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SEPTEMBER/OCTOBER 2020

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CONTENTS

FEATURED INTERVIEWS



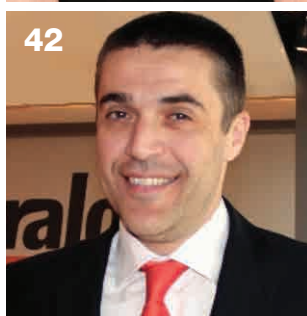
12



16



20



42



28



38

- 12 Thinking about the impact of post-COVID19 mega-trends on life, business, and Lottery**
Michelle Carinci, President, Chief Executive Officer, and member of the Board of Directors, Lottotech, operator of the Mauritius National Lottery
- 16 The entire team of Georgia Lottery stakeholders pulls together to produce a great finish to 2020**
Gretchen Corbin, President & Chief Executive Officer, Georgia Lottery Corporation
- 20 Texas Lottery continues to ride the Innovation Train**
Gary Grief, Executive Director, Texas Lottery
- 24 Combining dedication to service with proactive leadership in troubling times**
Luca Esposito, WLA (World Lottery Association) Executive Director
- 30 The Methods are changing while the Mission of the EL to serve its members remains the same**
Arjan van't Veer, Secretary General, European Lotteries (EL)
- 38 IGT PlayDigital: Turning Disruption into Opportunity to Enhance the Player Experience**
Enrico Drago, Senior Vice President, IGT PlayDigital, Sports & Italy Gaming
- 42 How Asia-Pacific Lottery industry is Responding to the Pandemic**
Marios Mitromaras, CEO, INTRALOT Australia and INTRALOT Gaming Services
- 50 Digging In on Diversity & Inclusion**
Kim Barker Lee, Vice President, Diversity and Inclusion, IGT



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FEATURED ARTICLES

- 28** Are Retailers Now Driving Lottery Modernization? If So, What Can We Do to Be in a Better Position of Partnership in the Future?
Mike Purcell, Senior Vice President, Sales & Marketing, Kentucky Lottery
- 32** For lotteries around the world, the pandemic has literally been a game changer
Pollard Banknote
- 33** In-Lane Instant Sales
Pollard Banknote
- 34** Where Do We Go From Here? Lottery Industry Poised for Hyperspeed Changes
Jim Acton, Lottery Industry Consultant
- 36** How COVID-19 inadvertently helped lottery instant ticket sales
Simon Jaworski, President, Leger U.S.A., Lottery & Gaming guru
- 44** Responding to COVID-19 after the first wave: The need for a three-dimensional approach
Philippe Vlaemminck, managing partner Pharumlegal
- 46** Lifting Sales Across the Portfolio with Top-Selling iLottery Games: Great Brands, Popular Game Mechanics & Strategic Promotions Redefine Performance
Scientific Games
- 56** Digital elnstants – What's Next??
Rhydian Fisher, Chief Executive Officer, Instant Win Gaming (IWG)
- 58** Oh, the Difference a Year Makes: Instant Game Sales & Funding for Education Grow in Ohio
Scientific Games
- 64** Do-it-Yourself Checkout ... the Abacus way
Edwin van Zon, Sales Director Europe, Abacus solutions International
- 65** Ukraine Breakthrough: Light at the end of the Gambling Tunnel
Evgeniy Vlasenko, Vice President of MSL Lottery, and member of EL executive committee
- 66** Pulling Creative Risk out of Radical Disruption: How order and timing can turn adversity into opportunity for positive change
JoyceLynn Lagula, Design Director, Wilson Associates

DEPARTMENTS

- 8** From the Publisher
Paul Jason
- 10** Congratulations to the newest members of the Lottery Industry Hall of Fame
Scott Gunn Senior Vice President, Corporate Public Affairs, IGT
Patrick McHugh Chief Executive Officer, Scientific Games Lottery Group
Gordon Medenica Director, Maryland Lottery and Gaming Control Agency
John Pollard, Co-Chief Executive Officer Pollard Banknote Ltd.
Nigel Railton Chief Executive Officer, Camelot UK
- 26** Shining the light on POWERBALL – the new team approach to promote America's jackpot game
MUSL NEWS (Multi-State Lottery Association)
- 68** Pulse of the Industry
Synopsis of Recent Industry News
- 76** Corporate Profiles PGRI Lottery Expo Producers
Spotlight on the Leaders of the Government-Gaming Industry

Visit Our Family Of Websites



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industry news & information

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videos of conference presentations

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From the Publisher

Hopefully you are seeing this a week *prior* to PGRI Lottery Expo Transformed. Our in-person Nashville event did need to be cancelled and we have a fabulous virtual program scheduled for October 14 to 16 and hope you can join us. See our news website (PublicGaming.com) or our conference website (PublicGaming.org) for the detailed program that includes presentation times, speakers, topics, and registration information.

The conference as well as this magazine are consumed with a focus on the *post*-COVID world. Sadly, it almost feels like wishful thinking as it is not clear when we will be emerging from the disruption caused by the pandemic and its economic repercussions. In the mean-time, there is no shortage of issues to address, problems to solve, and lottery tickets to sell right here and now. The good news is that the lottery business has not been impacted as negatively as many others. In fact, after a tumultuous March and April, most lotteries have fared quite well over the last six months. *Government lotteries are positioned quite well to consolidate the foundation of great products, retail network and distributional infrastructure, brand awareness and reputation, and connection with what is by far the broadest and most diverse base of customers in the games-of-chance industry.* Insofar as we are competing with other gaming categories for the attention of the consumer, lottery has the inside track. It would appear that is even more true now than it was in the pre-COVID world. What can we do to lock in whatever competitive advantages may have accrued to lottery over the last seven months? What insights can we leverage to further enhance the value of the games, the quality of the overall player experience, and the easy “omni-channel” access to the games?

We tried to bring a variety of experiences and perspectives to weigh in on these questions. **Michelle Carinci** spent the bulk of

her career in senior positions at Canadian lotteries and at GTECH, and as CEO of Atlantic Lottery in Canada before assuming the role of CEO of Lottotech, the operator of the lottery in Mauritius. As CEO of the Georgia Lottery, **Gretchen Corbin** is responsible for steering one of the biggest, most successful, and one of the handful of “iLottery” U.S. state lotteries. Texas lottery director **Gary Grief** is an innovative leader in the digitization of the in-store shopping and lottery playing space, as well as opening up the “big-box” national retail chain store channel. **Enrico Drago** and **Marios Mitromaras** bring the global commercial technology-partner perspective. It was so much fun doing all these interviews via the Zoom video-conferencing platform.

And a special thank you to Kim Barker Lee for our deep dive into Diversity and Inclusion. We discuss how “the Power of We” is changing the world, and why we need it now more than ever. This is a time not only of pandemic and economic disruption. *Perhaps not coincidentally, it is a time of profound civil unrest, during which we need a special kind of leadership which is keen on galvanizing the cultural enlightenment so necessary to ongoing progress.*

Thank you to all of our editorial contributors for insights into a strikingly broad range of topics. **Luca Esposito** and **Arjan van’t Veer** talk about the ways our industry associations are adapting to deliver value and connectivity to their membership. “MUSL News” is a new column that will be featured in every issue. The **Multi-State Lottery Association** manages the flagship brand of the industry – Powerball. But there is much more to MUSL than Powerball, including a big portfolio of regional games along with a sophisticated brain trust and engine for new game development. Pollard Banknote on how the economic restrictions imposed to try to control the spread of COVID have significantly changed how, when, and where we shop and buy things. **Mike Purcell** on lottery and retail modernization and on how

the trends that would have taken years to implement in the pre-COVID era is being compressed into months. Jim Acton puts this hyper-speed time-line dynamic into historical perspective. **Simon Jaworski** reveals the hot-off-the-press data and fact-driven insights into what drove the recent increases in sale of Instant scratch-offs. And this is the second column of **Joyce-Lynn Lagula** speaking about the redesign of recreational gaming venues and casinos as they reinvent for a more hygienic playing environment.

Congratulations to the six newest members of the lottery industry Hall of Fame. Join us at 4:00 pm CST Oct. 14 for the online celebration with current members and inductees **Scott Gunn, Pat McHugh, Gordon Medenica, John Pollard, Nigel Railton, Bishop Woosley**. See page 10 for biographies.

The virtual conference **PGRI Lottery Expo Transformed** will be held **October 14 to 16**. Check out conference website PublicGaming.org or news website PublicGaming.com for conference program and updates. We thank you for your support and commitment to an industry that serves the interests of society, of good causes, of players and retail partners, and of countless Lottery-sector stakeholders. We are thinking about you with a new sense of appreciation for the great privilege of actually being together again in person – and sooner than later!

Paul Jason, Publisher
Public Gaming International Magazine



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PGRI LOTTERY INDUSTRY HALL OF FAME

Congratulations to the newest members of the Lottery Industry Hall of Fame.

The 88 members of the PGRI Lottery Industry Hall of Fame have voted for and elected six industry leaders to be inducted into the Lottery Industry Hall of Fame for 2020.

The Lottery Industry Hall of Fame was founded in 2005 as a means of honoring those who have done the most to promote excellence and integrity in our industry and make the world lottery industry the great success. The recipients of this award are all a credit to that ideal and are joining a select and distinguished group of world lottery industry professionals.

Induction Ceremony

The six Hall of Fame inductees will be honored in a virtual ceremony at 4:00 pm Central Time U.S. Go to PublicGaming.com to join the celebration.

Visit LotteryIndustryHallofFame.com for info about the Hall of Fame and its members.



SCOTT GUNN
Senior Vice President,
Corporate Public Affairs, IGT

With a strong foundation in lottery operations and more than 25 years of lottery experience, Scott Gunn, Senior Vice President, Corporate Public Affairs at IGT has spent most of his career collaborating with public policy makers and customers alike to support lottery innovation and best practices. He understands that leveraging new ideas ensures lotteries across the globe continue to generate revenue for good causes.

After a stint supporting the Texas and California Lotteries, Scott served as the lead in lottery operations for IGT predecessor GTECH in the Western Region of the United States, so he understands the myriad of day-to-day issues for lotteries and lottery leadership. He grew up in the field where keeping lottery networks operating, customers engaged and ensuring integrity are the primary concerns. Since joining GTECH in 1994, he has held positions in sales, business development, government relations and global operations. While leading GTECH California operations, Scott managed a successful system conversion, supported major retail expansion, assisted in the launch of Mega Millions and in 2010 helped successfully inject prize payout flexibility into the law by shepherding a key piece of legislation over the finish line. As a result, annual lottery revenues supporting education in California have increased dramatically since its enactment.

Bringing people together in our industry is one of Scott's greatest strengths and helps ensure the lottery industry speaks as one. A leading voice in shaping the North American State and Provincial Lottery's government relations platform, Scott has helped gain consensus on global issues like responsible gaming, Internet wagering, daily fantasy sports, sports betting and gaming expansion – issues and innovations shaping the future of the lottery industry.

As a fierce advocate for lotteries in



PAT MCHUGH
Executive Vice President,
Lottery Group Chief Executive,
Scientific Games

Pat McHugh has served the global lottery industry since 1992. In his current role of CEO of Scientific Games Lottery Group, he leverages his wide-ranging experience as an advocate for industry modernization and innovation to support lottery missions. One of Pat's core values is collaboration. He recognizes to succeed, teams must work well together, products must work across platforms and markets, and suppliers must coordinate to provide integrated experiences for lotteries and their consumers. He has spent his extensive career bringing together divergent teams, products, and systems to create new solutions.

Pat began his industry career in 1992 managing the field roll out for the launch of the Texas Lottery, followed by the Georgia Lottery start-up. Then quickly moved into years of globally managing many of the industry's most complex lottery start-ups and conversions, before advancing into progressive levels of technical and business operations, product innovation, business development, and strategic planning. Pat led many strategic industry first-to-market initiatives, including expanded distribution channels, cashless payments, lottery sports betting, new network technologies, iLottery and other digital lottery platforms.

Pat has served lotteries in markets around the world directing dozens of complex gaming systems deployments, product launches, operations, new business initiatives, and strategic product development. He has been a leading and vocal industry advocate for sustaining the future of the industry's beneficiary funding through convergence of traditional and digital lottery products and technology, distribution channel expansion, innovative content, data analytics, and industry leading partnering services to add value and growth for his lottery customers. Under his leadership, Scientific Games Lottery Systems evolved



GORDON MEDENICA
Director,
Maryland Lottery and Gaming

Gordon Medenica is a lottery industry veteran, having managed lotteries in New York, New Jersey and Maryland, as well as being active in industry-wide activities. He began his career as the Director of the New York Lottery, the country's largest, in 2007. During his time in New York, the lottery set all-time revenue records every year. His proudest accomplishments include the initiative to the federal Department of Justice (DoJ) to rescind its interpretation of the 1961 Wire Act, an action that led to the legalization of online lotteries in 2011. Medenica and his team also created the New York Lottery Black instant ticket, which became the all-time best-selling ticket at its price point, with successful imitators world-wide. With a focus on advertising, the lottery also won multiple industry Batsch awards, culminating in the World Lottery Association (WLA) Best of the Best award in 2012. Medenica also oversaw New York's nine casinos and managed the successful selection process for the operator at New York City's Aqueduct racetrack, which has become one of the world's largest casinos.

After New York, Medenica was the transitional CEO of the Northstar New Jersey Lottery Group, which won the contract to manage sales, marketing and related functions for the New Jersey Lottery. He remains the only director to have managed lotteries from both the public and private sides. Also, he worked with the New Jersey and New York Directors to create and launch the Cash4Life multistate game.

Next, Medenica joined the Maryland Lottery and Gaming Control Agency as Director in June 2015. By focusing his team on instant ticket sales, he has consistently set revenue and profit records. He also oversees Maryland's casinos, opening its largest, MGM National Harbor, in 2016.

His work for the lottery industry includes serving as President of the North American Association of State and Provincial Lotteries (NASPL) in 2012; he currently serves on the NASPL Executive Commit-

Continued on page 55

Continued on page 55

Continued on page 55



JOHN POLLARD
Co-Chief Executive Officer,
Pollard Banknote Limited

With more than three decades of lottery leadership, John Pollard has helped steer Pollard Banknote from its beginnings in the Canadian lottery industry in the 1980s to become the world class lottery partner that it is today.

John has been integral to Pollard Banknote's ongoing evolution and growth, ensuring the company is constantly adapting to meet new challenges. As Co-Chief Executive Officer, he has worked alongside his brothers for many years, first with Gordon and now Doug. John's role focuses on the financial and operational aspects of Pollard Banknote. Together with his brothers, he oversees all strategic and general management of Pollard Banknote and its subsidiaries. With a clear vision for the future, he has fostered a long-standing history of innovation in print products and championed the company's movement into the digital space, particularly the establishment of NeoPollard Interactive, the leading provider of iLottery solutions in North America. John guided Pollard Banknote's strategic investment in the company's core business, as well as in the acquisition of new subsidiary companies, to augment Pollard Banknote's position as a proven lottery partner and innovator.

As Co-CEO, John continues to drive the company's ongoing expansion into new business sectors within the lottery and charitable gaming industries. John's enthusiasm and dedication keep Pollard Banknote top of mind as a partner in the lottery sector. John has led numerous initiatives to help lotteries attract new players, expand lottery products, extend the retail network, and thereby increase revenue for good causes. He oversaw recent acquisitions of Diamond Game, International Gamco, Schafer Systems, Fastrak Retail, and mkodo; subsidiaries that provide opportunities for lotteries to reach new markets and grow the player base.

John is also fiercely committed to the company's employees and the communities they live and work in. When John began at Pollard Banknote in 1986, the company had 57 employees, today Pollard Banknote's team has grown to nearly 2000 – almost 200 of which are members of Pollard Banknote's 25 Year Club – a testament to John's dedication to staff company-wide. Prior to joining Pollard Banknote, John worked as a Chartered Professional Accountant with Deloitte. ■



NIGEL RAILTON
Chief Executive Officer, Camelot UK
Senior Vice President, World Lottery
Association (WLA)

Camelot UK, one of the world's most successful lotteries, was established in 1994. Nigel Railton was appointed to lead Camelot UK in 2017.

Nigel was previously CEO of Camelot Global, which runs a growing portfolio of consultancy and private management contracts for which it has earned an industry-leading reputation. During his time at Camelot Global, Nigel was integral in securing the 10-year private management agreement to run the Illinois Lottery and worked very closely with Camelot's shareholder, Ontario Teachers' Pension Plan (OTPP), in the successful bid to operate the Irish National Lottery. This was in addition to negotiating a five-year contract to work with the Arkansas Scholarship Lottery to help it improve its lottery sales, as well as launching a new online gaming platform for Swiss lottery operator Loterie Romande.

Nigel joined Camelot in 1998 as Financial Controller and became Finance Director in 2003, later joining Camelot's Board in January 2006. He was also on the board of Camelot's venture in South Africa from 2003 to 2005, which saw the company establish and support the successful operation of the inaugural South African National Lottery.

Having played a key role in Camelot's successful bid to operate the UK National Lottery in the third licence period, Nigel became Finance and Operations Director in 2007, assuming overall responsibility for the successful implementation of Camelot's transition commitments. This saw Camelot complete the largest and fastest lottery upgrade of its kind in the world – with an entirely new network of touch-screen terminals and cutting-edge digital media screens; an upgraded gaming system via a brand new communications network; and a new, next-generation National Lottery website, with a re-designed interface and host of new functions.

In 2008, working alongside then Group CEO Dianne Thompson, Nigel took responsibility for developing Camelot's overall strategy for both the UK and international markets, and drove the sale of Camelot to OTPP in 2010. He then became Group CFO and Strategy Director, securing a four-year extension to Camelot's current licence, which now runs until 2023.

Nigel has also served the World Lottery Association, presently in the capacity of Senior Vice President. ■



BISHOP WOOSLEY
Lottery Industry Consultant and
former Director, Arkansas Lottery Commission

Bishop Woosley's initial exposure to the lottery industry began when he served as Assistant Attorney general in Arkansas and aided in the drafting of the Arkansas Scholarship Lottery Act in the 2009 legislative session. Bishop officially joined the Arkansas Lottery at its inception in July 2009 as Director of Procurement. That same year he assumed the role of Chief Legal Counsel, a position he held until February 2012.

In February 2012 he was named Director of the Lottery. Upon assuming the role of Director, Bishop was tasked with re-organizing and revitalizing a lottery that was faced with declining sales. As a result of his efforts to streamline the day-to-day operations and renegotiate lottery vendor contracts, lottery net proceeds increased by over 30%. The Arkansas lottery has enjoyed three consecutive record sales years and its highest ever amount raised for scholarships under his guidance.

In addition to rejuvenating the lottery, Bishop was also very active in the growth of the U.S. Lottery Industry. Over the last several years he has held numerous positions within the North American Association of State and Provincial Lotteries (NASPL), serving as Legal Committee Chair, Secretary, Treasurer, First Vice-President, and President. During this same period, he also served as Legal Committee Chair, Mega Millions Group Chair, and Secretary for the Multi-state Lottery Association (MUSL). Bishop's leadership and contributions to both organizations has helped shape the future of the industry.

In 2016, Bishop was selected to serve as MUSL Legal Chair. Less than 4 months after being appointed, a MUSL employee was arrested for leading one of the largest scandals in lottery history. Over the next three years as Chair of the MUSL legal committee, Bishop shepherded the organization through a litany of legal issues and two multi-million dollar class action lawsuits. As a result of his work, MUSL was able to resolve the class action quietly through mediation as opposed to a messy public jury trial for millions less than was originally requested.

Due to the resignation of the preceding NASPL President, Bishop has served one of the longest terms as NASPL President ever. During his tenure, the industry was shaken by the reinterpretation of the 2011 Wire Act opinion by the Department of Justice and the Covid-19 pandemic. Bishop has worked tirelessly to educate federal

Continued on page 55

» Michelle Carinci

President, Chief Executive Officer, and member of the Board of Directors

Lottotech, operator of the Mauritius National Lottery



BEGINNING TO UNRAVEL THE LONG-TERM IMPACTS OF CURRENT CRISES AND DISRUPTIONS

PGRI INTRODUCTION: Michelle Carinci has held senior leadership roles in the lottery industry since 1982. A Canadian national, she was appointed CEO of Lottotech in 2012. Prior to joining Lottotech, Michelle held the position of CEO at Atlantic Lottery Corporation, which under her leadership was recognized three times as one of Canada's Top 100 Employers. As President and CEO of the Atlantic Lottery Corporation, she developed and implemented a corporate social responsibility framework which strives to promote integrity, transparency and responsibility. Prior to joining Atlantic Lottery Corporation, she was President of Gamescape, a wholly-owned subsidiary of GTECH, and a Corporate Vice President in charge of marketing and customer relations at GTECH. She began her lottery journey at Western Canada Lottery Corporation in 1975, before moving to the British Columbia Lottery Corporation.

Michelle has been recognized four times as one of the top 50 CEOs in Atlantic Canada and is a member of the Lottery Hall of Fame class of 2006. She is a strong promoter of responsible gaming, having been one of the founding members of the Responsibility Certification Program on behalf of the WLA. In that role, Michelle aided in the creation of responsible gambling principles and its associated frameworks and standards which were unanimously approved by 140 organizations worldwide.

I am pleased to have known Michelle since introducing myself to her after her presentation at the very first lottery industry event I ever attended – the WLA Conference in Singapore in 2006. Michelle graciously agreed to talk with me now and share her insights into how to frame some of the most perplexing questions about big-picture mega-trends and how they will influence and re-shape our world in general, and the worlds of business and lottery in particular.

Paul Jason: What was the situation in Mauritius at the outset of the pandemic?

Michelle Carinci: Similar to organizations around the world, Lottotech had to

respond quickly to ensure the safety and health of our team and all stakeholders as well as focusing on business continuity. Fortunately, in Mauritius we had time to

put together a detailed Business Continuity Plan in response to the Covid pandemic which complements our existing BCP anticipating there would be a lock-down of some sort. So, in most respects, we were well prepared for a lock-down and confinement. In addition, we applied an excellent Enterprise Resilience tool provided by E & Y to ensure we had considered the impact of a lock-down on all aspects of the business.

A rapid response forum was created where key team members could meet virtually several times a day. Once we were satisfied that the team was safe and supportive measures were in place we did the usual stress test of the top line, profit and loss, and cash flow. Strengthening our liquidity became important as we had to shut down the sales entirely because lottery play and revenue were not considered an essential service.

While we have Security as a Service 24/7, the company had never tested security in a work-from-home environment, so once the confinement period was over an assessment was done through a third party and subsequently the findings were addressed.

This was also the first time the Company experienced the need to continually postpone draws and from an IT perspective that was not a trivial undertaking. Half a world away from each other the teamwork between Lottotech and IGT was admirable.

What were some of your observations and key learnings from this experience?

M. Carinci: Several things come to mind in reflecting on the past several months. One in particular stands out for me and that is how the team grew stronger, more agile and worked together across all disciplines to support each other and the communities we work in and to get the job done. Thank goodness for technology which was the integral enabler for all this to happen seamlessly.

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The second aspect that comes to mind is the magnifying glass the pandemic placed upon the global issues we are facing from a growing myopic nationalism/populism, to the changing environment and the disparities relating to the distribution of wealth throughout our communities and society in general. I started to consider the impact this disruption could have upon our industry. I began to wonder as an industry what more we could do together to meet the challenges and make a difference in our respective worlds. We have always taken pride in making a difference in the communities we operate within through the earmarking of our revenue for good causes and our corporate social responsibility programs. In fact, this is a qualifying factor to be a member of WLA.

I reflected on how as an industry we responded to the need for a responsible gaming strategy and framework and how that is part of our DNA today. What else might we do collectively as an industry to continue to have the consent to operate from all stakeholders into the future not just to protect our business but also because it is the right thing to do. There are inspiring examples of gaming organizations rallying during the crisis, doing their part to ensure vulnerable groups are cared for and protected. How can we keep that momentum going and make it even stronger? Do we have technology applications that go beyond gaming that could benefit society as a whole? Are we taking the time to consider what's next for us beyond the games and are we living up to or into

“After all, we have discovered without knowing it that we provide more information to search engines than to our families. Our phones and social media now hold data about our behavior, preferences and perhaps even our state of mind. We now live in world where target marketing is easily deployed through the use of this information.”

our purpose? The answer is likely yes, but then the question is, can we do more?

How might the world be different when we come out of this crisis?

M. Carinci: During the confinement period we have all had the time to think about this very pertinent question. After reading about and listening to what experts and folks more qualified than I am on this matter are saying, I think there are several trends that may have an impact on our industry and perhaps on us personally and professionally. But honestly, I still have more questions than answers.

According to those who study global mega trends, we may see an acceleration of these trends such as cyberwarfare, work/life boundaries, climate activists and behavior economics just to name a few. It is estimated by major technology providers that the world has already experienced two years of digital transformation in just a little over two months.

There has been an acceleration of the use of technology. For example, the adoption of the public cloud, remote and flexible working hours, technology that improves business continuity, the use of collaboration tools like Microsoft Teams and a heightened

awareness of the need for Security as a Service. A good example of this is the acceleration of cashless solutions to eliminate the need to handle cash and interact physically at retail.

The pandemic has driven risk-mitigating processes and procedures designed to track employee health, reduce human to human interactions as well as upgrading ventilation and physical barriers. The need to mitigate risks may

challenge privacy protection and lead to a little more permissive ethical mindset. The contact tracing process introduced by many countries and organizations during the pandemic is a good example of this.



Michelle and husband Jan helping to contain the oil spill off the coast of Mauritius.

Social distancing has prompted organizations to embrace video conferencing like never before. Virtual classrooms and virtual learning, while controversial, have become viable alternatives.

The development of next generation remote working technologies, such as augmented and virtual reality, are predicted to create such efficiency that organizations will likely retain them into the future. For example, Loto-Québec recently deployed a robot to present a cheque to a winner.

Many are rethinking their real estate footprint as well as considering new collaborative and teamwork models.

Unfortunately, enabling remote work and teaming raises the risk of isolation and loneliness which may impact well-being and productivity. So we need to balance technology adoption with creative approaches to maintain a sense of community and meaning. At Lottotech we have found that a high percentage of employee engagement in our CSR initiatives is effective in doing this.

Organizations will be challenged on innovation during this time of scarce resources and concern about cash flow. Balancing the investment of innovation for the long term

Continued on page 62

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"The machines have saved our site."

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"Income from games are very helpful in keeping the site open!"





Gretchen Corbin

President & Chief Executive Officer,
Georgia Lottery Corporation



THE ENTIRE TEAM OF GEORGIA LOTTERY STAKEHOLDERS PULLS TOGETHER TO PRODUCE A GREAT FINISH TO 2020

PGRI INTRODUCTION: The Georgia Lottery Corporation finished its fiscal year 2020 with record sales and net transfers to its beneficiary, Georgia's HOPE Scholarship and Pre-K programs.

"Our FY20 results are a reflection of the fortitude and commitment of many," Georgia Lottery President and CEO Gretchen Corbin said. "As with all companies, 2020 has been an historic year, challenging us to the max, which makes me even more honored to report this record year of returns for education. Our team has been laser focused on delivering the greatest amount possible to the state in a year where we first focused on outpacing 2019, the year of one of the largest jackpots in history, and then added COVID-19 challenges to our goal to surmount."

After a dip in March, Georgia Lottery sales rebounded in the last quarter of FY20 as players became more familiar with online play availability, many retailers remained open because of other services they provide, and most other forms of entertainment were limited.

We talked with Gretchen Corbin to get some insight into how they did it.

Paul Jason: Congratulations for ending up the year with another record fund transfer. There must have been some anxiety about how you would close out the fourth quarter?

G. Corbin: Thank you. We did have an excellent year – \$1.23 billion returned to the state of Georgia for the HOPE Scholarship and Pre-K programs. Like my colleagues all around the country, I was concerned about how we would meet our financial targets without the large jackpots of the previous year. How do we overcome that and maintain that same level of success? Before the pandemic began, the

Georgia Lottery was on track to exceed that number for the fiscal year that ended in June. So we were thrilled. Then, the first couple weeks of the pandemic put the entire industry on red alert. In the beginning, I think we were all immersed in the mission to address the immediate challenges and just keep the business operating amidst so many uncertainties.

Once we gained visibility into the direct short-term impacts, and how to deal with them, we could begin to assess the situation and fine-tune the Business Continuity Plans. We found ourselves in a position in which much of what we had been

doing was not going to work under those conditions. **Since we need to change so much anyway, we decided to take the opportunity to explore pathways to make things better than they were before and improve on what we had been doing.**

We turned the urgent need to address short-term crises into a catalyst for more sweeping progress to hopefully lay a foundation for long-term sustainable growth. We all know, for instance, that technology is available to enable vast improvements in operational efficiency and effectiveness as well as enhancements to the whole player experience. Well, this was the opportunity to move quickly from the planning stage and into implementation mode.

Our teams executed well under the most challenging conditions. And when I say teams, I refer not only to our Georgia Lottery employees but to all the support we received from the state of Georgia, from our retail channel partners, and from our vendors. We all came together and asked, "How do we continue being successful?" That's our job, that's our commitment to the state of Georgia, and our beneficiaries and stakeholders all depend on us to deliver. The pandemic just gave us another reason to push ourselves to be even better than ever.

Your per capita sales are among the very highest in the country. And, of course, Georgia is one of the most populous states. So to continue to build when your marketplace penetration is somewhat optimized already is amazing and impressive.



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G. Corbin: It's important to give the kudos to our retailers. At the end of the day, without our retailers, who were still selling during the pandemic, our sales would not have happened, and we would not have been successful. I always want to make sure, in any year but especially this year, that we extend our heartfelt appreciation to our partners in the retail arena. We were incredibly fortunate to benefit from their hard work during this time period.

You have been focused on building out the digital and online connection with the audience of lottery players. Can you speak to how that will unfold over the next nine to 12 months? Also touch on the importance of integrating those strategies with your focus on helping your retailers succeed too.

G. Corbin: When we first started our online lottery platform, a huge concern for us was to make sure that the additional sales that accrued from the online channel did not negatively impact retailers. **What we found and what I think all iLottery states have found is that as our online sales grew, so did our retail sales. They are synergistic, mutually reinforcing.** Additional channels mean additional consumer touch-points which create more consumer awareness of our brand. They see it in one area, they get excited about it in another, and they may end up actually playing the lottery in a third area. Our retailers understand that our online lottery growth has just helped brand the product and bring in new consumer groups, and this results in more sales and store traffic at retail.

The online audience connection also gives us this incredible opportunity to do cross-promotional and marketing activities that benefit our retailers. You might have a scratcher that you buy at retail and you have an online component where someone goes online to register in a second-chance drawing. They learn about your online offerings, and you have the ability to do promotions online that drive players back to retail. All this cross-selling not only drives sales, it enhances the player experience. This 360-degree lottery playing ecosystem makes it more fun and engaging for the players.

Like Lottery, retailers are under pressure to modernize. It seems like we should work together to achieve this common goal. How might Lottery take this oppor-

tunity to carve out a bigger role for itself in helping retailers modernize.

G. Corbin: Every aspect of the business changed very quickly during the pandemic. Point-of-sale, advertising and promotions, internal operations, as well as retailer support and the application of technology to enhance the in-store shopping and playing experience. For instance, we like to support our products and our retailers by having digital marketing boards in our retail locations. These digital marketing boards don't just post the latest jackpot amounts. They give us the ability to change the message to appeal to a specific consumer interest at a specific point in time. We may want to announce a new product or promotion. We can collaborate with the retailer on a shared co-op promotion.

The digital message board makes it easy to instantly broadcast a message to the in-store customers across thousands of retailers. It requires an incredible coordination between the lottery, the scratcher vendor, the paper vendor for the digital products, and the distribution between our warehouses, our vendors' warehouses, and delivery straight to our retailers. The skillful execution on the part of each member of the supply chain allowed our sales team to focus on specific niche items and encourage and assist our retailers via phone when they could not be there in person. And in spite of these constraints, the product was to the retailer before the retailer even needed it. The systems and effective execution on the part of each member of the teams enabled preordering and re-stocking so the product was there when the consumer was ready to buy, and to meet the increase in demand that came in April, May and June.

How are digital marketing boards different from digital signage?

G. Corbin: Digital marketing boards enable us to vary the messaging as we like, and to change out the messaging as frequently and as quickly as we like. So we are communicating the right message to the right audience at just the right time. Of course, our insight into exactly what we want to express and where and when we want to express it, is improving with each passing week. But the creation of the message and the mechanisms that send the message to the digital marketing boards in the retail store is all done right in our own offices.

We've always appreciated our retail partners but at no other time than these past five months has that been more apparent. The increases in our online sales contributed to our results as well. We were very appreciative that Governor Kemp designated convenience stores as essential retailers to continue operating during that time period.

How do you weigh the trade-off between the need for innovation and the need to maximize short-term ROI?

G. Corbin: We start with the recognition that we have to not just keep up with the times but be ahead of the times. Our players expect technical options, a user interface and overall UX that competes with the likes of Netflix and other tech leaders. We're very appreciative of our gaming partners for recognizing that and for embracing the opportunity to meet that challenge. We depend on our technology partners to keep us competitive, to help us be the best partners to our retailers, and to exceed the expectations of the modern consumer.

Whatever technology we deploy, it needs to have a high ROI. What has been done well in Georgia is to balance the need for innovation, the need to take risks, and the keenness to manage that risk and minimize waste.

At the Georgia Lottery we've got a bottom-line mission and that is to maximize revenues for the students of Georgia. We want to be aggressive and progressive, but we need to be sure that we're doing it in the most responsible way. We're always keeping our eyes on the next responsible opportunity because if we're not constantly looking with an open mind, we have short-changed the students of Georgia. We are thrilled to always be innovative while at the same time appreciating and respecting the great lottery products that have worked so well for so long. We are thankful for the incredible scratch ticket products that have provided entertainment for our customers and allowed us to keep sales where they have traditionally been.

How do we drive ongoing growth of instant scratch-offs?

G. Corbin: I think we need to continue to be creative. We need to stay in touch with our consumers and understand what they like about a specific game. We need to figure out what our players like so we can prepare for the next six months and 12 months while also staying in touch with the day-to-day so

Continued on page 75

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GARY GRIEF

Executive Director, Texas Lottery



TEXAS LOTTERY CONTINUES TO RIDE THE INNOVATION TRAIN

PGRI INTRODUCTION: The Texas Lottery has been on an aggressive track of modernizing the in-store player-experience and retail support functions, expanding the retail POS footprint, and investing in innovation. Some things never change.

Paul Jason: What are some of the impacts of the pandemic on the state of Texas generally and on the lottery specifically, and how did you respond to that?

GARY GRIEF: Texas really took a double hit to its economy. We had the state and all of retail shut down except for what were deemed essential services. At the same time, the oil and gas industry completely collapsed. There was even the most extraordinary phenomenon where oil prices actually went to zero. Other than sales tax collections, oil and gas taxes are the biggest source of government revenue in the state of Texas.

Thankfully, all 20,000 plus of our lottery retailer locations around the state were deemed essential services by our Governor so they remained open throughout the pandemic. Over the last two weeks of March and the first two weeks of April, we initially saw sales drop by roughly 15%. But sales snapped back very quickly and started to really take off on the scratch ticket side of our business by the third week of April. This occurred with our daily draw games as well. Since that time, we have been exceeding last year's record setting sales pace for scratch tickets by more than 30% every single week, and scratch ticket sales never dropped below \$111 million a week during this time.

Just last year, we set an all-time record for total lottery sales of approximately \$6.25 billion. Our latest fiscal year just closed on August 31st and we concluded the year with sales slightly above 6.7 billion. That sales increase of more than \$450 million was achieved on the back of the scratch ticket product. The annual increase in scratch tickets was actually over \$710 million, allowing us to make up for the \$260 million decrease in jackpot draw game sales due to the decline in Mega Millions and Powerball. Scratch tickets now comprise 82% of our total sales. Thus, scratch tickets are obviously where we will continue allocating the bulk of our resources because that is where we see the growth coming from.

Our \$50 scratch tickets this year broke every record and were one of the strongest growth products we've ever had. We have already laid the groundwork to introduce a \$100 scratch game in the near future. We think there's a serious market for that price point and, of course, the value proposition for the player must be slightly higher. Our challenge is to continue to create unique prize structures and experiential prizes that make our games fun and attractive for our players at every price point.

Powerball and Mega Millions now each comprise about 2% of our total sales in

Texas. Consequently, that's the proportionate attention we can give those products as we continue to shift our focus to the products working best for us, and that's the scratch ticket product and the daily draw games.

The pandemic has resulted in lots of restrictions that maybe caused more people to turn to Lottery for fun and recreation? Maybe there is a potential to get even more creative and innovative to appeal to lock in the playership of these new consumer groups and appeal to an even broader variety of playstyles and motivations?

G. GRIEF: I agree. And I think we will retain a large portion of the player groups who may have first come to Lottery during the pandemic. They've recognized the ease of purchase, the ease of redemption, the entertainment value. YouTubers are certainly familiar with the YouTube personality known as Mr. Beast. Mr. Beast reached out to one of our retailers recently, HEB Grocery, and made a purchase of \$1 million of one of our \$50 scratch ticket products. Mr. Beast's team scratched those \$1 million worth of tickets "live" on YouTube, and created a compelling production of the scratching of those tickets. This video quickly shot to #1 on YouTube with millions of viewers, garnering the Texas Lottery a tremendous amount of exposure. This is just an example of the lottery's potential to connect with the next generation of consumers, people who just want a story to go with their playing experience. We need to connect our product with a compelling story – and connect all that with our audience via social media.

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The Texas Lottery started years ago to shift a larger and larger portion of your ad spend into digital platforms. This in spite of the fact that you don't actually sell lottery tickets online. Have you been able to measure the ROI of that investment?

G. GRIEF: We have a very deep respect for the state in which we conduct business. We operate in a conservative state; in fact, an anti-gambling state. If allowing a lottery in Texas were considered today, I'm not sure the votes would be there in the Texas Legislature. My view is that the Legislature tolerates the lottery but certainly does not embrace it, and there are probably mixed feelings about the notion of actually promoting it. As a result, Texas has one of the lowest per cap ad spends in the country for lottery. I wonder from time to time what we could accomplish with just an average advertising budget. When our budget was dramatically cut several years ago, we quickly realized could no longer afford the cost of statewide traditional TV or radio campaigns. So we looked instead at digital media such as Spotify, Pandora, and YouTube, and how we might create spots efficiently and rapidly to hit timely topics and coincide with top-of-mind memes. And we lowered costs by producing some of the spots in-house with our own talent at the lottery. That has also unleashed some of the creativity of our team by collaborating with our advertising agency to forge new approaches. That collaboration parlayed Austin's status as the music capital of the world to loop lottery in with socially-distant virtual concerts. These have had tremendous viewership via social media. So we are finding more cost-effective ways of attracting attention and eyes on our products and our mission to support good causes. The lack of an adequate advertising budget has forced us to become more resourceful and the direction that has taken us in just happens to appeal to a younger generation, an additional benefit for our long-term sustainability.

How you are utilizing the courier model in Texas?

G. GRIEF: First, one must understand that the Texas Lottery has no relationship with the lottery couriers in our state and, in fact, has no purview over their business operations. What courier companies do is comparable to "Uber Eats" in the restaurant business. They simply make

the product available to players who are not playing at retail. That fills a void in our state, especially during the pandemic. The brick-and-mortar retailers that have partnered with couriers in our state are far and away the top sellers of lottery draw games, and some are moving now to provide the scratch ticket product via courier as well. These retailers and their courier partners have done a remarkable job in acquiring and marketing to their players, distributing the product and redeeming prizes without issues. A side benefit to the good causes the Texas Lottery supports is the investment the couriers have made in promoting the Texas Lottery brand. From what I have seen, they invest heavily in digital and print advertising in our state.

Again, couriers are not affiliated with or even licensed by the Texas Lottery. They have simply partnered with traditional brick-and-mortar retailers.

Of course, we are aware of how they operate and do our best to ensure that the appropriate interest groups in Texas state government are informed about the activities of couriers.

I'm asked from time to time about the likelihood of the Texas Lottery ever being allowed to sell lottery tickets over mobile devices. I don't foresee that in the near future due to the conservative nature of our state, but even if the Texas Lottery were allowed to enter this market, one concern is the fact that state agencies like the Texas Lottery are subject to open records laws. That means our player base would become subject to open record requests and this would likely have a chilling effect on players being willing to provide their information. The courier model makes the products available to the consumer without putting the Texas Lottery in the uncomfortable position of being compelled to disclose the names of the online players as that information is not under our purview.

You are a leader when it comes to innovation and modernization at retail. How has retail modernization transpired in general but also how has it been impacted by the challenges of the last few months?

G. GRIEF: Innovation has been formally instilled as a core value for our organization for many years and every decision we make includes an analysis of how that decision will impact the amount of

revenue we can generate for good causes. Dollar General, who previously did not carry lottery products, now carries both Powerball and Mega Millions through our in-lane Quick Ticket product. Family Dollar, another new lottery retailer, along with Kroger, who has been selling traditional lottery for years, will both soon be adding the Quick Ticket product in the same manner. HEB, on the other hand, a preeminent Texas-based grocery store chain that has been supportive of lottery for many years, wanted to take a different path to providing lottery products in-lane. Working with the NASPL API initiative, HEB has implemented the first Receipt Ticket lottery product in the US for Powerball and Mega Millions in all of their stores, meaning that the customer's lottery ticket is actually printed on their grocery store receipt. Initially the Receipt Ticket product was made available in the business centers at all HEB locations, but recently they have begun rolling out the implementation in actual checkout lanes. Both the Quick Ticket and Receipt Ticket had to undergo rigorous scrutiny by MUSL and meet all the requirements for valid and secure wagers.

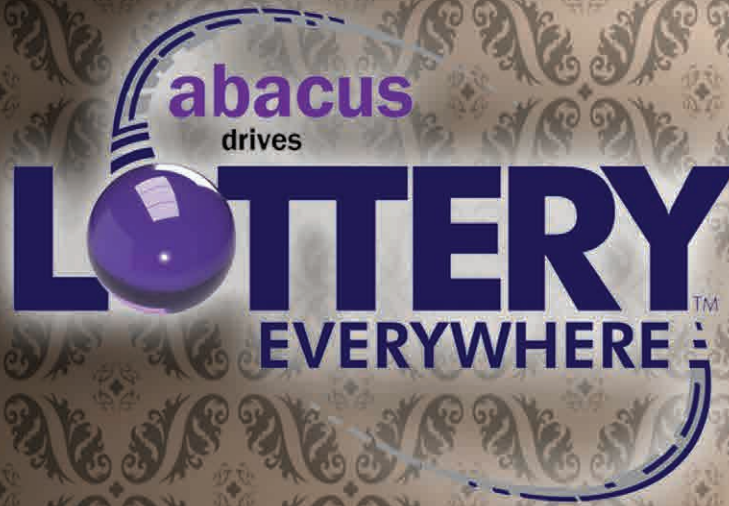
All of these initiatives— these are just precursors and part of our long game to ultimately getting the scratch ticket product in-lane at all of these locations. I've already challenged our three scratch ticket print vendors, Scientific Games, Pollard, and IGT, to come up with an economical, efficient methodology to have the scratch ticket offered in-lane so that it can be seamlessly integrated right into the checkout process, and some of the preliminary ideas I've heard are very exciting. That's the end game for us — making it super easy for the shopper to play the lottery in a seamless manner during the check-out process in these large chain stores. This will ultimately lead to ubiquitous access to lottery for all consumer groups, a key component of our long-term growth strategy.

That expansive view towards positioning for the future and reimagining the way we measure outcomes must involve a form of rethinking KPI's. If it's not sales, what are the key performance indicators?

G. GRIEF: It is a number of things. It certainly includes sales, just not a myopic view of short-term sales. The focus is instead on long-term sales and sustainability.

Continued on page 67

“But which way do I go from here?”
“That depends a great deal on where you want to get to”



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» LUCA ESPOSITO

WLA (World Lottery Association)
Executive Director



COMBINING DEDICATION TO SERVICE WITH PROACTIVE LEADERSHIP IN TROUBLING TIMES

PGRI INTRODUCTION: The World Lottery Association (WLA) is an international trade organization that serves the interests of state-authorized lotteries and suppliers to the global lottery industry. The WLA serves over 150 state lotteries and more than 75 lottery sector suppliers worldwide. WLA lottery members exist to support good causes in their respective jurisdictions through the sale of responsible, ethical, and entertaining gaming products.

Paul Jason: What are some the direct here-and-now impacts of the pandemic?

LUCA ESPOSITO: As we now speak, the number of confirmed coronavirus infections has globally surpassed 23 million. By the time this interview goes to press, the number of confirmed infections will likely be significantly higher. Of course, the pandemic lockdown had an adverse effect on the global economy, and consequently on the lottery and sports betting industries. Here and now, I would say that the industry is, on the whole, still in recovery mode. In a few countries, such as Brazil, India, or Australia, the pandemic arrived later than it did in other parts of the world. In other areas, where the lockdown has been eased, they are already seeing a resurgence of the virus. A second wave of the virus is likely to come, however I feel that first wave taught us what to expect and how we can better cope with another lockdown.

How has the global pandemic changed the methods that WLA serves its members?

L. ESPOSITO: I would say that the pandemic lockdown has strengthened the bond that we have with our members. We

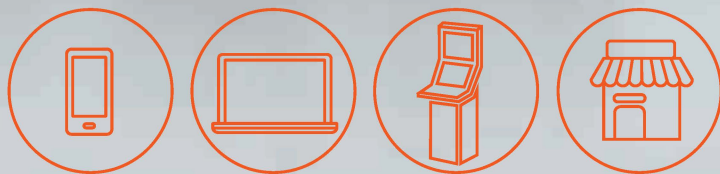
know that across the globe many of WLA members have had to endure losses as a result of the lockdown. For that reason, we acted quickly to cut membership fees by 50% for 2020. And, although we have had to cancel all of our live events this year, we have adapted some of our seminars to be held virtually. This past June we held a sports integrity webinar in cooperation with the European Lotteries (EL) and GLMS. The event was a resounding success. Coming up in September we have week-long webinar on Corporate Social Responsibility and Responsible Gaming and in October we have planned a webinar on information security; both events will be held in collaboration with the EL. Details for both webinars can be found on the WLA website at www.world-lotteries.org. Once the pandemic is over, we may even consider partially keeping the webinar format alive. Live seminars are certainly good for bringing our members together to meet, mingle, and share experiences. But there are members in some countries that have always had travel restrictions, and the webinar format provides these members access to ideas and information that they might have otherwise missed out on. We

have also significantly stepped up our communications, especially on information concerning the pandemic.

We have released two special issues of the WLA Quarterly Lottery Sales Indicator that provide an in-depth look, in facts and figures, as to how the pandemic has impacted the lottery and sports betting industry worldwide. The WLA Quarterly Lottery Sales Indicator will continue its extensive reportage on the pandemic as long as the pandemic continues to have repercussions on the industry. We also launched the WLA News Update, which aggregates industry news from around the globe. The WLA News Update goes out to our members via email on a weekly, or sometimes bi-weekly basis. Although the WLA News Update prioritizes information on the COVID-19 pandemic, it also covers general industry news, news on cybersecurity, sports integrity, sports betting, and responsible gaming. We have had a positive echo from the membership on both of these efforts.

For the world lottery community, the key to success going forward will be continued global cooperation. Now, more than ever, the sharing of information among our members is paramount. Thus, on top of keeping the community informed via the WLA News Update and the WLA Quarterly Sales Indicator, we will do all that we can to disseminate best-practice information, including sharing the experiences our members have had in dealing with the pandemic crisis, as well as providing learning tools such as the WLA-SCS Crisis Management Guidance

Continued on page 29



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SHINING THE LIGHT ON POWERBALL – THE NEW TEAM APPROACH TO PROMOTE AMERICA'S JACKPOT GAME



Gregg Edgar, Executive Director of the Arizona Lottery, and MUSL Marketing and Promotions Committee Chair

The Marketing and Promotions Committee is one of seven standing committees at the Multi-State Lottery Association. Over the past year, the committee has built a successful working partnership with Dick Clark Productions, implemented new Powerball® brand guidelines and recently launched a new Powerball draw show. Now, under new leadership, the committee is working with the larger Association to bring a data-driven approach to the management of the Powerball brand.

In July, Gregg Edgar, Executive Director of the Arizona Lottery, succeeded Rebecca Paul Hargrove, Tennessee Education Lottery President and CEO, as MUSL Marketing and Promotions Committee Chair. The committee, which consists of 13 lottery directors from various geographic regions and jurisdiction sizes, oversees all national marketing and promotional opportunities for the Powerball Product Group. One of its biggest accomplishments this year – the debut of a new Powerball draw show in late September.

Edgar along with Beth Bresnahan, DC Lottery Executive Director, and

Brian Rockey, Nebraska Lottery Executive Director, served on the subcommittee that was tasked with enhancing the show. The iconic draw show had remained largely unchanged since the Powerball drawings were moved to the Florida Lottery draw studio in 2012. One of the most noticeable updates to the show is the rollout of new Halogen II drawing machines and solid foam ball sets from Smartplay International. This marks the third time in Powerball's 28-year history that the drawing machines have been replaced due to evolving industry standards, and the first time that official ball sets included solid foam balls instead of hard rubber balls.

"We wanted the focal point of the new draw show to be the winning numbers and Powerball branding," said Bresnahan, who chaired the draw show subcommittee. "The additional production elements were chosen to create a fresh, modern backdrop that captures the energy and excitement that is synonymous with America's big jackpot game."

The subcommittee changed the show's color palette from dark blues to Powerball's signature brand colors of red, black and white. The opening animation was also designed to pay homage to Powerball's signature trademark of "It's America's Game®" with white balls rolling across a map of the United States and stopping on Powerball's 48 selling jurisdictions. In addition, original music was composed to build the anticipatory excitement leading up to the drawing of the winning numbers.

The subcommittee, which got started on the project in late January, had initially planned to debut the new draw show in late April. Then in March, COVID-19 hit. Despite numerous challenges presented



by the public health crisis, the subcommittee was able to continue its work on sourcing the music with the assistance of OH Partners, Arizona Lottery's agency of record, and the graphics and animations with the assistance of Mike Vasilinda Productions, the Tallahassee-based production company of Powerball drawings. The subcommittee met several times to review assets in calls facilitated by Barb Niccum and Anna Domoto from the MUSL staff and Lou Ann Russell, Executive Vice President of Marketing and Advertising at the Tennessee Education Lottery.

The Marketing and Promotions Committee is now moving forward on another top agenda item – the formation of a working group of marketing professionals. Starting this fall, the marketing directors of the Marketing and Promotions Committee lotteries will meet monthly to provide fresh insight on MUSL initiatives. The calls will also be a platform for the marketing leads to share case files of successful promotions and best practices that could be replicated by other lotteries.

"The working group concept is designed around bringing the marketing professionals in our industry together to solve the challenges that the brand has been seeing, but also to generate learning opportunities across jurisdictions," Edgar said. "This will not only help us expedite conversations, but also ensure certain initiatives aren't lost in translation between directors and staff."

The committee plans to use the working group as a sounding board

for evaluating potential partnerships for the Powerball brand. This role will be especially vital as the committee works to produce and distribute new information about its RFP process. From past experiences and pitches, the committee recognizes the need to share more background on its decision-making process and timeline for approval. While Powerball is a world-renowned brand, it is collectively owned by 38 member lotteries that operate under different rules, regulations and authorizing legislatures.

"We are working to build flexibility into our process and help other brands understand our complexity so that we can get better alignment for Powerball promotions," Edgar added.

The committee is working alongside the Association to bring a data-driven approach to how it gauges potential partnerships, promotions and line extensions. Part of that assessment is defining what factors determine success, e.g. sales, social media impressions, brand exposure, etc. The metrics may vary by MUSL committee, but for the Marketing and Promotions Committee, defining success and its top objectives could lead to greater buy-in from the Powerball Product Group and speed line the process of rolling out a new national promotion.

"Ultimately, our goal is to better serve players," said Sarah M. Taylor, MUSL Board President and Hoosier Lottery Executive Director. "By organizing, examining and understanding the data, we can effectively identify trends that help us highlight our strengths, innovate with partners and promote Powerball." ■



» MIKE PURCELL

Senior V.P., Sales & Marketing,
Kentucky Lottery Corporation



ARE RETAILERS NOW DRIVING LOTTERY MODERNIZATION? IF SO, WHAT CAN WE DO TO BE IN A BETTER POSITION OF PARTNERSHIP IN THE FUTURE?

PGRI INTRODUCTION: With more than 30 years in the lottery industry at three different lotteries, Mike Purcell's perspective is informed by a wide variety of management experience and problem-solving challenges. But it is lottery sales where Mike has become the "go to" person in the industry and where vendors and lotteries alike can learn from his experiences.

Today, Mike is SVP of Sales and Marketing for the Kentucky Lottery. But his collective experiences, starting at the Virginia Lottery in 1988 and then Deputy Secretary of Sales at the Florida Lottery, have formed his views of where the lottery has been and where it is going.

Following is an edited transcript of the presentation by Mike Purcell at PGRI Lottery Expo in Miami in March, 2020.

Have lotteries lost their edge? I raise this question because I look at how retail is modernizing at such a fast pace. Then I look at our apparent inability to keep up and to make those changes quickly. We need to look at few issues:

Why does that happen?

Our sales are better than ever but what should sales be? What opportunities are we really missing?

How much of the future have we already missed?

What products and games are going to die as a result of our inability to keep up?

How much of our footprint in the store are we going to lose because of our inflexibility?

What else are we going to lose because of our inflexibility?

Over the years, retailers have improved their operations. In 1964, convenience stores introduced self-service fueling and upgraded to pay-at-the-pump in 1982. Some 7-Eleven stores now have cashier-less shopping. You walk in, put your groceries in a bag, walk out without stopping at the counter, and get charged automatically for your merchandise.

But what has lottery changed significantly in the past 15 years? Scratch tickets are still primarily sold from plastic dispensers, credit cards can't be used for transactions, lottery accounting can still be cumbersome.

The experience in supermarkets, another key lottery sales location, is not much better. After shopping, customers stand in line to pay and then stand in line again to buy our product. Making the buying process easier is critical – according to Supermarket News, 87% of supermarket customers prefer to shop

in-store. So, despite mobile apps and other technological advancements, the consumer still wants to shop in the stores.

I look at the Walmart near my house in Kentucky and there are 30 checkout lanes, and only eight use a cashier. They have two vending machines which feature great technology, but lottery doesn't truly integrate with how they do things. We've been discussing in-lane for many years, and some lotteries are beginning to try different options, but this is certainly a missed opportunity at this important retail location.

Another issue I see is the sheer speed of retail operations. C-stores, for example, ideally want customers in and out of the stores in two minutes (currently the customer average is just over three minutes). But the lottery industry is one factor in keeping retailers from reaching that goal, as we've moved from a few lottery games offered at retail to more than 80 facings in some stores.

I should reiterate that we've done many, many things right. Some might argue that our record sales are proof that we continue on the right track and should be cautious about changing course.

But perhaps we should give a second look at doing things like offering draw games add-ons in an attempt to revive a struggling product. Perhaps we should be partnering with our retailers to understand their five-, ten- and 20-year technology needs and plans.

Yes, we have record sales. But are we doing enough?

Moving forward, I see several areas where we can make ourselves more relevant as retailers continue their modernization and technological advancement. Number one – brick and mortar is not going away so we must continue our support of that critical sales avenue. Number two is that app-based ordering is going to continue to expand and lotteries must be a part of this trend.

For retailers, it is important that we understand their different needs. What is important to C-stores isn't necessarily important to supermarkets. If we're treating them all the same, we're missing opportunities to truly help improve lottery operations

and, ultimately, sales.

Technological integration is critical. Last year, millennials placed 622 million app-based orders for delivery. Wouldn't we like to be a part of that trend? In Kentucky, we have seen a direct link between our digital media activity and visits to retail. In fact, in 2019, we found that our digital media spend during the first six months drove 1.8 million visits to Kentucky retailer. Needless to say, this digital activity will only continue to grow.

So how will these retail changes impact the long-term plans of lotteries? This question can only be properly answered if lotteries and retailers are working together towards the

same goals. And that means communicating with each other. We can't do everything at once. Neither lotteries nor our vendors have unlimited resources. The answer is to prioritize our activities and projects and start working on those projects that will have the greatest impact.

I'll end where I started – have lotteries lost their edge? We are certainly behind in implementing technology to match what is taking place in retail. But with open communication between lotteries, retailers and vendors, we can develop plans that are based on the needs of all us as we work towards our common goals. ■

Esposito from page 24

(issued by the WLA SRMC to facilitate the execution of WLA-SCS certification assessments in times of crisis). With such measures we aim to provide WLA members a 360-degree view of what is happening now and what we can learn from it to better prepare for the future.

Has the impact of the global pandemic been profound enough to cause a re-imagining of the fundamental mission and purpose of the WLA?

L. ESPOSITO: Absolutely not. If anything, the impact of the global pandemic has confirmed our purpose as a global trade organization of state lotteries and has given added meaning our mission of advancing the interests of our members around the globe. We will always be there for our members, especially in times of crisis. We will remain close to our members throughout this ordeal and for as long as we exist as an association.

I was impressed to see how our member lotteries endeavored to support their beneficiaries despite the lockdown-imposed austerity that they endured. In some cases, participant lotteries additionally donated revenue to help fight the coronavirus and to help protect the most vulnerable during the crisis. Lottery staff also provided valuable community outreach services, as in the case of FDJ employees who donated over 1,400 leave days – the equivalent of EUR 300,000 – in support of medical staff and persons of need afflicted by the crisis.

Likewise, the Hong Kong Jockey Club (HKJC) set up an HKD 100 million emergency fund during the COVID-19 pandemic and donated 100,000 mobile Internet data cards to underprivileged students who may not have Internet access at home.

La Marocaine des Jeux et des Sports (MDJS) also allocated MAD 100 million to a special fund established to support the costs of upgrading medical devices and to help support the national economy weather the impact of the crisis.

And in the UK, the National Lottery directed around GBP 600 million toward charities and organizations to help alleviate the impact of the pandemic.

These and other efforts by our members show the true spirit of the world lottery community, and give credence to the mission of the WLA.

It must be hard to plan for a future that is so uncertain. How do you do that when we do not know how external circumstances and conditions will evolve? Without knowing when the pandemic will be eradicated, how can we know when in-person educational seminars, conferences, and trade-shows will resume? And will they resume in a fashion similar to what they were pre-COVID-19?

L. ESPOSITO: The future, in any case, is uncertain. It is important that we remain proactive as an association and not sit passively by while the situation unfolds. As I mentioned previously, we currently have a solution for the seminars. Webinars will play a vital role in the WLA's educational program throughout the pandemic and will remain an essential educational tool post pandemic. More challenging will be the WLA's flagship event the World Lottery Summit (WLS), which is slated to be held in Vancouver, Canada in October 2022. But that is still two years down the road and I am optimistic that the coronavirus will be brought under control by then.

Besides, working together with our friends at NASPL and BCLC, I am certain the we will, in any case, find a solution for WLS 2022 that will indeed make it an historical and memorable event.

In what ways will the methods of operation, services provided by WLA, be more permanently changed or impacted by the current crisis?

L. ESPOSITO: I believe that the pandemic crisis has taught us a few lasting lessons. I think state lotteries around the globe have come to see online gaming as an essential tool for business continuity in the face of a pandemic lockdown. It is clear from our research that lotteries and sports betting operators that have robust online gaming platforms in place, were better able to weather the pandemic than those that do not. I believe that the WLA can play a vital role in promoting online gaming throughout the industry. The WLA and the whole world lottery community must do all that they can to help convince regulators in countries with online-gaming restrictions that online gaming is mission critical for lotteries in their quest to raise fund for good causes.

We also need to continue collecting and analyzing data on how the pandemic has affected the industry in order to prepare for the future. We need to continue finding out what some of our members have done to endure the crisis in order to learn what worked and what didn't. And we need to work closely with our associate members to find out, from a supplier's perspective, what can be done to withstand another lockdown should one occur in the near future. ■



ARJAN VAN'T VEER

Secretary General, European Lotteries (EL)



THE
EUROPEAN
LOTTERIES

THE METHODS ARE CHANGING WHILE THE MISSION OF THE EL TO SERVE ITS MEMBERS REMAINS THE SAME

PGRI INTRODUCTION: The European Lotteries is the umbrella organisation of national lotteries operating games of chance for the public benefit. EL brings together state-owned and private operators, both profit and non-profit, who operate on behalf of the state, and only in jurisdictions where they are properly licensed. Its mission is to promote the sound and sustainable gaming model for the benefit of society that is based on the values of subsidiarity, precaution, solidarity and integrity. The organisation is a proactive and strategic forum for reflection and discussion between its members and a true laboratory for the design, implementation, and further development and architecture of the EL operator model; and to promote the cooperation between its members by providing them with the platforms for exchange, educational offerings, industry data, information and sound support.

And Arjan announces EL Congress 2021 in Croatia. Fabulous – We can't wait to see everyone there!

Paul Jason: How has the pandemic impacted EL and how the Association continues to serve its members?

Arjan van't Veer: At this moment, I have been working from my home in the Netherlands for over five months. The Covid-19 pandemic hit Europe in early March of this year and, like many of the EL Members, we decided that the staff of EL would work from home as well. Luckily they are all still safe. Now, at the end of the summer, we are confronted with new and fast growing

numbers of cases. New restrictions are in place in many countries. It is impossible to predict where this will bring us.

The EL Executive Committee decided in March that the work of the association should continue, no matter the pandemic. We therefore still monitor and contribute to the relevant dossiers that are passing in the European institutions. Important dossiers such as the Digital Services Act, the Anti Money Laundering action plan, the CEN/Cenelec standard on reporting

on online gaming are closely monitored and worked on together with the EL Working Groups. In our contributions to these consultations of the EU institutions, we constantly stress the importance of a national, individual approach towards the regulation of gambling in Europe. That safeguards the interests of the players at best and, as a result, it is the basis for a sustainable model where the revenues are used for the benefit of society.

The important role that lotteries play in society was also the topic of a very special online event that EL organized. This extraordinary webinar was organized under the sponsorship of the Croatian presidency and focused on the role that national lotteries perform for the benefit of society in general as well as during the pandemic.

A. van't Veer: By granting its support, the Presidency clearly recognised the important role of lotteries in society. EL is active not only on the EU playing field. Where needed, the association helps its Members at the national level by putting forward views and facts on various regulatory debates. EL can readily provide examples on regulatory developments in other (EU) countries. That can inform and guide politicians and regulators.

EL has some 70 Member Lotteries, spread over the greater Europe, from Iceland to Israel. The association was created in 1983. Some of the world's largest Lotteries are prominent and important Members (FDJ, Lottomatica, OPAP, SELAE) as well as some of the world's oldest ones (Dutch Staatsloterij -now Nederlandse Loterij- founded in 1726 and Portugal's Jogos Santa Casa founded in 1784). Total sales of the EL Members was in 2018 some 92 billion euros, of which 20 billion euros was returned to society.

EL Educational Seminars have always been such a valuable part of your service. How do you envision the future of these programs?

A. van't Veer: At the start of the pandemic, it was clear that we could not organize physical seminars as we were used to doing. We turned several of them into online activities. And unfortunately, due to the pandemic, we had to cancel our bi-annual Industry Days that were planned this year in Manchester. Together with Camelot, our host for this event, and the EL partners IGT, Intralot and Scientific Games, we concluded that due to the difficult circumstances, we should cancel this meeting. I took the initiative to launch an EL E-learning platform for our Members, free of charge. In only a few days we were able to launch the platform and in a first phase, we offer, in 4 languages, general modules on personal effectiveness and skills. After the summer we will bring new, lottery-related modules to this platform, for example on CSR. A third phase will bring business school related modules. I do see the role for educational activities of EL as vital and that ongoing development contributes to a strong, sustainable lottery model. Exchange of best practices and learning opportunities will enable the EL Members to further innovate and stay ahead of the competition from illegal operators. EL has one of the best frameworks on Responsible Gaming in the gambling sector. EL supported its Members to become certified, and will continue to do so. By doing so and by investing time and money, we are able to certify all EL Members in a few years' time. Service is key for an association as EL.

I introduced two years ago the EL Corporate University, that reaches out to new Lottery employees as well as executive management. Together with EL honorary president Ray Bates, we offer unmatched education programmes on all aspects of our sector. These modules will now be transferred to a virtual Corporate University environment that is unique to the lottery world. I see this as an important example of how we are able as an association to adapt to the new reality and create value for our Members. Although we do of course miss very much the times to personally visit and interact with our Members.

EL is turning itself more and more into a service oriented association. That means that we will continue to invest in more

and valued services to our Members. EL will bring these services, data, and initiatives that an individual Lottery Member can't readily do – especially now, in a time where the Covid-19 pandemic also hits on the Lotteries' budgets. The lockdowns and other ongoing measures do have an impact on the ability of the Lotteries to conduct studies or do innovations. EL can step in and help out. We are developing a database of studies on relevant gambling related topics. Often important national studies are not shared now, so we will make the findings and outcomes available to our Members. Another example is a study that EL conducted on the Socio Economic Contribution of Lotteries in Europe. We will commission a study on the topic of a risk-based approach towards gambling advertisements, to be able to answer with facts based on today's developments. Too often now, we see strict advertisement bans for all types of gambling. A risk-based approach is really needed to protect players as well as a basis for a sustainable lottery model. The EL website will also be renewed. A website is an interesting hub to inform interested stakeholders as well as the EL Members. Our new website will be state-of-art and will have many new and interesting features.

I want to thank EL Members, all of whom are very much involved in helping and caring. We monitored, over a three month period, what happened and how the EL Members responded to the pandemic. And where they were hit by the lockdowns, we also saw that many lotteries helped out in those difficult times, exactly as they have been doing for many years. Several Lotteries made their staff and also their company cars available to hospitals. They provided masks for free. And not to forget, they stood beside the points-of-sale to help them with hygiene measures, financial arrangements and other important support. It showed immediately how dedicated Lotteries are. From our monitoring we saw also the developments into new forms of gambling such as betting on E-sports as regular sport activities were limited. Via our sister association GLMS (the Global Lottery Monitoring System), we were able to identify irregularities in sports activities to avoid match fixing and betting problems. Unfortunately we saw also some regulators that took very strict measures and did not allow some of our Members to offer their games. One can imagine that illegal gambling, both online and offline, grew under those regimes.

How do you plan for the future when we don't know how external circumstances and conditions will evolve?

A. van't Veer: I believe that the Lotteries adapted to the "new normal" in a professional way. All our Members were, where they were allowed to do so, able to continue securely offering their games and draws. Outsiders from our sector can hardly imagine how complicated that was. Business continuity plans, operational risk management procedures and dedicated staff proved quite capable of dealing with this unprecedented situation. EL shared best practices on these themes to further assist its Members in this. Our Operational Risk and Assurance Working Group was of great help to us. I think that all EL Members learned from the players that enjoyed their secure online games during the lockdowns. These learnings will be important in the further developments towards an omnichannel approach, in which offline and online sales channels will meld into a general, service orientated channel. Although I do not believe that in this new normal every player goes online for his or her games. They will continue to like the personal approach of their local retailer.

In what ways will the methods of operation, services provided by EL, be more permanently changed or impacted by the current crises? Of course, none of us really knows for sure how the future will re-shape our business models, but what are your plans for positioning EL for long-term adaptation to whatever the "new normal" ends up looking like?

A. van't Veer: These are clearly uncertain and troubling times. Nevertheless, I do have a positive outlook for the role and the activities of EL. The sustainable way forward for lotteries, also based on the lessons learned during the COVID-19 pandemic, will be at the core of EL's Congress 2021 we are now preparing. The Croatian Lottery will be our host for this event, where we hopefully can meet in person again. It will probably be under 'a new normal' whatever that may be, in a year from now. We are working on this event, again in the best hope of being able to meet physically. We will keep an eye on the developments and where and when needed we will adapt. We will keep you informed and look forward to seeing you there! ■

For lotteries around the world, the pandemic has literally been a game changer.

The economic restrictions introduced to help control the spread of COVID-19 have significantly changed how, when, and where we buy things. This is having a huge impact on lotteries.

To help figure out where we're headed, we've mined conversations we have had with our lottery clients and their retailers to identify emerging trends and actionable strategies that will help define the future state of the industry.

Instant tickets—already a significant source of revenue—have become even more important for lotteries trying to navigate the pandemic economy.

Like all lottery products, instant tickets saw a sales slump when economic restrictions were first put in place. Fortunately, instant sales rebounded significantly as restrictions were eased and consumers began to adjust to the new normal in retail. This was important to overall lottery performance given that some lottery categories, draw-based games in particular, suffered from declining sales.

Despite the overall retail slowdown and the decision of some lotteries to cut back on advertising, the appeal of instant sales was heightened in the eyes of pandemic-weary consumers. This is particularly true of ITVMs, which became even more popular for some players after the pandemic disrupted the retail experience.

Some of our lottery partners reported that sales via ITVM were higher, particularly when they offered cashless options that paralleled overall trends in retail. One East Coast lottery reported that players reinvested their ITVM winnings at a rate

that was 150% higher than pre-pandemic. And average spend was also way up, with another lottery reporting an increase of \$7 per ITVM transaction over pre-pandemic sales.

However, in order for the current success of instant tickets—sold either at the cash register or through ITVMs—to be sustained well into the future, it must be supported by lotteries through new and innovative merchandising strategies.

The latest generation of ticket menu boards and vertical displays will be of particular importance in an age when competition for store and counter space is more intense than ever, following the introduction of pandemic-era retail essentials such as hand-sanitizing stations and public health information.

The same impetus surrounds the latest innovations in ITVM design, many of which fit the new retail reality to a tee. For example, Schafer Systems' Select 4 Mini ITVM features a digital display, cashless/touchless payment options, and a compact size that allows for an increased range of placement possibilities in a broad array of retail types. With consumers showing more interest in instant sales, now is the time to increase flexibility and embrace the new in-store display reality.

Retailers are leaning more heavily on instant ticket sales as consumers adjust to the new pandemic retail experience.

Instant tickets have long provided retailers with strong, steady ancillary income. However, as they have regained—and in some instances surpassed—their pre-pandemic appeal for players, retailers reported that revenue earned from instant tickets has become increasingly important.

A large national grocery chain in the U.S. told us that they have always viewed instant tickets as a great "alternative revenue stream" that augmented their main product offerings. However, they said instant sales have increased in importance during the pandemic, helping offset losses in other product categories.

Smaller retailers have experienced the same trend. For example, Speedy Q, a family-owned chain of convenience stores and gas bars operating in Michigan, said that instant lottery ticket sales grew at a rate "significantly faster" than almost any other product category in their stores. This surge in instant ticket sales was enhanced with the use of ITVMs.

More importantly, Speedy Q representatives said that lottery tickets in general, and instant tickets in particular, had two distinct advantages over other products. First, the time needed to manage inventory is less in relative terms than other product lines. And second, in those jurisdictions where incentives and bonuses were offered, it helped to significantly increase their margins on instant sales.



In-Lane Instant Sales

Delivering distinctive products, business processes and merchandising solutions to drive in-lane instant ticket sales.

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Some lotteries have reported that retailers are so happy with instant ticket performance that they have allowed them to increase facings between 50% and 300% in some retail locations.

Lotteries have known for some time that the instant ticket category was a critically important growth vector. However, retailers are now finding that, in relative terms, instants represent a manageable product that can—when displayed in the right way—provide steady, predictable revenue. If lotteries reach out to their retailers, they may very well find a keen appetite to discuss new ideas and approaches.

Lotteries must look now to adopt new measures to future-proof key product categories like instant tickets.

Along with traditional bricks and mortar retail, lotteries have been looking for many years to establish a greater online presence. As is the case with many other industries, the pandemic forced businesses to introduce new ideas in record time. With the pandemic expected to impact retail for years to come, now is the time to innovate.

The retail industry, which is so key to lottery sales, is already moving rapidly to embrace new technologies and platforms to provide a broader array of options to consumers.

Both retailers told Pollard Banknote that they are looking for ways of allowing their customers to add instant lottery tickets to their online orders, which have become increasingly popular during the pandemic. Although lotteries must resolve safety and security issues, the possibility that consumers could add a lottery ticket to their online grocery order with the click of a mouse certainly suggests new and limitless possibilities.

In the face of a crisis, when uncertainty is now the rule and not the exception, lotteries need to take decisive action to protect their current revenue streams while also looking for opportunities to grow.

In response to pandemic-related economic restrictions, retailers are already transforming their business models at lightning speed. It will be essential for lotteries to show their retail partners that they are also strategically committed to new ideas and technologies. Pollard Banknote is already working with its lottery partners on some of

these innovations, like our In-Lane Activation Platform, that allows customers to purchase tickets alongside other convenience items to minimize the number of in-store transactions.

Summary

Pollard Banknote strongly believes that in a time of crisis, it is essential that we watch, listen, learn, and share ideas. This is to ensure we not only survive, but overcome current challenges and thrive. Given their past importance, it is not surprising that instant tickets are proving to be a vital lifeline for lotteries and retailers.

However, the recent growth in instant ticket sales cannot be taken for granted. Lotteries and their retail partners must work diligently to improve product visibility and offer as many different frictionless delivery channels as possible. Pollard Banknote is committed to helping lotteries and retailers improve the overall purchase experience to future-proof the instant revenue stream.

WHERE DO WE GO FROM HERE? LOTTERY INDUSTRY POISED FOR HYPERSPEED CHANGES

Jim Acton, Principal, Acton Strategies, Lottery Industry Consultant

More than 70 years ago, World War II gripped the entire globe. From the islands of the South Pacific to the farmlands of central Europe to the streets of London, the world's citizens were either directly involved in the conflict or had countrymen involved in the fighting.

The human toll of that war was great, and it took many countries decades to recover. But this momentous time in history also resulted in some of the greatest advances to society and our daily lives:

- **Computers:** They might have been the size of a classroom during the 1940s but the predecessor to what today fits in our hands got its start as technology to crack the enemy's "enigma" codes.
- **Penicillin:** With battlefield infections killing thousands of soldiers, the invention of penicillin helped save lives during wartime. It quickly made its way into society's medical treatments.
- **Women in the work force:** World War II provided unprecedented need for women to join the workforce and opportunities for women to hold jobs never before available. While many women lost their factory jobs after the war ended, more than one-third of women continued to work outside the home, and that trend accelerated into the 1950s.

Fast forward to 2020 and instead of a global war it is a global pandemic that has turned life on its head in all corners of the world. When COVID-19 is brought under control sometime in the future, what will be the after-effects? Will there be positive impacts like we saw after World War II?

It may be hazardous to speculate about an uncertain future, but here it goes:

- **Flexible workplace:** In March, tens of millions of workers were sent home as employers responded to government-mandated lockdowns. Now, many of those workers will permanently work from home, impacting how people work and where they live. And I do not think anyone expects that we will ever return to the traditional 45 hours of working in an office combined with jetting off to see clients three or four times a month.
- **Technology improvements:** No work-related travel meant a sudden demand for video conference capabilities. Tech companies responded with platforms that brought employees together to

meet, collaborate and succeed. We are just scratching the surface as "process engineering" will combine with technology to unlock powerful new productivity tools, methods, and infrastructures.

- **Focus on health care:** It is now obvious that healthcare is critically linked to national security, economic stability, and harmonious social fabric. Global governments will need to create health-care systems that focus on value-based outcomes, preventive care and technology.

One still-to-be-seen outcome is which corporate leaders will move us into this new era? Who is best suited to lead us in the healing and growth period that will follow, once COVID-19 is contained? It might be cliché to say that it will be the "disruptors" that rise to the top, but history has shown us that companies that fit into this category are best suited to change and be the catalysts for others to change. Some of the most important - and successful - disruptors offer products and services that are counterintuitive to who they are:



Could lotteries also become disruptors?

Short answer - of course. Actually, in many ways, lotteries have been leading disruptors in some states since March. While other state agencies were locked down, lottery employees were deemed essential personnel. While delays built up in the delivery of services to constituents amongst some agencies, lotteries shipped tickets and critical supplies to retailers and sales soared. And, most importantly to states, lotteries continued to drive revenue and deliver contributions to good causes.

Certainly, the pandemic has altered how many people – starting with government officials – think of lotteries. While other state employees were being sent home (and some are still home), a number of lottery employees continued to work from their offices. As we saw from the fiscal year results released in July, many lotteries enjoyed record-breaking numbers even as other state agencies, particularly those that rely on tax collections, posted huge drops. Suddenly, lotteries became THE revenue generators for states. Seemingly overnight, lotteries morphed into something resembling their private sector brethren.

When the final story is written on 2020 and the global pandemic, the list of winners will be long, with losers including some sectors important to everyone – travel, dining, indoor fitness, entertainment.

But the winners will likely win big – cleaning services, supermarkets, food delivery companies, streaming services, online retailers.

Look at Wayfair, the e-commerce company that sells furniture and home goods. In February, Wayfair announced that it was

laying off more than 500 people across the company as the result of a revenue downturn. Fast forward just a few weeks and from mid-March to the end of April, the company's stock surged 500%. As Amazon focused on the fast shipping of essential goods, Wayfair focused on other products that weren't a priority for Amazon.

The lottery industry's 2020 looks somewhat similar. Low jackpots were hurting Powerball and Mega Million sales and while instant ticket sales had continued to increase, lottery revenues overall were lagging in March. Conventional wisdom said that shelter-in-place orders would cause sales to plummet. And in some states they did, but only temporarily.

Even in a pandemic, people needed gas (convenience stores) and food/supplies (supermarkets). So two of the largest sources of lottery sales remained open in all states. Meanwhile, EVERY casino in the country was closed for a period of time and only re-opened at a staggered pace. For gamblers, the lottery was the only show in town.

With Challenges Comes Opportunity

Where do we go from here as an industry?

For lotteries, the past year has shown that their employees can be flexible and not only adapt to working from home but in many cases, thrive in that setting. This is something we've seen for decades in the private sector. Obviously there are some jobs that require a presence at a lottery office or facility, such as warehouse workers and employees who oversee the shipping of tickets and supplies to retailers. But with the ubiquitous application of technology,

many employees can do their jobs from any location.

As employees slowly return, they will see a different workplace than what they left in March. Contactless entry ways, reduction in the number of cubicles, and plexiglass dividers are among the visible changes they'll see. The changes they won't see are just as important - improvements in air quality management and overnight cleaning of facilities.

But could we see a lottery world with no primary corporate headquarters? Instead of one large office housing key departments, a lottery adds more regional offices for claims and sales support and many workers continue to work from home. In this case, IT would also play a larger support role as the remote workers need laptops and, perhaps, mobile "hot spots" for wifi connectivity.

COVID-19 has forced all of us to reimagine how we live and work. For business, it has accelerated trends that were already starting to gain traction. We have unique opportunities to improve our interactions, evolve our businesses and adapt to the new realities that will certainly continue once the pandemic has ended.

Digital – Dead Ahead

The betting money for lotteries is on a full leap into the digital world. While many lotteries benefited financially from the closing of casinos, the iLottery category actually delivers a better player experience than what is offered online by casinos. In fact, if you put the online gaming options offered by casinos and lotteries side by side, there are many similarities visually. One big difference – the financial payout to players is higher for lottery than casinos.

Currently, there are seven lotteries that offer online lottery purchases for their players. What's taken place with each of them since March is perhaps the preview to where the digital road will take many lotteries over the next few years:

Georgia (2012) – Georgia's iLottery program has grown exponentially under CEO Gretchen Corbin. Initially battered in the early days of the pandemic, the lottery rebounded in the final quarter of the fiscal year, which CEO Corbin attributes to the promotion of their online lottery offering. Final fiscal year profits soared to a record \$1.24 billion.

Continued on page 74

HOW COVID-19 INADVERTENTLY HELPED LOTTERY INSTANT TICKET SALES



Leger

Simon Jaworski, President, Leger
U.S.A. Lottery & Gaming guru

Breakdown: What's driving the Dramatic Increase in Scratch-Tickets Sales?

Logic dictates that, as economic challenges press on the general public, discretionary purchases are the first items to be yanked from the weekly shopping list. Data trends indicate that if the magic number (is that up to \$500m jackpot level?) is not reached to pull in the casual player, sales will fall, and lotteries across the United States will likewise be challenged to meet their annual sales and net funding goals. Psychologically, the effects of this pandemic have been to put a large dent in the habitual behavior of the traditional lottery player, with fewer visits to the store.

However, in the past six months, logic, data and common sense have all been tossed out of the proverbial window. And why is that, I hear you cry. Well, dear reader, the booming scratch ticket industry, that's why!

Leger has been tracking scratch play and associated metrics since the start of the pandemic back in March, and the most recent special cuts, from the last weekend in August, have unveiled some incredibly interesting trends.

Runnin' Down A Dream, or Too Good to Be True: \$30 and \$50 Scratch tickets are booming

Back in late March, 7% of past week scratch players claimed to have played either a \$30 or \$50 ticket that week. At the end of August that number had rather remarkably doubled to 14%. The \$20 ticket play appears to be largely the same when comparing to five months ago, and it appears the growth in the \$30 and \$50 ticket has come predominantly at the expense of the

\$10 ticket. \$10 play was at 29% in mid-July, and has fallen to 21% at the end of August.

Leger also asked which price point is the past week player's favorite, and once again, there has been a significant increase in those claiming the \$30 or \$50 is their favorite instant scratch ticket, from 5% earlier in the year, doubling to 10% in August, the highest level Leger has seen.

In 2011, I presented data at a NASPL conference in New Orleans, illustrating to the more than 300 audience members consisting of mainly Lottery executives, the potential market for higher priced tickets to meet the demand among younger males, who were looking for an alternative to visiting a casino. Nine years on, those research findings still hold true, and the boom in higher priced tickets is being driven by four key demographics and one critical cross-play.

As their favorite, higher priced scratch tickets heavily over-indexes among males (64%), households with kids (73%), higher income \$100k+ (44%, more than double the 19% average) and urban (58% versus an average of 32% for Scratch).

Feel A Whole Lot Better? The base is expanding into the Great Wide Open...

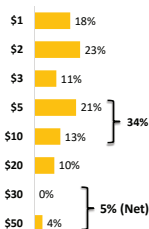
Leger's research indicates that approximately 9% of Americans have played scratch tickets for the first time during COVID. A large majority of these (90%+) have played some form of Lottery before, just not instants.

Something Big ... or You Can Still Change Your Mind

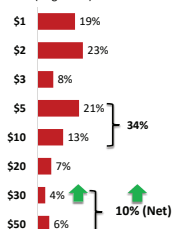
However, perhaps the greatest factor driving the increase in scratch

Favorite Scratch Ticket Price Point

Favorite Price Point (May 22-24)



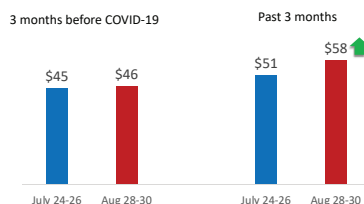
Favorite Price Point (Aug 28-30)



And which price of instant tickets is your favorite?
Base: Past week instant players, n=143, n=152

↑ = Significantly higher at 90% confidence

Average Weekly Scratch Spend
'Pre-COVID-19' v 'Past 3 Months'

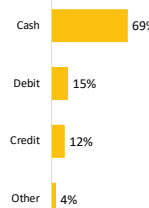


How much did you spend on Scratch Tickets in an average week, before COVID-19?
How much are you spending on Scratch Tickets in an average week in the past 3 months?

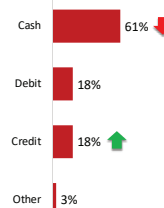
↑ = Significantly higher at 90% confidence

Lottery Payment Method this Past Week

Lottery Payment Method (May 22-24)



Lottery Payment Method (Aug 28-30)



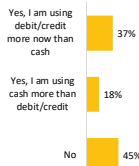
How did you pay for your Lottery purchases this past week?
Base: Played any lottery game last week, n=262, n=282

↑ = Significantly higher at 90% confidence

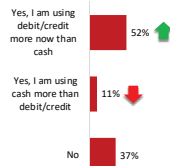
Change in Lottery Purchase: Debit/Card vs Cash



Change in Lottery Purchase (May 22-24)



Change in Lottery Purchase (Aug 28-30)



Has the way you have purchased Lottery changed during the COVID-19 outbreak?

Base: Played any lottery game last week, n=262, n=282

↑ = Significantly higher at 90% confidence

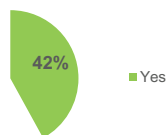
Greater Use Of Lottery Vending Machines During COVID



- Vending machine lottery purchase has trended up since late May (49%, +7%).

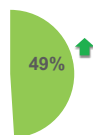
Use Vending Machine more

(May 22-24)



Yes

(Aug 28-30)



Are you using vending machines more to purchase lottery tickets during the COVID-19 pandemic?

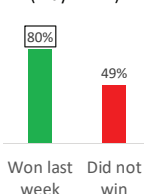
Base: Played any lottery game last week, n=262, n=282

↑ = Significantly higher at 90% confidence

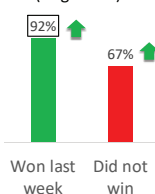
Planning to Buy Lottery This Week by Winning/Not Winning



Plan on Buying Lottery Tickets this Week (May 22-24)



Plan on Buying Lottery Tickets this Week (Aug 28-30)



Do you plan on buying lottery tickets this week?

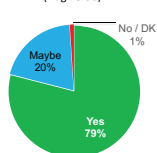
Base: Those who won and those who did not win last week May (n=72, 69); August (n=65, n=87)

↑ = Significantly higher at 90% confidence

Will New Players Continue to Play Scratch Games After Pandemic Passes?



Continue to Play % (Aug 28-30)



% Yes

*Groups who over-index

Male	South	West	18-29	<\$35k	\$100k+
89%	87%	91%	84%	84%	86%

Will you continue to play Scratch games after the COVID-19 pandemic has passed?

Base: First time players during COVID-19 pandemic, n=77

*Directional view, low base sizes

↑ = Significantly higher at 90% confidence

are the new players whose core discretionary spend was on casino play, online play and sports betting. All three of these sectors noticeably declined during COVID-19, due to the closing of the casinos and the lack of the key professional sports. Of those Americans who favor higher priced scratch tickets, 55% had played at a casino pre-coronavirus (compared to the average of 19%), 39% had bet on sports (against 9% average) and 38% had gambled online (versus an 11% average).

Money Becomes King

Past week scratch player's self-reported average spend on scratch has risen by more than 25% since March, from an average of \$45 to \$58. However, even though the average spend of the higher priced player (\$10+) is \$126, more than double the average, it is still in line with the overall 25% increase (up from \$102 pre-COVID) suggesting it is not just the higher priced tickets that are benefiting from an uptick in play.

Two Gunslingers: Between Two Worlds

Another key trend Leger has reported on for numerous lottery jurisdictions in the past couple of years is that players who use credit/debit over cash, spend more per transaction. Using credit (18%, up from 12%) and debit (18% up from 15%) cards for lottery transactions has trended up since May, while reliance on cash payments has fallen significantly. Among those who have changed their lottery payments during COVID-19, 52% are now using debit/credit cards more, while only 11% are using cash more. This disparity between the change in the two key forms of payment is now at 41%, significantly larger than when Leger measured it back in May, when the difference was a mere 19%.

It is no coincidence, given the increase in new players coupled with rises in card payments, that past week players have migrated more towards using lottery vending machines. Since May, use of the vending machines has risen significantly from 42% to 49% in late August.

Even the Losers Get Lucky Sometimes. But winning is key ...

Leger has tracked past week scratch players in terms of 'winning'

throughout COVID, and one theme has been consistent throughout; if players win they will play again the following week. Approximately half of all scratch players said they won on Instants the previous week, but there is a strong and significant difference between the winners and losers. In August, 92% of past week winners say they plan on buying lottery again the subsequent week, while only 67% of those who lost plan on a repurchase.

I Need to Know: Is it Time to Move On or the Waiting. What's next ...

As of July, three of the four most popular professional sports are back up and running, with the NFL set to follow in September. Casinos are starting to open again across the country. So can the lottery industry keep these new players engaged? According to a new question fielded by Leger last month, four out of five new to Scratch players say they are going to continue to play in a post-COVID world, while of the remaining 21%, a large majority are undecided, so haven't ruled it out.

It would appear, based on all these statistics and their correct interpretation, that U.S. state lotteries have been handed an olive branch, and that during a pandemic that has largely killed any growth in the traditional jackpot and daily draw games. However, key questions remain.

Can lotteries investigate how to keep the new scratch players interested, as the pandemic wanes and their old habits return?

Should lotteries increase concept-testing on higher priced scratch tickets, to enable them to evolve to meet the new demand?

Will lotteries, in conjunction with their retailers, examine how and why debit/credit transactions continue to grow, in conjunction with flashy new vending machines?

Is there a solution to persuading one third of scratch ticket losers, to come back and play the following week, by tracking them on a week to week basis?

The answer, as always, is Too Much (research) Ain't Enough. ■

Trust me, I'm a researcher (and a Tom Petty fan)

IGT PlayDigital: Turning Disruption into Opportunity to Enhance the Player Experience

Enrico Drago,
*Senior Vice President, IGT
PlayDigital, Sports & Italy Gaming*



PGRI INTRODUCTION: Appointed to lead IGT PlayDigital in 2018, Enrico Drago and his team have been executing on a mission that has only become more urgent for lotteries today: offering a seamless, connected, easily navigable, and intuitive player experience. We discussed how the pandemic has refocused retail trends and consumer behaviors, accelerating the need for contactless and cashless options such as those that IGT enables. Ultimately, the story is all about the player, and the focus is on one objective: delivering an enhanced player experience through increased entertainment value.

Paul Jason: How has the pandemic crisis affected the ways that digital transformation and online gaming, in particular, are unfolding?

Enrico Drago: Several million people globally are moving to any sort of on-line/mobile consumption as a consequence of COVID-19 lockdowns, and this trend is also happening across several regulated gaming jurisdictions. IGT has always been aligned with our channel partners, the retail stores and casinos that were focused on serving players in ways that did not always include mobile and online gaming. As a long-term partner to lottery and casino operators, we have evolved to meet players' changing needs, providing a fully integrated spectrum of platforms, games, and tools that enable operators to offer the experience players want at retail, mobile, and online. Well, of course, we and our customers have expanded

our vision radically over the past five months as the pandemic unfolded.

To support the explosive increase in demand for online gaming, we continue to reimagine the ways we can support a marketplace that is changing and help to meet the needs of a far more sophisticated consumer base. Now, it's not just about digital and online play. It's about consumers being more curious and willing to try new games accessed through new media, as well as wanting to explore and experience new and different play styles.

Much of this vision was brought to fruition over the two years since you were appointed to lead PlayDigital.

E. Drago: IGT already had the fundamentals – the game development groups, the system delivery, all the organizational infrastructure. In the time since, we have coalesced around a clearly market-driven vision alongside a more agile and nimble approach. We have organized our offer into three main game categories: PlayLottery, PlaySports, and PlayCasino. The unifying element is the PlayDigital platform, which we built around the goal of delivering value, in the form

of entertainment, to the player. We empower operators with fully flexible open architecture that works seamlessly across channels, providing complete insight and management of the business. Integrated with the operator's existing central server and systems, the PlayDigital platform puts the entire focus on the player experience.

From the player point of view, mobile is the unifying principle. It's not just that players want the games to be optimized for smart phones, though they certainly do want that. Mobile is also the user-interface that gives players the complete view of everything they need to know about the universe of games and the play experience, including how and where games can be played. Mobile also delivers cross-promotional messaging to enhance the variety of player experiences, along with Responsible Gaming tools and ancillary products and services that our channel partners, like retailers and casinos, think might enhance the overall consumer experience.

How are you applying the global breadth and depth of IGT assets to help operators transition into a world that will be quite different from the world we knew just six months ago?

E. Drago: One effect of the current crisis is the accelerating rate of change in general and consumers' willingness to adopt new technologies in particular. The trend lines were already evident – the timelines have just been radically compressed. Now it is imperative for gaming operators to refocus their view of the player relationship.

IGT is ready to deploy new offerings on every front. We're prepared to partner with operators in smoothing a path for players to embrace a new gaming environment that is more exciting and entertaining than ever. IGT is applying a brain-trust informed by decades of experience in all sectors of the games-of-chance industry, a wealth of data-driven insights into player behavior and market-driven solutions, and ongoing R&D resources.

How would you describe IGT PlayDigital's approach to innovation?

E. Drago: We have always known that lottery needs the digital connection to attract new players and expand its player base. But before the pandemic, many players continued to prefer playing exclusively at retail stores. One impact of the pandemic is that players are seeking alternatives in this era of social distancing. It is now vital for operators to provide a multi-channel portfolio of options for players to play wherever, whenever, and however they choose.

IGT works internally to develop platforms while collaborating with external game studios and app developers in order to bring the very latest to the marketplace. Also, we talk to players globally by offering them new game previews and a seamless mobile user experience, and we listen to their feedback. These are extremely valuable insights that we factor into product and roadmap developments.

iLottery is important, but it is just one part of the picture. We think of the opportunity for customers as being much bigger than online games or digital technology. IGT PlayDigital wants to help customers integrate the entire scope of land-based and online offerings into a single, easily navigable player experience. And the measure of success is the player experience.

What are the player-centric objectives?

E. Drago: The first goal is to introduce core players to the incredible array of new features and benefits delivered online, whether they want to know about jackpot levels, winning lotto numbers, special promos or bonuses, or enjoy the countless benefits of digital connectivity.

At this point, everyone is familiar with managing their activities online, whether it's online banking, ordering groceries, or managing travel or restaurant arrangements. And over just the past few months, many more people have become active users of videoconferencing, social media, and other online tools. The consumer marketplace is far more receptive than before to new ideas that will improve the quality of the experience. And that is as true for the traditional lottery player, who played only in a retail store, as it is for everyone



By the Numbers

IGT has long been at the forefront of the industry's move to digital, with more than 10 years of online for-wager gaming experience, a global team, four digital game studios, and \$26+ billion in wagers processed through April 2020.* IGT consistently invests millions annually on Research & Development (R&D) to expand its evolving IGT PlayDigital product and content roadmap. As both an operator and a provider, IGT tests and proves-out solutions before introducing them to other markets.

With 120+ worldwide customers, no two are the same. IGT supports customers from start to finish, beginning with an evaluation of the unique dynamics of their jurisdictions. This includes in-depth analysis of the market, player demographics, regulatory environment, and current technology. Coupling this information with more than a decade of industry expertise, IGT then designs a custom solution that fits the needs of the operator while providing a path for future growth.

Importantly, PlayDigital also has the people in place to deliver the optimal player experience. With about 40% representation among people of color, nearly 30% representation of women, and representation among Millennials and Gen X at more than 90%, the PlayDigital staff reflects the diversity of the evolving player base that IGT's products and customers serve.

**January 2018-April 2020 YTD IGT RGS Digital Wagers Only*

"A seamless, intuitive, and convenient process to register and interact is the minimum threshold that everyone must meet, but the competitive differentiator will be entertainment. At the end of the day, we are selling entertainment."

else who has adopted new behaviors as a result of the pandemic.

Making it as convenient and enjoyable as possible for players to adopt a multi-channel relationship with lottery is essential. Along

with offering fabulous games, player retention relies on engaging with players through multiple communication channels.

The other goal is player acquisition – attracting new players who may not have purchased lottery products in a retail store. The key to achieving both goals is entertainment. Of course, it all has to be a seamless, intuitive, and convenient process to register and interact with lottery. That's now the minimum threshold that everyone must meet. But the competitive differentiator will be entertainment.

There are two ways to entertain. The first is through the game content itself. The second is through the ecosystem that surrounds the games – from the moment the decision to play occurs, through the way the results are communicated, to the countless opportunities to bring fun and entertainment into the overall playing experience. The application of online tools, messaging, and player-retention tactics support repeat play and truly drive

player loyalty and ultimately the growth of playership and sales.

IGT has access to tools and insights that were being successfully applied in the casino world prior to lottery and are now even more advanced. Those include customer acquisition strategies and especially CRM and customer retention tools and tactics. As an operator in Italy, IGT spent 15 years developing sophisticated software and technology tools to build effective players clubs and loyalty programs, which also gave us 15 years of real-world experience in attracting and appealing to players, and in implementing a long-term strategy to increase playership. Combine that with IGT's decades of lottery sector experience, and we have a 360-degree perspective on the games-of-chance industry. At the end of the day, we are selling entertainment, and we need to do what we can to make sure that every playing experience is fun and entertaining.

What are the trend lines today and how are they manifesting differently throughout the world?

E. Drago: Sports betting is changing the face of gaming throughout the world. Of course, its popularity is exploding in the U.S. gaming market as we speak. But it is also the fastest growing game category globally. The importance of this extends beyond the revenue potential of sports betting. The sports-betting player represents an entirely new demographic profile to lottery that is ready to also play other games of chance. That is why we all need to forge new pathways for connecting with sports-betting players. Again, it goes back to the primary key to success: selling entertainment. The more we can engage players in a variety of ways to access and play the games and the more access they have to fresh new experiences with different game categories, the more engaged and entertained they will be.

IGT is creating the content-delivery systems that enable fast and easy migration from one game category to another. Electronic Gaming Machines (EGMs) let the player access multiple categories on the same device with no need to go to a different room or different console. It's not just about increasing the value of floor space or even ease and convenience for the player. It's about entertainment. Players have the option of mixing up their routines with something new and different. The sports betting player might take a break from the intensity of sports betting to play a few casual rounds of lottery.



"I think everyone appreciates that retail modernization has gone from being a pre-Covid 'trend' to being an urgent mission-critical crisis. This represents an opportunity for lottery to adopt in-store digital tools to make the retail lottery experience contact-free."

Contact-Free Digital at Retail



Player downloads convenience app, makes selections on their mobile device and creates a **Digital Play Slip**.



Player's **Digital Play Slip** is scanned at the terminal.



Player elects to pay with **eWallet**. Barcode in the app is scanned at the terminal.



Player receives the **Digital Ticket**.



Player can claim prize at retailer to **eWallet**. OR Ticket is auto checked. Prize is paid to the **eWallet**.

One of the impacts of the pandemic is that players are seeking alternatives at a time of social distancing. IGT can help lottery customers integrate the entire scope of land-based offerings into a single, contact-free and easily navigable player experience.

Not only can one device deliver multiple game categories, the console can display multiple games at the same time. For example, the IGT CrystalBetting™ Terminal allows players to watch their favorite sporting events on one side of the screen and place bets on the other side of the screen. The player can mix and match whatever content is most appealing in the moment. And mobile apps already are configured to support fast, easy migration among different game categories. Our PowerBucks game, launched in Canada, is the world's first omnichannel wide-area progressive game that links the jackpot prize pool between gaming machines found in casinos with games on mobile devices and desktop computers.

What are some player or marketplace trends that you think will emerge over the coming few months or in the coming year?

E. Drago: There will be lots of innovation in the Electronic Gaming Machine and mobile gaming spaces. People still love to play lottery and games of chance, and people like to socialize and interact with each other. That leaves a lot of room for technology to foster social interaction in an era of social distancing. For instance, the EGM or a mobile device can display

a live dealer as part of the game-playing experience. Maybe we will be able to interact with other players like we interact with colleagues in a videoconferencing call. Players can now play blackjack, poker, and craps at an EGM. The quality of that player experience will only get better, with the feeling of live in-person social interaction being replicated in a social distancing environment.

One trend to note is that people don't stop playing games if their game of choice becomes unavailable. Instead, they often switch to another game. People who may have travelled to a casino or wagered on sports may turn to lottery if it is more accessible. Likewise, if people who traditionally played the lottery at retail are reducing their trips to the store, maybe they will decide to play online. And as we discussed, increasing the functionality and entertainment value delivered by EGMs is a top priority. With split screens to enable monitoring, switching game categories, or queueing up one game while playing another – or being able to order food and beverages at the machine – players can accomplish whatever they want to do and all within a Responsible Gaming framework. There is a lot of room for digital transformation to enhance the player experience.

I think everyone appreciates that retail modernization has gone from being a pre-Covid "trend" to being an urgent mission-critical crisis. This represents an opportunity for lottery to adopt in-store digital tools to make the retail lottery experience contact-free. IGT has a whole portfolio of solutions that are transforming the retail playing experience, with a lot more in the pipeline. Of course, U.S. lottery directors feel that sense of urgency, and many are constrained by state regulations. But all state lotteries can take steps now to remove physical contact from retail journeys, even if they are prohibited from selling lottery products online. There is still so much that can be done. Building out the omnichannel relationship with players is key to increasing playership and sales in the short term, as well long-term growth and sustainability. An engaged, interactive relationship with the player is also a key component to an effective Responsible Gaming program.

IGT calls this *Connected Play* – creating an omnichannel relationship with players, building the lines of communication and interaction, and enabling players to seamlessly migrate among game categories, distribution channels, and media. It's all about creating fun and entertainment for them. ■

» MARIOS MITROMARAS

Chief Executive Officer, INTRALOT
Australia and INTRALOT Gaming
Services



intralot

HOW ASIA-PACIFIC LOTTERY INDUSTRY IS RESPONDING TO THE PANDEMIC

PGRI INTRODUCTION: INTRALOT entered the Australian and Asia-Pacific markets in 2004. Marios was appointed a year later to galvanize the team to action. Beginning with a long-term commitment to the region and a dedication to serve the customer by building customized solutions for a region with immensely diverse gaming and political cultures, regulatory frameworks, and operational objectives, INTRALOT now supports customers in, Taiwan, Malaysia, Philippines, New Zealand as well as Victoria and Western Australia and at the same time monitors other SE Asian countries. The market is huge, it is booming, it is rapidly coming under effective regulatory stability and INTRALOT is poised to help its customers emerge from current challenges stronger than ever.

Paul Jason: I would think the number and variety of regulatory frameworks, business models, and technology solutions is as diverse as the Asia-Pacific region itself.

Marios Mitromaras: It's true that Australia is a highly regulated and probably the most mature gaming market in the region. There are federal laws that apply to the entire country but each state has a degree of freedom to implement regulatory restrictions and projects that differ from state to state. It is only in more recent years that coherent and effective regulatory frameworks have been implemented in Southeast Asia and especially the Asian countries. One of the catalysts to regulatory modernization is the emergence of way too many "com" hubs, internet gaming operators

which often-times operate without proper regulatory approvals or licenses. Due to that, everyone wants to install a regulatory framework and the enforcement mechanisms to prevent illegal operators from harming the players, and siphoning off economic benefit and tax revenues. One of Covid-19's collateral effects were that more people went online which brings even more urgent attention to the need for effective regulation.

What are your current and upcoming projects in these markets?

M. Mitromaras: As we speak, there are lockdowns and many restrictions in place, especially where I am, in Melbourne, Victoria. The case numbers are smaller than many other countries and regions that

have been so badly hit by the pandemic. We are all looking forward to returning to normality, hopefully sooner than later. Of course, the work continues as we hope to position our customers for optimal success as conditions allow.

INTRALOT has been established in Australia since 2005. Our current contracts take us to 2027 and hopefully onwards. We have been working in Victoria and Western Australia. We provide Lotterywest in West Australia with gaming technology, software & hardware which contributes in reaching their targets and run a state-of-the-art lottery operation in West Australia. In Victoria, working for the Ministry of Justice and for the regulator VCGLR, we monitor and safeguard the integrity of approximately 29,000 EGM's (Electronic Gaming Machines), what they call "pokies" in Australia. It is approximately \$AU3 billion in turnover that we ensure always runs smoothly. COVID has impacted this business as the recreational venues where the EGM's are installed are closed. Within our Australian subsidiary we focus on applying the BCP (business continuity plan), keeping all systems up and running and being ready for the post-lockdown period and the normality.

How does the gaming culture in Asia-Pacific differ from other parts of the world?

M. Mitromaras: Southeast Asia and Australia are considered by many to be a gaming paradise. The people love games in general and games-of-chance in particular and they love to socialize. They love numerical games, scratch games, sports betting and going to the casinos. Australia has the highest gaming expenditure per capita in the world. Keep in mind that the population of Australia is only 25 million, much less than half the population of England, France or Germany. But still,

the gaming culture is as robust here as anywhere. And at the end of the day, it is all about channeling economic benefit back to good causes and society which is what the lotteries in Victoria, Western Australia and the rest of Australia all do.

Western Australia is quite different from Victoria. That is also evident in their response to Covid-19 where Western Australia did not impose the same level of severe restrictions as Victoria and others did. In Victoria, there is an 8:00 pm to 5:00am curfew and recreational gaming venues like casinos and the pubs that operate the EGM's have been closed since March 23rd and will remain closed at least until September 27th. Lottery tickets are still available in retail stores and online.

Does it seem like some consumers who may have gone to the casinos when they were open are now turning to lottery to enjoy a recreational game-of-chance?

M. Mitromaras: There is actually a research report from the Australian government indicating that Australian players did turn to the online betting operators of sports betting, casino games, e-games and lottery games. The research was not able to quantify the share that went to legally licensed and regulated operators. Still, the net result of Covid-19 continues to be a severe loss of revenues for the operators and of taxes to the state. There is evidence that markets across the world experienced a big increase in revenues flowing over to "gray" area operators who do not pay their full share of taxes and do not apply the highest standards of player protection. The Covid-19 lockdown has enabled gray area online operators to increase market share in the U.S., Europe and Asia just like they are doing in Australia.

Are destination resorts like Singapore and Macau faring even worse than decentralized marketplaces like Australia?

M. Mitromaras: I think we can expect that decentralized markets will bounce back more quickly once the restrictions are lifted, as the reluctance to fly to destination resorts may linger on for a while. But they can't fare any worse right now than in Victoria where all the gaming venues are closed anyway. And even when the restrictions are eased, some say that consumer confidence may take longer to return to

normal. We think that a positive attitude about the future is a key component to a healthy gaming market and we will do what it takes to support it.

Our projects in Southeast Asia are continuing as these countries are hopeful and cautiously optimistic for a faster rebound. Everyone is moving at their own pace, but in Taiwan, Malaysia, Philippines, Vietnam, Cambodia, Hong Kong and Macau are investing in their future and in the gaming industry of the future. Culturally, they are very social people and really enjoy the social experience of playing in retail outlets, casinos and recreational venues where they share the experience with others – as opposed to playing online. Of course, it is hard for destination resorts when the players can't travel. Currently, we do not know what the future holds. Maybe there will be a resurgence of Covid-19? Anxiety about the future will not help the recovery of the gaming industry. We need to recapture a spirit of optimism.

But now regulators and policy-makers need to give more serious attention to the online channels since the consumer has nowhere else to go and the illegals are rushing in, right?

M. Mitromaras: The jurisdictions of Southeast Asia have been moving quickly towards that direction for years. They are investing in the technological infrastructure to serve the online markets and channelize the online play away from unlicensed operators and over to the state-regulated operator. They have the benefit of studying the best-practices of the more experienced operations in Europe, therefore they begin right away to apply a 360-degree view towards integrating the online and off-line channels. They see the importance of having a thoughtful approach to build mutually reinforcing synergies that benefit everyone – players, lottery beneficiaries and retailers. Asian consumers are probably even more attached to their retail shopping experience than in other parts of the world and so retail will continue to thrive here.

INTRALOT has also developed the tools that help retailers bring the digital world into their stores and to integrate the online experience with the in-store shopping experience, so it drives traffic into the stores.

M. Mitromaras: INTRALOT's strategic goal is to drive Business Innovation through

Digital Technology and what a better way to do that, than guiding Retail to its next day into the future? Retail has always been our core business and our experience in that field is invaluable. Having worked with subject-matter experts in Customer Experience in order to provide a Holistic and Unified Gaming Experience to our customers, INTRALOT has designed a solid-proof Lottery Solution that also includes end-to-end digitally transforming retail journeys. Players need to be facilitated and embraced, they need to be offered entertainment, security and honesty.

Smart-phone has become the primary user-interface for the player, so we need to introduce it as a communication link among our different components: Lotos X, our new game and draw lifecycle management system, Lotos Xi, INTRALOT's complete iLottery Solution and our latest Retailer & Self-Service Terminals.

INTRALOT has a whole family of products to support the retail POS. Our Ticket Vending Machines are modernized to deliver not only a self-serve option but to provide a more responsible and entertaining playing experience.

Our new infrastructure models can be full cloud or hybrid cloud solutions that enable us to customize an entire lottery playing ecosystem that is precisely aligned with the objectives of the operator and the needs of each unique market-place.

Every jurisdiction has its own unique gaming culture and its own approach towards the business of operating games-of-chance. That is why INTRALOT's offering is equipped with bespoke and tailor-made solutions that can serve the evolving and diverse needs of our customers. Since, INTRALOT operates the Lottery for some of our customers, it's important that we stay aligned with the gaming culture and the operational objectives of each jurisdiction.

How do you engage retailer support? Do they understand that integrating the online channel doesn't cannibalize their business?

M. Mitromaras: Thank you for that question. The key to being successful at that is to have a plan in the beginning and a formal systematic approach towards working with the retailers so that they can see that you are committed to their success.

At first, it is quite natural that they are

Continued on page 75

RESPONDING TO COVID-19 AFTER THE FIRST WAVE: THE NEED FOR A THREE DIMENSIONAL APPROACH

By Philippe Vlaemminck, managing partner Pharumlegal



pharumlegal
ADVOCATEN – AVOCATS – LAWYERS

In a previous article (Vlaemminck, Ph. & Muller, D. : LOTTERIES IN THE COVID-19 CRISIS – THE NEED FOR TECHNOLOGICALLY SUPPORTED SUSTAINABILITY - CALLING FOR AN URGENT MULTIDISCIPLINARY LOTTERY TASK FORCE)

we wrote that “solidarity, trust, transparency, integrity and support have in most sectors become essential tools to fight the devastating consequences of the pandemic. These values so nobly embraced and promoted by lottery regulators and operators for many years, have become very relevant in all spheres of life as we live it today”.

After a severe lockdown in many countries around the world, governments, industry leaders, academics etc. understand that it is time to look for new solutions. The Covid-19 pandemic is not over yet, a second and maybe a third wave is possible and as some medical experts say “it is possible that we need to learn to live with this new disease”. However, there is hope. The medical sector has learned fast, hospitals are better prepared, testing and other preventive measures have been put in place, and researchers are working hard to find vaccines which will enable us to return to a more normal life. Governments and industries still need to find solutions to extricate from this problematic situation. Lottery operators also need to start working on identifying the broader business and societal problems they should be addressing in addition to their primary mission of selling lottery tickets to support good causes.

I believe that there is a need for Lotteries to work and develop a 3-dimensional approach.

1. PRODUCTS & SERVICES

The lockdown has shown all of us how vulnerable we are. POS were closed, customers could not play, some products such as sports betting were unavailable, draws could not be properly organized, winners had difficulties in collecting their winnings, staff could not come to work while the means and procedures to work from home were not fully available, unemployment affected many people, including sometimes lottery staff and independent sales agents, and profits available for good causes were seriously affected... the list goes on.

All departments; product developments, sales & marketing, and certainly also legal, of Lotteries need to talk with an open mind and without constraints with regulators, existing vendors, but also high tech start-ups developing new digital platforms and services to embrace solutions enhancing the digital product lines and services. Certain new technologies such as blockchain and data management and monetizing tools, are already available to the Lottery sector, while others, like AI, require

some further research to be broadly implemented in a secure manner. These types of solutions, as well as player cards, apps, plug-ins to generic cashier systems, other cashless payment and alternative currency solutions may afford new opportunities for play and prize pay-outs without affecting, or perhaps even increasing, RG and security perspectives.

We need to pursue these opportunities not only to improve our customer services, but also to win back the market share lost to illegals, and in turn increase our own turnover. It is not an easy task since we need to convince our governments and regulators to be more flexible and confident that Lotteries simply must be given the authority to use these digital means to properly execute their tasks. We need to agree on the means, with due respect for transparency and integrity, to streamline rigid bureaucratic procurement procedures which last long and have proven not only to be expensive but also a big obstacle to effectively responding to market changes.

On the other hand, we should not forget about the network of loyal POS. Many of these independent agents have severely suffered from the Covid-19 lockdown. Those shops remain an important social daily environment for many persons who have lost some perspective during a heavy lockdown. Very often these shops are the first and only point of contact for lottery players in their relationship with the lottery operator. Lotteries need to

Continued on page 55

iLottery

Now is the Time to Stay Connected

Today more than ever, it's vital to be where your players are, wherever they are.

Scientific Games' portfolio of iLottery products lets your players stay connected to each other and to the games they love.



Reimagine
Next

Reimagine **Next**

Lifting Sales Across the Portfolio with Top-Selling

iLOTTERY GAMES

Great brands, popular game
mechanics and strategic promotions
re-define performance

As consumers' retail and online habits change, science and art are coming together in new ways to re-define lottery sales performance. With the surging popularity of digital games in the U.S., experts are carefully designing integrated product portfolios – across retail and online – that lift sales and protect lottery profits by creating a modern game entertainment experience for players.

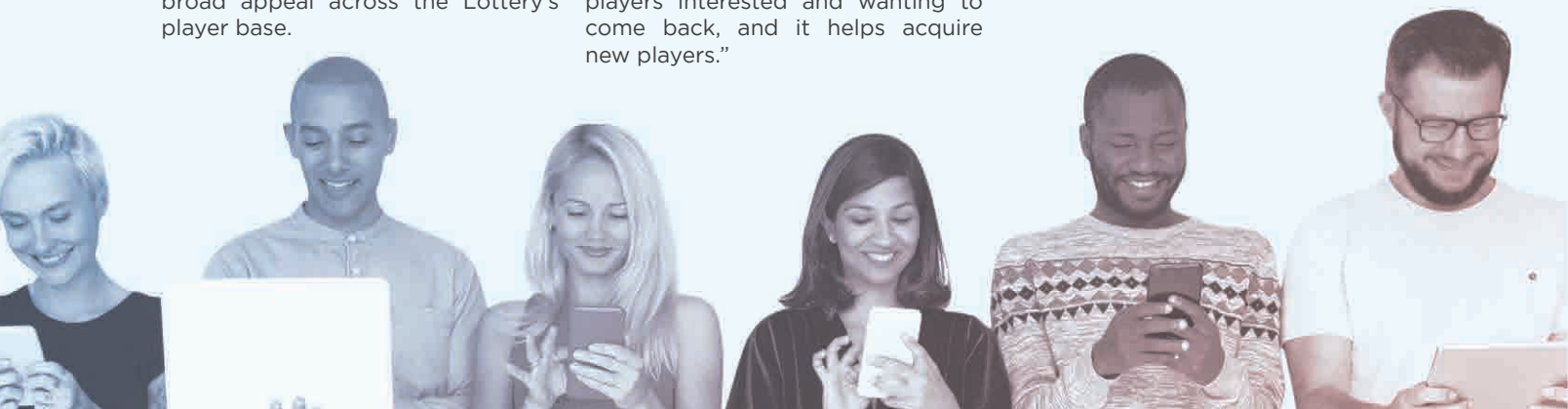
Behind the scenes, digital content specialists like Rob Darvill, Head of iLottery Content for Scientific Games, are lending their knowledge and experience to developing high-performance games with pop culture brands, finely tuned game mechanics and exciting user experiences. Darvill has worked on a highly successful iLottery program for the UK National Lottery – one of the first online/mobile programs in the industry. He's now part of the content team guiding the Pennsylvania Lottery to an unprecedented level of success in the U.S.

Building a \$1 Billion Online/Mobile Portfolio

With iLottery sales in Pennsylvania topping \$1.2 billion since the program launched in May 2018, and approaching \$1 billion in annual sales, building the right portfolio of games continues to be a powerful piece of the puzzle. Darvill and team deliver top-performing games from Scientific Games' portfolio as well as from other providers, with a variety of game mechanics to offer broad appeal across the Lottery's player base.

"To build a strong portfolio, it's all about managing it so that you have the right set of games and the right balance between branded and non-branded games, a variety of game mechanics, and seasonal games relevant to real-life events," explains Darvill. "Maintaining and updating a diverse offering with the right number of games makes all the difference. The goal is to keep players interested and wanting to come back, and it helps acquire new players."

His team works within game entertainment regulations unique to each jurisdiction to create a responsible online/mobile offering within the guidelines. Their experience and ability to bring high-quality games to market quickly has earned lotteries' trust.



Getting Real with Retailers & Cross-Promotion

Pennsylvanians are no strangers to seeking instant win experiences. The strength of the Lottery's online/mobile program has been building off its \$3 billion annual retail instant games, ranked No. 5 in the world based on per capita sales (*La Fleur's Almanac*). With a well-established network of 9,800 retailers across the state, it was important to the Lottery to make a retailer affiliate program available when online/mobile games launched.

Pennsylvania players receive exciting bonus opportunities for registering to play online, and the retailer affiliate program offers incentives for retailers to register their in-store customers for online/mobile play. Paid online affiliates, or lead generation companies, are also incentivized to sign up new players through their distribution channels.

"The foundation of any successful iLottery program is acquiring both traditional and new players and retaining them," shares Amy

Bergette, VP Digital Content Studio for Scientific Games, whose teams launched the first digital instant game in the U.S. in 2014, and have provided more than 90 lottery interactive games, 21 mobile apps, 17 player loyalty programs and other interactive products and services to U.S. lotteries since then. In Pennsylvania, her teams have implemented nearly 80 instant games.

What many don't know is that there is also a dedicated team of digital marketing experts who are highly experienced in CRM, growth marketing and retention marketing. To keep registered players engaged, they use powerful tools and technology to launch new games and deliver bonus play and promotions. Each time a new game launches, an incentive is offered.

The teams are also adept at cross-promoting games sold at retail with those sold online/mobile, wherever possible.



THE WIZARD OF OZ™

Created with a licensed brand associated with an iconic film that remains immensely popular through the decades, *THE WIZARD OF OZ* retail instant game launched multiple times in Pennsylvania with a second-chance promotion for entry through the Lottery's website and mobile app. Building on that excitement with an instant game was a natural progression.

"Because of a successful history of *THE WIZARD OF OZ* brand tied to retail instant games, it made sense to go this direction and it paid off for the Lottery," explains Bergette.

Players loved the characters and imagery from the film incorporated into the game design and symbols, such as *GLINDA* and the *RUBY SLIPPERS*.

"We have more than 100 brands in the Scientific Games portfolio and our game designers are very experienced with immersing the brand throughout the game play, both traditional and digital games," says Bergette. "Their work capturing the magic of *THE WIZARD OF OZ* brand is exceptional."

THE WIZARD OF OZ games across all channels appeal to a broad audience but they are most popular with female players. While the retail game has since ended in Pennsylvania, the digital game continues to play a key role in the Lottery's digital portfolio. It's a Match 3/Match 4 style-game featuring a 4x4 grid with more game play innovation packed in and a top prize of up to \$300,000 – significantly higher than many other instant games.

"For long-term appeal, our approach is to innovate the digital game mechanic first and then determine which brand is the best fit. We really put a great deal of thought into the gameplay, as well as the winning and non-winning experiences. We want players to enjoy the entire experience, so they return to play again and again," says Darvill.

With a total of \$34.5 million in sales since launch in June 2019, *THE WIZARD OF OZ* instant averages more than \$75,000 in wagers per day. With popularity still growing, it is one of the Pennsylvania Lottery's top 10 instant titles of 2020.



JAMES BOND 007™

With a popular retail instant game in 22 U.S. and international markets, and excitement building for the release of the 25th James Bond film, *NO TIME TO DIE*, in November, it's not surprising *JAMES BOND 007* is Scientific Games' top-performing instant game of 2020.

As part of the *JAMES BOND 007* linked instant game, the *JAMES BOND Lottery Challenge* second-chance promotion offers winners and their guests a five-day/four-night trip to Las Vegas in 2021 where every trip prize winner will have a chance to compete in a series of contests for the chance to win cash prizes ranging from \$1,000 up to \$1 million.

"The strong performance of the *JAMES BOND 007* games is the combination of a great entertainment brand and a great product positioning campaign," says Bergette. "For the retail instant and instant games, our creative teams brought the brand to life and tapped into the excitement associated with one of the most successful motion picture franchises in the world."

With more than \$33.5 million in wagers since launching in January, the *JAMES BOND 007* instant is a Match 3/Match 4 style-game featuring a 4x4 grid popular with men and women.

"Following the success of our *THE WIZARD OF OZ* branded instant, *JAMES BOND 007* was a great fit for a 4x4 grid



JAMES BOND 007™



match mechanic. We continued innovating this game engine by introducing an instant multiplier and bonus game reflecting the *JAMES BOND 007* brand," says Darvill. "The premium brand gave us the opportunity to create a title with one of the higher top prizes in our portfolio, which appeals to jackpot players."

The teams incentivized retail players to play online by offering a \$10 scratch-off coupon. Likewise, the *JAMES BOND 007* retail instant game included a code to redeem online for a one-time play offer.

"Cross-promoting in both directions worked very well," he shares.



MONSTER WINS®

Scientific Games draws upon digital game content from its talented game designers in studios spanning North America, Europe and Australia. One of the company's best games, *MONSTER WINS*, was created at its NextGen studio in Sydney.

One of the Pennsylvania Lottery's top sellers of all time, *MONSTER WINS* has



across all demographics. Nine of the game's 10 symbols are monsters and the more eyeballs the character has, the higher the multiplier.

"To demonstrate how far the *MONSTER WINS* category has progressed, it is the only game that has a 'negative drop off', meaning the game average more players and wagers after the first 30 days than during the first 30 days," adds Darvill.

The popularity of *MONSTER WINS*, another favorite among female players, has led to follow-up titles, including *MONSTER WINS AGAIN*, with more titles planned in 2021.

"Developing and building up our own brands, is something we will be focusing on going forward," he says.

RED HOT 10s

With popular *RED HOT* themed games earning their place in many lotteries' retail instant game portfolios, Scientific Games creatives tried their luck at a digital version and won. The Match 3 game with the chance to unlock 10 free games had a strong launch in Pennsylvania in June 2020 and averages \$176,000 in wagers per day.

"There are multiple ways to win in *RED HOT 10s* and the inclusion of free games gives players added value for money, while extending the chance of a win right up to the last tile reveal," explains Bergette. "We've really amassed a great range of games with play mechanics and we're very excited about this one right out of the gate."

RED HOT 10s features bold graphics, a recognizable name and it's easy to understand and play. The company also strategically timed the game's launch, which it believes is a key component in success.



MAGNIFIED MONEY

With the ever-popular money theme, *MAGNIFIED MONEY* is Scientific Games' first multi-ticket instant. Key number match is the No.1 playstyle across all retail instant games, and this digital version was larger than life. It is the No. 5 performing instant in Pennsylvania, with \$19.5 million in wagers since launching in March 2020.

"Key number match is a pure lottery game mechanic that is familiar with players and the nature of this game means players will experience regular wins. The element of choice around the number of plays — 10, 20 or 30 — gives them the ability to tailor their own game experience," explains Darvill.

The company combined its nearly 50 years of analytics, insights and experience creating physical key number match instant games with exciting digital bonus play styles. *MAGNIFIED MONEY* players can accumulate bonus wins in the Money Bonus by spinning the three coins to reveal prize values and multipliers, with a 'collect' or 'go again' outcome.

"*MAGNIFIED MONEY* is a great addition to our digital game portfolio. With a good split across a broad audience of male and female players, its appeal is growing so we have some innovative and exciting plans for additional multi-ticket games in 2021," he shares.



GRUMPY CAT®

Featuring the pop culture feline phenom, the *GRUMPY CAT* digital game launched in April 2019 along with a cross-channel retail instant and *FASTPLAY* games in July 2019. It has steadily made its way into the Top 10 instants of 2020 in Pennsylvania.

"Even if you're having an awful day, a *GRUMPY CAT* game can bring a smile to your face," says Bergette. "The licensed brand has undeniable appeal. *GRUMPY CAT* is a classic, lovable character able to express what we all wish we could say out loud sometimes. We brought it to our portfolio in 2016 and it received a lot of attention from lotteries."

GRUMPY CAT rose to rapid fame from a family's social media meme and became a viral, internationally recognized brand with

millions of followers and 1.5 million website visitors a month. The brand adds fun and the blue-eyed cat's irreverent wit to games. Another Match 3/Match 4 playstyle, the *GRUMPY CAT* instant is currently averaging \$39,000 wagers a day, with a total of \$20.2 million in sales since launching.

The creative team at Scientific Games incorporated the brand into simple, instant game play styles that would be enjoyed by core players and easily understood by new players. Beyond serving up a daily dose of fun,

Grumpy Cat®

"It's nice to have a brand that can cut through the clutter at retail. *GRUMPY CAT* is a fun, easy brand that appeals to anyone who loves cats, animals or really anyone with a sense of humor," she says.



Performance Strength

By sheer numbers, the Pennsylvania iLottery story is incredible. But there are so many careful steps that take place prior to launching games that lotteries looking to launch digital games must consider.

From analytics to play styles, licensed brands, bonuses, strategic CRM marketing tools, and land-based cross-promotion, the entire process crosses many areas of specialization.

"To build out a strong digital lottery portfolio, you can't just rely on one or two game engines. You have to think about the bigger picture and create a range of games that feature different levels of jackpots, game duration and game mechanics," advises Darvill.

The company's teams are focused on creating a portfolio of branded and non-branded games that offer choice to a broad spectrum of online/mobile players.

"Our teams know how to create games; we understand the science of games. Add a strong promotional and retail strategy, and they're golden," says Bergette.

Based on record-breaking performance in Pennsylvania across both retail and digital games, it's a strategy that works.

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DIGGING IN ON DIVERSITY & INCLUSION

At a time when there is a renewed focus on issues of racial and social justice, **IGT** has updated its **Diversity & Inclusion** strategic plan and expanded the conversation with employees through a series of virtual, company-wide dialogue sessions.

PGRI INTRODUCTION:

Diversity & Inclusion (D&I) continues to be a business imperative within and beyond the lottery industry. Recent protests in the U.S. and abroad against racial injustice have reenergized the ongoing efforts to address a range of systemic inequities. In the process, they have sparked new conversations about fairness and inclusion for many among their own networks and families.

The *Wall Street Journal* recently reported that about half of S&P 500 companies now employ a chief diversity officer to lead organizational efforts to ensure equitable recruiting and hiring practices, addressing multiple categories of diversity, such as race, sexual orientation, and gender.

IGT has been at the forefront of the industry's D&I effort. In 2017, the company enacted an extensive D&I program to transform its workforce – approximately 12,000 strong, serving customers in more than 100 countries – to reflect the diversity of the industry's global customer base and the players who enjoy IGT products and services.

The company typically provides an update on its multi-faceted D&I strategy to customers at the annual NASPL event. In lieu of an in-person gathering this year, PGRI spoke with **Kim Barker Lee, IGT Vice President Diversity and Inclusion**, and with **Donald Redic, IGT Indiana Account Development Manager**, about the progress and latest developments in the company's D&I roadmap.

PAUL JASON: IGT's Diversity & Inclusion initiative dates back nearly three years and is now well-established. Within that time, you have created a D&I strategy and a structure to support it, including full-time staff in the Office of D&I, a global D&I Council as well as four regional ones, and 11 chapters of IGT Diversity & Inclusion Groups, which represent thousands of employees across the globe who are members or program participants. Having accomplished so much, what are the areas of focus now?

Kim Barker Lee: Before talking about what's next, I want to share more about our progress in increasing the representation of women at the very top of our organization. Earlier this year, Dorothy Costa was appointed the Global Head of People and Transformation (commonly referred to as human resources) joining Wendy Montgomery, Senior Vice President, Global Brand, Marketing, and Communications, on our Executive Leadership team, which is now comprised of 20% women, up from 0% in 2018. In addition, IGT's Board of Directors now has three women, including a woman of color, and that brings the representation of women to nearly 30%.



Kim Barker Lee
IGT Vice President
Diversity and Inclusion

Diversity & Inclusion

The Power of We

We know we have more work to do. Diversity and Inclusion do not have start and stop dates. They're embedded into operations, people strategies, and culture. They shift and evolve with the business and, as we recently learned, the world we live in. IGT's Diversity & Inclusion strategy for the remainder of 2020 and '21 has four pillars: People, Processes, Culture, and a fourth pillar called Beyond IGT.

Within the **People** pillar, we're focused on building more diverse teams, benchmarking internally and externally, setting goals for each business unit, and creating supporting action plans. We're also looking at the representation of women in Field Operations, IT, and Technology, where many companies have struggled to increase the representation of women and other under-represented groups.

The **Processes** pillar is about "baking it in" – in other words, making sure that we continue to develop and evolve our inclusive practices so that they are not solely dependent on personal understandings of inclusion, diversity, and equity.

Culture is the pillar that was really highlighted over this past spring, as our employees grappled with the impact of COVID-19, and many found themselves working from home or continuing to work in the field with many new challenges. And, again in June, people made it clear that they wanted to discuss and engage around the events sparked by the death of George Floyd. The goal of this pillar is to deepen the understanding of different aspects of Diversity & Inclusion, support IGT's Diversity & Inclusion Groups – known as "DIGs" – continue to increase education and inclusive behaviors more broadly, and support IGT's regional D&I advisory councils.

The fourth pillar, **Beyond IGT**, is about communicating IGT's commitment to

D&I beyond our own organization. This involves connecting and aligning with our customers and players, and our community engagement strategy around D&I goals, as well as evolving and enhancing our supplier diversity program.

You mentioned an emphasis on the Culture pillar in recent months, a time when the topic of civil unrest found its way into conversations in workplaces around the country. How did IGT handle that?

Kim Barker Lee: IGT's actions started with a message from our CEO Marco Sala in early June, acknowledging the emotional response people were having to the killing of George Floyd and reaffirming IGT's commitment to live up to our goals for Diversity & Inclusion. When you consider that many people are now working remotely, without the chance to connect and talk with coworkers in person as they might at offices or sites, his message led to a series of events in June and July that enabled the kinds of frank conversations our people wanted to have.

ACE at IGT

There was already an employee Diversity & Inclusion Group in the process of forming called ACE (Advancing Cultural Education) at IGT, focused on the experiences of

"It is important to recognize and boldly assert that IGT is living up to our diversity and inclusion purpose statement 'to create a culture that values unity, diversity, and belonging in our people, players, customers, and communities.' For that purpose to be more than words on paper, we cannot ignore reality and must continue to advocate for change to happen so that we may live in a more just society."

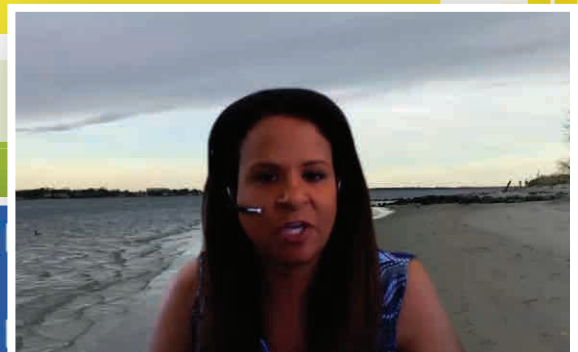
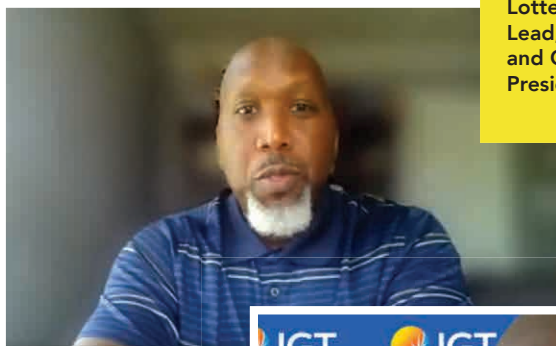
– Marco Sala, CEO

people of African descent at IGT and in the lottery and gaming industry. Many of the members of that group were hit particularly hard by George Floyd's death and the responses around the world. The group took quick action to reach out to members, and over a two-week period we met several times to check in with each other and share what we were grappling with, whether it was a stranger asking members of ACE what they thought about the riots or a manager calling and checking in. ACE asked, "What is our role? Is our role to educate colleagues, to encourage them to educate themselves, or something else?" There was a wide range of responses, but we in the office of D&I heard that some employees were really committed to sharing their personal stories and experiences.

Much of those conversations were about the work that we as Black people do to handle and survive interactions with the police, but there were also colleagues who wanted to support and understand but were not sure how. In response, we created a two-part virtual and global company-wide dialogue, which included a short documentary by the *New York Times* on what we in the African American community often refer to as the "The Talk," or the critical conversations we must have with our children at very young ages about race, racism, and police encounters.

The most powerful parts of the program were the words of colleagues who shared their stories of encounters with the police and the "Talks" they had as children and

Panelists participating in IGT's "Let's DIG In" sessions on current events and race (L to R): Donald Redic, Indiana Account Development Manager; Cleveland Belin, Senior Product Manager Lottery Applications; Michelle Saunders, Talent and Inclusion Lead, Global Gaming; Melissa Pursley, Chief Operating Officer and General Manager IGT Indiana; Matthew Whalen, Senior Vice President Operations Lottery



now share with their own children. That dialogue also included honest conversations with our white colleagues, some who were from families of police officers and deeply wounded by what happened to George Floyd, some who are anti-racism activists, and some who were deeply concerned but felt like they did not have the right words or would get it wrong if they spoke.

Underlying that dialogue was a recognition that there were stark disparities in their experiences. It revealed that when it comes to race and racism, honest dialogue rarely happens. But, as a company and a community, IGT, starting with our CEO, met the needs of our employees at a difficult time and on a subject that is not easy to discuss for anyone. The program came together within days and included two sessions over two weeks attended by thousands of employees.

Since you saw considerable engagement, do you plan to continue these types of sessions?

Kim Barker Lee: The most recent sessions were part of educational series we launched earlier this year called "Let's DIG In," given that "DIG" is the acronym for IGT's employee networks, and each session does a deep dive on a particular topic of relevance to employees.

The San Francisco chapter of WIN with IGT, our women's inclusion network, hosted a session on the experience of women dur-

BIG DIGS

Diversity and Inclusion Groups (DIGs) at IGT are employee networks structured around underrepresented dimensions of diversity.

IGT's DIGs are open to all employees, regardless of identity or group affiliation. IGT and its senior leadership recognize that employees can benefit from participating in DIGs by meeting colleagues from beyond their immediate teams, departments, offices, and even countries, and take advantage of opportunities for networking, professional engagement, development, and more.

ing COVID-19 and the disparities in that experience. So, we made the sessions in June about race and current events a part of the series. And because June is globally known as LGBTQ Pride month, we produced one more "Let's DIG In" session on LGBTQ+ workplace inclusion before the month ended.

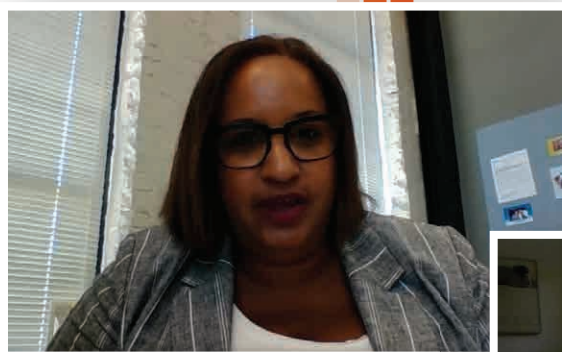
"Let's DIG In" sessions are global and are generally recorded for future viewing.

There is a hunger for the information and the opportunity to share these experiences with other colleagues, and since they are available through the company intranet, any IGT employee can access the sessions anytime.

Another value of the DIGs would seem to be modeling these types of conversations. Donald, as a panelist in the "Let's DIG In" sessions on current events and race, why did you want to participate, and what did you discuss?

Donald Redic: After 31 years in various roles at IGT, and in light of recent events of injustice and police brutality directed at African Americans, I felt this was an appropriate time to lead on a broader stage. I have always been an advocate for fairness regardless of your race; however, the steps IGT has taken to make Diversity & Inclusion a priority allowed me to be more vocal in my truth and share my experiences with my colleagues.

After the first "DIG In" session I received a number of comments from respected colleagues I have known and worked with in this company for many years. They all were surprised by the things I have to do to keep my son safe and make sure I come back home safely every day. That feedback encouraged me to continue to get involved and to use my platform to educate and inform those who don't have the same experiences.



It was important for me to share with my colleagues “The Talk” I have with my son on a daily basis, my own experience with law enforcement during a recent traffic stop, and how important it is for us to help bring awareness to the injustices impacting the African American community.

My father, who was the biggest influence on my life, used to tell me and my siblings that you can’t sit back and wait for other people to speak out. If you want to see things change you must be willing to be uncomfortable and vulnerable and use your voice to help drive change.

In the short time since the “Let’s DIG In” sessions began, has there been a ripple effect?

Kim Barker Lee: Yes, along with the direct participation, the sessions have also resulted in large numbers of people reaching out to say they want to learn more. We know the sessions are increasing dialogue within the company, and as a result increasing people’s feeling that their company supports them. We continue to respond to and address the more than 200 questions we have received. An interesting thing about interacting with employees is that they’re also community members. When there is education and development about current events and identity, that positively impacts the connections our employees have with one another. People also bring these stories and conversations home, and they bring them into their communities. We can help to create more inclusive communities, and I think that’s really powerful.

You mentioned that IGT’s newest Diversity & Inclusion Group, ACE, was already in the works this year. Was this accelerated by the events of June?

Kim Barker Lee: IGT has an annual application cycle for new DIGs, and the plans for launching ACE started in late 2019. ACE at IGT was founded as a global chapter, committed to advancing people of African descent within the gaming industry through professional development, networking, promoting inclusion and diversity, a sense of belonging, and creating positive connections within our communities. It was approved by the global D&I Council in January, and since then, the group has been working on founding and preparing for a launch event.

“Around the world, it was a lightning-rod moment for people who were not having these conversations before to start having them.”

There are members from a few different countries, and the three founding members, **Edwin Gilbert**, **Antonio Gray**, and **Marilyn Taylor**, are based in Providence, RI, Austin, TX and Las Vegas, NV, respectively. Like all the DIGs at IGT, the membership was initially built through grassroots connections – people talking to their colleagues about the development of the group – and immediately, through word of mouth, ACE had more than 80 members. The global executive sponsors are **Jay Gendron**, **Chief Operating Officer Lottery**, and **Darnell Johnson**, **Director Video Poker**. A major component of their purpose is to develop and strengthen the

pipeline of Black employees for roles at IGT and in the gaming industry broadly.

What’s next for IGT’s Diversity & Inclusion initiative?

Kim Barker Lee: In addition to the four pillars mentioned earlier, we’re continually looking at our processes, setting goals and targets for representation, and we’re participating in the development of a global working group sponsored by the British Standards Institute and the All-In Diversity Project to develop D&I recommendations for workplaces in all industries across the globe. We are also committed to being responsive to what employees are telling us they need and want.

The month of June demonstrated that the company is fully capable of doing that. Around the world, it was a lightning-rod moment for people who were not having these conversations before to start having them. In fact, consultants and workshop presenters on these topics are overwhelmed with work right now, because organizations are realizing that there really is a lot of work to do and a lot of conversations to have. IGT is well positioned to have those conversations. We’re not building from scratch. Three years in, we have a strong infrastructure to support it.

We have heard from customers that are building or already involved in their own D&I initiatives, and we’re happy to share what we have done with any lotteries that are interested in learning more or sharing their own learnings. ■

For more on IGT’s global Diversity & Inclusion strategy and activities, visit [IGT.com](https://www.igt.com).

identify the new problems of these agents and find ways of supporting the businesses of their POS. We need to think about how we can help to boost this segment and make the Lottery POS attractive in this new changing environment. By doing so Lotteries can contribute to the restoration of an important part of the small businesses economy.

2. A RENEWED SOCIETAL CHARTER

While the turnover of lottery operators – and consequently profits – may have gone down, it is certainly not the time to reduce support to the beneficiaries who depend upon the money provided by lottery operators. We have seen grassroots and amateur sports, large community schools and the cultural sector facing dramatic difficult times. The Tokyo Olympic Games have been postponed leaving many sports-persons frustrated and even discouraged. Opera houses are closed, and Summer festivals cancelled with lots of unemployed artists and staff and service suppliers in financial disorder. Schools have been closed and faced difficulties in reaching out to the most vulnerable children, while other students did not receive all the courses and didactic support needed. And now, re-opening schools is a challenge.

Many beneficiaries of Lotteries do not yet know how they will be capable to overcome the problems and potential financial shortfalls emerging from the sudden lockdown. Lotteries need to listen to the beneficiaries and think about new structures to provide support to the good causes. At the same time, one may consider developing new ways to cooperate with the beneficiaries and put more emphasis on important societal developments. Lotteries can design a new societal charter of cooperation with good causes. Sport for example must commit more strongly to integrity programs. Less visible and less commercial sports may get more attention. Transparency and strong positive governance, diversity, openness, accessibility for all, integration and equal opportunities for all sexes are items that Lottery operators may bring forward as essential conditions for future support.

This renewed approach can also create opportunities to put advertising & marketing in a different perspective. A societal marketing approach could become more relevant. Societal marketing holds that a company should make marketing decisions not only through considering

consumers' wants and the company's requirements but also society's long-term interests.

3. ASSOCIATION BUSINESS

Finally, this period is also a good moment to advocate for a stronger role and more important position of the regional and world lottery associations. Lotteries cannot realize this heavy societal and business task on their own. More means and resources are required to address existing and new challenges! While in an initial stage it could be understood that Lotteries had to focus on their own internal problems, it is certainly not the moment to reduce the means and resources of the various associations. Solidarity between Lotteries is equally important and requires that they provide each other support through the WLA and the regional associations. Lotteries are in principle not competitors of one another. Creating the proposed multi-disciplinary approach more towards the digital realm and reflecting on a new model for contributing to society may be easier and faster through the platform the lottery associations can provide.

One aspect of the changes to adapt to a new environment revolves around enhancing knowledge management. This is broader than the classic info and data sharing lotteries already know. Specifically, it would be centered around more focused investment in R&D and actual critical knowledge sharing as well as setting up new tools and instruments for cooperation and governance to create a better world. In my area I have been advocating for creating a World Lottery law review, a digital magazine to which lottery lawyers and advocates can contribute with case law and legal notes useful to the world lottery community and a World Lottery Law Yearbook covering the most crucial legal developments from all over the world. This is only one example of enhancing knowledge management. A joint R&D cooperation center or an economic interest group, special educational and HR support programs (comparable to WILL) could also create positive changes for all lottery regions in the world and benefit society at large.

Lotteries have always been relevant and have done magnificent work for all stakeholders throughout their lifetime. Tomorrow they can prove to be even more relevant and stronger in a post Covid-19 world. ■

LOTTERY INDUSTRY HALL OF FAME CONTINUES

Scott Gunn from page 10

capitals around the globe, Scott can synthesize and simplify complex issues. His knack for reading the political climate in a state or a country allows him to push for new lottery sales channels and products with decision makers through both legislation and regulation. While navigating the unique challenges in various countries around the globe, he is always mindful to build coalitions and defend against adversaries. Scott strives to achieve the balance between responsible gaming and leveraging opportunity so lotteries can offer cutting-edge new lottery products in order to grow and support their important beneficiaries.

Throughout his career, Scott has served as a mentor to and champion for his colleagues and customers. Currently within IGT, Scott serves on the Executive Diversity and Inclusion Council, the Government Affairs Committee, is Co-executive sponsor of WIN with IGT and as the Chairman of IGT's Political Action Committee. His leadership within the lottery industry and in the public policy arena have left an indelible stamp on the global lottery industry. ■

Pat McHugh from page 10

from a transaction-processing focused business to a technology leader in integrated value-add products and services to maximize lottery proceeds. In his current role, he has continued to accelerate integrated solutions that create unique value across product lines. Pat is the Group Chief Executive responsible for all of Scientific Games' global lottery business, including instant products, retail and digital systems, lottery sports betting, game content, and associated services. ■

Gordon Medenica from page 10

tee as Region 1 Director. He is also the Lead Director of the Mega Millions consortium and the Lead Director of the Cash4Life consortium. Internationally, Medenica serves on the WLA's Sports Betting Integrity Committee.

Before coming to the lottery industry, Medenica had been a longtime executive and member of the Management Committee of The New York Times Company. More recently, he was the Executive Vice President of Philadelphia Media Holdings, LLC, an owner of the Philadelphia Inquirer and Daily News. Prior to that, Medenica served as an advisor to the Blackstone Group on newspaper acquisitions, and as the President and CEO of DornaUSA, a sports marketing company. Earlier, Medenica was a Senior Analyst at the Marriott Corporation.

Medenica earned his A.B. from Harvard College, where he majored in government, and his M.B.A. from Harvard Business School. ■

Bishop Woosley from page 11

office holders of the potential danger of the reinterpretation and led industry advocacy efforts in Washington DC to that end. Bishop also tackled industry issues that were caused by the Covid-19 pandemic. He led the effort to provide educational resources to states to aid in the response to the impact of the pandemic on the industry. He also worked with NASPL staff to help refocus industry events and educational efforts when the pandemic forced cancellation of all industry events in 2020. ■

Digital eInstants – What's Next?



by Rhyddian Fisher,
CEO, Instant Win
Gaming

IWG provides eInstant games to 22 NASPL/WLA-member lotteries around the world. Our access to this very broad base of iLottery operators and their players is the foundation of our knowledge on trends and developments in the sector.

For many US lotteries, instant games are their predominant product category. Therefore, as lotteries launch and/or expand their online channel, it is particularly relevant that they focus on developing their eInstant category.

Today's eInstants are digital games where casual-style play is the primary focus. In a general sense, whereas online casino games are designed to deliver the chance to win enhanced with some interactive fun, eInstants are designed to deliver some interactive fun enhanced with the chance to win. This differing orientation is really the root of it all. Typical casino players are motivated by the thrill of staking money, and the corresponding volatility of winning and losing. On the other hand, typical lottery players are seeking

some casual entertainment, but love the idea that they might just win some money. This difference very much mirrors casino versus lottery entertainment in general.

First and foremost, data is central to decision making. Some lotteries have been evolving their data analytics capabilities over the past ten years or more. Others are still fairly young at data science. Whereas it was once novel for a lottery just to collect data about who is buying, going forward it will be equally important for lotteries to build knowledge about all aspects of how games are being played. In all cases, eInstant suppliers will be expected to continually improve the granularity of data that they collect and share back into a lottery's data platform.

Improving the granularity of data collected will feed an increasing personalization of the eInstant play experience. Lottery is by definition a local

product, generating funds for local causes, and each lottery is expert at serving its local player base. For this reason, traditional lottery products work best when adapted to the specifications of each lottery. This is especially true for instant games. The instant games printed for each market are always custom to that market. And, more and more of our lottery customers now expect customization of eInstant games.

"Improving the granularity of data collected will feed an increasing personalization of the eInstant play experience."

Over the next few years, customization combined with data will lead to personalization. IWG foresees eInstant personalization to encompass design factors,

such as user interface and user experience, as well as prize structures, such as frequency of win and even type of prizes offered—cash vs. experiential vs. merchandise.

Data that IWG has collected across the 22 lottery markets we serve shows that, generally, lotteries are increasing the payout % of their eInstant games. We expect this trend to continue. A key reason for increasing payout % is player fairness. A typical retail instant game has a prize payout of 65% - 75%. This has proven to be optimal for a product that is purchased by players during their periodic trips to retail outlets. However, the addition of an internet channel means that games can now be purchased wherever and whenever. This results in a dramatically higher play volume, and to be fair to players, this higher play volume must be supported with a higher prize payout percentage. As a result, we are now seeing 82% - 89% as the



IWG's Cash Expander eInstant localized for the Virginia Lottery.



IWG's Halloween Extreme game as an eInstant, alongside crossover retail version (printed by Scientific Games) for the New Hampshire Lottery.

optimal payout percentage for eInstants.

We are also observing a trend towards more frequent game launches. And, we expect the pace of new releases to continue to quicken. Instant lottery players seek out games that are casual to play. At the same time, to retain their attention, they must constantly be offered new games to play. With retail instants this might mean a roadmap of new launches on a monthly basis. In the internet world, the time dimension is much faster paced. Typically, eInstant roadmaps plan a two-week cycle between game launches for most of the year, supplemented by weekly launches during peak seasonal periods.

Going forward, we expect further convergence of online and retail game play. Crossover eInstants, meaning online games that are launched with a retail companion game, will increase in frequency. Early on, many lotteries looked to iGaming and its differences from land-based casinos as the analog on how to sell lottery online. Lotteries learned that casino players see land-based casinos and iGaming as distinctly different product categories. As a result, the industry adopted the term iLottery as their parallel to iGaming.

Today, lotteries now understand that their players do not see retail lottery and iLottery as different products, but rather as different sales channels. This means lotteries, far more than casino operators, serve players that expect there to be a direct connection between online and retail sold games. There are many ways that this will be reflected in eInstant games as they evolve. Already, this has resulted in game themes that simultaneously cross eInstants and retail instants. Also, it is now common for eInstants to support promotions that fuel retail purchases and vice versa.

"Typically, eInstant roadmaps plan a two-week cycle between game launches for most of the year, supplemented by weekly launches during peak seasonal periods."

Finally, over the next few years we expect to see the addition of proven social game features including progressive prizing, virtual awards, multi-player mechanics, syndicate and group play, and more. Creating social connections and/or competitions between players will drive untapped lottery possibilities.

These games will leverage proven social mechanics that are just not as practical with traditional retail instant products. For example, this December, we will launch, for the first time, eInstant games featuring a rolling progressive jackpot top prize. The buzz of a growing top prize, as is already well established with draw games, will fuel shared excitement across eInstant players.

The pace of iLottery adoption in the US is accelerating. As a byproduct, we expect to see more innovation here in the US over the next five years, than we saw globally over the past 15 years. At the center, eInstants will continue to differentiate as a soft form of gaming, closely aligned with the casual fun expectations of our lottery players.

"Over the next few years we expect to see the addition of proven social game features including progressive prizing, virtual awards, multi-player mechanics, syndicate and group play, and more."



IWG's Jungle Jackpots features first-of-kind progressive jackpot.

Oh, the Difference a Year Makes

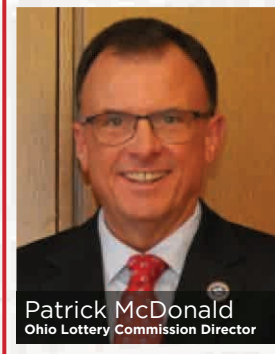
Instant games sales and
funding for education
Grow in Ohio

Just over a year into the Ohio Lottery's new instant games management program, the Buckeye State's Scratch-off retail sales have already grown 13% thanks to hard work, focus and a whole lot of attention to detail. In fiscal year 2019, Scratch-offs generated an estimated \$338 million in profits to help build strong Ohio schools. Add ability to adapt during a global pandemic, and it's a story worth telling.



In July 2019, the Ohio Lottery partnered with longtime primary instant game provider, Scientific Games, to grow its \$1.68 billion Scratch-off category and ultimately, proceeds to Ohio's Lottery Profits Education Fund. Scientific Games celebrated the opening of its new 65,000-square foot facility just 26 miles east of the Lottery's headquarters in downtown Cleveland. The company also has several offices in the Ohio Lottery headquarters to support the partnership. A year later, the Lottery's team and Scientific Games' 36-member team on the ground in Ohio are collaborating and getting the job done.

With population approaching 12 million in the Midwestern state, Ohio is 19th in the world for instant game total sales (*La Fleur's Almanac*) but Ohio Lottery Commission Director Patrick McDonald believes Scratch-off products have room to grow across the network of 7,800 instant game retailers.



"Scratch-off game sales are extremely important to our future growth based on the Ohio Lottery's potential compared to other Lottery jurisdictions," shares McDonald. Currently, 54% of the Ohio Lottery's revenues are driven by instant games.

The Ohio Lottery joins more than 20 lotteries around the globe participating in *Scientific Games Enhanced Partnership (SGEP)* program, including four of the Top 5 lotteries in the U.S. based on weekly instant per capita sales performance. The new four-year partnership expands Scientific Games' services to the Lottery to include analytics and insights, game development, portfolio management, inside sales, advanced logistics for warehousing and distribution, and retail optimization.

During COVID (mid-March to present), Ohio Lottery instant product sales grew 30%, while other U.S. lotteries using *SGEP* experienced an average of 20% growth in instant sales and non-*SGEP* lotteries grew 9%.

"The *SGEP* contract is a true partnership, where both Scientific Games and Lottery staff are able to work together for a common goal. With the utilization of enhanced data analytics and predictive modeling, we were able to ensure that our retailers maintained optimal inventory, which ultimately led to record sales for fiscal year 2020," says McDonald.



Michelle Simon
Marketing Director for Scientific Games

Michelle Simon, Marketing Director for Scientific Games, heads up the *SGEP* program in Ohio, bringing her expertise in marketing and creative to the program's success.

"We have instituted our proven *SGEP* services to expertly manage the full lifecycle of the Ohio Lottery's instant games and in just one year seen tremendous growth," says Simon. "The Lottery wanted to

optimize some of its processes, and we're putting some important new technology and analytics tools in place that will help grow sales for years to come."

The four marketing pillars that *SGEP* is founded upon are product solutions, advanced logistics, retail optimization and digital engagement. Scientific Games' Tel-Sell (inside sales) team serves the Ohio Lottery's retailers, making sure Ohioan's favorite games are always in stock.

"Players enjoy our entire instant product portfolio but right now, long standing games like *Cashword* are experiencing even more popularity. Their extended play value is especially entertaining now that many players are staying home more often," explains McDonald. "Having the Scientific Games staff in Ohio has enhanced our collaboration and enabled us to map out sales growth for the coming year."

The company's patented *SciTrak™* system, which includes *OrderCast™* predictive ordering technology, has been continually improved over the years. In fact, the more advanced *OrderCastML* is coming this fall to Ohio. *OrderCast* not only keeps games rolling into the warehouse where they're packaged for distribution, it makes sure the right games are going out in the right quantities to the right retailers. The company also provides retailers with bet slips for the Lottery's Pick 3, Pick 4 and Pick 5 draw-based games.

"There are between 50 and 60 Scratch-off games on sale at any given time in the Ohio market, and the same games selling well in a suburban neighborhood north of Columbus are quite different than games selling in downtown Cincinnati, or the many unique rural towns throughout the state. Because it's a huge state with many different cultures, our systems' insight into what quantity of games sell where and when makes a big difference," explains Simon.



Fun Facts about Ohio

①

Ohio is known as the Buckeye State because of the buckeye trees commonly found throughout the Ohio River Valley. The plants produce small brown nuts that look like the eye of a deer.

②

The Ohio State University teams are named the Buckeyes. Go Bucks!

③

Peanut butter and chocolate candies called buckeyes are an Ohio specialty.

④

Ohio takes its name from the Ohio River. Ohio originated from the Iroquois word ohi-yo which means great river. The state has over 40,000 miles of waterways to ski, float or paddle!

⑤

Ohio loves football. The American Professional Football League was founded in Ohio in 1920 and the Pro Football Hall of Fame is in Canton.

⑥

Ohio is among the top producers of corn in the US. We even have multiple festivals dedicated to corn...dipped in lots of butter!

⑦

Ohio's state flag is the only state flag in the U.S. that's not in the shape of a rectangle.

Fun Facts

about Ohio

8

Shoot for the stars!

NASA Astronaut Neil Armstrong, the first to walk on the moon, John Glenn, first to orbit the Earth, and Kathryn Sullivan, first woman to walk in space, are all from Ohio.

9

Ohio is one of the country's leading producers of tomato juice, so it might not be surprising that the state's official beverage is tomato juice.

10

Ohio has some of the best roller coasters in the world at Cedar Point, a.k.a America's Roller Coast.

11

Cleveland is home to the Rock and Roll Hall of Fame.

12

Ohio has the largest Amish population in the U.S.

13

Ohio is the birthplace of aviation. The Wright Brothers were born here.

14

It's pop, not soda.

15

The state's population has three distinct accents. You can easily tell if someone is from Cleveland, Columbus or Cincinnati.

Another reason the program has met so much success is continual insights from Scientific Games full-time data scientist in Ohio, and dedicated marketing analyst who serves the team locally but benefits from the scale and connection to Scientific Games' larger Analytics & Insights team at its Lottery global headquarters in metro-Atlanta.

"We have their team of professionals, including a marketing analyst and data scientist, dedicated to help our product team with scratch-off game planning and research from game launch through the entire life-cycle of the product," explains McDonald

Leveraging Scientific Games' enterprise business intelligence tool, *Infuse*™, both of these insights professionals provide more information about sales and out-of-stocks than the Ohio Lottery has ever had at their fingertips, helping their team understand every nuance of their business and collaborate on ways to grow.

This particularly comes in handy during the global pandemic, a crisis no one could have predicted. The Ohio Lottery was ready to protect its revenues and its beneficiary funding thanks to the scale and flexibility of Scientific Games' *SGEP* operations.

"*SGEP* has been able to quickly adapt to market changes to meet both retailer and player demands," says McDonald.



Like every jurisdiction, the state has instant products unique to its culture. One of these is a game tied to the long-running weekly *Cash Explosion* TV game show in Ohio. The Lottery's \$1 and \$2 *Cash Explosion*

Scratch-offs are driven by players' desire to be on the TV game show. The Scratch-off gives players the chance to be on the show - which has continued during the pandemic with *Cash Explosion Play at Home*, so players and their families get to join the game virtually.

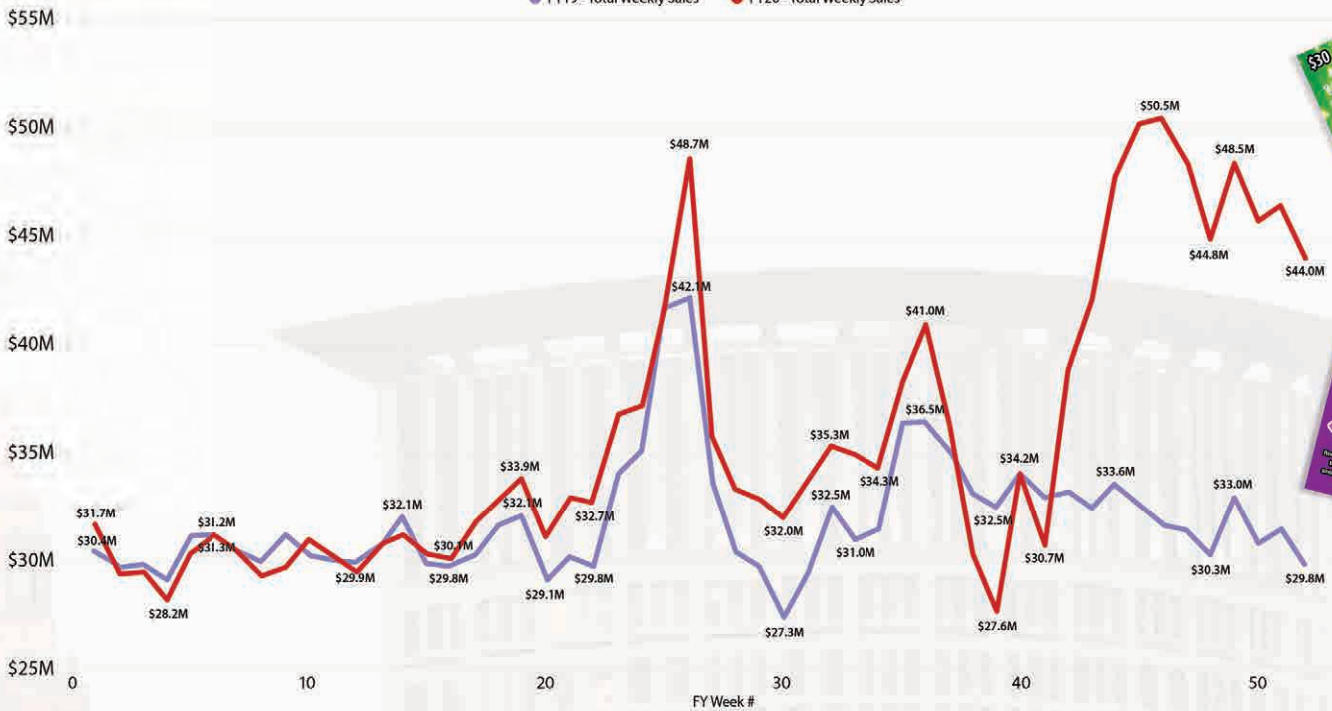
One of the most popular seasonal games every year is *Holiday Cash*.

"*Holiday Cash* games have been part of our holiday offering since 1992 and even though it is only on sale for several months, our players love using this for gift-giving," shares McDonald. The games are offered at \$1 and \$2 price points, making it a low barrier of entry for new players.



Fiscal Year 2019 vs 2020 Weekly Sales

● FY19 - Total Weekly Sales ● FY20 - Total Weekly Sales



Currently, \$10 games are the most popular price point with Ohioans – which holds true across the U.S. right now where \$10 games are currently No. 1 in sales and No. 1 in gross gaming revenue.

“We’ve seen incredible growth in our \$10 games, and this year much of that growth can be attributed to the \$50, \$100, \$500 Blowout game that launched in January. It’s averaging \$3 million a week in retail sales,” says Simon. “Part of the appeal is all of the prizes are tax free and can be paid at retail. It’s just been a great addition to the \$10 category and we’ve already re-ordered.”

Additionally, the Ohio Lottery re-ordered an entire family of MONOPOLY™ branded games that are performing well. The Lottery’s attention to retailer needs, however, extends beyond out-of-stocks.

As the lottery retail environment continues to rapidly evolve, the Ohio Lottery is leading the way with modernization efforts. The Lottery is rolling out 300 units of SCiQ®, an intelligent instant game ecosystem that makes selling and buying lottery games more convenient – and with

COVID-19 concerns, safer. The technology was developed by Scientific Games through years of talking with retailers about automating the shift accounting reconciliation process, significantly reducing staff labor to manage the category in store. The system securely displays games and automatically tracks every unit of product sold in real-time. SCiQ also offers customers the ability to advance-order games via mobile device and further reduces their time in-store.

“It’s been an incredibly rewarding experience to collaborate with the team at the Ohio Lottery. We look forward to continued growth, innovation and partnership in the years to come,” says Simon.

In a year that been extraordinarily challenging, the Ohio Lottery has proven that it’s possible to protect funding for Ohio education and maximize revenues by committing to three areas of resilience: partner services, investment in game entertainment and retail modernization.



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Michelle, Jan, and the team building “boom” barriers to contain the environmental disaster

while continuing to win in the short term will become both a science and an art.

IMPACTS ON SOCIETY

We now find ourselves operating in a world where the safety expectations of organizations, workers and society have heightened. For example there has been a backlash recently from students who are being asked to sign waivers if they attend university classes in person. I am certain many businesses have looked into this liability as well.

We may be in a period of significant business transformation. Companies are rethinking or reinforcing their corporate purpose and sustainability goals, their ways of working, use of digital technology and imagining new business models. All these will be further fueled by Generation Z and the Next Gen.

An E & Y analysis of the World Bank population projections and estimates states that Generation Z (age 10-24) represents 24% of the world population. Representation varies around the globe, for instance in leading economies such as the USA it is 20% of the population while developing economies like Africa are 32%. Seems to me that our industry needs to pay particular attention to this important group. According to Ipsos, Gen Z are very progressive on social issues.

This generation as we know was born entirely digitalized. According to Pew Research there is nearly 100% smart phone penetration among this group, they have multiple social media accounts, and they spend more time on social media than any other group.

Their commitment to global sustainability and climate change tops their list of global challenges. They are concerned about pollution and natural resources. For example, our nineteen year-old daughter Lia, living in Canada half a world away from Mauritius, called us the day of the recent oil

spill in one of our beautiful lagoons, urging us to do something. (We did!)

Sixty percent of the Gen Z population live in countries with high vulnerability and low readiness when it comes to climate change according to Coastal DEM Data. I think the pandemic has given new energy and maybe even hope to fight climate change. To quote the Swedish activist Greta Thunberg “The world’s response to the Covid pandemic shows us we can act fast and change our habits and treat a crisis like a crisis”. Digital connectedness will likely result in a stronger activist movement with Gen Z.

This group and the Next Gen, our digital natives, will bring different expectations relative to society, technology and ethics, driving business transformation, sustainability and ways of working.

How do we adapt to this generation as an industry to ensure we continue to have the consent to operate well into the future?

Behavioral Economy

Fear and uncertainty give rise to irrational acts such as the hoarding we saw during the early stages of the pandemic. Will the isolation created by social distancing change our priorities with more emphasis on personal connection over social media? Will customers value experiences over material things more and more?

How has the spreading of misinformation impacted our attitudes towards social media?

Behavioral psychologists are speculating that we may have moved from the Internet of Things to the Internet of Behaviours. After all, we have discovered without knowing it that we provide more information to search engines than to our families. Our phones and social media now hold data about our behavior, preferences and perhaps even our

state of mind. We now live in a world where target marketing is easily deployed through the use of this information.

What new business models will the behavioral economy companies need? What new risks does it raise? What competencies do we need? As an industry how can we ethically use data in understanding and communicating with our players?

Cyber security

Cyber security (CS) certainly has become a concern in most organizations. There will continue to be greater emphasis on CS as the cyber risks escalate. In my view this will always be a moving target. Not just malware and phishing, but we have seen the emergence of what some refer to as weaponized disinformation. The target is the truth. Just consider the current and 2016 US elections. Businesses, organizations and yes political parties can now become the victim of these attacks. Since we now live in an environment of transparency of information, undermining its credibility is a powerful weapon.

Disinformation and selectively edited material on social media platforms have the power to create impacts on public opinion and behavior. This risk to business is real.

How will we protect our brand reputation, customer loyalty and share price against this emerging risk? Seems more complex than protecting our information systems.

What leadership challenges do we face in this “new norm”?

M.Carinci: Leadership and people challenges continue to evolve. The focus now is on enhancing our skills to ensure we continue to develop great teams virtually through new technologies and to ensure our teams maintain a culture of pride and purpose. I am certain as leaders we are operating with a very high emotional intelligence through this crisis and disruption.

Maintaining a culture of teamwork, collaboration and trust in this new work from home and social distancing environment is a new challenge. Each team member needs to feel a sense of importance, have confidence they are contributing to the business in a meaningful way and know how they fit into the big picture and the future of the business. I found this much more challenging while working remotely but again technology was the great enabler to allow for communication and collaboration. What more can we do to enhance the design of remote collaboration?

We found that working from home did not impact productivity. In fact I would venture to say it improved productivity. After confinement was lifted during a debriefing we discovered that team members worked more hours as they didn't have to commute to and from work. They also worked different hours to accommodate the many at-home responsibilities. Perhaps even sleep patterns changed.

The absence of what was once normal social interaction physically in our professional and personal worlds may have enduring negative effects that we need to understand and continually address. There has been a lot of talk about the health and protection of employees. Mental health should be included in that conversation.

I found it important to continue to discuss our purpose and reinforce the team's sense of pride in the company. Authentically demonstrating our commitment to society and the community during the confinement period was our best reinforcement. What is clear is how important measuring our environmental and social impact is and placing more weight on the progress of social wellbeing as well as encouraging teams to look for opportunities that present themselves as a result of this crisis.

How do we effectively celebrate our successes and positively deal with our challenges if we are not in the same physical space?

The way we work, and the way we view leisure, learning and retirement is being challenged. We now have the opportunity to rethink the entire model of training and development, reconsider the five day workweeks and mandatory retirement.

The challenge for all of us now is finding a balance between being inspirational while pushing on performance, responding to the multitude of questions when there are no clear answers and maintaining visibility and an engaged workforce. Spend time checking in, not checking on!

Key Performance Indicators

Given all the changes and shifts we are experiencing, organizations may want to consider their metrics of success. Perhaps revisiting our balanced score card to ensure the right amount of emphasis is on the elements of corporate social responsibility.

For example, the GDP in a country may be good but it may be that the well-being of society is not keeping pace with the GDP in areas like income and wealth distribution.

Similarly, our organizations may have a sound cash flow and a positive bottom line, but is our social and environmental impact as positive?

Today, we are being called upon more and more to look beyond profit and think about purpose by balancing the interests of shareholders with those of workers, customers, communities and the environment.

Fortunately, there are credible impact tools that can holistically assess the impact on our business model and operations tools that measure a company's relationship with its workers, the community, the customers it serves, and the environment. Tools that enable business to take action on their Sustainable Development Goals. I have been impressed by the heightened social conscience of business leaders during this difficult period. I truly hope this is a trend.

Are we aligned with prevailing social values and are we investing enough in human and social capital.

What might lottery operators be doing now to position themselves for success in the post Corona virus world?

M. Carinci: Sadly I am not certain when there will be a post corona virus world. But during this time, we will be challenged with the scarcity of resources and the need to invest in innovation while trying to balance both the short term and long term strategy.

Wharton Professors offer this advice: 1) Invest in innovation talent and retention; 2) take the outside-in approach on innovation, monitor trends and work with teams to develop identified future needs; and 3) encourage prudent risk taking, ensuring your teams are looking for opportunities and long term solutions not just firefighting in the short term.

With regard to positioning for the future, the economic repercussions will depend on the environment that each lottery operates within. Those that are already offering a cashless solution through mobile and online are well positioned to continue to generate revenue throughout a disruption if they are allowed to continue operating. Those lotteries who operate only within the bricks and mortar channel and don't have a cashless solution are obviously more at risk if there is another confinement period but also face the risk of not attracting the "digital natives" who are more inclined to favor a paperless/cashless model. Lotteries that are operating in social channels through gaming houses and casinos will have challenges maintaining revenue the traditional way due to social distancing requirements. Unfortunately, online casino options don't replace the ambiance and experience of a physical casino. However, technology today allows

for social distancing in physical space – an example of this is virtual dealers. Sports betting obviously has been impacted as well. However, it has caused the acceleration of virtual sports events which has been a trend that will likely continue.

We now have another opportunity to convince legislators and regulators that a cashless solution is much more than a commercial proposition, it is a health protection measure as well. If a cashless solution is not within reach at this time, a halfway measure is to offer the "QR code app" which allows players to place their bets on their phones and then register their bet at retail using the QR code on their phone. At least it eliminates the need for a bet slip and changes the interaction at retail.

We were concerned that a prolonged confinement period with no opportunity to play the lottery would impact players' habits and patterns. We discovered that while patterns have changed, overall sales have rebounded almost back to normal within a few weeks. Part of the reason may be that the Company kept a high profile on the social responsibility front by organizing a large scale initiative to create and distribute hundreds of food hampers to vulnerable families.

In Summary

M. Carinci: As I said earlier, there are more questions than answers but as long as we keep asking the questions the answers will present themselves. Here are a few to consider as we paint our future canvas.

How do we better serve our various stakeholders through technology and a heightened sensitivity to our social and environmental impacts?

How do we protect our brand reputation with our loyal customers in this new cyber world?

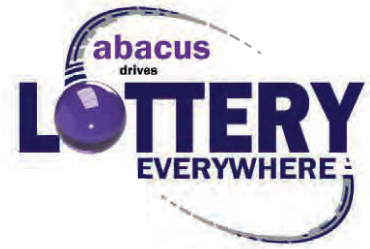
How do we take advantage of the plethora of information we have about our customers in an ethical manner?

How do we sustain a culture of teamwork, collaboration and belonging in a new workworld?

What will the Generation Z and Next Gen expectations be when it comes to lottery and gaming?

All in all, there are some positives emerging from this "world reset." It is now up to all of us to take advantage of them and continue to make a difference in the world through the good work we do every day. ■

Do-it-Yourself ... the Abacus Way



Edwin van Zon - Sales Director Europe, Abacus solutions International, lotteryeverywhere.com



On a recent visit to McDonald's after completing a COVID questionnaire and a full disinfecting process, I placed my order at the self-service terminal, which gave me "total control" of over 12 options for my quarter pounder, choice of drink and all the additional items for my order, all in an easy to read and intuitive way. Quick, easy and extremely convenient.

It is hard to remember a time when self-service solutions were not part of our everyday lives: from complex high security tasks like checking in at the airport to simple things like ordering a meal in a restaurant. We take for granted the everyday use of mobile applications to handle appointments, finance and payments, shopping, etc, all of which make self-service a common fact of our daily lives.

Brick and mortar retail environments have started to increasingly embrace self-service technology. Manned lanes are being replaced with areas with self-service and self-scan options where customers check out goods themselves. This trend is accelerating as retailers need to make more complex choices on how to improve their processes, be more cost effective and in this time of COVID limit direct

interaction with their customers:

Self-checkouts need much less space compared to traditional lanes, therefore increasing the number of lanes and reducing the waiting time for customers.

One cashier can service multiple self-service tills at the same time, improving throughput of customers.

Around 60% of hypermarket baskets contain six or fewer items (research by Dunnhumby), an amount that lends itself to self-checkout lanes as the customer is comfortable to scan a small number of goods.

Taking away the direct interaction between the customer and the retailer associate.

An associate's time manning self-service tills is used more effectively and can therefore be more focused, giving real added value in terms of service and support towards their customers. No wonder self-checkout solutions are expected to grow globally by 10.3% year on year until 2024 (source: Loss Prevention Media).

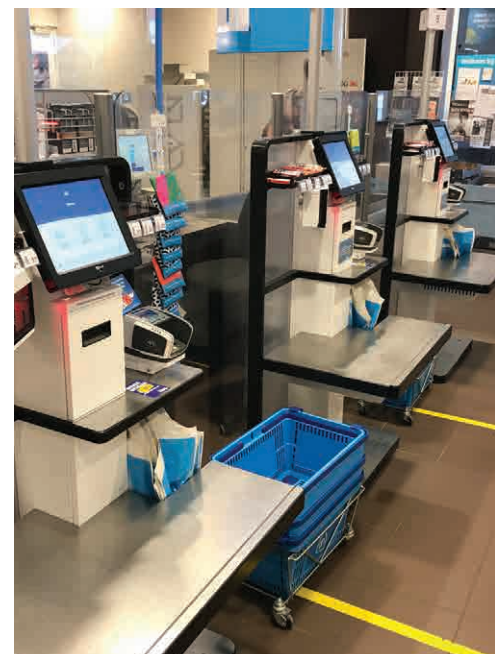
Abacus self-checkout implementation

In the largest Dutch grocery retailer in the Netherlands, over one-third of the customers are already using the self-scan and self-checkout tills to check out. The expectation of the retailer is that their self-service solutions will become the norm in all their grocery stores within the next 4 to 5 years, and manned tills will become almost obsolete.

In 2019 Abacus enabled the sale of lottery tickets through self-scan and self-checkout tills at the same retailer, building on the success of their integration into the in-lane, manned tills currently in place. In the same way that all other products are added

to the basket, a lottery voucher scanned by the customer and handled at the self-scan till is the same method as all other purchases. The till even supports multiple games and tickets which can be purchased at the same time.

Most self-checkout tills have a content driven interface to interact with the customer, which opens the possibilities for the lottery to highlight special draws, high jackpots, or the importance of lottery for society and safe gambling.



As customers identify themselves with their customer card, dedicated messaging and offers are also possible, targeting the specific customer directly through the retailer's mobile app. As European lottery players tend to prefer to play their own numbers (compared to that in the North American market), future developments and marketing efforts can focus on this part of gameplay, potentially using the self-scan screen or even a mobile device input.

Security and social responsibility are always high on any lottery's agenda and this is still part of the solution when purchasing through self-scan tills. In the same way that alcohol is age verified at self-scan tills, the lottery product will produce a "pop-up" on the screen which alerts the cashier manning the tills to come over and sight verify the customer. Responsible gaming messages can also be shown to the customer during the purchasing process to prevent extended participation.

The integration of Abacus into the retailer ecosystem paves the way for lotteries to enter into this trend towards increasing self-checkout solutions. A misconception is that self-checkouts and regular tills are two different 'worlds', it is in fact the complete opposite in most cases. Through Abacus' integrations into the retail ecosystem with Toshiba and others, we have shown that the integration into these self-checkout services is no different to a standard in-lane integration, expanding an "in-lane" implementation to cover all aspects of the retail sales process.

To summarize:

Self-checkouts will become the leading form of retail shopping in the future

For everyone, including our lottery players, using self-service applications is already a daily routine

Cost efficiency and service process improvements are facilitated using a cashier's time and availability more effectively through the use of self-checkouts

The interaction possible with self-checkout solutions and the customer will improve guidance of the player, offer flexible gameplay and creates new communication possibilities for lotteries

Requirements regarding security, restrictions on gameplay and age control are already part of daily routines at retail.

Self-checkout: check it out with Abacus! ■

Light at the end of the Gambling Tunnel

In the May issue of our magazine we had an article about the history of the Ukrainian lottery and gambling market. It happened on the eve of the Parliament (Verhovna Rada) vote approving the draft law in the second reading, which President Zelenskiy later signed. Now it became the law. The establishment and enforcement of a license and regulate system ruled by laws provides a solid foundation for a healthy and sustainable gambling industry in the Ukraine; and this after 10 years of being in shade.

What is new about this, and which out of 3500 amendments registered to the Law on Gambling after its first reading were finally accepted by the Parliament and President?

Evgeniy Vlasenko, vice president of MSL lottery operator and member of EL executive committee gave some comments:

- For the lottery operators it was critical that state lottery would be classified separately from gambling. As a result lottery will continue to be regulated by the Law on Lotteries with certain changes to be introduced according to the new Law, affirming that the state appreciated the role of the lotteries as important to the social fabric of society rather than a simple game of chance or gambling.
- Regulation of the lottery operators and gambling will move from the Ministry of Finance to the new authority: Commission on Regulation of the Lotteries and Gambling Games. It will be composed of 7 members plus an administration.
- Three lottery licenses can work at the same time. The license is valid for 10 years and will be granted based on the results of a tender. The winners will be chosen based on qualification standards. This is for the lotteries only.
- All gambling licenses are sold for a 5-year term and no business qualification is required. An applicant just needs to match certain legal and financial standards.
- State online monitoring system will be introduced within 2 years from the moment of the law introduction.
- Before the implementation of the state online monitoring system, the price for the license per slot machine, betting shop and online casino is tripled.



- Land based casinos can be located only within 5-star hotels in Kiev and 4-5 star hotels in the regions.
- Betting shops and slot arcades can be placed only within 3-5 star hotels.
- There are certain serious restrictions on gambling advertising.

It is also important to mention that now the law gives full green light to the lottery operators to enter international games (coordinated games). This creates new opportunities for our lottery market.

So the first important move is done. And the light at the end of the tunnel of the Ukrainian gambling market is vivid already.

The second important move will be formation of the Regulator that will be capable to form

- ✓ license terms that will consider best international practices
- ✓ introduce and administrate a state online monitoring system
- ✓ responsible gaming process and its effective control
- ✓ high standards of gaming equipment certification
- ✓ effective work against illegal operators

The third step will be the introduction of a clear and transparent tax system for the operators.

When these 3 steps are done properly I believe Ukrainian gaming will represent a good example of a civilized market, will be attractive to foreign and domestic investments, and channel economic benefit back to society. ■

PULLING CREATIVE RISK OUT OF RADICAL DISRUPTION

HOW ORDER AND TIMING CAN TURN ADVERSITY INTO OPPORTUNITY FOR POSITIVE CHANGE

by JoyceLynn Lagula, Design Director, Wilson Associates, wilsonassociates.com



There is a critical order and timing that exists for when meaningful and lasting change can happen. That kind of thinking can be applied to the current state of the world, including the gaming industry. As with any social experiment, the most powerful outcomes stem from jarring cause and effects. COVID-19 has become the largest cause of our lifetime and what arises from our reactions to it will be the metric of our greatest effects towards the future. The forced nature of the 'six-feet-apart' rule, finding new ways to decrease the frequency of high-touch points, as well as macro- and micro- capacity limitations should be looked at as a temporary but important cue to how the guest experience needs to evolve in a drastic way. That is what Las Vegas is built for—to take on the creative risk of pushing the dial of design, setting the rudder for the rest of the entertainment world. The city thrives on creating these unique experiences to a wide range of visitors from all over the world, from the high roller regular to the penny slot stalker.

The future of gaming does not settle into the notion that technology will be our savior. Studies show that the industry keeps trying to tap into Millennials, who prefer the in-person interaction aspect of a casino. The gaming floor alone, however, does not hold the attraction for this generation. The involvement and integration of with food and entertainment is key to the nature of gaming. The collective social experience tops the list. Millenni-

als value varied options at an integrated resort and the personalization of their experience. This concept exists with or without COVID-19, but the pandemic forces us to look at these environments with a more critical eye and perhaps allow us the opportunity to make more daring design moves.

“The future of gaming does not settle into the notion that technology will be our savior.”

Sliding into August—our 8th month of the pandemic world, many gaming properties have re-opened with cautious approaches and measured rules, depending on their respective state mandates. The tourism demographic plays an integral role in how they can effectively respond to these changing times through design. A small local casino that caters to a bubbled region may not have the same challenges with crowd and spatial control as a large integrated resort does. Nonetheless, the draw for those guests is still rooted in the natural rush of the experience.

Understanding the limited capacities on the actual gaming floor would be a rung on the ladder to incorporate into this ap-

proach. For example, a gaming property overseas has been held to only three people per table game, as opposed to the regular seven to nine players, greatly limiting the level of total table spend. Yet, they still need the same number of staff/dealers to run the tables. Slot capacity on the floor has also been reduced to 55% in that same casino, leading their revenue numbers to at least 20% less than the previous year at the same time. Generally, what these observations are telling us is to reach the same level of play on the same floor, the space itself must grow or branch out into areas where gaming was not held before. This property services a home-based market, but destination-based markets like Las Vegas can learn from these lessons in maximizing gaming floor design.

Other key social shifts are also taking place within these casinos since reopening, such as the call to remove or limit smoking inside the property. Smoking, gambling, and drinking have all been synonymous with each other in these establishments, and for many successful reasons. With the highly transmittable nature of COVID through the air and added risk to smokers specifically, it only seems natural to consider sacrificing the part for the greater whole. A prominent casino in Washington state took the leap to re-open completely smoke-free, truly an admirable risk, in an effort to gauge where their client base stood on the frequently contested issue. To their delighted surprise, their guests gave more positive feedback than expected, pushing

them to work towards making the smoke-free aspect part of their permanent amenities list. Operational shifts like this can affect the design of a gaming floor as well in a huge way.

tion of natural air filtration through greenery and the concept of bringing the outside in, and vice versa, can be considered as taking over those once unpleasant spaces in a casino. Weaving this natural environ-

“Millennials value varied options at an integrated resort and the personalization of their experience. This concept exists with or without COVID-19, but the pandemic forces us to look at these environments with a more critical eye and perhaps allow us the opportunity to make more daring design moves.”

Other gaming properties throughout the country have had smoke-free environments prior to the pandemic, and even Las Vegas has its first, major smoke-free casino-resort, Park MGM. However, the need to analyze how these spaces once catering to the smoker—with ash trays, heavily utilized air-filtration systems, odor and burn resistant fabric and finishes, to name a few—has to go beyond the marketing of being ‘smoke-free’. Looking at the integra-

mental thread through the gaming floor would also contribute to the increased slot machine spacing and table game layouts that would most likely continue moving forward. Designing within the void.

Another opportunity not to overlook is queuing for venues. With the limited capacity of restaurants, retail, and soon entertainment spaces, lines have been a constant and usual sight—wrapping around buildings and perimeters. Within a casino,

these queues normally would remain hidden within the restaurant or behind screens into a nightclub. But with the increased spacing even before entering the venues, these lines now stretch into the gaming floor itself. Is there an opportunity there to take advantage of the time in the queue? Rather than lining the perimeter, blocking other venue entries and exposure, we can utilize design to dictate where these lines form and eventually connect to. The concept arising of connecting destination points on the gaming floor through gaming neighborhoods created by these lines is an intriguing study that might bring to light other ways of looking at an open field of slot machines and table games. Designing within the field.

Creative order and timing need to be recognized during these times because we have no choice but to move forward. While many in the industry think that ‘normal’ was how things were before the pandemic, I am pushing for an approach where nothing was normal, only part of the order and timing of that moment. The gaming industry, especially in Las Vegas, always had its finger on the pulse of what people will enjoy and value. Instead of waiting for things to ‘get back to normal’, let’s take what is right in front of us and continue to change the game. ■

Gary Grief from page 22

But even that is not the key metric. The top of the pyramid of KPI’s includes net funds to good causes, preservation of integrity and reputation of the Texas Lottery brand, protection of the consumer and responsible gaming. There is nothing new or innovative about our decision-making and planning process. We are just applying the longer view towards realizing the ROI on investment. That “we” includes our technology partners and our retailers. Investment in modernization can be thought of as a short-term “loss leader” that positions us for maximization of long-term ROI. It is a gateway to get to an end result of dramatically increasing the number of lottery touch points in the public domain, and moving the scratch ticket product into the in-lane channel will yield large returns for the Texas Lottery, which has already delivered over \$31 billion to good causes in Texas since our inception twenty-eight years ago. Our fiscal year just concluded on August 31st

was the ninth straight year of record lottery revenue with over \$1.6 billion generated for public education and veterans’ services. That long-term record of growth in the face of a variety of challenges and economic conditions doesn’t happen by accident.

We are excited about how innovation and new initiatives will shape our future in a positive way, serving the interests of the next generation of Lottery stakeholders. I must say I am very grateful to our vendor community. We do business with IGT Printing, Pollard and Scientific Games equally for the production of our scratch ticket products, and IGT Texas is our lottery operator. Each of these vendor partners understands our desire to drive sales and revenue for the good causes in our states. In that sense, we are perfectly aligned with them in getting this done.

It’s almost as if the pandemic proved the adage “necessity is the mother of invention.”

G. GRIEF: I can’t disagree, and I have to tell you I have an outstanding team at the Texas Lottery, not just in the marketing and product areas but in the operations, administrative, financial and legal areas as well. To be an effective lottery organization or any kind of organization, every department must be focused on the same goal and have the same values. Likewise, our business partners at IGT Texas, led by Joe Lapinski, are in sync with our business goals. IGT Texas and the Texas Lottery work together every single day and we are jointly focused on the exact same thing - growing net proceeds for public education and veterans’ services. Once that goal is clearly delineated, and you know exactly where you need to go, you can figure out how to get there if you have enough smart people in the room. Texas is extremely fortunate - we’ve got plenty of those people here. ■



PULSE of the Industry

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

NORTH AMERICAN NEWS

J. Eric Hagler named new Arkansas Scholarship Lottery director

Arkansas Secretary of Finance and Administration Larry Walther announced that J. Eric Hagler has been named as the new Arkansas Scholarship Lottery director.

Former director Bishop Woosley resigned effective Aug. 3, "to pursue other opportunities," according to a statement from Walther.

Hagler is a native Arkansan and graduated from the University of Arkansas and the University of Arkansas at Little Rock Bowen School of Law. His career started 31 years ago as an Arkansas deputy prosecuting attorney, followed by creating his own law firm, presiding as a magistrate judge in Bentonville, Arkansas, and serving as Special Associate Justice of the Arkansas Supreme Court in 2003. He is moving home to Arkansas from California to lead the lottery, according to a press release.

American Gaming Association's (AGA): COVID-19 Causes 79% Year-Over-Year Drop in Q2 Com- mercial Casino Gaming Revenue

U.S. commercial gaming revenue for the second quarter of 2020 totaled \$2.30 billion, a steep 78.8 percent year-over-year contraction. Contrary to recent revenue declines, commercial casinos demonstrated strong consumer demand in 2020 when open for business. Before all 989 U.S. brick-and-mortar casinos closed their doors in March, combined commercial gaming revenue for January and February was up 10.4 percent year-over-year.

Mary Harville Appointed President and CEO of the Kentucky Lottery Corp.

Governor Andy Beshear has appointed Mary Harville as president and CEO of the Kentucky Lottery Corporation.

Since 2004, Harville has served as senior vice president, general counsel and corporate secretary for the Lottery. She joined the organization 16 years ago after leaving the Louisville law firm of Reed Weitkamp Schell and Vice, where she was a member and practiced for 16 years. Harville received her undergraduate degree from the University of Kentucky in 1984, and her Juris Doctor from UK in 1988. She has practiced law since 1988 in Louisville and Jefferson County. Prior to her work at the Lottery, Harville gained extensive experience in a variety of commercial litigation matters, and successfully represented clients in contract disputes, copyright and trademark disputes, antitrust litigation, and employment matters. She argued cases before the Kentucky Supreme Court and the Kentucky Court of Appeals, and was lead counsel on cases before the United States Court of Appeals and the United States District Courts.

Harville becomes the sixth president and CEO of the Kentucky Lottery. She replaces Tom Delacenserie, who retired in March after three years at the helm.

International Game Technology to Continue as Gaming Systems Provider for the Nebraska Lottery



Under the terms of the contract, IGT will provide all hardware, software, equipment, and

services related to the Lottery's Instant and Online gaming activities. IGT will play a key role in the continuing development of the Nebraska Lottery's sales and marketing efforts.

IGT will install a new gaming computer system and approximately 1,200 full-function terminals at retailer locations across the state. Additionally, IGT will provide for the printing, delivery, storage, and management of both Instant and Online tickets as well as sales support and technical service. IGT currently provides these services for the Lottery across Nebraska from its Lincoln facility. The new contract is expected to generate increased revenues on behalf of the Nebraska Lottery.

IWG and New Hampshire Lot- tery Launch Integrated e-Instant Games



IWG and the New Hampshire Lottery are launching two seasonal e-Instant titles, each with retail versions printed by Scientific Games.

IWG's reach across the North American lottery sector continues to grow rapidly and now includes partnerships with ALC, BCLC, Georgia Lottery, Kentucky Lottery, Loto-Québec, Michigan Lottery, Virginia Lottery and Pennsylvania Lottery.

IGT Announces Sports Betting Technology Agreement with Boyd Gaming



Under the terms of the agreement, Boyd Gaming will utilize IGT's PlaySports platform

to support Boyd Gaming's retail sportsbooks throughout Nevada, along with its Nevada-based mobile sports app and online sports betting portal.

Pennsylvania Lottery sales \$1.14 Billion



YoY iLottery sales increase by 92%, accounting for \$731 million for fiscal year 2019/20.

Tennessee will allow sports betting no later than Nov. 1

Four firms have completed applications for serving as sports gaming operators. Regulators didn't say which sports betting companies are seeking entry into the market. A license will cost \$750,000 annually. Licensing could take up to 90 days, but the TEL indicated that it will accelerate that timeline.

Scientific Games Instant Game Entertainment extends contract with the Minnesota Lottery for two more years



Scientific Games has provided instant games to the Minnesota Lottery since its inception in 1990 through legacy companies.

Gaming Laboratories International (GLI®) Names Two New Directors of Client Services

and promotes Karen Sierra-Hughes to Vice President.



Justine Clay has been promoted to Director of Client Services for North American Suppliers, and Blaine Preston has been promoted to Director of Client Services for State Government, Lottery, and Tribal Operations.

Gaming Laboratories International (GLI®)

GLI's Remote Test Bed solution

is the latest addition to the company's long line of sought-after, time- and money-saving solu-

tions, such as the patented GLI Link®, Test Automation, Point.Click.Transfer.™ and Point.Click.Submit.™. These valuable solutions complement the many other resources GLI has developed to specifically address the ever-changing needs of GLI customers and the industry at large.

Gaming Laboratories International (GLI®) Authorized to Test and Certify iGaming and Mobile Sports Betting in Michigan

Puerto Rico launches public consultation on sports betting regulations

The Government of Puerto Rico Gaming Commission will receive comments until September 10, and on August 19 it will hold a virtual public hearing.

IGT Global Solutions Corporation signed a two-year contract extension with the New York Lottery, extending its current contract to August 6, 2022.

As part of the extension, IGT will deliver 400 new GameTouch™ self-service vending machines to the Lottery and continue providing the Lottery with an advanced central system, terminals, and ongoing services.

Missouri Lottery Awards Three-Year Contract Extension to Diamond Game - A Pollard Banknote Company



The Pull-Tabs program launched in 2013 as part of a pilot program to return Lottery Pull-Tabs to the market. At the conclusion of the pilot program, the Lottery award to Diamond Game the contract as the sole supplier to the Pull-Tabs program effective October 1, 2017. The Lottery has exercised its extension options under this contract.

Idaho Lottery Awards Five-Year Contract Extension to International Gamco-A Pollard Banknote Company

The Gamco contract will be extended through June 30, 2026. Gamco has provided paper

pull-tabs to the Idaho Lottery since 1995 and became its sole supplier in 2008. In 2012, the Lottery introduced electronic pull-tabs, TouchTabs®, in age-controlled social establishments. The TouchTabs product is serviced by Pollard Banknote subsidiary Diamond Game as a subcontractor to Gamco.

Pollard Banknote Pumps Up Its Retro Arcade Game Suite with DIG DUG™



Concept ticket art featuring DIG DUG™ has been a prominent maze-style arcade game since its first release in the early 1980s, well-received for its simple, yet strategic, mechanics. Unlike maze games that came before it, DIG DUG™ allows players to create their own maze in each round.

Maryland Lottery and Casinos Contribute \$1.113 Billion to the State

The Maryland Lottery and the state's six casinos combined to contribute \$1.113 billion to Maryland's good causes in Fiscal Year 2020, with Lottery profits falling just shy of last year's record-setting figure in spite of the COVID-19 pandemic.

In March, during the first few weeks of the pandemic, Lottery sales dipped by nearly 30% before bouncing back during the final quarter of the fiscal year, which ended June 30. The combined total of \$1.113 billion in Lottery and casino contributions to the state is a 15.1% decrease from last year's record of \$1.311 billion.

Maryland casinos bouncing back

In spite of operating at 50% capacity, Maryland Casinos Generate \$149.5 Million, contributing \$60.8 million to the state. This represents a decrease of only \$4,711,219 (-3.1%) from the August 2019 total of \$154,260,719, which was the fourth-best month ever.

Kentucky Lottery Sales Continue Strong Showing



Total sales for the month of July were \$124.4 million, which is \$39.1 million (45.9%) more than the same month last year. Scratch-off sales

were \$77.5 million, up \$26.4 million (51.8%) from the same period last year, while draw game sales of \$40.5 million showed an increase \$7.9 million (24.1%) more for the month than in July 2020. Internet lottery sales continued to show impressive gains, and instant play sales were up 304.8% from the same period last year to \$6.4 million. Net income before transfer of dividends (and excluding unclaimed prizes) was \$28.7 million for the month, which is \$7.2 million (33.2%) more than last year. These results build on the close of FY20 in June, when the Kentucky Lottery posted sales for the year of \$1.2 billion, ending the period \$73.8 million (6.5%) higher than the previous record set in FY19.

Jumbo Interactive Announces FY2020 Results



Jumbo's iRetailer proposition provides lotteries with a standalone digital channel that is self-sufficient and does not require operating cost or marketing budget to be diverted from the lottery's main operations. Australian online lottery retailer Jumbo Interactive has reported an 8.7% year-on-year growth in revenue and is now targeting growth in markets such as the UK, US and Canada as it aims to increase sales to AU\$1bn. Total sales for the 12 months to 30 June amounted to AU\$348.6m (\$251.0m), with revenue rising from \$65.2m to \$71.2m.

Kambi and LeoVegas sign partnership extension

EquiLottery Games and Kentucky Lottery launch live horse racing game Win-Place-Show – Lottery Industry's First-Ever Draw Game Based on Live Horse Racing



With this new draw game offering, players are able to purchase quick pick tickets based on the results of a live horse race each day. These tickets can be purchased at retail alongside draw game mainstays such as Powerball and Mega Millions. Players can watch the races live or on replay through the Win Place Show mobile app available for iOS and Android devices.

IRS wants to tax daily fantasy sports wagering

Operators of the contests would be responsible for the tax. The IRS issued a memo on Friday that weighs imposing a federal excise tax on daily fantasy sport contest operators – like DraftKings and FanDuel. The tax would be equal to 0.25 percent in states where contests are legal, and would be levied upon the operators of the games rather than individuals who partake. The rate increases to 2 percent in states where the wagers accepted are not legal.

Dick Clark Productions and POWERBALL® to once again teaming up to present the "POWERBALL First Millionaire of the Year" promotion following a successful inaugural launch last year.

The promotion will award five randomly selected finalists the chance to win \$1 million in a special drawing to be held just after midnight on ABC's broadcast of "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2021."

Inspired Reports Positive Second Quarter 2020 Results

Second Quarter Online Revenue More than Doubled Year Over Year on a Pro Forma Basis2 and Strength Continues with July Online Revenues Increasing 82% Year Over Year

Inspired Entertainment announced its first Valor™ video lottery terminal ("VLT") placement into Canada.

New Hampshire Unveils State's First Retail Sportsbook with Robust Safety and Sanitization Measures

Virginia Lottery announces third-best year ever in Fiscal Year 2020 Lottery generated more than \$595 million in profits

Total sales for the year topped \$2.15 billion.

Scientific Games Announces Institutional Investors, including Caledonia, to Acquire 34.9% Shareholding from MacAndrews & Forbes

- Respected Gaming Industry Leaders Jamie Odell and Toni Korsanos to Become New Executive Chair and Executive Vice Chair, Respectively
- Refreshed Board to Comprise Majority of Independent Directors Focused on Making Scientific Games Attractive to Institutional Investors
- New Board to Oversee and Help Implement Transformative Strategies to Optimize Business Portfolio and Shareholder Value
- Strategies to Include Accelerating Debt Reduction Efforts and Increasing Focus on Digital Gaming and Sports Betting Growth Opportunities

In connection with the transaction, Scientific Games is implementing a series of governance changes and enhancements, including refreshment of its Board of Directors and termination of the Stockholders Agreement with MacAndrews & Forbes, to reflect its new investor base and continue to position the Company for growth and value creation.

Scientific Games And InComm Expand Partnership To Advance In-lane, Point-Of-Sale Activated Lottery Technology

The New Technology Offers Shoppers Speed and Convenience of Purchasing Lottery Games Directly in Retail Checkout Lanes. Scientific Games' collaboration with InComm to expand lottery distribution channels began in 2015 with prepaid and payment card solutions offering new ways for consumers to purchase lottery games. This expanded partnership between Scientific Games and InComm will fuel the implementation of more innovations such as quick pick options for POWERBALL and Mega Millions in Arizona. It also enables new opportunities for instant game retail sales through the SCiQ in-lane solution.

Wynn Resorts and Scientific Games Launch Partnership in New Jersey and Extend to Colorado and Indiana

DraftKings revenue up 24% for Q2

DraftKings saw revenue of \$70.9m for the second quarter of 2020, a rise of 24% year-on-year. Adjusted EBITDA saw a loss of \$57.5m for the same period, a further drop from the loss of \$21.1m experienced in 2019.

Sports Illustrated Looks for a Sports Betting Partner

The owner of Sports Illustrated is reportedly

shopping betting companies for a future partnership that could take place before the year is up. The result will be the birth of the SI Bets brand. There is also chatter that more than one sports gambling entity could be involved, with offers on the table to license the SI Bets name.

Michigan's Sports Betting and Online Gambling to Bring \$650M In First-Year Revenue

Sports betting and online casinos could produce as much as \$93 million in first-year tax revenue in Michigan. The first of Michigan's online sports betting and casino platforms might launch by the end of 2020. This sets the stage for Michigan to become one of the top online gambling states in the U.S. Gross revenue from sports betting, both online and retail, will be taxed at 8.4% from the state. Detroit's three commercial casinos pay an additional 1.25% city tax.

Michigan hosts 26 land-based casinos, all of which can be expected to offer sports betting and online gaming to the state's 10-million population at some point.

By comparison, New Jersey taxes land-based sports betting at 9.75% and online sportsbooks at 13%. Indiana's online sports betting tax is levied at 9.5%, while Pennsylvania taxes sports betting at 36%. All 26 of Michigan's retail casinos can apply for sports betting and internet gaming licenses through the Michigan Gaming Control Board. In a situation unique to Michigan, the state's three commercial casinos, as well as the 23 tribal casinos, are eligible to offer internet gaming.

Online sports betting has proven massively successful in Pennsylvania and New Jersey. In both states, online wagering accounts for more than 80 percent of total sports betting revenue. Online casino and poker revenue will be taxed at 20-28% from the state, using a tier system dependent on earnings. Online casinos and poker could earn as much as \$250 million in first-year operations, bringing in a possible \$60 million in tax revenue.

Idaho Lottery Returns \$55,500,000 to Benefit Idaho Public Schools

The Idaho Lottery ended its Fiscal Year on June 30, recording \$277.6 million in annual sales, awarding \$185.7 million in prizes to players, and retailers earning \$16.2 million in commissions.

Grover Gaming Ranks in Top 200 on Inc. 5000 List

Inc. magazine announced today that Grover Gaming, Inc., an industry leader in electronic gaming design and software development, has

ranked No. 194 on its annual Inc. 5000 list, placing Grover in the top 4 percent of the nation in revenue growth. This is the company's second consecutive year ranking among the nation's fastest growing and most prestigious private companies, rising from No. 2,660 in 2019 to the Top 10 in North Carolina in 2020.

Virginia Lottery launches IWG games becoming the Company's 23rd WLA/NASPL iLottery launch

IWG digital instant win games launched on the Virginia Lottery's iLottery gaming platform, making it the 23rd WLA/NASPL-member lottery to launch the instant win supplier's games portfolio. The integration took just weeks to complete, a timeline made possible by the long-standing collaboration between IWG and NeoPollard Interactive, the Virginia Lottery's iLottery platform provider.

Following the execution of a five-year contract agreement, the completion of a streamlined integration process, and the implementation of IWG's locally-deployed Remote Game Server (RGS), the Virginia Lottery has elected to roll out the provider's top-performing games. An extensive portfolio of games is planned into the Lottery's roadmap.

The launch of instant win games with the Virginia Lottery highlights the supplier's impressive lottery client network, with its content already live across the growing North American iLottery markets, including Georgia, Kentucky, Michigan, New Hampshire, and Pennsylvania in the US, and the Atlantic Provinces, Québec, and British Columbia in Canada.

West Virginia Mobile Sports Betting Continuing Its Ascent

The July West Virginia mobile handle was \$11,168,731, up 94.5% from June (\$5,742,051). Total sports betting handle in the state was \$15,853,463 for July, a 150.1% rise from the \$6,338,618 in June. The West Virginia sportsbooks combined for \$1,573,845 in revenue for the first month of the 2020-21 fiscal year, a spike of 177.1% compared to the \$567,836 for the state in June.

Mobile wagers represented 70% of the sports betting activity in July.

How Online Lottery Expansion Is Outpacing Online Casinos in the US

When it comes to legal online gambling in the US, there's something of a footrace taking place between lotteries and casinos. Eight years in, it looks as if online lotteries are winning.

At the moment, there are only two states with

active online casinos but no online lottery.

Conversely, five states offer instant iLottery games but no online casinos. And two states have both. This doesn't include states which sell only draw tickets online, but lack instant games, as these aren't comparable to online casinos. So, Lotteries lead 2-1 in 2020, as casinos look to tie it up

These are all the states that now have a full-featured online lottery, along with their respective inception timelines:

Georgia (2012)
Michigan (2014)
Kentucky (legalized 2013, launched 2016)
New Hampshire (2017)
Pennsylvania (2018)
Rhode Island (legalized 2019, launched 2020)
Virginia (2020)

Why is iLottery the more popular option?

Every state is different, with its own set of concerns and complications. Even so, there are a few universal factors that may be swaying more legislatures towards establishing an iLottery rather than legalizing online casinos.

The first is simplicity. An online casino bill is necessarily complex, and most of these run for several dozen pages. Every detail needs to be taken into account, from assignment of responsibilities, to licensing procedures, to tax policies, to technical requirements. It's also usually the case that a state's senate and house each write their own bill. These will differ in the details, and then further work is required to reconcile them.

Paving the way to an iLottery, on the other hand, is usually as simple as changing a single phrase in an existing law. Often, all that is required is the addition of the words "including sales over the internet" to the section detailing the responsibilities of the lottery board. After that, legislators can move on to something else, leaving the details of the iLottery to the lottery commission itself.

The second reason is money. Tax dollars are the main incentive for any gambling expansion, yet with the private sector involved, inevitably some money has to remain with shareholders. Conversely, 100% of a lottery's net profits end up in public coffers.

Will eSports Betting Surpass the Popularity of Online Poker?

For much of the last two decades, online poker has been one of the most popular forms of betting. Having enjoyed a boom during the mid-2000s, the industry recorded revenue figures of \$6.7 billion in 2012, according to Statista. A measure of the sector's growth: in 2004, the market's revenue was only \$1.4 billion. In many

ways, eSports presents a new digital betting opportunity that could upset the apple cart in the online world. While surpassing the popularity of poker won't happen overnight, the growth of competitive gaming points towards the potential for it to play a significant role in the future outlook of online betting.

At the time of writing, it's forecast that the global eSports industry will be worth \$6.82 billion by 2027, registering a compound annual growth rate of 24.4 percent, as per PR Newswire.

ESPN expanding sports betting footprint

On the heels of the opening of its new studio on the Las Vegas Strip and the return of its sports betting television program Daily Wager, ESPN is expanding its sports betting footprint with Monday's debut of Bet, a new half-hour program that will stream three nights per week on digital platforms.

The Latest Chapter In 'Are Loot Boxes A Form Of Online Gambling?'

California resident Kevin Ramirez is suing the video game company Electronic Arts (EA) for \$5 million in damages over loot boxes in its sports titles. These include the video game adaptations of most major league sports, but the suit singles out FIFA and Madden NFL specifically. Ramirez says he ended up spending \$600 on Ultimate Team Packs in Madden. The \$5 million sum named in the suit is because he intends to have the case certified as a class action including players of these and other EA titles.

New York casinos reopen September 9 at 25 percent capacity

The reopening decision will apply to all racetrack casinos as well as the state's four full-fledged, privately run casinos. Native American-run casinos, which are not constrained to the state's COVID-19 shutdowns, have already been open in New York for months after temporarily shutting down in March, April and May, when the coronavirus was at its peak in New York.

Pandemic Pushes Lotteries Online

Across the globe, the coronavirus pandemic has shifted grocery and foodservice ordering online, and lotteries are not far behind. Luca Esposito, executive director of the World Lottery Association (WLA), noted that the industry had sustained revenue hits as lockdowns shuttered

stores where players bought tickets.

However, the global lottery industry has begun to recover as it makes a switch to digital in several regions and countries. "This is a bona fide transformative moment: There will be no going back to 'business as usual,'" wrote Esposito in an April blog post. "The pandemic has forced upon us a profound change in the way in which we understand the world. Let's hope that it is a lasting change for the better."

Texas Lottery Renews Agreement with SCA to Support Retailer Bonus Program

ESPN Completes Cycle as All Major Broadcast Networks Now Embrace Betting

The Worldwide Leader in Sports slid across the plate this week, the fourth of the big four broadcast networks to completely, unabashedly embrace legal sports betting. William Hill Sportsbook (through Caesars/Eldorado Resorts) becomes the provider of betting data and odds information across ESPN apps and platforms, while the new arrangement sets DraftKings as ESPN's exclusive daily fantasy sports provider, to be likewise featured network-wide. Together, William Hill and DraftKings are "co-exclusive sportsbook link-out providers," or put simply, ESPN will refer readers/viewers to those two sportsbooks.

ESPN is owned by Disney. While surprising to very few that ESPN eventually warmed up to sports gambling to this extent, it is interesting that the family-friendly Disney has fought and spent against casino expansion in Florida to protect its grip on entertainment dollars.

Live betting is viewed as the next great frontier in sports betting, or at least terrain not yet fully explored in U.S. sports. Perhaps more integration into live broadcasts play-by-play — not merely separate, sports-betting-focused broadcasts that NBC has already explored — will advance the ball.

Status of pending sports betting legislation

- California – The site of a showdown between tribes and card rooms, which have battled over exclusivity to offering legal gambling for a long time. Lawmakers see a potential revenue source of over \$500 million annually and are trying to broker a compromise.
- Connecticut – Lawmakers introduced several bills and held (long) hearings regularly from 2018 to present, but the powerful tribes that operate Mohegan Sun and Foxwoods Resorts, and other stakeholders, continue to fight over exclusivity, a new casino location, and who

can offer sports betting and iGaming.

- Ohio – Ohio House of Representatives passed a bill 83-10 in late May 2020 to legalize sports betting in the state. This is a developing story, but will likely idle until fall 2020.
- Maine – Maine came close, but Gov. Janet Mills vetoed a very consumer-friendly bill (for dubious reasons), and an attempted override of the veto failed.
- Massachusetts – Lawmakers in Massachusetts continue to make progress in getting a bill passed to legalize sports betting, but they have yet to reach the finish line.
- Missouri – Lots of discussion and hearings, but no consensus. It seems likely 2020 will pass without anything getting done.
- Kansas – A bill has been introduced, and potential sportsbook operators are on board.
- Louisiana – There will be a ballot referendum in November 2020 on whether to legalize in-person sports betting.
- Maryland – Ballot referendum in November 2020 will decide the fate.

State lotteries

What role do state lotteries have in sports betting? In some jurisdictions, such as Delaware, Montana, New Hampshire, Oregon, Rhode Island, Tennessee, and D.C., the lottery commission (or similarly termed body) will either have regulatory and/or oversight authority over sports betting.

Each state has to decide which body is best equipped to implement and manage the jurisdiction's sports betting market. Does the lottery commission have the requisite experience to do it well and maximize revenue for state coffers? Should commercial operators be allowed to enter? Should the state's casinos be able to obtain the licenses? What about a model where commercial casinos can operate online and in retail, but the lottery also gets to offer sports betting products of some kind? In almost every state where the lottery exists (which is most), the lottery wants to be involved in some capacity or have a cut.

AGA: More Than 33 Million Americans To Bet on NFL Season

- 20 percent (6.6 million) will wager at physical, legal sportsbooks, up from 18 percent last year.
- 34 percent (11.3 million) will place a bet through legal and illegal online platforms, up from 29 percent.
- 18 percent (6 million) will wager with a bookie, either in person or via a mobile platform, up from 12 percent.

- 26 percent (8.6 million) will bet casually through pools, fantasy contests, and squares, down from 31 percent.
- 50 percent (16.6 million) will bet casually with friends, family, or coworkers, down from 53 percent.

U.S. Sports Betting

State	Online Sports Betting	Retail Sports Betting
Arkansas	No	Yes
Colorado		
Yes	Yes	
Delaware		
No	Yes	
Illinois		
Yes	Yes	
Indiana		
Yes	Yes	
Iowa		
Yes	Yes	
Michigan		
Coming Soon	Yes	
Mississippi		
No	Yes	
Montana	No	Yes
Nevada	Yes	Yes
New Hampshire	Yes	Yes
New Jersey		
Yes	Yes	
New Mexico	No	Yes
New York		
No	Yes	
Oregon	Yes	Yes
Pennsylvania		
Yes	Yes	
Rhode Island	Yes	Yes
Tennessee		
Coming soon	No	
Virginia		
Coming soon	Coming soon-ish	
Washington	No	Coming soonish
Washington D.C.	Yes	Yes
West Virginia		
Yes	Yes	

How much legal betting handle and tax revenue have legal sports betting states generated?

- The amount of legal sports bets (in dollars) made in each state since May 2018;
- The “hold” percentage (percentage of bets kept by licensed sportsbooks);
- Sportsbook revenue generated in each state;
- Total state taxes collected in each jurisdiction.

WORLD NEWS

Deep Dive: Preventing Fraudsters From Gaming The System As Online Gaming Heats Up

Millions of consumers around the globe are turning to online games during the COVID-19 pandemic, and cybercriminals are springing into action with schemes to target them. Online gambling compliance experts are predicting that cybercrime will sharply rise in the coming months.

Saxony Retailers Are First in Germany to Pilot Scientific Games lottery self-service instant ticket vending technology with its Award-winning PlayCentral® HD

Known for leading innovation to modernize the lottery retail and player experience, Sachsenlotto in Saxony has placed PlayCentral HD vending machines at a selection of pilot locations, including malls, various sized retailers and the Lottery headquarters’ store. Scientific Games currently has more than 12,000 lottery self-service vending machines in market worldwide.

Scientific Games Accelerates Digital Expansion with Sports Betting Launch for National Lottery in Netherlands

Nederlandse Loterij Launches World-class OpenSports™ Technology. Scientific Games currently provides sports solutions to 24 lotteries worldwide.

INTRALOT Signs 3-year Contract Extension in New Zealand until 2025

The company will continue to provide its integrated solution Electronic Monitoring Services (EMS) for Class 4 venues to the Department of Internal Affairs.

EMS was introduced by INTRALOT in March 2007 to track and monitor gaming machine operations in pubs and clubs, ensuring the integrity of games and the accurate financial reporting.

Dr. Chris Dimitriadis, INTRALOT Group CEO stated: “We would like to thank DIA for its continued confidence and trust more than a decade. The extension of our partnership is an endorsement of our successful cooperation in implementing a high-quality operating service performance out of EMS. Our world-class solution, designed according to Gaming Association standards, serves the most demanding regulatory environments and we are committed to continue supporting DIA on establishing a responsible gaming environment for the local player community.”

IGT ADVANTAGE System and Solutions Selected by Australia’s Spectacular New Crown Sydney Hotel Resort

The innovative IGT ADVANTAGE system will connect live and electronic table games (ETGs) at the exclusive, tables-only VIP casino in the Barangaroo precinct on the foreshore of Sydney Harbour. As part of the installation, IGT will also deploy its proven M5 Service Window technology on the property’s ETGs.

UK National Lottery Details Licensing Process, Winner to Be Announced in 2021

The UK’s gambling regulator has formally opened the competition to operate the National Lottery, while announcing staff cuts that are prompting further criticism from anti-gambling parliamentarians. The current licensee’s contract expires in 2023. The license is currently held by Camelot UK Lotteries Ltd, a subsidiary of the Camelot Group, which has operated the Lottery since its launch in 1994.

Whoever the recipient of the fourth license is, they’ll have a fixed 10-year term, which the UKGC believes will offer “a clear period for investment planning.”

A number of would-be licensees have been rumored to have an interest in this derby, including Czech lottery and betting giant Sazka Group, Australia’s Tabcorp Holdings, and Health Lottery operator Northern & Shell.

Brazil President Bolsonaro Approved Sports Betting Privatization

Veikkaus' profit to decrease by an estimated 300 million euros due to the coronavirus this year

Ukraine Announces License Fees as per New Gambling Law

Ukraine's new gambling legislation would allow the functioning of ground casinos in five-star hotels in the capital city of Kyiv and four-star hotels in regions.

Italian regulator AgCOM is investigating Google Inc, Google Italy and Google Ireland for ranking foreign gambling operators in google search results.

Jim Acton, from page 35

Michigan (2014) – Hailed as the lottery that showed that iLottery programs can be successful while not impacting the retailer network, Michigan's digital presence continues to grow. It is now a leading revenue driver for the lottery.

Kentucky (2016) – Kentucky's iLottery sales finished FY20 at \$45.0 million, an increase of \$18.2 million (68 percent). Online sales represent a modest but growing percentage of overall sales.

New Hampshire (2017) – New Hampshire saw online sales of e-instants increase by 92 percent and draw-based purchases go up 39 percent between March 21 and April 25. At the end of the fiscal year, online sales were up 110% over the same period last year.

Pennsylvania (2018) – With their average daily online lottery sales reaching \$3 million during the pandemic, Pennsylvania saw FY20 online lottery sales soar about 24 percent ahead of estimates.

Rhode Island (2020) – Rhode Island's iLottery program launched in May, featuring Keno and eInstant games. Last year, the lottery also launched sport gambling. Both are available through mobile apps.

Virginia (2020) – Virginia Lottery's launch over the summer exceeded the lottery's expectations. July and August per caps soared past other similar iLottery launches and the lottery added new games into September.

What's the Future?

Where will we be six months, one year, two years from now? Will there be double the number of lotteries offering iLottery? More?

UK: World famous icons of British tourism and entertainment at risk unless Government moves to support casinos

Some of Britain's most iconic casinos, who attract high spending visitors from around the world, are sitting idle whilst pubs and restaurants round the corner are open and doing a roaring trade.

World famous venues like the London Hippodrome in the city's West End and Les Ambassadeurs casino in Mayfair are among just over 100 venues in England expressing grave concern about their future following the announcement by the Prime Minister that casinos, which had been given the green light by public health officials to reopen on August 1st, should remain shuttered.

And will forward-thinking states create gaming structures like those that exist in Rhode Island and New Hampshire, where all forms of lotteries are controlled by the lottery? Governors and legislatures in those states realize that lotteries have the infrastructure and security to adequately handle expanded gambling. And perhaps most importantly, the lotteries have clearly identified good causes to which their profits are directed.

The New Hampshire Lottery – the first in the United States – is showing that, indeed, lotteries can do it all. With traditional lottery products rebounding after a difficult period at the beginning of the pandemic, New Hampshire's iLottery platform is gaining popularity as the lottery offers new content.

And the lottery's tentacles now stretch into sports gaming. DraftKings is the exclusive sports betting provider of the New Hampshire Lottery and launched mobile sports betting in the state on December 30, 2019. The first sports betting retail location launched on August 12 and the second facility opened on September 13.

Obviously, this arrangement won't work for all lotteries, especially those that already have gaming commissions which oversee casinos and/or sports gambling. But gradations of what New Hampshire is offering would substantially change the face of lottery gaming in the United States.

So let's start with iLottery because for many lotteries, that is the "lower" hanging fruit when it comes to online game delivery. Many gaming experts believe that risk-averse legislatures might lean more toward enacting iLottery, at least initially, because of the

Scientific Games Strengthens European Instant Game Business With Four-Year Dutch National Lottery Contract

The agreement may be extended by Nederlandse Loterij for up to four additional years. The program generated more than 28% growth in the Lottery's scratch card retail sales during the previous contract period (2015-2019). Since SGEP services began in 2011, Nederlandse Loterij's instant game retail sales increased 98%. Using data analytics and insights to responsibly maximize the Lottery's performance, SGEP manages every aspect of the instant product portfolio including game design, manufacturing, inside sales, warehousing, distribution and retailer programs.

reason just mentioned – experience, security and good causes. Additionally, the path to iLottery can be as simple as small changes to lotteries' enabling legislation. Then the lottery can figure out its own rules and regs governing internet sales.

Whatever the outcome of the iLottery debate, one thing is certain – the "blocking and tackling" of lottery will remain. Paper-based scratch tickets will continue as the key revenue generators. Draw-based games such as daily numbers and in-state "Pick" games will remain as the "oldies but goodies" with their critical base of long-time customers. Multi-state games such as Powerball and Mega Millions will remain as the most-recognizable brands which attract new and casual players when jackpots make their runs.

Like the duck that looks calm above the surface but is a flurry of activity below the surface, lotteries will continue to maintain business continuity to their retail network and customer base. Behind the scenes, however, is where the hard work is taking place. The payoff for states is that they can rely on lotteries for a continuing stream of revenue.

Indeed, as much as things have changed in 2020, some things remain the same. The lottery is a critical economic driver for states, retailers are the backbone of the lottery industry, and technological improvements are allowing the lottery to offer different avenues for players. This has been the successful formula for the lottery industry for more than 50 years and this dedication to service and performance will keep lottery relevant for many years to come. ■

concerned that lottery tickets purchased online are tickets that would otherwise have been purchased at retail. We meet with retailers regularly so they are confident that the dialogue is ongoing. We explain that the Lottery's online channel brings in new player groups who are then prompted to go to retail stores, either to register or for a second chance bonus plays, additional prizes etc. The retailers know they can follow up with us in a few weeks to express their approval or air their grievances. We acknowledge their right to be concerned and we address their concerns with solutions and commitment to helping their business.

In the end, we deliver on our promise that the omni-channel model enhances player engagement, brings new player groups to the Lottery, increases sales at retail and increases retailer commissions. Additionally to that, mobile apps, digital enhancements of any kind and the option to play lottery games online also increases both net revenues for the operation and customer satisfaction. Due to the recent burst of illegal online operators, it is more imperative than ever for the Lottery to provide the consumer with the option to play online and keep the economic benefits from flowing out of the country.

China effectively blocks access to all unlicensed online operators. It can be done. Someone may point out that illegal operators are creative and can always find a way. While that may be true, it is also true that there are tools available to prevent consumers from accessing illegal websites that should not be used. It is more a matter of policy than technology. The vast majority of illegal online play could easily be prevented.

How did INTRALOT adapt to the challenges of lockdowns? And how did you help your customers adapt to the lockdown?

M. Mitromaras: Adversity can also bring out the best in us. We had Business Continuity Plans that included moving a large part of our workforce at home. We are proud to say, we did not miss a beat for that challenge. Our telecommunications networks, service and telephone support functions were ready to move to everyone's home. All around the world, INTRALOT is meeting its obligations and enabling its

customers to continue performing and delivering the games.

For example, our sports betting customers had no sport contests to place wagers on. So we helped them to quickly deploy e-sports and virtual games. We have been encouraging expansion into these new categories for years. The pandemic was the catalyst that prompted them to go for it. The important thing is to be ready to execute quickly when the need and the opportunity arises. We had already deployed these solutions in markets like Taiwan and Malta and so we were able to minimize the time-to-market when the pandemic motivated our other customers to want to proceed, even with solutions customized for each market.

Do you think that the pandemic, and the economic repercussions, will cause the political and regulatory climate to be more receptive to new technology and new games and channels of distribution to help Lottery increase sales and contributions to the state and good causes?

M. Mitromaras: I do. For instance, retail and consumer commerce is all moving to cashless. With the need for "contactless" interaction, the prohibition against cashless lottery transactions is downright irresponsible. So hopefully any jurisdictions that continue to require cash-only for lottery play will quickly amend that outdated policy. The EGM "pokies" in Australia are all coin-operated. That needs to be digitized.

Another benefit of digitizing transactions is that it leaves a digital trail that makes it much harder to launder money. Cash-based gambling is a widely used method for money-laundering and so policy-makers should want to eliminate that.

From our side, we're trying to promote more effective enforcement of regulations against illegal operators, both online and off-line. Sometimes we are invited to discuss these issues with regulators and we very happily accept. The technology is available to do so much more to minimize illegal gambling, help protect the consumer, promote responsible gaming and promote the Lottery. Also, cloud technologies should replace the expensive data-centers. That would yield lower costs and increase operational efficiencies especially

as the business expands and produces economies of scale. All these capabilities are available to us now.

The wheels of progress can move slowly when it comes to enacting new laws and regulatory change. But I do hope and expect the current conditions to cause policy-makers to be more receptive to modernizing regulations and allow their own government lotteries to grow and expand and take market-share from the gray-area operators. I do hope and expect that everyone can take advantage of this period of extreme disruption to create a better world on the other side, to apply the heightened ability to adapt to adverse conditions and adapt to new ways of thinking about innovation and ways to apply technology to make the world a better place.

Gretchen Corbin from page 18

we can change quickly as needed. We now have a Players Club that enables us to reach out by email and ask, "What about this ticket?" "Ticket A or Ticket B ... Which one do you like?" We need to drill down on the underlying elements that drive success, deconstruct the attributes of the product and the component parts to the selling process and the POS. Thankfully, I think we are starting with a genuinely popular product that players will continue to love for many years to come.

Anything you might add about the fabulous accomplishments of the Georgia Lottery?

G. Corbin: I'd just like to say thank you again to everyone who has supported the Georgia Lottery Corporation over the years. We are incredibly fortunate that from our first day, we have had an incredible team of professionals working and being creative at the Georgia Lottery. Georgia is also fortunate that our governors and legislature set up the Georgia Lottery as a corporation, to be nimble like a business and with astute oversight by our legislature and a board appointed by the governor. The Georgia Lottery will always be appreciative to those who structured and continue to support us so well. Their foresight and commitment have truly paid dividends, especially in the year of 2020. ■

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As a world leader in gaming entertainment and technology, Scientific Games' mission is to empower our customers by creating the world's best gaming and lottery experiences. Our casino, lottery and digital games reach players wherever they are, whenever they want to play, and in any channel they choose: retail, casino, digital or sports.

For more than 84 years through our acquired companies, Scientific Games has delivered what customers and players value most: trusted security, creative content and innovative technology. Beginning with the world's first slot machine, the "Bally Baby" in 1936, to our development of the world's very first secure lottery instant game in 1974, and our revolutionary SCiQ™ lottery retail

ecosystem in 2018, we are a trusted business partner to more than 1,500 customers around the globe.

Headquartered in Las Vegas, Nevada, with over 9,400 employees worldwide, Scientific Games serves our customers from manufacturing and commercial facilities on six continents. We offer a fully-integrated portfolio of technology, platforms, content, and services for the gaming and lottery industries.

Scientific Games' history of success has been driven by our highly experienced professionals who are committed to excellence. Our products have been developed by some of the world's top game designers, mathematicians, marketing research analysts and product managers.

We are an industry leader in developing and applying market research, analytics and consumer insights to gain a deeper understanding of player demand and preferences. As a result, we continue to generate new ideas and innovative gaming solutions that provide players with exciting experiences – and retailers with operational efficiencies.

Scientific Games is committed to corporate social responsibility, and we work closely with our customers, governments, regulators and industry associations to support healthy play and responsible gaming.

We drive the global lottery and gaming industry forward by maximizing our customers' performance with a proven portfolio of products, technology and services featuring:

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A global leader in lottery and gaming, IGT is uniquely positioned to deliver unrivaled gaming experiences that engage players and drive growth.

To support player-driven innovation and growth for our customers, we leverage a substantial investment in player insights, a wealth of premium content, operator experience, and leading-edge technology. Our Global Lottery and Global Gaming organizations support four key segments:

Lottery – IGT’s pioneering and award-winning solutions encompass all aspects of the lottery business, from the player experience to portfolio optimization

and retail management. We continually refine and optimize our systems and tailor distinctive game content to help our customers strengthen their relationships with the players they serve.

Gaming – We deliver dynamic games, systems, gaming machines, and other growth-driving innovations to gaming venues around the world. IGT’s distinctive systems solutions give operators the control and flexibility they need to optimize their gaming floors, offer cashless gaming, and manage robust loyalty programs.

Digital – IGT PlayDigital is dedicated to delivering growth-driving solutions that advance digital play across lottery, casino and digital operations. From content and systems technologies to critical support services, our PlayDigital portfolio is integrated, modular, and flexible.

Sports Betting – The IGT PlaySports sports betting platform and solutions portfolio was created specifically to meet the needs of U.S. casino and lottery operators. The proven, widely approved platform is versatile and annually processes billions of dollars in wagers through retail, mobile, and self-service technology.

IGT’s commitment to responsible gaming is woven into the fabric of our product development, services, programs, and policies. IGT was the first lottery vendor to receive the WLA’s Responsible Gaming Standards for Associate Members, covering IGT’s lottery and digital operations, and was the first gaming vendor in the world to achieve responsible gaming accreditation from the Global Gambling Guidance Group (G4) for both its gaming and digital operations.

In 2018, IGT joined the United Nations Global Compact network to align strategies and operations with universal principles related to human rights, labor, the environment, and anti-corruption. We also support the United Nations’ Sustainable Development Goals (SDGs).

IGT is dedicated to creating a fair and inclusive culture that values unity, diversity, and belonging in our people, players, customers, and communities. IGT is one of 325 companies across 50 industries selected for the 2020 Bloomberg Gender-Equality Index (GEI).



INTRALOT

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INTRALOT, a public listed company established in 1992, is a leading gaming solutions supplier and operator active in 45 regulated jurisdictions around the globe, with a global workforce of over 3,800 employees in 2020. Based on its strategic approach “i-shapes the future”, INTRALOT is committed to Modernize Lotteries in a Digital World by delivering innovative lottery and sports betting solutions shaping the future of gaming. The company invests in developing next-generation products focused on players’ experience, the trends of the world-wide gaming ecosystem, and the efficiency of its operators to provide engaging players’ entertainment while

driving its customers’ growth and their contribution to good causes.

INTRALOT has an established presence in the USA market through its subsidiary INTRALOT USA, employing more than 570 employees, and has secured 14 contracts - four of which are sportsbetting - in 13 jurisdictions nationwide to provide online systems and services, warehousing and distribution of instant tickets, and VLT/COAM monitoring. Currently, INTRALOT USA has contracts with the state Lotteries in Arkansas, DC, Georgia, Idaho, Illinois, Louisiana, Massachusetts, Montana, New Hampshire, New Mexico, Ohio, Vermont, and Wyoming.

As member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and an active proponent of the principles of Responsible Gaming, awarded with the renewal of the WLA Responsible Gaming Framework Certificate.

INTRALOT is the first international vendor in the gaming sector to be certified under the WLA Security Control Standard in 2012 while has been certified with the ISO 27001 for its Information Security Management System (ISMS) maintaining the ISO 20000-1 certification on Information Technology Service Management.

Among other distinctions, INTRALOT has received the GOLD SEE G award by EBEN GR (European Business Ethics Network) for Business Ethics, Corporate Governance and Corporate Social Responsibility, while the Company’s General Technical Division was awarded the Recognized for Excellence in Europe - 5 Stars distinction by the European Foundation for Quality Management (EFQM).

PRODUCERS

POLLARD banknote limited

POLLARD BANKNOTE LIMITED
www.pollardbanknote.com

Pollard Banknote partners with lotteries around the world to create and market high-performing instant games and solutions that excite and engage players. Focused on innovating within the lottery ecosystem, we also provide industry-leading retail and digital solutions.

Our team of talented lottery specialists is dedicated to delivering on three key dimensions for success: outstanding games that excite loyal players and attract new ones, retail excellence through effective in-store strategies and retail network expansion, and digital innovation that cultivates a true integrated experience.

Subsidiary companies and a joint venture partnership further strengthen our offerings in each of these dimensions. These companies include:

- American Games and International

Gamco, which specialize in charitable and lottery gaming products;

- Schafer Systems, a foremost supplier of innovative instant ticket merchandising, dispensing, and display solutions in the lottery industry;
- Diamond Game, a leading provider of innovative electronic gaming solutions, designed to engage players in social establishments;
- Fastrak Retail™, an award-winning retail point-of-sale (POS) display company specializing in customized solutions for lottery and retail customers;
- mkodo, delivering world-class apps and digital user experiences for mobile, online, and retail environments in the betting, gaming, and lottery sectors; and
- NeoPollard Interactive (NPi), our joint venture and award-winning provider of iLottery platforms and games. NPi helped pioneer the introduction of online gaming in regulated lottery jurisdictions in the U.S. and powers

the most profitable iLottery programs in market.

Pollard Banknote offers our global lottery partners an ever-evolving portfolio of innovative products and services to help accomplish their business objectives and maximize proceeds for good causes. All of our marketing strategies and related services are designed with the express goal of elevating our lottery clients and creating the ultimate player experience. Our retail-focused products feature industry-leading instant lottery and charitable games, including patented and proprietary offerings as well as innovative tools and services for optimizing lottery operations. Our full suite of digital solutions includes world-class mobile application development, interactive games, player engagement platforms, iLottery systems and services, plus a variety of software solutions to help lotteries manage their operations effectively and efficiently. From outstanding game design and innovative merchandising to in-lane solutions and one-to-one marketing, Pollard Banknote continues to be a driving force in the lottery industry.



JUMBO INTERACTIVE LIMITED
www.jumbointeractive.com

“Developing And Operating The World's Best Digital Lotto Experiences.”

Jumbo is a leading digital iLottery and iRetailer provider to national, state and charity lotteries. We utilize the latest technology to craft an engaging and entertaining purchase experience for our customers across a range of digital platforms we refer to as PBJ – Powered By Jumbo.

Founded in 1995, Jumbo pioneered e-commerce in Australia after developing and launching one of the world's first online shopping malls. The company was listed on the Australian Stock Exchange in 1999. In 2000, the company began selling lottery tickets online, and now focuses exclusively on the sale of official government and charity lotteries via

digital platforms developed and promoted entirely in-house. Digital is at our heart and what we do!

Our teams are proven in their ability to deliver and we have seen 20% growth on average over the past 5 years. We have done this by adopting a data-led decision making ecosystem that allows us to provide the most superior experiences to our players and customers – ensuring higher engagement levels, better conversion and 5 star rated experiences.

Our national and state lotteries focus on two solutions: Jumbo iLottery® and Jumbo iRetailer®. Both propositions are based on our PBJ platform and marketing services. The iLottery proposition provides lotteries with an integrated digital lottery channel that is more efficient and effective than most industry peers.

The iRetailer proposition provides lotteries with a standalone digital channel that is self-sufficient and does not require operating cost or marketing budget to be diverted from the lottery's main operations. The iRetailer model applies to all lotteries, big or small, enabling

us to support and make a success of iLottery for those lotteries with restricted marketing budgets.

In today's uncertain world, and with uncertainty being the new norm, there is no time to take chances with your iLottery program. Jumbo is one of the biggest lottery resellers in the industry, with 75 customers and over \$1bn in tickets sold. At Jumbo we believe it is “not a time for novices” and with our proven iLottery and iRetailer solutions, we have the experience to develop, manage and grow your digital potential.

Alongside our proven experience is our financial strength and security. Jumbo has all the resources and credentials to invest in your iLottery program.

For more information contact:

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LEADING ACTORS



ABACUS SOLUTIONS INTERNATIONAL GROUP INCLUDE LOGO SOLUTIONS FOR INNOVATORS

www.lotteryeverywhere.com

In the future, lottery operations will be omni-channel and customers will do business with your lottery in the way they choose to do it. Sports betting and new multi-player games may well be at the forefront of a new way of playing the lottery on mobile phones, in social environments, on-line, or even at gatherings in their very homes. Players' devices will be interactive with television and computer screens. The tradi-

tional way of playing the lottery will also exist at retail but the delivery of products will look nothing like it does today. We are at the very beginning of the transition from a world of atoms and physical delivery into the world of electrons and a digital delivery. This process will go on for many years, but the first step is the integration of your Central Gaming System (CGS) directly into the retailer's ePOS. Not only will this improve the operational efficiency of the retailer by reducing labor and shrink, but it will allow for a seamless delivery to the player in the channel they choose.

Our fully managed service offering includes:

- Lottery In-Lane, Self-Checkout, and Self-Serve
- Instant ticket sales and validation through our gateway

- Ticket by ticket delivery of instants where supported by your CGS
- Sports Betting where supported by your CGS
- Online delivery through e-commerce and mobile (where allowed by State law)
- Abacus games portfolio, including Bill Paid™
- Retailer loyalty solutions, follow-on promotions & second chance draws
- Dedicated management portal: control and monitoring of all services and reporting

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CARMANAH SIGNS, A DIVISION OF STRATACACHE

www.CarmanahSigns.com

Carmanah's retail marketing technologies and data insights help **transform the player journey, deepen player insights, boost brand equity, and increase sales.**

Carmanah Signs develops and delivers **digital sign networks, interactive experiences, retail sensors, and innovative jackpot signs** to the Lottery & Gaming Industry. Our **software platform** enables users to manage digital content and interactive experiences (including lottery, gaming, sports betting, monitor games, and more) from **one central interface.**

A leading supplier to the global Lottery Industry for **over 20 years**, Carmanah is the Lottery & Gaming Division of STRATACACHE, the world's largest provider of **intelligent digital media**

and **in-store marketing technology.**

Together, STRATACACHE and Carmanah have over **3 million digital media devices** and **175,000 Wireless Jackpot Signs** at retailers globally, serving **55+ lottery jurisdictions** and **700+ casinos** on **four continents.** An associate member of five global lottery associations, and an ongoing sponsor and content contributor to numerous Lottery Industry events, Carmanah Signs is the only digital signage provider committed to the industry at this level.

LEADING ACTORS



GROVER GAMING
www.grovergaming.com

Providing Digital Gaming Solutions in Social Environments

Grover Gaming, a leader in digital gaming design, systems and software development for the lottery and charitable gaming industry, is headquartered in Greenville, North Carolina with offices in six states. Grover Gaming specializes in digital gaming solutions in social environments throughout the United States and Canada. Grover Gaming's dedication to customer service, adaptability and a diverse range of products has solidified its position as a leader in the electronic gaming industry.

Grover Gaming's fast paced growth phi-

losophy is focused on developing a strong foundation of humble and passionate people, effective processes, and superior products. That vision continues, thanks to a growing team of dedicated employees and their desire to create innovative and entertaining gaming experiences for an ever-changing industry.

In 2019 and 2020, Grover Gaming was recognized by Inc. Magazine's "Annual Inc. 5000" as one of the fastest growing private companies in America—an exclusive ranking of the nation's fastest-growing private companies. In 2019 Grover Gaming's ranking was 2660 of the 5000 fastest growing companies. In 2020 Grover Gaming's ranking rose to 194 out of the 5000 fastest growing companies. Grover Gaming's games are known throughout the industry for high-resolution graphics and exciting design. These innovative games are created by Grover Gaming's design studios with over 195 talented professionals, including developers, artists, audio designers, programmers, and .net developers.

For more information contact:

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Tim Smith – Vice President tim@grovergaming.com

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Kevin Morse – Director of Business Development kevin@grovergaming.com

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INSTANT WIN GAMING (IWG)
www.instantwingaming.com

Instant Win Gaming (IWG) is the leading supplier of digital eInstant games to state, provincial and national lotteries. Today, we supply our award-winning games to over 22 NASPL/WLA-member lotteries. We have been supplying eInstants and supporting services to the lottery industry for more than 15 years, starting with Camelot in the UK, and now supplying our games to lotteries throughout the United States, Canada, Europe, and Australasia.

The IWG studio is regarded as one of the very best in the world with an experienced and knowledgeable team of designers, artists, animators, technical developers and QA professionals. We are integrated with all of the major iLottery platforms including, NeoPollard, Scientific Games, International Game Technology, and Intralot. And, we are expert at delivering games that adhere to the specific requirements of our lottery customers and their players. Our growing list of game mechanics are suited for the widest range of players, from quick play engagement games to extended play games and everything in between.

Above all else, we serve as a trusted strategic partner helping our lottery customers develop, manage and promote successful eInstant roadmaps that grow player bases to their fullest potential, and generate new revenues in support of good causes.

LEADING ACTORS

NEOPOLLARD INTERACTIVE

NEOPOLLARD INTERACTIVE LLC

920 N. Fairview Avenue
Lansing, MI 48912
www.neopollard.com

Doug Pollard, Co-Chief Executive Officer

Moti Malul, Co-Chief Executive Officer

Liz Siver, General Manager

Year of inception: 2014

Contacts:

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Moti Malul, (734) 353-4275, moti.malul@neopollard.com

Liz Siver, (734) 294-1695, liz.siver@neopollard.com

Primary products and services:

Born in the digital domain, NeoPollard Interactive LLC ("NPi") is an award-winning supplier of best-in-class iLottery

solutions to the North American lottery market. NPi offers cutting-edge technology, a full suite of managed services, and the industry's top performing game content, as part of its innovative and comprehensive approach to partnering for iLottery success.

Technology: NPi's state-of-the-art iLottery platform, NeoSphere, provides a centralized PAM for managing player information, transaction records and digital wallet accounts. NPi also provides a MUSL certified interactive central gaming system, NeoDraw, and game management platform, NeoPlay.

Managed Services: NPi provides the broadest range of iLottery services in the market, encompassing player experience services and revenue-generating services. NPi's 24/7 Customer Support Center is an essential player experience service that provides email, chat and phone support for iLottery players. A flagship revenue-generating service, Customer Engagement Marketing ("CEM"), is paramount to a successful iLottery program. CEM serves lottery needs for analysis, player

segmentation, and a full range of player funnel maximization to drive acquisition, conversion and retention strategies.

Game Studio: NPi's in-house Studio produces the most compelling iLottery content across eInstants, Instant Keno and Instant Lotto game categories to support diversified portfolios geared towards revenue maximization and player retention.

NPi is North America's proven partner of choice to enable regulated lotteries to design and deploy complex gaming solutions in support of generating incremental revenue for good causes through the online channel. Jointly owned by Pollard Banknote Limited and NeoGames S.a.r.L.—both globally recognized industry leaders—NPi powers the most profitable iLottery programs.

CAST MEMBERS

ALCHEMY₃ SMART GAMING SOLUTIONS

ALCHEMY₃, LLC

860 Warsaw Rd. Suite 200
Roswell, GA 30075
Phone (770) 442-6993
Fax (678) 389-8514
www.alchemy3.com

Paul Guziel, Chief Executive Officer
Jeffrey Schweig, President

Year of inception: 2007

Contact: Jeffrey Schweig, (770) 442-6993, js@alchemy3.com

Primary products and services:

- Instant and draw game promotional executions
- Strategic business and marketing planning
- Integrated marketing programs
- National campaigns
- Premium branded games
- Digital Solutions
- Loyalty programs
- Second Chance Drawing Services

Founded in Alpharetta, Ga., in 2007 by lottery industry veterans, Alchemy₃ has quickly become a leader in lottery strategic planning. The company creates "smart gaming solutions" that

oftentimes merge licensed consumer brands and lottery games. Alchemy₃ represents a select group of brands including The Home Depot, StubHub, Royal Caribbean International, Honda, MGM International Resorts and Bass Pro Shops to name a few. We have achieved our market position by putting clients' needs first – providing them with "boutique" type attention. We execute programs with the highest level of integrity, honesty and thoughtfulness.

Lottery customers: Alchemy₃ provides marketing services to all North American state and provincial lotteries.

JOIN US ON OCTOBER 14, 15, AND 16 FOR LOTTERY EXPO: TRANSFORMED AND POST-COVID19 LOTTERY: THE MOVIE

Check in at PublicGaming.com for updates!

Wednesday October 14 at 10:00 am CST

The Movie will open with a prelude to set the tone and provide context and purpose and present the theme: How are we preparing for the most profoundly disruptive period of change in 75 years?

Session I

The Big Picture: Sometimes things don't happen for decades, and sometimes decades happen in weeks. The world is changing at warp-speed.

Presentation: **Impact of Covid on the Global Lottery Industry:**

Jay Gendron, Chief Operating Officer Lottery, IGT

Roundtable Leader: **Gordon Medenica**, Director, Maryland Lottery and Gaming, and Lead Director of Mega Millions

Panelists:

Mike Veverka, Founder & Chief Executive Officer, JUMBO Interactive

James Maida, Chief Executive Officer, GLI (Gaming Labs)

Mark Michalko, Executive Director, North Carolina Education Lottery

Ryan Mindell, Lottery Operations Director, Texas Lottery

Doug Pollard, Co-Chief Executive Officer, Pollard Banknote

Session II

SWOT: Strengths, Weaknesses, Opportunities, Threats

How can the SWOT method for systematically assessing the lay of the land, and designing action plans to optimize performance and results, be applied to guide us in the post-COVID19 world?

Roundtable Leader: **May Scheve Reardon**, Executive Director, Missouri Lottery Chair of Powerball Group

Gretchen Corbin, President & CEO, Georgia Lottery Corporation

Rebecca Hargrove, President & CEO, Tennessee Education Lottery Corp. and President of the World Lottery Association

World Lottery Association Roundtable

Rebecca Hargrove, President & CEO, Tennessee Lottery, President of the WLA

Lynne Roiter, President & CEO, Loto-Québec, President Inter-

Leading NASPL, the North American Association of State & Provincial Lotteries

Roundtable Discussion Led by **Rebecca Hargrove**, Founder & Chair of WILL, President & CEO of the Tennessee Education Lottery Corp., and President of the World Lottery Association

Angela Wong, Director, Montana Lottery and President of NASPL

Sarah Taylor, Executive Director, Hoosier Lottery, First Vice

Gordon Medenica, Director, Maryland Lottery & Gaming and Lead Director of Mega Millions

Drew Svitko, Executive Director, Pennsylvania Lottery

Bret Toyne, Executive Director, MUSL (Multi-State Lottery Association)

provincial Lotteries, and NASPL representative to the WLA

Luca Esposito, Executive Director, World Lottery Association

President of NASPL

Gretchen Corbin, President & CEO, Georgia Lottery Corp. and Second Vice President of NASPL

Cindy Polzin, Director, Wisconsin Lottery, Treasurer of NASPL

Lynne Roiter, President & CEO, Loto-Québec, President Interprovincial Lotteries

Sharp Award for Good Causes

Awarded to the state lottery that produces the largest YoY percentage increase in net funding transferred to its beneficiary.

Lottery Industry Hall of Fame Ceremony

Celebrating the induction of six newly elected Hall of Fame members:

Scott Gunn, Senior Vice President, Corporate Public Affairs, IGT

Patrick McHugh, Executive Vice President, Lottery Group Chief Executive, Scientific Games Corp.

Gordon Medenica, Director, Maryland Lottery and Gaming

John Pollard, Co-Chief Executive Officer Pollard Banknote

Nigel Railton, Chief Executive Officer, Camelot UK

Bishop Woosley, Lottery Industry Consultant and former Director, Arkansas Lottery Commission

October 15 Thursday 10:00 am CST

Session III

Digitization of the in-store shopping and player experience 2021:

Presentation: **Gamifying the Lottery Playing Experience**

Scott Henneman, Vice President, Grover Gaming

Roundtable Leader: **Gary Grief**, Executive Director, Texas Lottery

Michelle Carney, Vice President Global Lottery Marketing, IGT

Maxwell Goldstein, Vice President Sales, Carmanah Signs

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

TBD, INTRALOT

October 16 Friday 10:00 am CST

Session IV

iLottery: Presentations:

Richard Bateson, Chief Commercial Officer, JUMBO Interactive

U.S. iLottery basics: Jason Lisiecki, Vice President, North America, IWG (Instant Win Gaming)

Liz Siver, General Manager, NeoPollard Interactive

Roundtable Leader: **Gretchen Corbin**, President and Chief Executive Officer, Georgia Lottery Corporation

Richard Bateson, Chief Commercial Officer, JUMBO Interactive

Kevin Hall, Executive Director, Virginia Lottery

Doug Pollard, Co-Chief Executive Officer, Pollard Banknote and Co-CEO of NeoPollard Interactive

Stephanie Weyant, Deputy Executive Director, Marketing & Product Development, Pennsylvania Lottery

Session V

Maximizing the endless potential of Instant Scratch-offs to continue to drive growth for years to come.

Roundtable Leader: **Beth Bresnahan**, Executive Director, DC Lottery

David Barden, Chief Executive Officer, New Mexico Lottery

Mike Purcell, Senior Vice

President of Sales & Marketing, Kentucky Lottery Corp.

Brad Thompson, Vice President Sales & Marketing, Pollard Banknote

TBD from **Scientific Games**

POST-COVID-19 LOTTERY: THE MOVIE

Co-hosted by PGRI and the Tennessee Education Lottery Corporation

A Virtual Event, to premier on October 14 to October 16



Post-COVID-19 Lottery: The Movie

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

We look forward to seeing you online on October 14!



JOIN US ON OCTOBER 14-16

- Event Info & Details: www.PublicGaming.org
- News website: www.PublicGaming.com

- View video-recorded presentations: www.PGRItalks.com
- e-mail: Pjason@PublicGaming.com



Give Your Players a Chance at Everlasting Fun

Contact your Sales Rep for more information.

