottery needs to equip, all recent and current IGT retail equipment is capable of supporting OMNIA's Connected Play functionality by establishing the appropriate connections to provide lotteries with integrated retail and online data.

IGT offers a full range of terminal types and self-service types to meet any retailer need. The newest member of the family is a state-of-the-art retail solution that IGT introduced at the recent NASPL show: the **Retailer Pro S2**. IGT's new high-performance, high-volume terminal was built on the proven design of the Retailer Pro and features a high-performance CPU system, smaller footprint, expandability for increased player engagement, and lower total cost of ownership.

IGT can review a lottery's current equipment to determine the path to OMNIA and greater versatility, relative to each lottery's specific situation.

"Flexibility and configurability are built into OMNIA and its components so that each lottery can make this solution their own," said Melissa Pursley, IGT Senior Vice President Lottery Product & Sales Development. "The same versatility allows you to offer players more choices: Choices in the type of media they receive. Choices in how to purchase your games and how to redeem prizes. Options for more promotional entries. Added versatility with flexible point-of-sale options, leveraging open and standardized APIs to increase speed to market with new games. In so many ways, OMNIA offers a transformative opportunity." ■

To take your operation to the max, visit IGT.com/OMNIA to learn more or contact your IGT account representative.



than other forms of gaming, especially sports betting. Sharing all this data will help lotteries make a very convincing case.” From the Jackpocket angle, Bishop said the nimbleness of couriers has been one of their reasons for success. “We can be up and running in a jurisdiction within 60 to 90 days,” he said. “That is certainly attractive to states that can’t get iLottery quickly or might never get iLottery. And states with both iLottery and couriers have enjoyed success as well because of the marketing

and advertising of lottery undertaken by couriers. From an old director’s standpoint, I agree with everyone who said we have to work together. Look at sports betting. There is something called the Sport Betting Alliance made up of key operators. That’s the kind of unified front that could help the lottery industry. Sports betting happened very fast because they were speaking in one voice. The lottery industry could certainly use that type of strategy when it comes to iLottery.”

Stephanie’s final words were, “States with iLottery, like Pennsylvania, will continue to provide the industry with data and real-time information to combat the myths that come up. We have seen how important the iLottery player is to our states and how it can attract a new and often younger consumer. We must all work together to get this important sales tool into as many states as possible.” ■

Retail Modernization and Optimization continued from page 26

At Abacus, Terry Presta and his colleagues are implementing strategies with a view towards positioning lottery for the future retail store environment. “While we understand that players are on their mobile devices and either buying or scanning tickets, lotteries need to re-imagine the in-store experience,” he said. “Look at how many stores now offer self-checkout because of the staffing and margin pressures they face. Look at how the consumer is rapidly accepting self-checkout as the easiest and fastest way to get in and out of the store. This represents a tremendous opportunity for the industry. We’ve seen the success of offering lottery within self-checkout lanes in Canada and Europe. It removes labor and stock shrinkage and moves lottery into a positive for retailers. In-lane lottery sales is now a critical option for lottery to remain viable at retail.”

IGT’s Paul Riley agreed that “upping the game” at retail will pay off in the long run. “We know there are certain solutions that work pretty much everywhere they are deployed – jackpot signage, digital menu boards,” he said. “IGT has also created new vending machines which put lottery products front-and-center at retail and get us in front of even more people. These new machines have different sizes and different mixes of products so we can address the needs of a variety of retailers. Some retailers don’t want to handle the cash from a vending machine or load the tickets, so we have to provide business models and equipment that addresses their needs. We also have some new devices and solutions that are focused on in-lane, which is a long-term play for the industry and allows us to make inroads into previously

untouched retailers and trade styles. All vendors are looking at how they can increase the number of products available in-lane, including re-designing instant tickets so they can be more easily sold in-lane.”

As a lottery representative, Missouri’s Tonya Beenders said they talk often with as many retailers as possible, and providing new technology will only increase sales. “Many lotteries are limited in what they can provide to retailers because of staffing issues, so we rely on the vendors to manufacture and deploy the latest tech,” she said. “And we know that when the latest technology is deployed, sales only go up. Things like digital menu boards have allowed some retailers to increase the number of games they offer and speed up transactions. Retailers have told us what they want. Now we have to find the budget to provide this technology to as many locations as possible. In Missouri, as in many states, we can’t sell online so we need to up our game at retail.” Looking to the future, Drew asked “What should every retailer be doing in the next five years?”

Paul’s answer was simple. “Vending and in-lane,” he said. “There is amazing opportunity to expand lottery vending machines and optimize existing deployments. It has the added benefit of aligning with retailers’ and consumers’ continued adoption of self-service. Getting in-lane right is critical to the industry’s future. We have been working with Dollar General, one of the largest chain stores in the country and a trade style that is experiencing rapid growth in the U.S. They don’t want lottery equipment in their stores, so in a few juris-

dictions we’ve added in-lane capabilities for QuickTicket, draw-based games. Our hope is that we can prove the value of lottery to them and expand their offering to add instant tickets. Walgreens, another huge retailer with more than 8,500 locations across the country, has made some very detailed inquiries about lottery to include in-lane. If we can show these retailers that in-lane works, it’s another way to engage a category of retailers that has been difficult to penetrate. Through modernization, we can expand the lottery footprint.”

Max said that in five years he sees the use of paper play slips continuing to drop, perhaps not eliminated completely but largely replaced by digital play slips.

“You’re already seeing it happen now and this is another reason why digital advertising will see tremendous growth at retail,” he said. “No more play slips means lotteries will need to protect their retail real estate and leverage their current play stand space to adapt to these changes. Lotteries will need to modernize how they communicate with and educate players before they reach the counter. Digital PlayStations with continuously updated attract screen content and interactive experiences will become more prevalent. This gives lotteries more visibility in a retail environment that affords less POS space. It also gives lotteries centralized control over real time messaging including jackpot values, Instant promotions, live monitor games, prizes remaining, localized winner awareness, loyalty programs, and more.

Ongoing conversations with retailers will continue the digital push, according to Krista. “To me, retail modernization is

happening because of good partnerships between lotteries and vendors,” she said. “We bring solutions to them which help solve concerns they have. Once their issues are visible and clarified, we can then make connections and develop solutions that show we understand that one size does not fit all. Continuing this dialogue will be critical to making sure the retail experience is as seamless as the digital.”

Versatility and flexibility will define the future, Tonya said. “We need to help define what retailers should expect from lottery,” she said. “Retailer needs change quickly and sometimes we’re not as nimble as they need for us to respond to these changes. Consolidation of retailers has only increased the pressure for lottery to be more responsive and on a timelier basis. The downside for lotteries is that it can be costly to modernize and keep up with what retailers see or get from other consumer products vendors. The new lottery vending machines, for instance, are costly but our retailers want them and the only way we’ll expand our footprint is by offering this technology. This is one example of how we need to change the way we think and do business if we want to meet the expectations of our retail partners. We need to be prepared to offer customized solutions, particularly to our largest retailers.”

Terry owned a convenience store chain before becoming Kansas Lottery director (and eventual Abacus head-of-business) so he brings a wealth of experience on the needs of retailers. “You must have a modern strategy and smart tactics which support that strategy,” he said. “If you look at the lottery industry’s tactics over the past 20 years, it’s been effective especially on the scratch product side of the business with increased price points and payouts. These tactics have been great for sales. Eventually you reach the point of no return where the price and payout to player is so high it’s hard to increase the bottom line. The move to digital will help attract new players but in the end, it’s about keeping players happy, whether that is through new products or new technology.”

Max reiterated the importance of making sure players are aware of jackpots and understand how to play the lottery. “Some of the changes lotteries need to make are simple, such as upgrading to new jackpot signs that have the ability to display

jackpots in the billions instead of stopping at \$999 million,” he said. “Other changes, such as building a digital signage network, can be introduced over time.

Lotteries can start with a pilot, testing use cases and building out a digital communication platform. STRATA-CACHE’s digital signage software makes it easy

to add new digital experiences, building a more sophisticated signage network over time while conveniently managing all digital signage content from a single browser interface.”

Continuing to offer technology and platforms that make lottery easier and more enjoyable to players is high on Paul’s radar screen for the future. “Apps, loyalty programs – these are direct conduits to the player that exist today. And they’re among the tools that will continue to strengthen our ability to provide services to players that improve the playing experience,” he said. “Apps now include notifications to communicate changing jackpots. Apps also allow players to scan tickets for quick results and allow proximity marketing to reach players when they are near retail locations. And we have an opportunity to further strengthen our value to our retailer partners. If someone buys a ticket from a vending machine, it’s a relatively anonymous purchase. But by allowing the ability to capture the retailer’s consumer identity from their loyalty programs and feeding it back to the retailer, we allow them to gather a more complete picture of their consumer and work with lotteries to market to those players. The ongoing sharing of player data will help forge better relationships with retailers and ultimately help drive sales.”

Drew wrapped up the panel by focusing on the relationship with retailers and what panelists are hearing from them. “We want more money,” is the number one thing Tonya is hearing from Missouri retailers. “And while we can’t change their commission rate or give them more money, we can give them the tools they need to sell more lottery products and that will make them more money. They want the transactions to be quick and keep them protected from theft. And the major vendors are working on all that. The retailers also expect us to be collaborative and have a two-way dialog,

When a strong communication channel is created, retailers consider lottery to be a true partner.”

Paul said the bigger the retailer, the bigger the demands. “The top 20 retailers generate about 25% of all sales and comprise one-fifth of all locations in the U.S., so they not only receive a lot of our attention, they appreciate lottery and what it brings to them,” he said. “The flip side to that is that they are demanding on the operational aspects of things, particularly with respect to data. They want real-time data and nightly reconciliations to the penny. They are so important to our future revenue that we have to listen to them and create systems that provide them with the data and operational features they need.”

Terry agreed that helping retailers with their operations is one important piece of the lottery relationship. “When Abacus talks with retailers about our in-lane solutions, they all like it and at the same time want to make sure we don’t add complexity to their work,” he said. “All too often, retailers see lottery as adding to their workload at a time when they are trying to contain labor costs. But many now see an opportunity to get control of the lottery category and merge it with all their other POS transaction processing systems, instead of the historic two system situation that has existed for as long as there’s been lottery. Retailers are also pleased with how lottery has built up loyalty and is pushing players to return to retail. We are doing things that help retailers and we need to continue to focus on their needs.”

Retailers expect us to speed up our reaction time, according to Krista. “I think lottery is a bit siloed at retail and we move slower than some of the other industries that sell in the retail environment,” she said. “It’s important to start talking to our retailers about some of the big opportunities in front of us. The retail world is constantly evolving and while it is a huge investment of time and money, if we don’t evolve at their pace and bring solutions for today’s needs while futureproofing for changes that lie ahead, retailers are going to outgrow us and leave lottery behind. Continue the collaboration with retail and the results will be good for everyone – retailers, lottery, vendors, and players.” ■

needs, and therefore technical functionality, applies across all the verticals, and all the game categories. It's just the nature of the engineering. There are the components that need to do all the same things that are required by everyone: like login, confirm the identity of the customer, verify age and location and that they are allowed to play, and then authorize the person to enter and play. Players all need to deposit funds to bet with. Operators all need the geolocation and transaction-processing systems as well as an effective KYC (Know Your Customer) system. All these and much more need to operate together and that is true for all types of digital gaming, be it iGaming, i-Lottery, sports betting, or any other game-of-chance vertical.

Well, doesn't sports betting and online poker have areas of security and integrity exposures that an RNG (Random Number Generator) game like a slot machine or a lottery game would not have.

J. Bunevith: That's true. Monitoring betting activity to identify betting anomalies and irregular betting patterns and such does add a layer of complexity to sports betting and poker that does not exist with RNG games. In addition to the need to monitor integrity, sports betting in particular is all about risk management in a way that does not apply to RNG games. RNG games can simply be set to pay out a certain percentage to the player, to the operator to cover expenses and profits, and to the state in the form of taxes or funding for good causes from lotteries. Sports betting margins fluctuate depending on the seasons, the sports, the content that's available, the type of bets that are being placed, what key players may be hurt or impaired without it becoming public information, and the ultimate outcome of the match, which is not known beforehand. In fact, to your point, preventing corruption and managing risk are really what define and differentiate sports betting from most other game categories. The user-facing app, the games themselves, and promotional strategies and branding and other business activities that comprise the bulk of RNG games are a minor part of the sports betting world compared to the importance of risk management and integrity monitoring. But the core of digital gaming - registration, transaction processing, PAM and KYC, and so many other IT processes - are all the same across all game categories, including sports betting.

Sidebar comment ... AI is playing an invaluable role in the performance of risk management and fraud prevention. AI offers the ability to power through trillions of transactions to identify betting activities that are outside the norm; and assess all the factors that influence the outcome of a sporting match so you can set the odds so precisely that the aggregate result is both fair to the punters, while enabling the operator to make money.

One more clarification ... AI is a tool. Even if it does 99% of the heavy lifting, the information is at some point delivered to a human being. A key part of the AI picture is that a human will always be involved. The degree and capacities may vary, but human engagement will always be required for AI to be effectively integrated into the business of adding value and solving problems.

How will AI contribute to the goals of cyber-security?

J. Bunevith: Cyber-attacks have been happening ever since the dawn of the digital age. Black-Hat hackers started writing scripts to attack and break through firewall systems, and the never-ending race of updating operating systems began. Update the operating system, and Black-Hat hackers would find another vulnerability in a vicious cycle. Now, most major companies employ or contract White-Hat hackers to find those vulnerabilities before the Black-Hats do so the vulnerabilities can be fixed. Now we are moving up to where AI is scouring the system; running countless cyber-attacks to find out where the vulnerabilities exist. By the way, Black-Hats are applying AI in their own efforts to continue to implement their own attacks. That is one reason why the power of AI must be harnessed and applied by the law-abiding regulated world. AI is a tool, and if it is being used as a weapon by those who would harm us, our defenses would be outgunned if AI were not applied by White-Hats to fight against cyber-attacks. The power of AI is incalculable when it comes to preserving security, protecting consumers and players, identifying and preventing fraud. AI needs to be applied to its fullest capacity to secure the long-term health and success of this industry.

Some people are concerned that the role of AI in building profiles on consumers that include buying habits and such is an invasion of privacy.

J. Bunevith: Thankfully, there are procedural tools that enable multiple levels of opt-in and opt-out, effectively giving decision-making control over to the consumer. For instance, I opt-in to receive discounts on the things that I want to buy. And I opt-out to not receive promos on games I don't play and discounts on products I don't buy or services I don't use. I want merchants to know this innocuous information about my buying habits so they know what I want to buy and when I might want to buy it. Tracking my purchasing interests can only help me more than it can hurt. Likewise, players are likely to opt-in to receive promotions and discounts as long as they are relevant to them personally. The more information the operators have about what games I like to play, or what kinds of other products or services I like to buy, the better they will be at tailoring their communications in ways that are relevant to me. Call me crazy, but I want them to have the information that enables them to focus their promos on things that are relevant to me, and spare me from more info that I am not interested in. The evidence clearly shows many consumers agree with me on this, and that the next generation of consumers is even more open to this practical trading of information for discounts and other benefits. Airlines, coffee shops, and casinos are just a few who have demonstrated the value of loyalty programs and clubs. I know that lotteries have players' clubs and loyalty programs and would encourage them to invest even more in the build-out of those initiatives that reinforce the lifetime value of your customer.

AI will enable the operator to know the likes and dislikes of its players down to the Nth degree. That is already transforming the whole notion of KYC. I would submit this will be a decisive competitive differentiator going forward. The successful operators will excel at applying AI to their KYC initiatives, Loyalty Programs, and Players' Clubs.

Of course, everyone is already using AI. Not just data and predictive analytics. Your Mobile's spell-check auto-correct is an AI application. The functionality of Siri, Alexa, and Google Assistant is all powered by AI. Perhaps we should think of forward-looking technology and innovation not as a disrupter but as the pathway toward a better world. We just need to be OK with the never-ending learning curve that keeps us young! ■

The Player Journey Runs Through Digital Lottery

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March 14, Thursday: Breakfast, Conference sessions followed by lunch and reception

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