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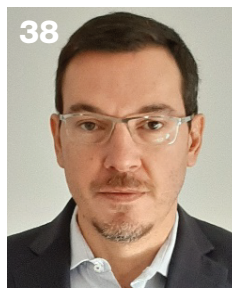


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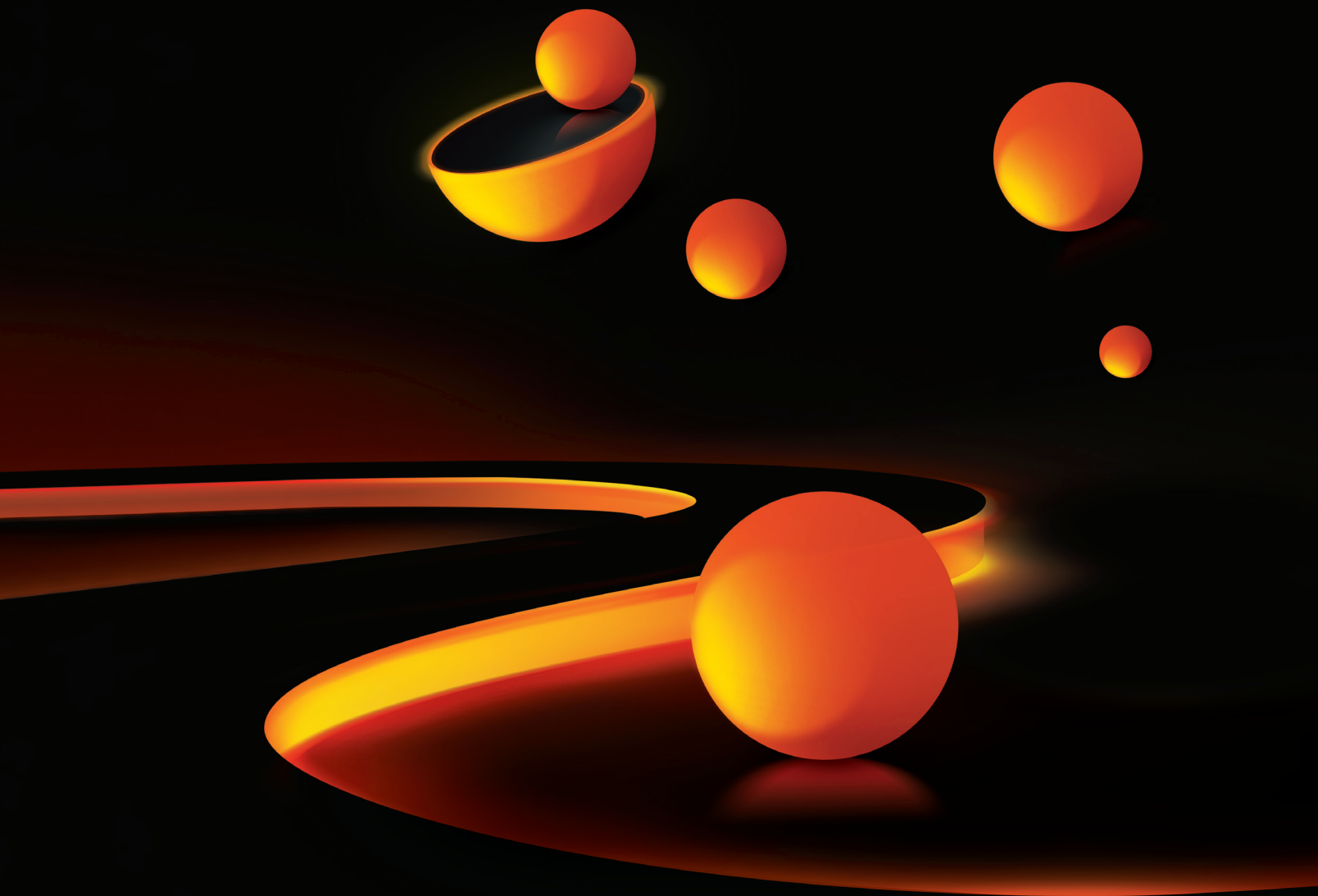
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## From the Publisher

### Sustainable growth for the long game

The headline we had on the cover of the magazine a few months ago was “iLottery EXPLODES onto the U.S. Market-Place”. I was thinking we were approaching the proverbial “tipping point” wherein state legislators would all look around and ask the obvious question as to why their state lottery isn’t making the products available online. Well, the epilogue to that story is that nothing is “exploding”. The number of U.S. lotteries authorized to sell lottery products online is now into the double-digits – but just barely and not evidence of a rush to sell lottery products online. And when I opine to industry leaders “with most states rushing to regulate sports-betting, and more lotteries demonstrating that iLottery does not cannibalize retail sales, doesn’t that create the right political environment for legislatures everywhere to sign off on an iLottery bill” ... the answer is ‘no, not really’. State lawmakers are certainly exploring iLottery options, and we can expect that eventually most will likely authorize some form of iLottery, but there does not appear to be an impending tipping-point that will trigger them to accelerate the process en masse – at least not like there was or is for sports-betting. (See Scott Gunn, Howard Glaser, and Mark Hichar articles.)

The good news is that Lottery has performed very well during this time of profound disruption. This is good news for our industry, and it’s wonderful news for players everywhere who delighted in finding a healthy games-of-chance diversion amidst all the challenges and adaptations that have been foisted upon us. This is also a time for profound optimism and bold vision as Lottery is poised to consolidate its position as the

game of the people and for the people and the world looks for leadership on every front. And when it comes to consumer products in general and games-of-chance in particular, Lottery is the leader.

The common thread, the theme that courses through most of the articles in this issue, is that as we emerge from the crisis-driven mentality of the pandemic era, and as we think about how to best serve our lottery stakeholders going forward – *positive change is not so much about “transformation” (a word I am more guilty than anyone of overusing) as it is about steady, incremental progress.*

And it makes sense that the dominant actor in an economic sector execute a stay-the-course strategy. With what is by far the largest and most diverse mass-market of customers (i.e. players), Lottery is focused on driving progress through expanding the retail footprint and variety of trade-styles and POS; through expanding the portfolio of games and distribution channels and consumer touch-points; through evolving the games to appeal to the modern consumer; and doing all this by combining innovation and execution. Our customers aren’t asking us to disrupt or transform the industry. Their voice is coming in loud and clear that they want us to grow with them as their tastes evolve and they adopt new technologies and shopping behaviours. But, disruptive transformation isn’t on the menu. Steady, incremental progress; “small-ball” singles and doubles promises to win the game and keep us aligned with our players.

Congratulations to the **Hall of Fame inductees**, class of 2021. **Wendy Montgomery, John Schulz, and Angela Wong** are most deserving and well-known to all of us and it will be such a pleasure to celebrate this honor with them in-person at Lottery Expo Nashville!

Thank you to our fabulous interviewees: **John Martin, Jennifer Westbury, Scott Gunn, Howard Glaser, Rhyddian Fisher, Konstantinos Koutsias.** It is more interesting and useful than ever to share insights on how the events of the future are likely to unfold. So we appreciate the industry leaders taking the time to help us chart our pathway forward. And thank you to all of our editorial contributors (**Jim Acton, Mark Hichar, Philippe Vlaeminck, IGT, INTRALOT, Scientific Games, Abacus Solutions, EQL Games, Grover Gaming, and Team MUSL**) for rounding out this issue with features on social media marketing, player-engagement strategies, consumer behaviour and shopping trends, retail modernization, political/regulatory/legal trends, and more.

As many of you will be seeing this issue at **Lottery Expo – Welcome to Nashville!** It’s been awhile, and we are so excited and honored to be able to co-host this event with CEO **Rebecca Hargrove and the Tennessee Education Lottery Corporation.** Let’s embrace the energy of this reunion, nurture the relationships so key to driving progress in this \$100+ billion industry, and chart a course for optimizing what promises to be a *golden era of Lottery.*

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 94 members of the PGRI Lottery Industry Hall of Fame have voted for and elected five industry leaders to be inducted into the Lottery Industry Hall of Fame for 2021.

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. You can read more about the Lottery Industry Hall of Fame and the members at [www.LotteryIndustryHallofFame.com](http://www.LotteryIndustryHallofFame.com).

### Induction Ceremony

The four Hall of Fame inductees will be honored at the PGRI Lottery Expo Nashville at 4:30 pm on October 27.

## PGRI LOTTERY INDUSTRY HALL OF FAME



**WENDY MONTGOMERY**  
Senior Vice President, Global Brand,  
Marketing and Communications, IGT

After having lived and worked on four continents around the globe, Wendy Montgomery, Senior Vice President, Global Brand, Marketing and Communications has more than 35 years of marketing and management experience from a variety of consumer goods industries which she leverages to play a transformative role in the lottery industry.

Before joining IGT in January of 2018, she spent 13 years at the Ontario Lottery and Gaming Corporation (OLG) where she led marketing, sales, operations, policy and planning for the lottery and iGaming businesses. During her tenure at OLG and in her role as the Senior Vice President of the lottery and iGaming businesses, she was responsible for overseeing a team that helped deliver more than 50% increase in Lottery revenue from CDN\$2.5BN in 2007 to CDN\$3.7BN in 2017 by successfully launching industry award winning new products and retail innovation. In the words of a former global operator, Wendy was one of the most

*Continued on page 68*



**JOHN SCHULZ**  
Senior Vice President, Instant Products and  
Partner Services, Scientific Games

A 36-year veteran of the lottery industry, John is a key member of Scientific Games' Executive Team, directing all aspects of its instant products business.

John joined Scientific Games in 1985 as a founder of the company's first-ever instant product cooperative services program (CSP) with the New York Lottery. Under John's leadership, the program has evolved into Scientific Games' Enhanced Partnership (SGEP), a four-pillar program that includes product management, retail optimization, advanced logistics and digital engagement, using Scientific Games' custom analytics and insights. Now the industry's leading instant game category management program, SGEP customers benefit from approximately 45%\* more in funding for the good causes they support.

During his tenure, John has been instrumental in over 45 global lottery start-ups, SGEP and systems conversions. Most recently, John's leadership through the COVID-19 pandemic continues to be

*Continued on page 68*



**ANGELA WONG**  
Director of Lottery Solutions, Gaming  
Laboratories International (GLI)

Angela began her journey in the lottery industry in February of 2011 when she was appointed Director of the Montana Lottery. This was a crucial time for the Lottery and her first days were spent working through a controversial audit and an agency in desperate need of attention to internal policies and procedures.

Through her dedicated efforts to restore confidence in the agency and improve the agencies internal workings, she was able to achieve an outstanding record of clean audits all while meeting the goals of the organization with record sales and retailer growth over her tenure. As a result of her efforts the Montana Lottery grew in sales of over 100% through product optimization; which is a significant achievement in a state with a highly competitive gaming environment.

The Montana Lottery is known as a progressive lottery as it was one of the first states to introduce electronic instant tickets with a highly successful progressive

*Continued on page 68*





# Future Forward

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# REACHING AN INFLECTION POINT FOR THE INDUSTRY AND THE MARYLAND LOTTERY



**John Martin**

*Director, Maryland Lottery and Gaming Control Agency*

**PGRI INTRODUCTION:** Appointed Director of the Maryland Lottery and Gaming Control Agency this past July, John Martin started his career in the lottery industry in 2009 at the Ohio Lottery. In 2011, he moved to Baltimore to begin his work with the Maryland Lottery, leading the sales, marketing, communications, product development and creative services teams. In 2015, he was promoted to Managing Director & Chief Revenue Officer, responsible for increasing sales and revenue for the MLGCA by overseeing the field sales force, developing corporate accounts, exploring new distribution channels and recruiting additional retail locations, of which there are currently 4,400.

The Maryland Lottery and Gaming Control Agency (MLGCA) is responsible for generating revenue for the good causes of the state, while also regulating Maryland's casino program. In FY2021, the Agency contributed an all-time record of more than \$1.391 billion to the State of Maryland.

Prior to moving to Maryland, John was Deputy Director of the Office of Sales Management at the Ohio Lottery, overseeing sales operations at 9,000 retailers. John has a communications background and is a graduate of John Carroll University in Ohio.



Deputy Director of Gaming Compliance at the Virginia Lottery. I am very excited for this opportunity to lead the MLGCA.

**Your experience has prepared you for this role of overseeing both the lottery and casino gaming sides of the business.**

**J. Martin:** This industry is at a most interesting inflection point. Over the last eighteen months, lives have been disrupted and as a result, people are challenged to be resilient, to change and adapt to adverse situations and unfamiliar circumstances. I think this disrupted environment represents an opportunity for us to introduce new ideas, new games and play-styles and new ways to interact with and play the lottery to a new audience that is much more receptive to fresh, new and different than ever before.

Our focus has been on those areas that we control, including Instant Scratch-Offs where we have potential to increase our per-cap playership in Maryland. Gordon was very good at installing systems that help to manage business and processes, clarify goals and interim markers, track progress and hold ourselves accountable in ways that drive positivity and focus on solutions and execution.

**Paul Jason:** Congratulations on your appointment to lead the Maryland Lottery & Gaming Control Agency. What were your first thoughts when you were informed that Governor Hogan had chosen you as Maryland's Director?

**John Martin:** My first thoughts were, "Be careful what you wish for." From the moment I started with the Ohio Lottery in 2009, I knew I wanted to lead a state lottery. I have loved this industry from the very beginning and have embraced the opportunity to learn more about it every step of the way. Working for Stephen

Martino, MLGCA Director from 2010 to 2015, helped me to understand the broader games-of-chance industry and appreciate the importance of effective government relations and outreach to all stakeholders and media. Gordon Medenica came to us in 2015, a lottery veteran with a wealth of experience from his time as director of the New York Lottery and as CEO of the Northstar New Jersey Lottery group. I appreciate the privilege of having served with Stephen and Gordon and the many opportunities I had to learn from these two industry leaders. I also learned a great deal from former Chief Financial Officer Gina Smith -- now



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**I think this disrupted environment represents an opportunity for us to introduce new ideas, new games and play-styles and new ways to interact with and play the lottery to a new audience that is much more receptive to fresh, new and different than ever before.**

We have a great product development team and a great vendor relationship with Pollard Banknote who has been our primary instant-ticket vendor since 2007. We analyzed everything -- prize structures, product mix, price points, gaming design -- focusing on details and incremental improvement, with special attention to optimizing the execution at retail. We implemented a highly regimented monthly launch cycle. We also set expectations for the retailers and our field people on what needed to happen when new games were launched, and they were given very specific guidelines on activating new games and returning dormant and old stock so product was always fresh at retail.

We did a lot with self-service vending machines provided by our systems vendor, Scientific Games. By this time next year, we will have over 2,000 self-service vending machines. Of those, we anticipate around 1,800 will sell both scratch-offs and draw game products and about 200 hundred will sell draw games only.

I spend time out in the field conducting "regional advisory board meetings," where we engage with retailers on their turf and on their schedule, selling lottery-focused concepts in small doses so they aren't overwhelmed, rewarding them with incentive and bonus programs. Over the 12-month period of FY 2021, retailer commissions averaged more than \$44,000. That's the average, which means some retailers made more than that. Retailers take notice when a single product generates \$50,000 in net profit.

All six Maryland casinos were either closed or operated with capacity limitations for most of 2020. It wasn't until May 2021 that those limitations were lifted, and yet, despite that, Maryland's casinos contributed an all-time record of \$723.5 million to the state in Fiscal 2021.

I should add that the Maryland Lottery, our retailers, and the casinos were extremely

sensitive to the needs of our players and followed strict safety protocols to protect them from COVID. We also devoted more attention to Responsible Gaming messaging to ensure everyone stayed safe and played responsibly.

**Maryland is now a big casino state. Do you think the increase in scratch-off sales can be attributed to casino players turning to lottery during the shut-down?**

**J. Martin:** Absolutely. When you track the trends for week-in/week-out sales, there is no other way to explain it. When the casinos began to re-open, we saw some of that increased revenue begin to recede slightly. We absolutely had casino players on a trial basis, trying this lottery thing. Of course, we want to deploy new games that may continue to appeal to them and retain some of that new consumer group. However, I admit that most casino players will likely migrate their spending back to casinos as opposed to sticking with the lottery. I don't believe it is realistic to think we are going to peel off anything more than a small portion of casino players' spend over to lottery. Nevertheless, even retaining a portion of those new revenues is a big win for lottery.

It's not just casino players who showed up for lottery. The closing of restaurants, movie theatres, and other social activities caused consumers across the board to have extra discretionary income, which may have been spent on the lottery. We hope we can capitalize on this increased exposure and continue to appeal to these new consumer groups.

**Should we be concerned about attrition – losing players to casino and sports betting?**

**J. Martin:** No, I don't think so. This past year has really demonstrated the enduring appeal of lottery gaming. Consumer engagement may be temporarily swayed in one direction or another. Of course, it is exciting when a completely new product category like sports wagering bursts onto the

scene. People tend to migrate back to what they are familiar with and enjoy because they have been enjoying it for decades.

The challenge for us is to produce fresh games, excite the players with fun and engaging promotions and make them readily playable through multiple channels and media. This challenge is completely independent of all the other external influences. Those are our customers and shame on us if we do not continue to refresh games and concepts, distribution channels and points of presence to keep our players engaged so they remain loyal to our products rather than leave us to explore other gaming options.

Do we have strategy sessions about bringing in new consumer groups? Not really. We do, however, strategize about producing great products and making them readily available to our players. Instead of worrying about who might be stealing our lunch, we should focus on making a better lunch.

**How would you prioritize your focus for the rest of FY 2022?**

**J. Martin:** Along with the other things we have been discussing, we are seriously looking at our product mix. We see an opportunity to refresh our draw games. Maybe a serious re-boot to invigorate specific products in our portfolio. Our Fast-Play product has performed so well since launching in February 2020 that we want to make sure we optimize its full potential. Again, hats off to our product development team and our partner Scientific Games for keeping these priorities top-of-mind. We also need to explore in-lane retail solutions as a retailer acquisition strategy with national chain stores like Dollar General.

In a broader sense, I've introduced our C-O-R-E 4 initiatives for the next 18 months:

"C" is for Celebrate. We are starting now to build momentum for celebrating the 50th anniversary of the Maryland Lottery in 2023. We have formed an inter-departmental project team to look at everything from customer-facing products and bells-and-whistles marketing events to internal employee programs and we are exploring ways to infuse everything with the excitement and pride of having served the people of Maryland for 50 years.

"O" is for Organization. Fifty years is a long time to arrive at this point, with many





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in our ranks having been here for quite some time. We certainly want to leverage the institutional knowledge that resides with our senior management team, but we are committed to developing the young and diverse talent within our organization. PGRI's WILL (Women's Initiative in Lottery Leadership) is a good example of the kind of commitment the industry needs in order to harness adaptability that comes with diversity and youth. We want to foster a genuinely heartfelt feeling of inclusiveness and a fertile environment for achieving our career goals. We are stewards of this agency -- here for a short time to make it better and to mentor others along the way who will carry it through to the next generation.

"R" is for Revenue. Not everyone has direct-line responsibility for driving revenue. **Maximizing revenues for the benefit of our beneficiary, the State of Maryland, is the business that everyone, each of us, is in.** We can and should all be fully engaged in the mission to manage costs, maximize operational efficiencies, enhance retail and consumer-facing activities, and otherwise optimize financial performance.

"E" is for Expediting. Expediting sports wagering and whatever initiatives are on the front burner to make them happen now. Speed to market is a key metric for commercial companies and it should be key for a market-driven enterprise like the Lottery.

**CORE-4 is so much more impactful than a mission statement. Sports betting is imminent?**

**J. Martin:** There is no boilerplate of best practices or a regulatory model for sports wagering. Each jurisdiction constructs its own approach depending on their gaming culture and public policy objectives. Our legislation is probably the most expansive bill in the industry, allowing for more than 100 potential licenses with the provision that there be an inclusion of small-, women-, and/or minority-owned businesses that have a seat at the table. The legislation specifically names 18 entities that would be first in line for 17 licenses. (Two of the racetracks, Pimlico and Laurel Park, would share one license.) These operators are designated to be our Class A1 and A2 brick-and-mortar locations.

Then there is a Class B designation that includes named entities, primarily OTB

**Do we have strategy sessions about bringing in new consumer groups? Not really. We do, however, strategize about producing great products and making them readily available to our players. Instead of worrying about who might be stealing our lunch, we should focus on making a better lunch.**

(Off-Track Betting) locations and two bingo halls. Bingo is big here in Maryland. So the two largest bingo halls have been named in legislation as being candidates for sports wagering. Then there is an open docket to sign up 30 other brick-and-mortar locations. That's almost 50 operators right there. Add to that the potential for granting up to 60 mobile entities, and that's over 100 potential sports wagering licenses.

The legislation also creates a sister commission called the Sports Wagering Application Review Commission, affectionately known as SWARC. The SWARC's role is to counterpoint us -- they vet the applicants' business plans and the minority and small business and women ownership applications. The SWARC then hands that license over to us to conduct the financial due diligence and criminal background checks, and further vetting (processes that we are already familiar with, as we have been doing it in the casino sector for 10 years now) and then determine if they should be issued a license to operate sports betting. A license needs to be "awarded" by the SWARC and "issued" by the MLGCA before the applicant can be in the sports wagering business. You can appreciate that all of this takes more than 30 days to happen.

**I'm kind of amazed at the complexity and the depth of knowledge required on your part to implement sports betting. You need to learn a whole new business that has countless moving parts, and lots of ways for things to go wrong.**

**J. Martin:** I may have been a little naïve, but I knew what I was getting into. Of course, I love it. I love the opportunity to learn about this completely new area of gaming and being in the position of needing to figure things out as we go along. I am extremely fortunate to have a great team of industry professionals well versed in operating a lottery and regulating a

statewide casino program. The MLGCA is a complex, multi-faceted enterprise. A little nerve-wracking -- but never boring!

**And is iLottery on the horizon?**

**J. Martin:** Not imminently. We have our hands full now and are happy to wait for the legislature to reach out to us to review its iLottery regulatory policy. It is prohibited right now and there's no indication it will be considered over the next 18 months. Of course, we will be pleased to make the products available online if or when the legislature decides that is the direction they want us to go.

**Kind of a corny question but one that I think our readers might like to hear about: What advice would you give to someone wanting to maximize their potential in this industry?**

**J. Martin:** Nothing that you probably haven't heard before. I always try to learn from every person that I interact with and every situation I encounter, every job I have had whether I loved the job or not. I learn from people who work for me as well as people I work for. I learn from clients and vendors as well as mentors. Knowing what you want helps to clarify the pathway to getting from here to there. I always wanted to be a CEO and so all my energies were focused on that goal. I try to be objective and analytical as I assess my strengths and weaknesses to leverage one and hopefully shore up the other.

I also believe you need to take calculated risks, especially in our business. The future is not necessarily a function of the past. New ideas can come from anywhere. I want everyone in a meeting to participate. I used to just impose that expectation on everyone without realizing that could be intimidating instead of the inclusive and welcoming attitude that I want to engender. Now I look for ways to make sure interactive group sessions come from a place of positive reinforcement and inclusiveness. ■



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# THE POWER OF SOCIAL MEDIA

## Lotteries Use the Reach and Immediacy of Facebook, Twitter, Other Platforms to Engage with Players

*Jim Acton, Lottery Industry Consultant*

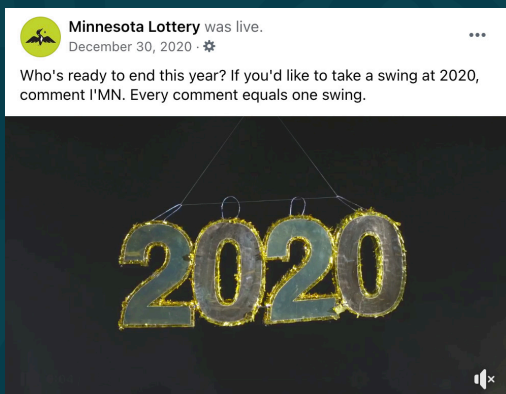
**M**ost of us were happy to see the calendar change from 2020 to 2021. In a year marked by lockdowns, zoom meetings and cancelled celebrations, we were ready to turn the page.

At the Minnesota Lottery, they didn't just celebrate the end of a challenging year. The lottery provided its players with an outlet for their built-up frustrations and have a little fun as well. The lottery hosted a Facebook Live event featuring a 2020 pinata and when players typed "I'MN" in the comment sections, a lottery representative took a swing at the confetti-filled 2020 pinata. Players who participated in the

event were randomly selected to win a lottery sweatshirt and \$100 in scratch tickets.

The lottery industry has always been a leader in offering engaging promotions which attract players, promote games and offer attractive prizing. But with COVID-19 changing the way many aspects of our lives have unfolded over the past 18 months, lotteries have had to re-think and re-imagine how they engage with their customers. Even one of the most important and attention-gathering aspects of lottery operations – the awarding of prize money – was altered and made more complicated.

Lottery marketing teams, boasting some of the most creative event and promotions professionals in the business world, pivoted quickly, assessing the resources available to them and pivoting accordingly. As marketing budgets vary greatly in the lottery industry (ranging from almost non-existent to enviable, with most lotteries having limited marketing budgets), marketers got creative, particularly when public gatherings weren't being held. Enter social media, with a strong emphasis on Facebook and its Facebook Live functionality through which a livestream can bring the lottery community together virtually. The lottery world could gather safely, quickly, efficiently and cost-effectively.



**MN Lottery players were encouraged to “take a swing” at the Year 2020 pinata.**



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“Our goal is to make these live events feel like a true experience,” said Shyla Howell, Digital Marketing Manager at the Minnesota Lottery. “We try to make them as interactive as possible by engaging with all the viewers who are along for the ride. A key is to offer fresh and unique content. And we see the results of our efforts, as the engagement and viewership for our live events has continued to grow.”

While many lotteries have offered Facebook pages and other social media sites for well more than 10 years, the use of social media to hold live events is a more recent phenomenon. With more than 220 million users and an easy-to-use live interface, Facebook is the preferred avenue for lotteries to hold live events.

In fact, Facebook has proactively widened its interaction with different industries and community groups to help them reach customers, members and interested parties. Earlier this summer, the company participated in a forum among faith leaders on how they can use Facebook to reach their followers and expand their community. In a recent New York Times article about this collaboration, Bobby Gruenewald, a pastor at Life Church in Oklahoma said, “From our vantage point, Facebook is a platform that allows us to build community and connect with our community and accomplish our mission. So I think it serves everybody well.”

That is a thought echoed by many lotteries.

## PROMOTING PRODUCTS & PUPPIES

At the Arizona Lottery, social media livestreams have been used to promote everything from beneficiaries to giveaways. The lottery's first Facebook livestream was in 2017 – Puppy Pick. Teaming with the Arizona Humane Society to help raise awareness for adoptions, the lottery had puppies pick draw numbers live on Facebook. Viewers could guess which numbers the puppies would pick, and the best part? All the puppies were adoptable.

In 2018, the Arizona Lottery featured its



*(Left to right): Deirdre Calcoate, Program Manager of Court Appointed Special Advocates (CASA) and Arizona Lottery Executive Director Gregg Edgar are hosted by Arizona Lottery mascot Windfall Willie during the inaugural “Windfall Willie’s Virtual Holiday Party Livestream Giveaway.”*

largest livestream event – “Windfall Willie’s Virtual Holiday Party Livestream Giveaway.” This was a talk-show style event with the lottery’s two brand mascots, Windfall Willie and his sidekick Derek, and dozens of prizes were awarded. Then, in March 2020 with the pandemic ramping up, the lottery hosted cash giveaways for frontline employees impacted hardest by COVID-19, including healthcare workers, grocery store employees, teachers and others.

**Enter social media, with a strong emphasis on Facebook and its Facebook Live functionality through which a livestream can bring the lottery community together virtually.**

“It was beyond rewarding to know how much our Community Giveaways benefited those hardest hit by the COVID-19 pandemic,” said Allyson Saltford, Marketing and Social Media Coordinator. “We received so many ‘thank you’ comments from people who couldn’t believe they’d won and heard moving stories about how much the money helped our recipients. That included a server who used her prize to pay for sommelier classes and was then able to get a more stable, higher paying job. Social media is an incredible tool for brands but it’s an even more powerful tool for coming together as a community in times of crisis.”

Another early adopter of using social media to reach players is the Colorado Lottery. When the lottery first began reaching out to players using social media, it was primarily product-focused information about new scratch tickets and players were redirected to the lottery’s website to win prizes. In 2019, Colorado partnered with the Rockies for a season-long Twitter campaign which allowed participants to win seat upgrades.

But the lottery has really ratcheted up its social media game in 2021. They launched their first Instagram influencer campaign in July, partnering with outdoor influencers to promote the Lottery’s diverse proceeds projects across the state. To drive home that lottery proceeds fund parks, trails, open spaces and recreation projects across the state, the Lottery also partnered with a new TV show host, Kathie J., a popular long-time entertainment personality in Denver. The communications team in Colorado launched bi-monthly Facebook Live events with Kathie J. The Facebook Live events cover news that ranges from proceeds to product news and responsible gaming.





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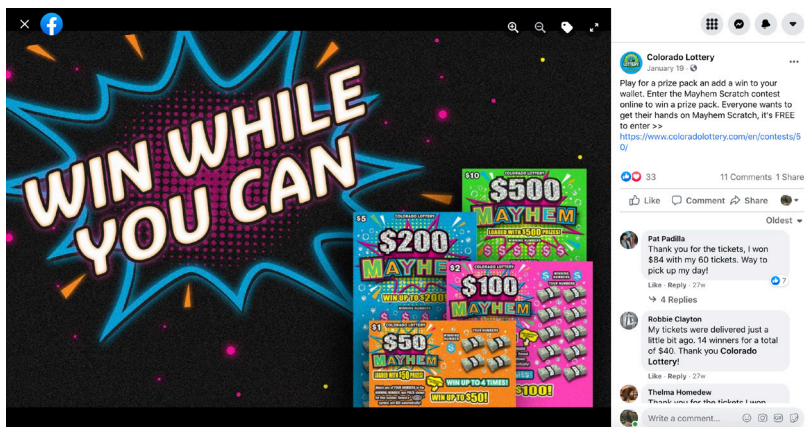
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Screen shot of the Colorado Lottery's Facebook page

"We are adding both micro and larger influencers to our proceeds influencer campaign every week," said Meghan Dougherty, Colorado Lottery communications manager. "Influencers range from 30,000 followers to over one million, and it's helping us reach a younger, non-player outdoor audience to share the message of how the Colorado Lottery supports the outdoors and the places Coloradans play."

For the Nebraska Lottery, as COVID-19 played havoc with its scheduled promotions, the marketing group quickly pivoted to other methods of reaching players. Leading the way was the Sizzling Summer Giveaway. Running from the end of June through July 30 in 2020, this Facebook promotion allowed players to enter to be selected as a Spin-n-Win virtual contestant. The response was so positive that the lottery added Awesome Autumn Giveaway (August-September 2020), Sensational Seasons Giveaway (October-December 2020), and Spring Fling Giveaway (March-May 2021).

The Facebook Live broadcasts which supported each promotion were recorded live at the Nebraska Lottery headquarters in Lincoln. The hosts spin the wheel as proxies for the at-home contestants, ask trivia questions and present new lottery games and promotions. The interaction between the lottery and players takes place when players answer questions in the "comments" section of Facebook and the hosts answer live on air and announce winners.

"These livestreams are fun to produce but they take a lot of work on our

end," said Neil Watson, Marketing and Communications Specialist at the Nebraska Lottery. "At a minimum, we have the hosts, a director drawing manager, props manager and comment moderator. But the engagement has continued to go up and we think Livestreams are here to stay. Even though we're attending public events again, these events will continue, especially when our regular event schedule is lighter."

## OHIO FOCUSES ON OLD FAVORITE

He might be more than 40 years old, but PAC-MAN can still generate a high level of excitement. When he's featured on lottery games, he can also sell tickets.

This past June, the Ohio Lottery teamed

**Social media is an incredible tool for brands but it's an even more powerful tool for coming together as a community in times of crisis.**

with the famous arcade game icon for PAC-MAN's Live Extrava-game-za!, a 30-minute interactive game show that was held on Facebook Live. The event featured more than \$2,000 in prizes and over 70 winners announced in real time.

"Everybody has a memory of PAC-MAN whether they played in an arcade or at home, and this event gives us the chance to draw on the nostalgia of the game to promote our new PAC-MAN Scratch-Off and EZPLAY Games in fun, interactive ways," said Danielle Frizzi-Babb, Deputy Director, Communications.

The metrics were impressive:

- 5,000 average viewers throughout the show
- 10,000 reactions
- 100,000+ comments

*Continued on page 49*



Tate Schneider, Marketing and Communications Specialist for the Nebraska Lottery (Left), and Chris Raff, Special Event Coordinator from IGT, spin the wheel during a Sensational Season Giveaway determine the prize for a virtual contestant.





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## VIRTUAL PLANNING LEADS TO **BIG ACTION**

**T**he Multi-State Lottery Association (MUSL) is laying the groundwork for its next top initiatives after completing a major feat – the launch of a third weekly Powerball® drawing and Double Play®, a new add-on feature on sale in 13 jurisdictions. This past spring, the Board of Directors met for a series of sessions to reassess MUSL's Strategic Plan. The Board first established the Strategic Plan in 2017 and later reaffirmed it in 2019, but the start of the pandemic in 2020, coupled with sluggish sales in the national draw games category, made it timely for MUSL stakeholders to recalibrate the Association's direction.

"The strategic planning sessions came nearly a year after MUSL reduced the starting jackpot for its lead product, so there was a lot at stake in terms of the health of our games and contributions to good causes," said Sarah M. Taylor, MUSL Board President and Hoosier Lottery Executive Director. "As a group, we needed to identify our top priorities and relay our expectations to MUSL staff."

Taylor oversaw the sessions with assistance from MUSL staff. While the first two strategic planning sessions were done in-person in 2017 and 2019, this year's sessions were entirely virtual through video conferencing. Moving the sessions online posed challenges to organizers

including how to engage Board members in constructive dialogue, ensuring that every Board member had the opportunity to voice their opinion, and reaching a consensus among MUSL's 38 Board members.

MUSL staff were able to gather key insights from nearly all Board members through anonymous pre-meeting surveys and questionnaires. The information was particularly useful in shaping discussions and making best use of meeting time. In total, five sessions were held between February and March to collectively assess the Association and opportunities for advancement. Within two of the main sessions, breakout groups were formed to allow more candid discussion amongst smaller groups of Board members.

The breakout sessions revealed that year-over-year sustained growth was more beneficial to member lotteries versus a five-year gross gaming revenue target. Based on this input, the Board agreed to adopt a new strategic intent that aims for 10% annual revenue growth.

**"To achieve 10% annual revenue growth, the Association will need to focus on three components: increasing sales of existing products, increasing members and licensee lotteries, and increasing the number of products offered by MUSL,"**

noted J. Bret Toyne, MUSL Executive Director.

The Board also identified the development of new products as a top priority for the Association. In response, MUSL has started to assemble a new product development plan. The Association has taken several different approaches to product development in the past, which have included subcommittees, lottery staff working groups, vendor pitches, etc. The process this time will be led by the MUSL Development Committee, chaired by Puerto Rico Lottery Director Armando Perez Cruz.

"The Development Committee has a history of putting forth strong product concepts and offerings, however, there's been a hurdle in getting those products to implementation," Perez Cruz said. "We are going to work on bridging that disconnect by developing a product that could work for a smaller group of lotteries, but at the same time, be scalable for larger participation."

In the meantime, MUSL staff have surveyed member lotteries to identify specific game categories for potential growth. At the top of the list – iLottery. Several member lotteries have already launched successful iLottery programs, and collectively, the Board has flagged the sector as an emerging arena worth exploring.

The Board also highlighted possible internal governance changes to strengthen the Association such as extending

term lengths from one to two years for Board Officers and Product Group Chairs. The longer terms would provide some continuity for the Association and grant Board Officers and Product Group Chairs additional time to oversee projects and lead initiatives to fruition. The Board has already re-elected Board President Taylor and Powerball Product Group Chair May Scheve Reardon, Missouri Lottery Executive Director, for second one-year terms while it formalizes term lengths.

Finally, MUSL would like to build further engagement with its Board members.

**To boost participation at the Board, Committee and Product Group levels, MUSL will enhance its onboarding process for new directors of member lotteries.**

The Association recognizes that starting as a new director of a lottery and inheriting the responsibilities of a MUSL Board member all at once can be a bit daunting.

"The role and function of MUSL can be complex upon first glance. We want our members, especially new ones, to dive in and know their voice matters," Taylor commented. "MUSL is ultimately owned and operated by its member lotteries, and as a group, we have a great responsibility to lay the best path forward for our brands and beneficiaries." ■





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# CHANGE STARTS SMALL AND INNOVATION IS CONTINUOUS AS LOTTERIES MOVE INTO A POST-PANDEMIC WORLD

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**Jennifer Westbury**

*Executive Vice President Sales & Customer Development, Pollard Banknote*

**PGRI INTRODUCTION:** At the forefront of the lottery industry for over 31 years, Jennifer Westbury provides strategic direction and leadership as a member of Pollard Banknote's Executive Committee. Having cultivated and grown relationships around the globe and helping establish the company as one of the industry's premiere vendor partners, Jennifer has been a driving force in Pollard Banknote's development and application of new technologies. She continues to work directly with clients on strategy development and implementation and helping lottery clients grow their revenues by implementing industry best practices, launching new products and services, and optimizing the performance of established products.

Product innovation, development, and distribution as well as player-engagement strategy are also Jennifer's responsibility at Pollard Banknote. The past eighteen months represent a period of dramatic change for everyone. What does it mean for lottery and its players? Opportunities and challenges abound, but focusing on incremental improvement and execution is the pathway towards transformational progress that will position Team Lottery for sustainable growth.

As a staunch advocate for diversity within Pollard Banknote and within the lottery industry, Jennifer is very involved in the development of the PGRI Women's Initiative in Lottery Leadership (WILL). Jennifer was also elected to the PGRI Lottery Hall of Fame in 2012.

**Paul Jason: Let's start with de-channelization – What is it and how should lotteries be thinking about de-channelization?**

**Jennifer Westbury:** The concept of de-channelization is about the role of digital within lottery as being more than a channel of distribution and more than a technology. It's a unifying principle that helps us align with a customer who never actually thinks in terms of "channels of distribution." The players just play. They play in the stores,

they play on their mobile devices, they play on their computers at home, they play at self-serve gaming kiosks. The consumer is already in the digital mind-set that transcends the limiting concepts of channels and geographic location and other legacies from the analog world.

Retail stores will continue to be Lottery's face to the player. Lottery's massive network of retail partners is its most formidable asset, its most ubiquitous consumer touchpoint,



and retail's mission-critical role is only increasing as it is evolving. We need to understand, just as our retail partners understand, that we need to connect with the world of the modern consumer. And digital is the connector, it's what brings everyone and everything together. The consumer is tethered to her mobile 24/7, playing games and checking prices and asking friends about products and entertainment options and sharing her own experiences, etc., etc. The consumer is interacting with all of these at the same time in a constant flow. Digital is what integrates retail into that whole flow. Retailers understand this and are moving quickly to digitize the in-store shopping experience. Likewise, progressive lotteries are digitizing the in-store lottery-playing experience. The world we live in is no longer separated by channels. The consumers' world is inter-connected in a seamless flow, and we need to align ourselves, our products, our messaging and our product-delivery infrastructures with that world. It is the digital mentality which keeps us tuned in to that reality and powers our ability to think, feel, and act like our players.



## The consumer is already in the digital mind-set that transcends the limiting concepts of channels and geographic location and other legacies from the analog world.

**What do you say to a director who might say that the ROI on a product-specific promotion is higher than it is for a digital engagement initiative when we are not authorized to sell lottery products online right now?**

**J. Westbury:** I would say that we need to find a way to do it all. I think everyone would agree that digital engagement is key to long-term sustainable growth. So, the issue is for us to identify short-term ROI from initiatives that are also necessary for long-term sustainability. It's not easy and will not happen without deliberate thought and creativity. But for one thing, digital engagement most definitely does include promotions that support sales. For example, the Arizona Lottery does not sell lottery online. But they did create a game which is a digital extension of their instant Crossword games. They had a million and a half games played on it in the first two months that it was available. Players had to have purchased a ticket to play and be registered as a loyalty member. Sales of that Crossword game went up 8% over that same 2-month period. But importantly, all those retail players now had a digital connection to the Lottery through their favorite retail game. So digital engagement can and should include initiatives that support the long-term goal of sustainability and growth as well as drive short-term sales. As another example, we launched Struck By Luck, a really cool digital game, with the Florida Lottery in August. It's a paper instant ticket where players can win instantly, but also has a feature that uses the science behind the curiosity gap to engage players in a digital experience and build anticipation of growing jackpot amounts. The game's app and microsite extend the play on the digital platform which enables the Florida Lottery to create this digital conversation with their players. That's what this is all really about – finding ways to have that digital conversation.

Every time a lottery launches a digital program, whether it's a second chance draw, whether it's a loyalty platform,

whether it's an app attached to a retail game, they're establishing a connection that provides an interactive dialogue with that player. That is when the one-to-many mass-market advertising is turned into a one-to-one personalized dialogue of sharing information that enhances the whole experience for the player. Sure, it includes product promotions but now they are being tailored to the more specific interests of the individual player. And now the two-way dialogue about other issues like responsible gaming and brand-building becomes more relevant to the player. So even though the tickets can't be bought online, you can enable parts of the game to have an online experience, you can reinforce the positive feelings for Brand Lottery, and you can leverage the online connection to support your retailers.

**Are retailers beginning to recognize that iLottery sales do not cannibalize their business?**

**J. Westbury:** The fact is that iLottery actually helps to drive retail sales. The Michigan Lottery retail sales have grown faster than the national average in recent years right alongside the rapid growth of iLottery. And the Michigan experience is being replicated in Virginia, New Hampshire, Pennsylvania, and other iLottery states. iLottery literally helps to drive retail sales. And many of the apps we did with the Michigan Lottery prior to iLottery are still in place because they serve a valuable purpose of building the interactive relationship which ends up supporting retail sales as well as brand lottery. The Michigan

Lottery has been using the Crossword game and the Wild Time™ scratch game for many years to encourage players to go back and forth between the retail and online worlds.

What we know from implementing iLottery programs is that once we bring players into the lottery ecosystem and market effectively to them, they will move across channels. It goes to that notion of de-channelization. A Crossword player will play it online, they'll play it in retail, and they'll play it on their mobile app. And it's all part of what they're experiencing from the lottery. They're not thinking about which "channel" they are playing on. They are just thinking about the game and the experience. They just expect to be able to play wherever, whenever, and however they want in whatever ways are most convenient. It might be on a paper ticket because I'm buying gas and I'm going to go into the store to buy my favorite Crossword ticket. It might mean that it's on my phone as a second chance draw while I'm killing time waiting in line at the bank or an airport Starbucks, or it might mean that I actually have a few minutes to sit down at home and play it on my computer. Players don't think about what channel they are on. They're just thinking about playing the game. And the ready-access convenience piece of that game-playing experience is vital.

**So, Pollard Banknote and your clients are in fact creating digital engagement programs for non-iLottery jurisdictions that meet that high bar for delivering short-term ROI?**

**J. Westbury:** Absolutely. Lotteries cannot afford to divert limited resources towards initiatives that do not contribute to raising funds for their beneficiaries this quarter and next quarter. That is the top-of-mind metric of success in this business and it is the key metric that we hold ourselves accountable to. Thankfully, though, the properly balanced

*Continued on page 56*

## The world we live in is no longer separated by channels. The consumers' world is inter-connected in a seamless flow, and we need to align ourselves, our products, our messaging and our product-delivery infrastructures with that world.

# “ALL POLITICS ARE LOCAL” ...EXCEPT WHEN THEY’RE NATIONAL

## LOTTERIES, PARTNERS WORK TOGETHER TO ADDRESS REGULATORY ISSUES CRITICAL TO THE INDUSTRY

JIM ACTON, LOTTERY INDUSTRY CONSULTANT

**T**he late New Hampshire State Representative Larry Pickett was persistent in his pursuit of a lottery in the Granite State. For 10 years starting in 1953, he submitted five bills to create a sweepstakes, and lost all five times. Finally in April 1963, Pickett was successful, and Governor John King signed the bill. Later that year, 198 of 211 cities and towns voted in favor of starting a lottery. Two days after the vote – on March 12, 1964, the New Hampshire lottery started selling tickets.

Fast forward five decades and the current New Hampshire Lottery Executive Director teamed with Pollard Banknote to fight the U.S. Department of Justice which was attempting to stop the sale of lottery tickets online. In fact, in 2019 the two entities actually filed a civil lawsuit against then U.S. Attorney William Barr. In early 2021, the deadline passed for the DOJ to answer the lawsuit, handing the New Hampshire Lottery – and the entire lottery industry – a significant win for the rights of states to determine their own regulatory policy.

In between these significant milestones, there have been many hundreds of bill filings, legislative votes, local referendums – events that have created the modern lottery industry as we know it. Behind the scenes, these critical actions have been guided by a phalanx of citizens, legislators, lottery executives and vendor representatives who have helped shaped the outcomes and the future of this industry.

Given how lotteries are created, and ongoing initiatives such as annual budgets and the addition of new games are enacted, the need for stewards who understand the machinations of the legislative process and can provide a steady hand is critical for eventual success. Like Representative Pickett, the initial creation of lottery legislation and then the guiding of it through the various legislative committees, votes and eventual approval at the executive level takes someone with patience, resources, and strong knowledge of the process.

At the helm of lotteries are directors who must wear many hats. Internally, they are overseeing

the day-to-day operations of a large revenue-generating enterprise whose ongoing success is relied on by beneficiaries. They must be conversant in the political maneuverings, legislative processes, business tactics, human resource issues, and many other components of running a multi-million/billion-dollar business. On top of those duties, many directors are involved with multi-state initiatives such as Powerball and Mega Millions and help shape the direction of these important games as well.

### Regulatory policy has a profound impact on the revenue-generating capacities of operators of all games-of-chance, including lottery.

On the commercial partner side, life is also busy. Customer relations, procurement oversight, technology advancements, government interface – the list of issues on the dockets of many companies can seem overwhelming. But the executives charged with driving progress while maximizing upside potential and minimizing risk, are expertly steering their organizations into new avenues for consumers.

This is especially true of digital advancements, such as iLottery. Companies such as NeoPollard Interactive are not fazed by anything they face in North America as they have seen it all in their work around the globe. Now they have to continue to convince stakeholders that change is good, and it will help everyone.

“It seems obvious to everyone in Consumer-Packaged-Goods, whether you sell sweaters or shoes, taxi rides or concert tickets, pet food or printer ink, diapers or flowers, airline tickets or restaurant reservations – the jury has reached a verdict,” said Liz Siver, General Manager, NeoPollard Interactive. “Consumers want to transact business

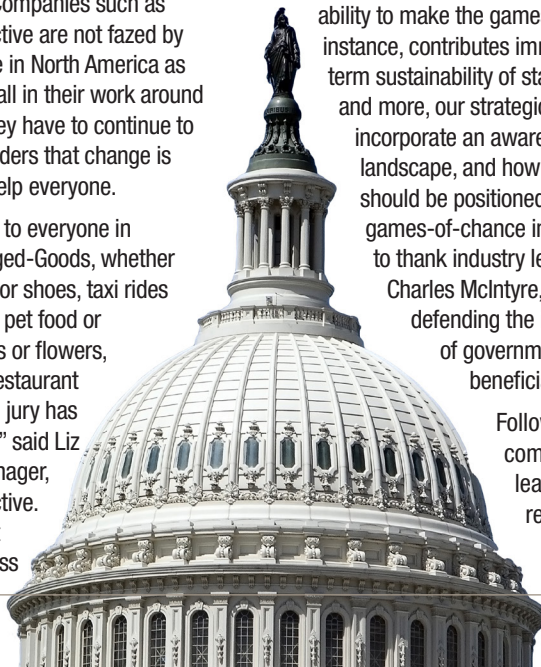
on their devices. iLottery sales help reach a younger player who might not carry cash. Players online are an average of 12 years younger than retail players and iLottery has proven to expand that player base. With sports betting and other online gaming on the rise, a crowded marketplace where lotteries compete for discretionary spending, modernizing distribution is an essential ingredient to a lottery’s growth strategies.”

NPI has been at the forefront of activity related to iLottery over the past decade. Their first iLottery customer – Michigan – is the longest-operating program in the U.S. And they joined forces with the New Hampshire Lottery to take on the U.S. Department of Justice and clear the path for iLottery to be approved in other states without fear of federal government interference.

“Currently, iLottery sales represent less than 5% of the total U.S. lottery market with twelve lotteries offering some form of online sales,” Liz said. “We know lotteries are looking creatively at how to enable forms of online sales that meet the specific parameters of their states. What we hope to see with iLottery is a similar pace of expansion that we have seen with the legalization and rollout of sports betting that has been rapidly growing since PASPA was overturned in 2018.”

Regulatory policy has a profound impact on the revenue-generating capacities of operators of all games-of-chance, including lottery. The ability to make the games available online, for instance, contributes immensely to the long-term sustainability of state lotteries. And more and more, our strategic planning needs to incorporate an awareness of the competitive landscape, and how and where our products should be positioned within this broader games-of-chance industry. We want to thank industry leaders like Liz Siver, Charles McIntyre, and many others for defending the interests of stakeholders of government lottery and beneficiaries.

Following are more extensive commentaries from the leading government-relations officers of IGT and Scientific Games. ■





# FACTORS SHAPING REGULATORY POLICY IN THE DIGITAL AGE

**Scott Gunn**

*Senior Vice President of Corporate Public Affairs, IGT*



**Paul Jason:** There are currently 11 or 12 U.S. jurisdictions which have iLottery. Can you describe the status of states that appear to be on the brink of regulating iLottery, states like Connecticut and Massachusetts, and others that PGRI may not know about?

**Scott Gunn:** There are two states close to offering iLottery – Arizona and Connecticut. Both of these states legalized iLottery in 2021 by virtue of their governors negotiating amended tribal gaming compacts – these compacts were amended primarily to allow the tribes to offer sports betting. Essentially, the Arizona and Connecticut tribes gained the ability to offer sports betting in exchange for allowing the state to offer iLottery products, among other things. When it comes to iLottery though, the question most often asked is did COVID-19 accelerate the legalization of iLottery? The jury is still out on that as only 10 states and D.C. currently offer iLottery and just two states legalized it in 2021. But looking at the overall landscape demonstrates that there is an evolution occurring right now in the digital lottery and gaming space. Sports betting – more specifically, mobile sports betting – is helping to pave the way for both iLottery and iGaming. My experience has been that state legislatures have not viewed sports betting, and in most cases Daily Fantasy Sports (DFS) before that, through the same high gaming-expansion lens as they do other traditional gaming-expansion issues. They viewed sports betting, office pools, and DFS betting as an activity

that enjoyed widespread acceptance with their constituents – “everybody does it!” This has allowed sports betting, and more specifically, mobile sports betting, to become the proverbial camel’s nose under the tent, with regard to mobile betting in general. The critical issue over the next few years will be whether policy makers allow this first-mover mobile advantage to benefit all gaming entities, including lotteries, or if the mobile gaming product expansion will, in most states, extend through the mobile sports betting ecosystem.

**What states do you think might be closest to moving into the stage of actively exploring the regulatory options for iLottery and getting bills approved for iLottery within the next 12 months? How about two years?**

**S. Gunn:** I know most lotteries and lottery leadership are enthusiastic about digital evolution, including iLottery. The challenge is finding a path to authorization, which can be administrative, legislative, and in some cases constitutional. In 2021, there were almost a dozen states that introduced legisla-

tion for iLottery, and while legislation may still be pending in a few states, there is little expectation that legislation will be approved in the remaining months of 2021. As policy makers and regulators become more and more comfortable with the concept of digital gaming/lottery offerings and see mobile sports betting becoming a viable option in the portfolio to help generate tax revenue, you will see more states embracing iLottery. Sports betting has ramped up quickly – since the U.S. Supreme Court decision in 2018, there are now more than 30 states where single bet games have been legalized. In the vast majority of those states (approximately 22), we are seeing states allow for both retail and online sports betting, and this is changing the overall policy and regulatory environment.

**As policy makers and regulators become more comfortable with the concept of digital gaming/lottery offerings and see mobile sports betting as a viable option in the portfolio to help generate tax revenue, you will see more states embracing iLottery.**

*Continued on page 34*

# FACTORS SHAPING REGULATORY POLICY IN THE DIGITAL AGE



**Howard Glaser**

*Global Head of Government Affairs and Legislative Counsel, Scientific Games*

**Paul Jason:** Sports betting is being approved across the country at a break-neck speed. Won't the whole process of legislating to legalize and regulate sports betting smooth a path for iLottery legislation too, making it easier and faster to implement legislation that regulates iLottery?

**Howard Glaser:** I do not agree with the assumption that sports betting is the leading edge, and we can expect that iGaming and iLottery will automatically draft in behind this process. iLottery and iGaming are different animals than sports-betting. State governments treat sports betting as an extension of sports, it's as much about sports as it is about gaming. iLottery and iGaming are purer forms of gaming – and that's the way state government policy-makers think about it so that is the way we should think about it. For this reason, I do not think that the pathway to regulating sports-betting is a great model to use for iLottery. Instead, I believe the industry needs to apply a thoughtful, deliberate, and consistent strategy that aligns with the way that shapers of public policy view these issues.

Legalizing and regulating the betting on sports is an important step for legislators to take, but it does set the tone for iLottery and iGaming. There are lots of differences between these game entertainment categories, and we should not base our strategies on how it has unfolded in the sports-betting space.

**Could we drill down a little more on how the process of getting iLottery to be legalized and regulated differs from sports betting?**

**H. Glaser:** Legislators don't view iLottery as being in the same bucket as sports betting. Lottery is a government function and not a commercial function in the eyes of many legislatures. When it comes to sports betting, legislators believe they are acceding to the wishes of a large group of constituents. That's especially true once the sports leagues came on board. There is not quite the same wide cross-section of vocal support for iLottery. Lottery players want to be able to play digitally, but they are not organized into a politically influential interest group within the state – at least not like there is for sports betting.

Lottery is fundamentally designed to benefit the public through the \$80 billion in sales and \$25 billion in net revenues that it delivers for good works. That's huge, but the societal benefit is not highly visible. The financial benefit to the state is already baked into their budgets. The prospect of revenue

increases from iLottery do not necessarily command enough attention to actually drive legislative action. That said, there has been a lot of legislative action to legalize and regulate iLottery and we expect that to continue. Sports betting, commercial casinos and tribal gaming have active and well-funded political action apparatuses. iLottery advocates need to develop consistent messaging to amplify its political voice and potential.

**How about retailers? Are they warming up to the prospect of iLottery?**

**H. Glaser:** Retailers are wary of competition from online retailers. Amazon and other online merchants have had a devastating impact on retail. Convenience stores say that they at least have one thing that online merchants don't have and that's lottery products. It has been hard for retailers to see how making these products available online



**I believe the industry needs to apply a thoughtful, deliberate, and consistent strategy that aligns with the way that shapers of public policy view these issues.**



would benefit them. But lotteries have always valued their partnership with retailers and will always be committed to the success of their channel partners. The retailers must be part of the solution and when they are, it's been very successful. Pennsylvania is a great example. Here you have a market which in just over a year went to a billion dollars in online sales. Their retail sales also increased because of the affiliate and partnership programs that tied everyone into the success of all channels, retail and online. Retailers are commissioned on the sales of the customers they bring to iLottery. That flips the whole equation such that the retailer becomes focused on giving the players what they want which is choice: options to play whenever, however, and wherever they want. Now that retailers have a stake in online sales, they become invested in the ability of lottery to attract and retain the players. They may start out as skeptics, but when they see how it works to everyone's advantage, they become supporters. That's what happened in Pennsylvania and Michigan, and that's what happens in other states where iLottery is successful.

### **Is Tribal Gaming opposed to iLottery?**

**H. Glaser:** Tribal and commercial casino interests share the same concern and it is somewhat straightforward. They just want to be confident that iLottery will not cannibalize their business. There is no evidence that it ever has. And there is a lot of evidence to suggest that whatever cross-over play there is results in an expansion of the market as opposed to dividing a static revenue base. Casinos have continued to run very well even in states like Pennsylvania where iLottery took a fast running start. Casino revenues are bouncing back to all-time highs in many places. At the same time, mobile gaming has also grown exponentially with a boost from the pandemic when other forms of gaming were shut down. We expect mobile gaming to level off a little bit, but play continues to be up and now casino revenues are rising again. So the cannibalization of existing commercial and tribal casinos is very much a myth that has to be dispelled. The casinos are acknowledging this by being the first to support iGaming, right? They know it doesn't cannibalize their business. More consumer touch-points only reinforce their bond with the players. We believe that the

expansion of gaming options supports the whole market and reinforces each of the participants in that market.

### **How should the discussion with legislators and political stakeholders be framed?**

**H. Glaser:** We encourage legislators to appreciate the incredible asset that is their own state lottery. They have invested a great deal of money in lottery. Good causes are receiving a lot of funding from lotteries. They are already in the business; all they have to do now is turn on the digital channel. Everybody else is online, so there is no longer any reason why anyone would choose to remain on the sidelines. And the longer you wait, the more market-share you will lose, and it will be hard to gain that back. We need to make the case for iLottery consistently and persistently within the industry and throughout the entire country.

Another aspect of this picture that should be emphasized: the amount of revenue generated for the state by iLottery and lottery is significantly higher than the net revenues generated by sports betting. For instance, New Jersey is an example of sports betting performing extremely well. The money it generates for the state, though, is a tiny fraction of the net funds generated by lottery.

We believe the net funding potential of iLottery is in the \$5 billion a year range. That's huge. States that do not participate in iLottery are leaving their share of revenues on the table.

### **You discussed how retailers are thinking defensively, as in how they are going to defend their market-share from the competition from online merchants. Similarly, don't lotteries need to consider the need to defend their position in the market-place against the migration of players over to online gaming and entertainment options?**

**H. Glaser:** States that do not implement iLottery sooner than later will very quickly find that their current lotteries are the Sears and JC Penny of the gaming sector. There is a window of opportunity which may close at some point when online gaming operators consolidate their hold on the players. Look at what Amazon did and how difficult it is now for other retailers to carve out a role for themselves in the online general merchandise space. States that authorize

sports-betting, and then possibly iGaming, will likely experience an erosion of their lottery player-base if they do not implement iLottery at the same time. The increase in lottery revenues over the past 18 months may have masked these realities, but we need to recognize that the trend-lines towards eCommerce are quite entrenched, and the gaming sector is not immune.

Consider how movies, music and even video gaming are now primarily an online experience. Video on-demand is an estimated \$16 to 20 billion a year market. The iGaming and iLottery markets are each estimated to be in the neighborhood of \$20 billion. We estimate around \$27 billion in a mature market. Some project even higher potential. Of course, the revenue potential depends on more states enacting legislation to regulate iLottery and iGaming, and the higher projections are based on most of the states adding the online components to the lottery business that they're already in. We expect iLottery and iGaming to both ultimately eclipse the video-streaming Netflix market. So that's the scope of what we're looking at right now.

During the pandemic, we all watched Netflix instead of going to movie theatres. On the content-creation side of the business, we see distributors like Netflix, Amazon and Apple producing more and more original programming themselves. They had to create the technology and the content. Now, look at online lottery in this context. The pieces are already there. The technology exists. No one has to develop the technology and games for iLottery. The game content is there. The consumer interest is there. There's only one thing missing: government authorization. By contrast, Netflix does not have to get a law passed when they want to do a new series. And Apple doesn't need governmental approval to put a new song online. But iLottery typically needs the approval of two legislative houses and a governor to sign the bills before they can get online.

I do think we are nearing the tipping point at which states will look around at their neighbors who have online lottery and feel pressure to do the same just to keep the customers they have, to keep their players from being unhappy. They may even lose business to their neighbors if they don't offer the same kinds of products and services. I

*Continued on page 34*

# EXCLUSIVE Q&A WITH RHYDIAN FISHER, CEO OF IWG



Rhydian Fisher, CEO,  
Instant Win Gaming

*PGRI magazine sat down with Rhydian Fisher to check-in on iLottery, the latest e-Instant developments, and specifically the Company's learnings from having launched seven progressive jackpots games over the past eight months.*

*Paul Jason, PGRI: Most lotteries have recently finished their fiscal year, and have reported record results. What has been the impact of their iLottery channel?*

Rhydian Fisher, IWG: Yes, all of our customers are reporting record years, and this has come from both their retail and iLottery channels. We know that for draw games, some lotteries are now seeing 15% or more of their sales coming through mobile and web.

**"For e-Instants, the impact has been even greater with some seeing as much as 35% or more of their instant gross profits coming from online."**

Clearly, iLottery is making a very positive impact, and all cases, this is completely incremental to their retail sales.

*PJ: How did IWG fare this past year?*

RF: As of today, we supply 22 NASPL and WLA-member lotteries around the world.

We supply more than twice as many lotteries than does the #2 provider.

**"Here in the North America, over the past year, our games accounted for 46% of all e-Instant sales."**

We attribute our success to our being a pure-play e-Instant games studio. We have been solely focused on developing and innovating e-Instants since we were first retained to do so by Camelot back in 2001. Many of the other iLottery companies are foremost platform providers. We create games that stand apart with lottery players by focusing on just this one thing. As a result, we are the best in our category. Our success this past year backs this up.

*PJ: What was the thinking behind launching a progressive jackpots module for e-Instant games?*

RF: We launched progressive jackpot e-Instant games with the intention of evolving the iLottery experience to a new

level. It's well-established from lottery draw games how the prospect of winning a progressive jackpot prize is of great fun to players.

**"We've taken this key element of traditional lottery and incorporated it into digital e-Instant games with our new InstantJackpots module. Now players get the excitement of continuously increasing jackpots combined with the interactive fun that they're already accustomed to from IWG titles."**

*PJ: What has been the impact of progressive jackpot e-Instants?*

RF: Back in December 2020, the Virginia Lottery and IWG released Jumble Tumble Jackpots, our first e-Instant progressive jackpot game. Very soon after launch it became apparent that lottery players really like instant win style games that are combined with rolling jackpots. In fact,

Jungle Tumble Jackpots is now live in five separate lottery markets, and is consistently a top revenue producing game across all of them. More importantly, as a category, progressive jackpots are really starting to take hold.

**"In our key lottery markets, progressive jackpot games as a group now account for 30% of all e-Instant revenues."**

*PJ: Talk us through the games themselves, how are they structured, how frequent are the wins and what are the prize amounts?*

RF: The IWG progressive jackpot module can be added to any of our games, with a real-time jackpot meter displaying the exact value of the in-game jackpots during the gameplay. Currently, our most popular configuration consists of three jackpots; a mini jackpot that is expected to be awarded multiple times each day, a mid-tier jackpot that is structured to be awarded weekly, and a top-prize jackpot that could land once per month.





Typically, purchase choices for an individual game might range from \$0.50 to \$20. We structure all games so that players have the opportunity to win all jackpot prizes from any purchase amount of their choosing. To us, this is the responsible way to offer progressive jackpots to lottery players.

**PJ: How has the category evolved since December?**

RF: In December, we launched our first game with a standalone jackpot. In July, the Virginia Lottery launched our first linked game where multiple e-Instant games compete for the same linked progressive jackpot prizes. The linked jackpot is branded Big Money Jackpots. All games linked to the Big Money Jackpots brand share the same bonus mechanic. This creates a consistent look and feel to the linked jackpots feature across multiple e-Instants, independent of each individual game's theme and play style.

**"Sometimes individual jackpots will link to a single game. Other times individual jackpots will link to multiple games."**

To us, a mix of both scenarios works best. This ensures the widest mix of play mechanics and prize structures.

**PJ: From an operations**

**perspective, how do you deliver progressive jackpot functionality to your lottery customers? How does the integration process work?**

RF: The entirety of the progressive jackpot module is contained fully within our InstantRGS™ (remote game server). This was really important to us when we were developing the product, and has been hugely beneficial to our lottery partners.

**"The process of adding progressive jackpot games is no different to that of any other game we supply, which means there's no technical support of any kind required at the iLottery platform level."**

Our solution's API also provides lotteries with the capability to show real-time jackpot values on their websites, mobile apps and email campaigns.

For us, this is the true brilliance of our innovative jackpot module. We've created an exciting new game genre that can be seamlessly added to a lottery's online offering and instantly made available to a wide range of players. Going forward, we will spec all of our game innovations to be fully supported by our InstantRGS. This ensures that we can provide new game concepts at a pace expected by internet-minded players.

**PJ: What has been the feedback so far from the lotteries?**

RF: The response from our lottery customers has been extremely positive. Of course, they fully understand how the prospect of winning a progressive jackpot prize drives playership. And, they appreciate that the modularity of IWG's InstantRGS architecture facilitates rapid innovation.

**"Launching brand new game technologies, like progressive jackpots, without needing to orchestrate the work across multiple technology partners is critical to lotteries competing in the fast-paced digital world."**

**PJ: What have you learned from your rollout of progressive jackpot games?**

RF: It is clear that for players, games with rolling jackpot prizes stand apart. But it is an evolutionary process. Based on current data, lotteries need to think of progressive e-Instants as a distinct category. To retain players, they need to think about adding a new progressive game about once per quarter. This pace keeps the category fresh with new content.

**PJ: Is there concern that you will start to see jackpot fatigue from players?**

RF: Not at all. Initially, we have no game where the top jackpot is more than \$200,000. So, the appeal is not about the size of the jackpot. Instead, it is all about the fun that comes along with dynamically changing prizes. Over time, we plan to offer some games with low 7-figure top prizes, but for now we don't see a need to go much higher than that. And, even in that case, we expect to continue to include low and mid-tier jackpots that can be won more frequently.

**PJ: So, what's next for IWG?**

RF: 2020-2021 has been about building out progressive jackpot games as a distinct category. We now have a full complement of these games on our roadmap.

**"Further, other game suppliers are following our lead and doing the same. All of us pulling in the same direction leads to the best results for the marketplace overall."**

In general, we believe that e-Instant games benefit from the addition of proven social game features including progressive prizing, virtual awards, multi-player mechanics, syndicate and group play, and more. Going forward, we plan to continue to innovate games that create social connections between players. These games leverage social mechanics that are proven, but are often just not practical with traditional retail products.



**What are the biggest obstacles for state legislatures that impinge on their willingness to authorize iLottery? Retailer opposition? Opposition from anti-gambling groups? How about sports betting interests – are they opposing iLottery and is that a factor? What or who else is impeding iLottery implementation?**

**S. Gunn:** All of the stakeholders you mention are relevant to the debate, as Speaker Tip O'Neill said, "all politics is local." iLottery has been in the United States for nearly a decade after Illinois and Georgia launched programs in 2012. It has been difficult to move the iLottery needle from a policy perspective, but new legal developments and changing attitudes among key stakeholders are shifting. As with most every lottery and gaming innovation, the adoption of iLottery will be dependent on the politics that surround gaming issues in each state. The challenge for lotteries is ensuring they have a seat at the table and voice in the legislative and policy discussion. This is challenging because a lottery functions as a "gaming" operator, but without the flexibility and resources of other commercial gaming

operators. Another challenge is the historic opposition from the National Association of Convenience Stores (NACS) and their local affiliates. NACS opposition was very much aligned with the Coalition to Stop Internet Gambling and their political activities at the federal level. Now that the Coalition to Stop Internet Gambling is not as engaged as they were previously, I think the main opposition will be with the state-based retail associations and organizations. I have found that their opposition is more politically motivated than objectively based on the fact that their business will be harmed by iLottery. I think the solution for lotteries is two-pronged: ensure that fact-based objective information is injected into the debate and develop a political plan that addresses all opposition, including purely politically motivated opposition. I have found lotteries to be savvy and sophisticated in their approach to working with legislatures to ensure they have a full understanding of the policy alternatives that exist for digital gaming expansion. As the market for digital products continues to liberalize in the U.S., and more states become comfortable with answering consumer demand for anytime, anywhere

products on any device, iLottery will gain a foothold and become more commonplace. The stage is definitely being set for more states to embrace iLottery in the next five years.

As I look at the totality of the situation, lotteries are well positioned to benefit from digital gaming expansion. It will require engagement in the political process that is sensitive to the unique circumstances of each lottery and their role in the approval process in their state.

A coalition-based approach, that brings together the supporters of lottery in general, and iLottery in particular, and utilizes the resources of those coalition partners, is the best path to success. There are many stakeholders in this process that should be heard and will have a role in the discussion, including considerations around Responsible Gaming, so that players, the public, and lottery beneficiaries will benefit from the addition of iLottery and the increased funding it provides. That is an indisputable fact, and one that should be central to any discussion about expanding a lottery's portfolio to include iLottery. ■

also think it's very helpful that the successful iLottery states are regionally distributed. You have Pennsylvania and Virginia in the Mid-Atlantic, Michigan and Illinois in the Midwest, New Hampshire and Connecticut in New England, and Georgia and Kentucky in the South. Their neighboring states will eventually feel pressure to keep up with the same product and channel offering.

Do legislators study how these issues are unfolding in other states? Is the process of building a regulatory framework informed by the experience of other jurisdictions or do legislators focus on their own in-state issues and environment?

**H. Glaser:** Unless they are assessing the competitive threats from neighboring states, legislators focus on what's happening in their state more than anything else, and then build to suit their own state-specific public policy objectives. Legislators sometimes underestimate the complexity

of market-driven businesses like lottery, iLottery and sports betting. Of course, there are professionals like lottery directors and technology partners like Scientific Games and others who make sure the business is operated effectively and will always work hard to protect current lottery revenues, ensure business continuity, and position the business for long-term growth.

One thing we hope for is that legislators will appreciate the importance of moving forward with iLottery in tandem with iCasino gaming. That should be a goal for all lottery stakeholders as it would disadvantage them if iCasino gaming were to launch before iLottery launches. Launching them in tandem would provide the entire range of games to appeal to the broadest range of play styles. Providing that diversity from the start enables players to embark on their digital gaming journey with full and equal exposure to iLottery. It may be hard for iLottery to attract players if

iLottery is launched after iCasino gaming. I think the best chance to expedite iLottery legislation is to join iGaming and have both of them proceed down the path together to legislative approval.

**In closing ...**

**H. Glaser:** We want to look for the common ground shared by diverse interest groups so that we all – lotteries, sports-betting operators, iGaming and casinos – work together to expand the diversity of choices for players. Delivering the widest variety of games through all the different channels of distribution is not only the best way to meet the needs of the consumer, but it is the best way to foster creativity and innovation within the industry so that we lead the way and exceed consumer expectations and the expectations of all our stakeholders including the retailers, our political constituents, and the good causes supported by lottery funding. ■



# 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**



# Inside Scientific Games' Sideplay Digital Game Studio

## Acquisition and Explosive Outlook for iLottery

With Scientific Games' recent agreement to acquire UK-based digital instant content studio Sideplay Entertainment, the company's iLottery growth strategy is simple.

"Our goal is to be No. 1 in the world for both retail and digital instant games," says Pat McHugh, Lottery Group Chief Executive for Scientific Games.



In August, the world's largest provider of lottery instant games announced it had signed an agreement to acquire Sideplay as part of its strategy to expand the company's portfolio of iLottery games and accelerate its global leadership in iLottery. Scientific Games' iLottery business will remain with the Lottery Group as it moves to become an independent company as announced recently.

"Our investment in acquiring Sideplay's team of experts, great digital game portfolio and game distribution technology will help fuel our leadership in iLottery, which already includes our more than 20 existing iLottery customers globally, as well as our own digital platforms and library of exciting digital instant games," shares McHugh.

Sideplay provides digital instant games to lotteries globally, and it is the primary digital instant game supplier to the UK National Lottery, one of the largest interactive lotteries in the world. Recently, Scientific Games successfully integrated Sideplay into its flagship Pennsylvania iLottery program, which immediately increased market share of digital instant games.

The combination of Sideplay's innovative portfolio of digital games and agile content distribution technology with Scientific Games' iLottery platforms and digital solutions is expected to increase player engagement for its customers and drive more growth for the company's iLottery solutions around the world.



Amy Bergette

"Sideplay is a key contributor to the Pennsylvania Lottery's instant content portfolio as they've already proven with exciting games like *Pennsylvania Payday* and *Fairground Fortunes*," said Amy Bergette, VP Digital Content Studio for Scientific Games Lottery Group. "The addition of Sideplay's digital game server and content distribution technology to our existing digital tech stack will allow for increased speed-to-market for all of our iLottery customers."

Since 2003, the Sideplay team has launched more than 270 instant win games for leading lottery and gaming operators around the world. Its games have been played over 100 million times, producing meaningful revenue for Sideplay's customers.

Steve Hickson, the Founder and Director of Sideplay, and the entire Sideplay game development team will join the Scientific Games Lottery team.

Our success as an interactive innovator and integrator of digital assets since 2009 has positioned Scientific Games Lottery Group as an industry leader in digital lottery solutions, including loyalty, mobile apps, 2nd chance promotions and iLottery," says McHugh. "We have already integrated Sideplay's digital games into our iLottery platform and combining their unique approach to game development, we now welcome Steve Hickson and the entire Sideplay team as the industry enters the next era of digital lottery growth."

"All of us at Sideplay are thrilled to be joining forces with Scientific Games Lottery Group, one of the world's leading lottery suppliers," said Hickson. "Our goal has always been to be the best at what we do, and this acquisition shows that we have achieved that level of success. We are excited to leverage Scientific Games' global lottery footprint and create the future of iLottery together."

Scientific Games launched the first digital instant game in the U.S. in 2014 and is the leading provider of lottery interactive games, mobile apps, player loyalty programs and other interactive products and services in the U.S. lottery industry.

Pennsylvania's iLottery program managed by Scientific Games hit \$2 billion in sales in just over three years with 115 games launched and 97 live games currently offered to players. Launching in 2018, it was the first iLottery program in the industry to surpass \$1 billion in sales in less than two years.





Scientific Games' *Monster Wins*®, *MONOPOLY*™ and *Jackpot Party*® instant games are some of the top performers in the portfolio. With the addition of Sideplay's games, the now combined instant library delivers robust performance and exciting entertainment for players.

Sideplay is one of the longest-standing instant game production studios in the industry. Its team is known for creating high-quality, innovative game mechanics and exciting game content that players love. The company's experience and sophisticated game content have seen Sideplay increase its customer base considerably, delivering consistently strong growth for lotteries.



Steve Hickson

"Bringing together two great instant game libraries in this way is great news for the lottery industry as the momentum to launch digital programs is quickly picking up pace," explains Hickson, who has more than 18 years of game development experience. "The combined production experience and know-how of Scientific Games and Sideplay will form a compelling option for iLottery customers."

Sideplay's digital instant content server is designed to provide a robust portfolio instant game content to lottery customers. The platform allows lotteries to accelerate their move into digital content delivery in a rapidly evolving lottery environment.

McHugh believes the combination of the Scientific Games and Sideplay iLottery teams is going to be explosive—from game innovation to tech platforms—all enhanced by Scientific Games' data analytics and award-winning customer relationship management programs.

"Together, we could not be more fired up about what we are going to be able to offer lotteries to grow their business in the vital digital channel. Whether they are preparing to launch iLottery or grow an existing iLottery program to its fullest potential, Scientific Games will be the partner of choice to generate maximum proceeds for lottery beneficiary programs," he says. "This acquisition is a win-win for iLottery."

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# A Brave New Game

A year after the covid-19 pandemic broke out and as gradually life is returning to normal and the world is coming to terms with the new reality the industry is widely embracing optimism.



**by Konstantinos Koutsias,**  
VP Sales  
INTRALOT

In 2020, most industries felt the economic impact of the pandemic and lotteries were no exception, although in some jurisdictions the industry was still able to withstand the shocks. As the pandemic stretched on, a feeling of impending doom spread across the industry, because of the cataclysmic effects of the biggest global health crisis in modern history and the measures imposed to protect public health. Especially so for lotteries not yet engaged with digital sales, who were already facing a threat of becoming somewhat obsolete, as other gaming

and entertainment alternatives were leveraging digital technology; a threat that was further amplified as the pandemic accelerated an industry-wide shift toward digital sales, cashless transactions and contactless interactions. Regardless of the state of digital adoption one fact has come to be widely accepted by all industry participants; that the typical lottery operating model built mainly around in-person cash-based sales at lottery retail shops is not sufficient for the new normal.

A year later, as gradually life is returning to normal and the world is coming to terms with the new reality, the picture is quite different, and the industry is widely embracing optimism - and rightly so. Lottery is far from being doomed and in fact this crisis is accelerating the much-needed reengineering and digital transformation of the traditional lottery business model. This optimism emanates from the sheer understanding that challenges should rather be seen as opportunities and from realizing that we have many good things coming our way. Lotteries all around the world instead of being paralyzed in the face of this

'clear and present danger', have sought opportunities from the challenges presented during this difficult period.

First, many lotteries with the support of their legislatures and regulators rushed to shift their lottery sales to digital channels so to rapidly close the digital divide with industry peers. This shift has been facilitated by technology which has literally advanced several years in the course of just few months. Moreover, digital adoption amongst the older generations which up to

now were reluctant converters has been acce-

“All in all, lotteries at a global scale have taken action instead of resting on the laurels of their solid brand recognition and legacy operating model.”



lerated, alleviating the long-term concern of lotteries for an ageing and not well-versed with technology player base. Another positive development is the growing spending capabilities due to the reduction in non-essential purchases which is also adding to the spend on indoor entertainment, especially on lottery which sells dreams and creates feel-good moments, an important purchase driver when living in a pandemic.

Further to leveraging these technology and consumer trends, subject to regulatory restrictions, lotteries have also been reformulating their marketing strategies so to adapt to the evolving needs and behaviors of their players as a result of living through the pandemic. The key differentiator and competitive edge of lotteries which was amplified by the pandemic lies in purpose-driven marketing; an emerging strategy used by brands to center their external communications efforts around a social cause that aligns with their core values. This way lotteries are developing a deeper rapport with their consumer base by creating authentic connections based on shared values. This strategy is a perfect fit for lotteries who can further strengthen their already strong bonds with local communities which have been coming together to support each other-while consumers increasingly expect

companies to contribute to that support. Lotteries are also focusing on transparency and are leveraging their beneficiary support to social programs as consumers appreciate brands which support those in need in these difficult times, a desire only accelerated by the pandemic. In addition, by supporting their retailers and small businesses engaged in

“ The key differentiator and competitive edge of lotteries which was amplified by the pandemic lies in purpose driven marketing; an emerging strategy used by brands to center their external communications efforts around a social cause that aligns with their core values. ”

operations they are building a stronger and more connected value chain. Another opportunity for lotteries which are ethical and trustworthy at the core, is to further promote values and principles such as responsible gaming so to reinforce and strengthen public sentiment and trust for the industry. Last but not least, lotteries are actively supporting in various ways the response to Covid, a strategy that is paying dividends within the pandemic and beyond. As an example, lotteries are scalable, low-cost and tested communication avenues worth considering in the Covid-19 response in order to increase vaccination uptake. Lotteries can be at the forefront by implementing edutainment (entertainment education) formats which can reach individuals at a

more personal level while mass communication can't. In addition, an inherent characteristic of behavioral bias of people inflating small proba events. In this sense, lottery incentives condition on vaccination uptake might prove valuable, and certain authorities are already experimenting such concepts.

The ecosystem that is being leveraged to deliver those messages and initiatives is undoubtedly social media, the potential power and reach of which can hardly be overstated. With social being the leading source of Covid-19 information, is the optimal delivery mechanism, and social media-savvy marketing campaigns provide tools with incomparable reach to connect with existing and potential customers in ways that boost customer acquisition and player value.

All in all, lotteries at a global scale have taken action instead of resting on the laurels of their solid brand recognition and legacy operating model. By leveraging and building on their social contribution heritage while making the best of the current situation by pivoting towards the technology and consumer trends which have been accelerated by the pandemic, they are coming out as a more digitally native and agile industry with an even stronger social image and brand acceptance and are emerging as clear market leaders. ■



# DISCOVER AN EVER-EXPANDING LIBRARY OF HIT GAMES

Now Lottery Customers Can Explore and  
Play Exciting elnstants by Accessing the  
New IGT iLottery Showcase

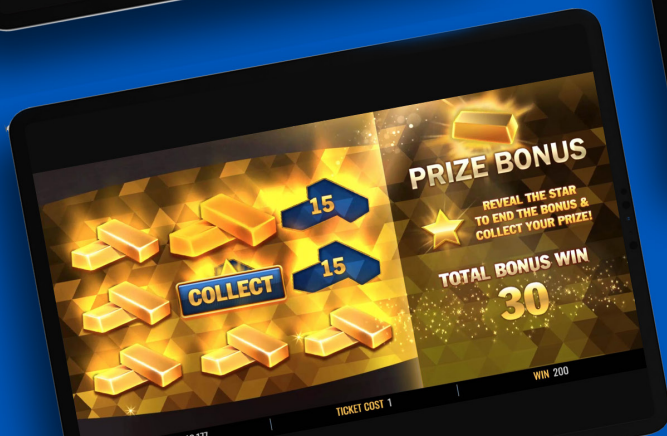
**L**otteries want digital convenience as much as players do. To serve this need, IGT has launched a lottery customer portal, the **iLottery Showcase**, offering the most current information on IGT elnstants, the

iLottery product suite, and news – all through one convenient, secure website: [IGTiLottery.com](http://IGTiLottery.com).

As well as exploring IGT's continually growing library of elnstant games, customers can access a wide variety of game mechanics and themes that provide broad appeal to all player types.

Each game is **categorized for easy searchability** to quickly locate "Top Performers," "Seasonal," or "Fast Play" games, for example.

The library provides **regionalized content**, so lotteries will see the games available to them as well as get a sneak peek at the elnstants in IGT's studio

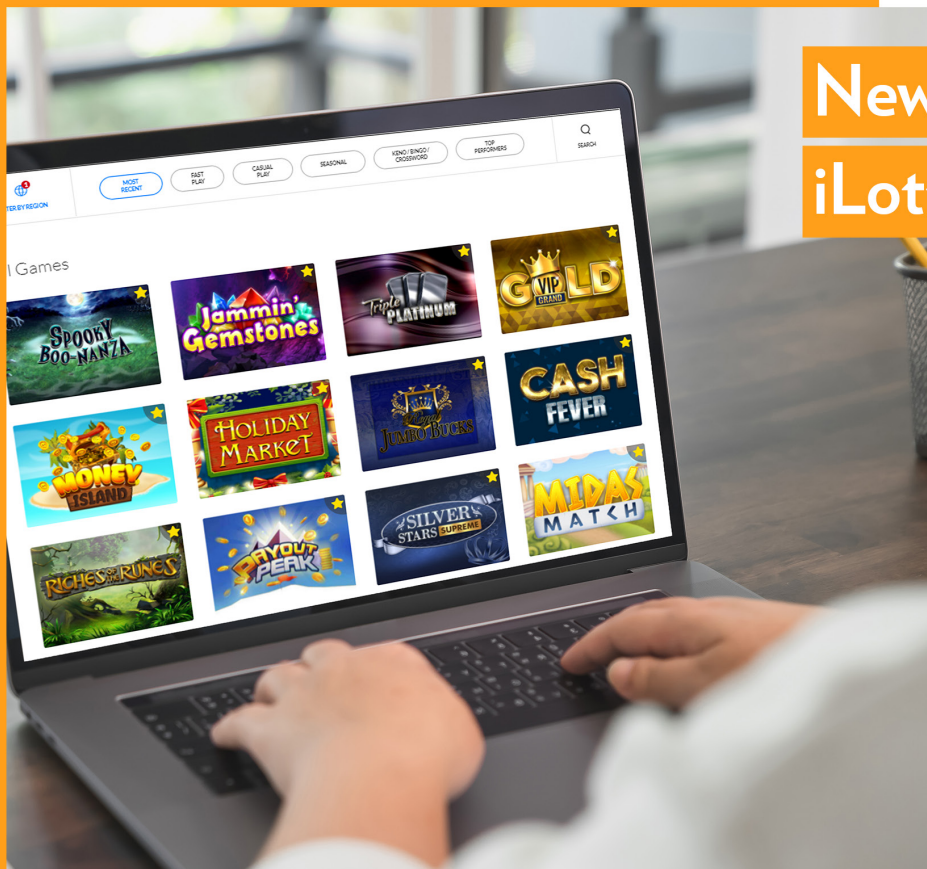


**New! IGT**  
**iLottery Showcase**

*The iLottery Showcase allows lotteries to trial elnstants by playing actual game demos for those available in their region. The library includes a variety of play styles and themes, including seasonal content.*



# New! IGT iLottery Showcase



Play elnstants, view upcoming pipeline, download game assets, read latest news and information, and more!

**Sign Up Today**

[IGTiLottery.com](http://IGTiLottery.com)

pipeline. Customers will be the first to know when there's a new game launch and be among the first to try the games for themselves.

Customers can also access **all the game assets** to promote the games through digital advertising, email

## iLottery Showcase Benefits:

- Explore Regionalized Content
- Play One of 80+ elnstants
- Watch a Game Video
- Download elnstant Assets
- Read the Latest iLottery News
- Download a Global Case Study
- Watch an iLottery Product Video
- And More

marketing and social media, including logos, backgrounds, game screens, game symbols and more.

"From customer feedback, we know this self-service feature will be a great time-saver for lottery marketing teams," said **Ailsa McKnight, IGT Senior Director PlayDigital Marketing**.

"We're thrilled to provide our global lottery customers with one secure location to browse our iLottery offering. Customers have been asking for a site where they can play games and download the marketing game assets in one location. We took it a step further and uploaded relevant digital lottery product information, global case studies, news articles, and more," said McKnight. "This showcase is a fantastic tool not only to explore elnstants, but also learn about iLottery products including IGT's convenience and transactional mobile apps, which are digitizing the player journey at retail and preparing lotteries

and their players for regulatory change. We are pleased to debut the new iLottery Showcase at this exciting time for the industry."

Designed to serve a variety of U.S. and international lottery customers, IGT's iLottery Showcase self-service website houses a breadth of relevant information to help lotteries with their iLottery education and business planning as their digital products evolve. ■

*Request a login through your account manager or click the "Account Inquiry" button on the homepage at [www.IGTiLottery.com](http://www.IGTiLottery.com).*



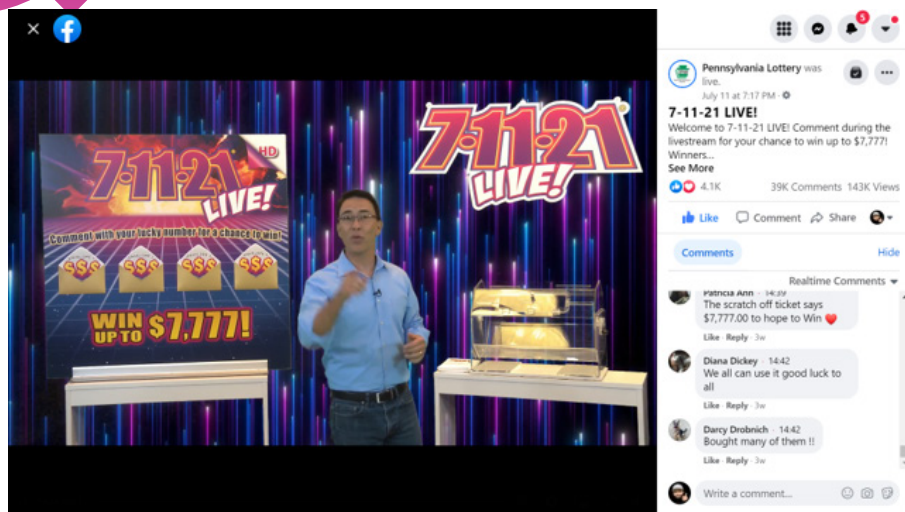


The most popular winners' trip locations for lottery players are a "bucket list" of exciting spots – Las Vegas, New Orleans, Los Angeles, Hawaii, Orlando. But after the success of Scientific Games' Facebook Live social media event this summer, one more locale might need to be added – your living room couch.

The event on July 11, 2021 was the culmination of two years of planning from various teams within Scientific Games, particularly from the Digital and Product Innovation groups. The core group working on this program were led by Mark Audi, Director, Global Instant Product Innovation and Development; Amanda Saferin, Director, Product Marketing and Innovation; and the now-retired Chuck Kline.







**A Facebook screen shot of 7-11-21 LIVE! Host John Crow during the event's Facebook Live event**

"7-11-21 is a well-known combination of numbers considered 'lucky' among lottery and gaming players. Our trademarked 7-11-21 themed games always out-perform and we knew the unique calendar date was coming up and wanted to do create something fun for players. Our national research showed strong support for a live social media event, so we explored different concepts and were able to put together an exciting promotion," said Mark.

Scientific Games began presenting to lotteries in April 2020, the early stages of the pandemic in the U.S.. So what was a bit of a novelty in early 2020 – watching live events on your computer – soon became the predominant way people met with co-workers and consumed other live events.

The \$2 7-11-21 LIVE! instant game went on sale in early 2021 in Georgia, Maine, New Hampshire, North Carolina, Pennsylvania, South Carolina and West Virginia. "When we started planning, I remember looking for examples in our industry of not only livestreaming but livestreaming giveaways," said Amanda. "I wanted to show these to our customers to get them more comfortable with the concept. I could only find a few, and not one that involved players from multiple states."

"Fast forward six months later and I stopped counting the number of

livestream giveaways that lotteries were offering," she said. "Something that initially faced a little pushback became quickly accepted. And not just for livestream giveaways, during the pandemic we started seeing lotteries turn to social media livestreaming for drawings and other things players had typically watched in person on a screen at a retail location."

The Facebook Live "broadcast" took place over a July weekend in a Georgia studio and involved a day-and-a-half of rehearsals culminating with the main event on July 11. Coordinating streams were broadcasted through each of the seven participating lottery jurisdiction's Facebook pages, allowing each to set parameters based on their jurisdiction's specific guidelines as to who could watch and participate. The livestream centered around a prize drawing in which viewers could win cash prizes by just watching and commenting. A live poll during the event determined which envelope Crow would choose, and eligible winners won the amount listed in that envelope.

"When we were developing the concept, the poll was an important piece," said Amanda. "Each lottery broadcasted their own live stream with their own settings, rules and winners. But with the poll, we were able to bring players from every state together and

really engage them on another level."

While Scientific Games and the participating lotteries were buoyed by the success of the Facebook Live event, lotteries are judged by game sales and revenue. On that measure, the 7-11-21 LIVE! ticket was a rousing success. While it is still on sale (at press time) in some of the seven markets, the game performed 20% higher and as much as 80% higher than other \$2 games. "For most lotteries, the \$5, \$10 and \$20 price points are doing well, but sales of \$1 and \$2 games are flat or declining," said Mark. "So we offered a solution by focusing on a lower price point for 7-11-21 LIVE! . Our research showed us that players saw this game at a \$2 or \$5 price point. The performance of the game shows that \$2 was the right price point strategy."

Participating lotteries offered positive reviews of the 7-11-21 LIVE! ticket and Facebook Live social media event.

"The Georgia Lottery's 7-11-21 LIVE! scratcher sold out within six weeks, and the live event was a huge success," said Katherine Cundiff, VP Product Development for the Georgia Lottery. "We experienced new records of participation during the promotion."

"Our 7-11-21 LIVE! scratch-off game has already been very popular with players," said Pennsylvania Lottery Executive Director Drew Svitko. "The Facebook Live event gave our players additional chances to win prizes. Offering fun and new ways players can enjoy our Lottery games allows us the ability to generate funds for vital programs that seniors rely on every day."

As to the future of similar games and events, Scientific Games is reviewing the data from 7-11-21 LIVE! and developing plans for its next program, most likely in 2022. ■

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# THE players PROJECT



**Charles Cohen**  
Industry Consultant



**Owain Service**  
CEO, Cognition Company



**Noelle Weaver**  
Managing Partner, Foresight Factory North American Operations



pollev.com

## FROM VOX POP TO POPCORN

IGT's first **Players Project** event invited independent consumer experts to unpack behavioral and trend research with an audience of global lottery customers. With live polling of participants and "voice of the people" interviews featuring players around the world, the event took a deep dive into the **human factors behind lottery players' decision-making process.**



What do popcorn and coffee have to do with lottery play? More than you might think.

In fact, both of these common staples have starred in important behavioral science experiments that shed light on how consumers think about and make everyday choices, such as purchasing a lottery ticket.

The experiments were just one of the many fascinating subjects covered in a live, online event that IGT hosted in June for global lottery customers.

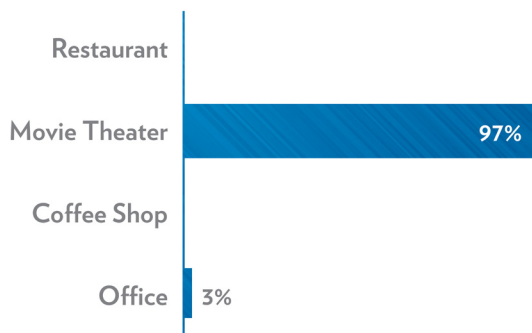
In this inaugural session of **The Players Project**, IGT invited independent experts to share insights into human behavior, offering a fresh lens through which to view and understand players as people.

Joining **industry expert and moderator Charles Cohen** was renowned behavioral scientist **Owain Service, CEO of the Cognition Company**, who has worked with the UK government and businesses of all kinds to help them understand human behavior. Trend-spotting expert **Noelle Weaver, Managing Partner, Foresight Factory North America**, shared findings from the firm's newest global research on lottery play. "Vox Pop" player interviews conducted for the event illuminated aspects of the discussion, such as the consistency and level of routine that goes into consumers' lottery buying behavior.

"We've all come to appreciate that there are many factors that drive player motivation," observed **Fabio Cairolì, IGT CEO Global Lottery**, discussing the genesis of The Players Project. "Primarily, I think it's about possibilities – the excitement of a game's potential. But in the end, how do you judge that? As I think we can agree, lottery games are enjoying a worldwide resurgence, making this a great time to focus even more attention on players. Of course, it's very important to dive into the performance data, and we all devote great attention to analytical research on how, where, and when players engage with lottery. We also wanted to ask, Why?"



**Imagine yourself somewhere eating warm, fresh popcorn. Where do you picture yourself being?**



The Players Project took famous experiments from behavioral science and repeated them with a live online audience of IGT lottery customers.

## AMONG THE QUESTIONS EXPLORED IN THE PLAYERS PROJECT:

- Why would a person choose one lottery game over another – or choose lottery at all?
- Why would someone increase or decrease their play, or change their pattern?
- Why would or could they return to previous behaviors?
- How do people perceive prizes and good causes?

# THE EVENT REVOLVED AROUND THREE KEY THEMES:

## ROUTINES

Behavioral scientists study what people do – their revealed preferences – as opposed to what they say they will do.

The field recognizes that human beings tend to be governed by routine. When it comes to consumers' lottery-buying behavior, what's happening at a cognitive level?

**By recreating a famous “popcorn” experiment with the live audience,** Owain Service demonstrated that when people are in an environment they associate with a certain behavior, such as eating popcorn, this is when and where they're likely to think

related disruptions have not only resulted in an evolution of the player base but also **the formation of new player routines and behaviors.** These are reflected in several trends:

- **Cashless Society** For many, the mobile phone became the payment system of choice during the pandemic. Foresight Factory found that 47% of global consumers have used an app or swiped their mobile phone at checkout to pay for something (an 18% growth rate from 2019) and plan to continue doing so. What's more, the demographic data showed strong uptake among the Baby Boomer generation. “It's a great example of a group that may not have used this sort of technology in the past, who have now established a new behavior and they're repeating it in a consistent context,” observed Owain Service. “You would expect it to continue beyond the pandemic.”
- **Presence-Free Living** Lockdowns taught people the convenience of doing things digitally from home and using technology for work, play, educa-



nesses, including shops and restaurants. Foresight Factory found that one in five global consumers expect to buy more from independent businesses over the next year vs. pre-pandemic because they're now more invested in their community. Lottery players score slightly higher than the average consumer in saying that where they live is very important to their identity (about 42% vs. 38% global average). This is a great opportunity for marketing communication messages

to convey how important lottery is to the local community – both in retailer support and returns to good causes.

With this in mind, lotteries can take a completely new perspective on how to plan, position, and market lottery.

**Are your players' routines becoming more local?** If they are, then the environments they'll be in when deciding to play lottery may be different to what they were before.

**What are the new circumstances for lottery purchases?**

Changes could be needed to get lottery in front of players who have adopted new routines and

behaviors. Lotteries could conduct studies to understand how player journeys have changed as a result of Covid and make changes to their communications strategies accordingly.

**How does lottery adapt to changes in other purchasing behaviors?** Lotteries can consider digital and cashless offerings to accommodate new habits or incentivize more players to embrace the shift to digital.

### Consumer shifts during the pandemic means new routines and behaviors have formed

#### CASHLESS SOCIETY



**47%** Global Consumers

have used an app or swiped their mobile phone at the checkout to pay for something.

#### PRESENCE FREE LIVING



Frequent Lottery Players in

**70%** Of Countries

are more likely than average to say they expect to shop online more vs. pre-pandemic.

#### LOCAL ALLURE



**1 in 5** Global Consumers

expect to buy more from independent businesses over the next year vs. pre-pandemic.

about doing it – not the other way around. In other words, when it comes to routinized activities, the human behavior stems from responses to the environment.

Citing new data about consumer routines from a Foresight Factory survey across 27 countries, Noelle Weaver noted that about 40% of respondents said it's important to have the routine of lottery play in their lives. Consumer shifts driven by pandemic-

tion, and entertainment. Lotteries saw a corresponding spike in online activity and engagement. Foresight Factory also found that 70% of frequent lottery players across 27 countries said they are more likely than non-lottery players to shop online more now vs. pre-pandemic.

- **Local Allure** During the pandemic, community engagement increased as people wanted to support local busi-





## MAKING CHOICES

The Players Project event **recreated another famous behavioral science experiment – this time featuring coffee** – to give the audience a sense of what’s happening in consumer’s minds when they make the types of choices that lottery players make in buying a ticket.

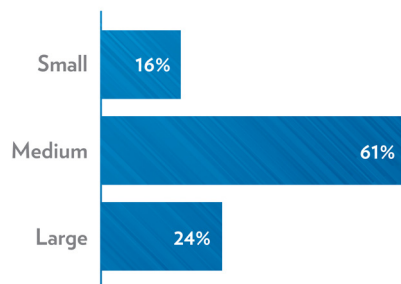
“Imagine you’re standing in your local coffee shop and choosing your morning shot of caffeine,” said moderator Charles Cohen, instructing participants to indicate in the live poll which size coffee they would buy: small, medium, or large.

“We make thousands of choices on a day-to-day basis, and we often suffer from choice-overload,” said Service. “As a result, we end up using simple rules of thumb we can apply to support our decision-making. When we’re choosing any kind of consumer-based product, such as coffee or lottery, the decision to purchase is often based on the relative merits of a choice, compared to the other available options.”

In the original experiment, the small cup seemed too small for many respondents, the large one seemed too large, and the middle one seemed like just the right amount of coffee. In behavioral sciences this is known as The Goldilocks Effect. Research shows that even when the coffee cups are sized-up to hold larger amounts, respondents still tend to go for the medium-sized choice. The Players Project live poll showed that The Goldilocks Effect is alive and well.

**For lotteries and retailers, the experiment could inform efforts to help consumers make an engaging choice, a responsible choice, a choice that’s right for them.**

**Which of these three cups of coffee would you instinctively order?**



With consumers making thousands of decisions every day, “We could make it easier for people to take those decisions,” said Service. “It comes down to curation – how you present the choices. If people are going in for the first time [to buy a lottery ticket], what are they comparing that decision to? What is it relative to?” he asked. “And if they’re already engaged, then it’s more a question of the relative nature of their decision within an existing category.”

The central point, which is fundamental to life in lots of different areas, is that we

stand the ways players react when they’re faced with a different set of choices.

**How does relative pricing between games impact selection?** Across the broader category of consumer packaged goods, relative pricing matters. Given the routinized behavior that people seem to demonstrate when they play lottery, there are opportunities to put value in front of players in a way that may not necessarily have been considered before. Not only in how it’s printed on the ticket itself, but how you place the ticket relative to other choices.

## MENTAL ACCOUNTING

**The third experiment** presented is one that helped its creators earn a Nobel Prize: “You receive a small tax refund you weren’t expecting. What do you want to do with the money? Have fun, save for a rainy day, or donate it to a charity?”

Service explained that the original research demonstrates a phenomenon known as Mental Accounting, and the experiment itself derived from the observation that many standard economic models assume “a dollar is a dollar is a dollar.” But it turns out that’s not how humans make decisions. We



don’t usually make decisions based on objective merits, but on relative positioning of the choices.

**How can you make it easier for people to choose between games?** Behavioral science has some insights that can be valuable and useful to predict and test new ways of offering games, and also to under-

mentally account for each of those dollars in various buckets, and if we deplete our budget for one category, it doesn’t necessarily make an impact on the rest of our spending decisions.

“It also accounts for why people treat money differently depending on its source,” he said. For example, in the experiment, “Even

though it was your money in the first place, a small tax refund feels like something unexpected, almost like a gift. Or, if we earn income from our labor, we spend it differently than if we receive money by winning the lottery.”

When people’s lives are disrupted, as they have been during the pandemic, it can also disrupt their sense of balance and the way they mentally divide their income into different buckets.

Noelle Weaver noted that Foresight Factory looked broadly at what was happening with consumer finances during the pandemic and saw a trend toward “cautious consumers.”

### You just received a small tax refund you weren’t expecting! What do you want to do with the money?



Globally, 44% expect to carefully budget household spending over the next 12 months. For lottery players, it doesn’t mean that they’re not going to spend, but that they’re carefully putting money aside to purchase lottery.

The experts discussed Mental Accounting in relation to small prizes, player engagement, and other topics. “Particularly from a Responsible Gaming point of view, we all want players to have controlled budgets, and Mental Accounting might actually help with that,” observed Cohen.

In the Vox Pop interviews, a number of players said that, in light of the pandemic, they’d think differently about what they’d do with a large jackpot win. As discussed earlier, Foresight Factory notes shifts in the recent data toward more locally focused, socially conscious activity. “We definitely see people who are investing their money within their local community, and I think there’s a real opportunity for that,” said Weaver. “People are spending on themselves and they’re definitely investing back, whether it’s another lottery ticket with a local bodega owner or something else within the local community, with the understanding that the money is going there.”



**What does this mean for the way people view a lottery win?** What motivates players might be changing post-pandemic, and lotteries need to speak to players clearly in order to connect with those consumers in a way that’s meaningful – including the way the prize is presented.

**What are the implications of Mental Accounting for prize structures?** The phenomenon of Mental Accounting certainly has implications for the design of prize structures and merits further exploration.

## THE IMPORTANCE OF SIMPLY HAVING FUN

When it comes to how consumers are entertaining themselves during the pandemic, many say they have been learning new skills, trying new things, and that simply having fun has been important to them. Foresight Factory found that 70% of weekly lottery players (versus 50% globally) said that simply having fun is something that will continue to be very important to them after the pandemic, and that’s a positive sign for the lottery industry.

“We’re finding that people are establishing new practices and new routines,” observed Owain Service. “With that will come the need to think about what these mental accounts and different segments of activities might be. Which of these categories will people put their lottery budget toward? And it seems from the player feedback that a lot of people will put lottery in that fun and entertainment category.” ■

**IGT invites you to hear more insights from The Players Project event in a presentation during the PGRI Lottery Expo, Oct 26-28.**

**The Players Project “Vox Pop” interviews illustrate Mental Accounting in players’ comments about the budgets they allocate to playing lottery. Players also indicated that their handling of a jackpot has changed since the pandemic.**

“I would build my own music label, help out my family – but this pandemic kind of changed the way you see life in general.... I think if I win, I would also like to help [recipients of a local charity] get back on their feet.” – **Player in Italy**

“I would invest in a nice vintage car. It was always my dream. Now I think it would be good to invest in something that won’t lose value, so if I’m in need I can always sell it to one of the other collectors.” – **Player in Germany**

“Before the pandemic, I had the idea that the money will allow me to travel to beautiful remote places. A year ago, that would be my answer. However, last year changed a lot. Nowadays... I think I would rather get a small lakeside house and spend more time with nature in my own country.” – **Player in Ukraine**





The Ohio Lottery marketed its live event on Facebook



Danielle Frizzi-Babb, the Ohio Lottery's Communications Director and FB Live Event Host, is joined by PAC-MAN at the Lottery's live event

The lottery was joined by its ad agency, Marcus-Thomas, on the planning and rollout of the game. The agency developed a proprietary drawing and display process that will allow the lottery to continue to offer and award prizes during future Facebook Live events. The takeaways

gained by the lottery include structuring an event that can be scaled, allowing players to comment and win often and as close to real-time as possible, and establishing a turnkey framework for future Facebook Livestream events.

"Our long-term plan is to create real-time, one-to-one winning experiences by making FB Live appointment viewing for our customers," said Tom Ackerman, Assistant Marketing Director, Ohio Lottery.

The Minnesota Lottery enjoyed such good results from their 2020 year-end livestream that they held a Groundhog Day event in February 2021 followed by a Hive Live event to promote their Bee Lucky ticket, and other subsequent events. The hope is to hold one Facebook Live event each month and include a look at beneficiaries that receive funding from lottery revenues.

**Our long-term plan is to create real-time, one-to-one winning experiences by making FB Live appointment viewing for our customers," said Tom Ackerman, Assistant Marketing Director, Ohio Lottery.**

"Our goal is to make these live events feel like a true experience," said Shyla Howell, Minnesota Lottery's Digital Marketing Manager. "We try to make them as interactive as possible by engaging with all of the viewers who are along for the ride. We utilize the comments section to ask questions, answer questions, promote products and fill in new viewers on what's going on as they join in on the fun."

"With the majority of our in-person events on hold due to the pandemic, Facebook Live has been a wonderful opportunity for our brand to engage with our players, and catch some new ones along the way," added Howell.

Pandemic or no pandemic... social media is here to stay as an important communication tool for lotteries. Whether the outlet is Facebook, Twitter or any of the other popular outlets, lotteries now have ubiquitous and relatively inexpensive channels to reach players. And the opportunities for creativity are practically endless for lottery marketers who proven to be some of the savviest marketers in any business. ■



# Passion, Adaptability, Reliability & Teamwork:

## Creating Entertaining Gaming Experiences with an Eye on Culture

**B**uilding a team of humble, passionate people who are dedicated to customer service has helped solidify Grover Gaming's position as a global leader in the electronic gaming industry. A diverse range of products and mission-centered culture has not hurt either.

Founded in Eastern North Carolina, Grover Gaming has extensive experience in developing 3D content and exceptional video content for a variety of gaming markets, including Social and Real Money gaming. All game development, programming, artwork, production, sound, and math assets are created in-house by talented studio teams. This creative game design model keeps the company nimble and allows for quick responses to an ever-changing gaming market.

Thanks to exponential growth over the past two years, Grover Gaming has been able to develop a wide variety of gaming content and products for the lottery and charitable gaming industries. One of their newest products is a full system for Historical Horse Racing markets throughout the country. HHR games are based on past horse race results and have proven to be a great addition to several jurisdictions.

While Historical Horse Racing is Grover Gaming's newest product, some of their other product offerings include:

- Video Lottery Terminals
- Digital Instant Ticket Machines & Systems
- Electronic Pull-Tab Machines & Systems
- Redemption Kiosks
- Tablet Gaming





Their growth and diverse portfolio of products are each a testament to Grover Gaming's commitment to its core values: Passion, Adaptability, Reliability, & Teamwork. These values, along with the company's Mission and Vision, are embraced by team members from Day 1.

"We are committed to the growth of our employees from both the personal and professional aspects of their lives," said Garrett Blackwelder, President of Grover Gaming. "Our relationships with our customers and employees are paramount in how we treat each other and what we stand for as a company."



The company works hard to create a culture and environment conducive to the gaming industry and keeps its 300+ team members engaged through a variety of company celebrations and fun events. Their social media channels prominently feature employees alongside partner locations, and proudly displays the inner workings of a company teeming with culture and excitement.

Grover Gaming's growth has been substantial, even during an international pandemic that saw many in the gaming industry downsize.

"We have continued to hire team members and fill roles in our offices and distribution centers throughout 9 different states," said Blackwelder. "We have also opened a new creative design studio in Wilmington, North Carolina that will be cutting edge, and bolster our game development by further attracting talented individuals."

The company was recently featured by Inc Magazine for a third consecutive year as one of the 5000 fastest growing private companies in America. Grover Gaming is recognized throughout the industry for their high-resolution graphics and exciting design components, created by developers, artists, audio designers, programmers, .net developers and product specialists. They are constantly looking for quality professionals who share its Mission, Vision, & Values to join them as they continue to grow.

If you are interested in Grover Gaming's

products or interested in career opportunities with Grover Gaming, visit them at [GroverGaming.com](http://GroverGaming.com) or contact them at [info@grovergaming.com](mailto:info@grovergaming.com) or 252.329.7900. ■





# iLottery Appears to be Viewed Differently than Online Sports Betting by Most State Legislators

**Mark Hichar**

*Shareholder of Greenberg Traurig, LLP,  
resident in its Boston office*

It is an understatement to say that 2020 – 2021 have been years of great change in the online gaming industry. COVID-19 has brought significant changes to the way we live day-to-day, and among the changes that have occurred in the past year and a half, there has been an explosion of online gaming. This has been led largely by legislative action authorizing sports betting.

Through the first eight months of 2021 alone, legislation authorizing online (i.e., via a mobile app and/or website) sports betting was passed in Arizona, Connecticut, Florida (pending federal approval of a Tribal Compact), Louisiana, Maryland, New York and Wyoming. In addition, Nebraska, South Dakota and Washington authorized certain on-premises sports betting. Since the Supreme Court's May 2018 decision that struck down the federal Professional and

Amateur Sports Protection Act (the "PASPA"), sports betting of some form has been authorized in 29 U.S. states and the District of Columbia, making thirty-one U.S. jurisdictions (including Nevada, where sports betting was legalized in 1949) in which some form of sports betting currently is authorized (although it has yet to go live in some of those states).

In some cases – for example Arizona, Connecticut and Pennsylvania – laws that authorized sports betting also authorized the state lottery to sell lottery games online, via lottery websites and mobile applications (so-called "iLottery"). This has been unusual, however, as in most cases, state sports betting legislation has not included an expansion of the state lottery's sales channels.

According to one state legislation tracker, the following U.S. state lotteries now offer lottery games for sale via websites



or mobile applications (and Arizona and Connecticut have been added, as iLottery was authorized in those states after this tracker's legislative map was published):

Arizona\* (on premises four-minute keno a draw game)  
Connecticut\* (a four-minute draw game)  
Georgia (draw and instant)  
Illinois\* (draw only)  
Kentucky (draw and instant)  
Maine (draw only, by subscription)  
Maryland\* (draw only, by subscription)  
Massachusetts (draw only, by subscription)  
Michigan\* (draw and instant)  
New Hampshire\* (draw and instant)



New York\* (draw only, by subscription)  
North Carolina\* (draw only)  
North Dakota (draw only, by subscription)  
Pennsylvania\* (draw and instant)  
Rhode Island\* (instant only)  
Virginia\* (draw and instant)  
Washington D.C.\* (draw and instant)

\* Those states marked with an asterisk (\*) also have some form of sports wagering.

If one excludes from the above list those lotteries whose only online lottery product sales are subscriptions, the result is that only twelve of the 46 U.S. lottery jurisdictions (45 states and the District of Columbia) sell draw or instant lottery games online.

While the reasons for this are unclear and likely vary state-by-state, one reason appears to be that state legislators view online sales of lottery products differently than

online sports betting. In Massachusetts, for example, Treasury Secretary Deb Goldberg – who oversees the Massachusetts Lottery – sent state lawmakers a bill that would authorize online lottery sales. One lawmaker noted at the time that “[i]t’s impossible to envision the lottery surviving without going online.”

But the bill was not voted out of committee. Similar bills introduced in 2020 and 2021 also failed to advance, yet in July 2021, a bill that would authorize online sports betting in the Commonwealth passed the Massachusetts House by a 156-3 margin. Clearly Massachusetts legislators view online sports betting differently than iLottery.

When her online lottery bill failed to advance in 2020, Treasurer Goldberg stated:

It is disappointing that the House Ways & Means Committee did not include authorization of online Lottery as part of their most recent economic development bill, despite authorizing sports betting. As gaming and retail commerce both continue their rapid shift to online and mobile transactions, it is vital that the Lottery be able to sell products using these methods to keep pace with consumer preferences and demands.

An online Lottery in Massachusetts is not just a matter of convenience. It is a necessity in order to uphold our commitment to supply reliable local aid to our cities and towns and to avoid layoffs for teachers and first responders.

But the Massachusetts Lottery seems to be a victim of its own success. Notwithstanding sales that collapsed in March and April of 2020 as the COVID-19 pandemic closed many businesses and changed consumer habits, and contrary to Treasurer Goldberg’s assertion that survival of the Massachusetts Lottery depends on the legalization of online sales, in fiscal year 2020 the Massachusetts Lottery had its third-best year in terms of revenue and projected that it would return \$979 million in profit to the state to use as local aid.

## STATE LEGISLATORS VIEW SPORTS BETTING AS A SIGNIFICANTLY DIFFERENT GAMING PRODUCT THAN ILOTTERY.

Depending on the state, there also may be resistance to iLottery from lottery retailers. In Massachusetts, lottery retailers argued that “brick-and-mortar retailers fuel the success of the Massachusetts Lottery and in turn benefit from foot traffic from players. Allowing the lottery to move online would destroy small businesses and threaten the lottery’s success.” This view was challenged, however. At the same hearing where the lottery retailers voiced their objections, New Hampshire Executive Lottery Director Charlie McIntyre testified:

[Selling online has] been a significant growth for [the New Hampshire Lottery]. We are the fastest growing lottery east of the Mississippi [River]. So our growth in the past year is 16 percent. So the suggestion that [selling online] cannibalizes, that it attacks, the traditional lottery would be inaccurate. Our retailers will receive a record year of income this year.

In addition, an article published in January 2018 concluded that, “according to available evidence, [online gambling] seems to be mainly complementary to existing gambling products. This leads to more overall growth for the gambling market.”

Regardless of the experience of other states and regardless of the position the studies support, state legislators will continue to be influenced by the views of their constituents, and thus retailer opposition to iLottery (if it exists) is a factor they will be taken into account when considering legislation that would authorize online sales of lottery products. Online sports betting, however, does not appear to be subject to similar opposition, likely because sports bets are not traditionally sold in bricks-and-mortar general retail stores.

Moreover, the authors of the January 2018 article noted above concluded that “[n]o studies have investigated the impacts of sports betting on other forms of gambling, and this is an area in need of future research attention.” Although after two months of online sports betting in Michigan, there was “no evidence that on-

line sports betting has negatively impacted the [Michigan] Lottery,” more data is needed in this regard before a conclusion can be made.

In summary, as a general matter but with some notable exceptions, it does not appear that language authorizing online lottery sales (“iLottery”) is being included in legislation that would authorize online sports betting. While the reasons for this are unclear, and likely depend on the state, one reason appears to be that state legislators view sports betting as a significantly different gaming product than iLottery. In addition, iLottery is subject to possible opposition by traditional lottery retailers, while online sports betting is likely not to be subject to such opposition, because sports bets are not traditionally sold by similar bricks-and-mortar retail locations. ■

# THE DIGITAL POST-COVID FUTURE IN THE EU

– the need for a multidisciplinary roadmap into the future

By Philippe Vlaemminck & Arno Couwenbergh<sup>1</sup> Pharumlegal – Brussels

**T**oday, the Internet is a daily reality in a (post-covid?) market where Lotteries face the heavy competition of legal and illegal online gambling companies. The global COVID pandemic has driven consumers to turn to online to meet their needs to interact with each other, to buy products and services, and to play the lottery. Now that we are beginning to see the light at the end of the tunnel when we emerge from this COVID dominated period when so much of our business and everyday life had to take place online, we can expect many of the behaviours adopted during the pandemic to have taken the form of habits that are likely to continue? Lottery operators are wasting no time adapting to these tendencies and evolving along with the 'new normal'.

In the past, regulators and legislators did not understand the need for a rapid response to market challenges. It may have been the fear

of losing control of the situation or it may have been that they did not really recognize the serious threat that the illegal market represents for legally authorized operators like government lotteries. Or maybe stakeholders in government-authorized lottery need to stretch more to convince regulators of the need to respond quickly to market challenges. Whatever the answer is, today's circumstances and the new normal must be powerful catalyst driving regulatory change and now is a good time for Lottery operators and associations to mobilize their resources to advocate for their stakeholders. This requires, as it always has, a stronger multi-disciplinary approach

whereby technology suppliers, sales and marketing people, responsible gaming advocates, security professionals as well as legal experts gather around the table with an open mind to work on these solutions.

The EU legislator has leveraged the disruption caused by the pandemic to highlight the importance of its myriad new digital proposals: the Digital Services Act ("DSA"), the Digital Markets Act ("DMA"), the Data Act, the Artificial Intelligence Act ("AI Act"), the European Digital Identity Regulation ("EUID"), the revised e-Privacy Regulation, revised Anti-Money Laundering rules, rules on crypto-

assets etc. The EU clearly understands the relevance of the digital realm for the age we live in. The time of the internet as an under-regulated space is now over. And this is for sure a benefit and an opportunity for Lotteries in the, hopefully soon-to-be, post-Covid period.

Even if we focus just on two elements of the post-COVID digital world, the



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and diverse portfolio of promotional and engagement initiatives that optimizes short-term ROI does also include initiatives that engage the players on digital channels. And that is no less true for non-iLottery states as it is for iLottery states.

You know, digital can be thought of as the next stage in a natural evolution. First there was the product-centric era of Henry Ford when consumers were simply delighted to have the modern conveniences. Next was the retail-centric era of Walmart and big brands wherein the value was being placed on easy and cheap access to the products. We have now been in the consumer-centric era of Mobile and Digital for some years now. The start of this era is pegged to the launch of the iPhone in 2007. That introduced a whole new way of connecting and interacting with the world and with each other as well as getting information and shopping. Steve Jobs also introduced us to a new way of thinking about the consumer, of immersing oneself in the consumer experience to understand their feelings and motivations even better than they understand themselves. Digital is not just a new channel - it is the platform which obsoletes the whole concept of channels as it puts the singular focus directly on the consumer experience. Insofar as we can create that de-channelized environment of easy ubiquitous access that the consumer expects, the focus tracks more to the promotions, messaging, and the games themselves. This is good for Team Lottery as people love the games and there is no shortage of innovation being applied to produce fresh new play-styles that will excite the next generation of players.

Another way to think of it is that digital functions as much as a medium for communication as a channel for distribution. The value of digital is that it puts lottery in the middle of the conversation that is unfolding on a 24/7 basis. Think about it - less than 10% of grocery sales are online. But grocery stores need to establish the online connection with the consumer, even if it is purely as a medium for communication. The headroom we have for ongoing digital innovation to enhance the overall player experience is immense.

**I was surprised at the percentage of registered players who play more at retail than online.**

**J. Westbury:** We have definitely found it to be the case in Michigan where they have approximately 1.3 million

**The evidence shows that registered players will continue to play at retail. And lotteries will continue to create an environment, a player ecosystem, that rewards play and engagement across that ecosystem.**

registrations and 60% of them are retail players. The Michigan Lottery is engaging registered players with second chance draws, apps that make it easier to buy retail tickets, and promotions and couponing that incent the player to engage at retail as well as online. The evidence shows that registered players will continue to play at retail. And lotteries will continue to create an environment, a player ecosystem, that rewards play and engagement across that ecosystem. The consumer who engages on multiple touch-points is a more loyal and satisfied consumer. That's true for all consumer sectors, not just lotteries and games-of-chance.

**Let's chat about the Virginia Lottery. What drove the warp-speed launch and leap to cruising speed of its iLottery program?**

**J. Westbury:** The Virginia Lottery recognized quite some time ago the need to position itself for a future based on digital, and they began years prior to the launch of iLottery to do everything they could to build out that digital foundation. They could not sell lottery tickets online in the conventional way, but they could implement a subscription program that introduced the players to the benefits of registering online to enjoy the benefits of an interactive relationship. To accomplish this, they installed an iLottery platform to support all the functionality of a digitally interactive relationship, lacking only the ability to actually buy lottery tickets online. NPi has operated that for them since 2016. At the same time, they built web and mobile apps and game plays that were extensions of retail instant tickets. They moved from enabling games played on a computer web app to implementing a full-on mobile app that was available in the iOS and Google stores for their Crossword games. And they were progressive in developing the "digital mentality" to orient their organization into a forward-thinking mode in everything they do. When the Virginia legislature authorized iLottery in mid-2020, the Lottery and its players were ready to leap right into the transaction-enabled piece of the program.

**Explain more about the "digital mentality".**

**J. Westbury:** It has two fronts - internal within the organization, and external with the players. Product development, operations, customer service, and all business activities are based on the commitment to digital, not just as an IT platform but as a way of thinking, a way of applying creativity to invent our own future. We should be thinking about the Lottery's business as a wholly digital environment, with everyone thinking and working within the digital mind-set that embraces the opportunity to change and evolve as quickly as possible with the emergence of new tools and business processes that make life better. To a larger degree than ever before, the consumer is already there, already adopting the digital mentality.

We are already familiar with the external piece of the digital mentality. Business has always endeavored to apply technology to enhance the consumer experience. Well, the goal now is to apply the digital mentality, along with the technological infrastructure, to align with the audience, the modern consumer. Further to that, the goal is to become a leader instead of a follower, to be leading the digital transformation, encouraging the players to think and interact digitally, to walk hand-in-hand with our players along the pathway towards a future so rich with potential and fresh new ways of experiencing the lottery.

Virginia is a recent example of an effective iLottery launch, but we should also recognize Michigan for its vision at a time when they were pioneers in North America. They started with digital games like Keno-To-Go which displayed the results on your mobile phone. They focused on building their loyalty player base so that when they went live, they already had a database of 600,000 players who were registered with the Michigan Lottery. This allowed them to start marketing to these players right away and who already had a digital relationship with the lottery, and that was back in 2014. Now we have the benefit of other successful iLottery programs like New Hampshire and



Pennsylvania and others. And lots of lotteries are investing in the build-out of their own digital platforms and applying emerging new best-practices to connect with their players. Their vision will serve them well when they are authorized to launch iLottery.

It is important to note that the investment in digital engagement is also serving them well right now and regardless of when or even whether they ever sell lottery tickets online.

**Could you talk a little bit about how Pollard Banknote and NeoPollard Interactive (NPi) work together to coordinate and apply your respective core competencies to such great overall effect for your clients?**

**J. Westbury:** We have worked hard from the beginning, when we first launched the Michigan iLottery program in 2014, to build a synergistic collaboration that truly optimizes the value we deliver to our clients. It is a good question because the iLottery piece does not operate in a silo separate from the retail side of the business. Coordinating game launches, messaging, brand-building initiatives, and promotions is a never-ending and enterprise-wide activity. NPi is very focused on iLottery. The Pollard Banknote team is tasked not only with the retail side of the business, but with ensuring an integrated and holistic approach towards optimizing the player experience across all channels. Loyalty programs that we're building, game apps and digital couponing that we're developing, and other areas that reside in what we call "The Space Between™" full-on retail and full-on iLottery are a team effort with NPi that is led by the Pollard Banknote side of the equation.

An example is in North Carolina where they don't yet have the authority to offer e-Instants. We have put in a digital platform with a loyalty program that is prepped and ready to go for the moment that they launch e-Instants. We're driving registrations, engagement and sales right now but also positioning the Lottery for a fast and effective launch that can include eInstants as well as draw games. Of course, it is quite interesting work for all of us who are challenged to clarify our own perspectives on everything while learning to appreciate other

perspectives so we can effectively merge and integrate these into the optimal game-plan. Having just joined us from the Michigan Lottery, where she was deputy director of digital operations, Shannon DeHaven brings the full 360-degree view on how to drive sales at both retail and online.

**You have broadened and diversified the in-house capabilities of Pollard Banknote with many acquisitions over the past few years.**

**J. Westbury:** Specializing in a particular skill-set or area of the business has traditionally been the best way to achieve best-in-class status. Modeling a complex problem can be expedient, but the real world is not compartmentalized in that way. The consumer does not perceive it that way and now the marketplace, both retail and online, is evolving such that we really need to focus on how to bring everything together, to help our retailers understand the ways in which the in-store POS, signage, messaging, electronic games and more can be integrated with digital capabilities and the online market-place and how to meet new expectations for security and geo-fencing and such. Pollard Banknote is positioning to provide both best-in-class and the 360-degree view on how to integrate the new world of digital capabilities with the mission-critical retail connection to the players. We'll do that through acquisitions, and we'll do that through partnerships like we have with NPi, whichever way delivers the best results for our clients. We've assembled an amazing team of professionals who have deep experience in this way of thinking and approaching the incredible opportunities in front of us as an industry. We're fortunate that throughout these times we've been able to continue to invest in innovation across the business to help lotteries chart their own paths forward.

**Convenience stores and iLottery stayed open during the pandemic while casinos were shut down for portions of the last 18 months. It appears that one result of that is some casino players migrated their spend over to lottery. What can we do to retain the player-ship of consumers who may have played lottery more during the pandemic?**

**J. Westbury:** Surveys indicate that over 90% of casino players who played the lottery say they will continue to play; and half of those respondents are under 35. Of course, it is up to us to figure out how to optimize the playing experience to continue to hold their attention and player-ship. But these new player groups represent an incredible opportunity for us to grow our player-base. We have learned some things about the play-styles of these new consumer groups. For instance, common wisdom has always been that new players start with lower priced tickets, the \$1 and \$2 tickets. New players, particularly casino players, tend to enter the game at the \$5 and \$10 price point. If they can get a more robust experience, maybe a higher or innovative prize payout structure and a bigger, more entertaining ticket to play like a progressive jackpot or a casino-themed ticket – they are more willing to play a higher-priced game.

**Key to the planning for the post-pandemic world is to try to hold onto the players that increased their lottery spend during the pandemic.**

**J. Westbury:** I don't think anyone could have imagined that in such a short period of time, lottery would attract whole new player groups and so many of the young adult demographic. This period of massive disruption has created an opportunity to appeal to a public who is now more used to change and adaptation than ever. The world is no longer very hospitable to those not willing to change, adapt, learn new behaviors and, yes, explore outlets for entertainment like lottery. You know, there was over \$400 billion in consumer spending on the entertainment and hospitality sector that was displaced by the pandemic. It appears that some relatively small fraction of that found its way over to lottery.

The consumer has spoken and affirmed loud and clear that not only is lottery still "relevant", lottery is loved by the largest cross-section of consumers in the games-of-chance industry – by far the largest. Let's figure out how to hold onto this increased player-ship. Let's embrace this opportunity to speak to an audience which is more adventurous and willing to try new things than ever before. We have their attention now, so let's keep them engaged with Lottery by delivering excitement in this new world. After all, we may well be entering what you are calling the golden era of lottery. ■

**The consumer has spoken and affirmed loud and clear that not only is lottery still "relevant", lottery is loved by the largest cross-section of consumers in the games-of-chance industry.**

# REVITALIZING THE DRAW GAME CATEGORY



If content is king, why are we all but ignoring a large percentage of the lottery's content catalog by focusing our innovation energies on instant games? Players love instants, so I'm by no means suggesting the ROI is not worth the effort, but when your category with the highest margins is struggling, the answer should be to fix the problem, not ignore the product. We see a hole in the marketplace here which is why EQL Games has evolved into a company with a focus on improving the draw game category.

Why are draw games struggling when the scratch product is surging? It comes down to three factors ...

## 1. ODDS OF WINNING

While some draw games are designed to give frequent winning experiences (Hoosier Lotto and its 6 to 1 overall odds for instance), many ignore this important hook. Our flagship games – Powerball and Mega Millions – are among these culprits. In fact, the version of Win Place Show that we launched through the Kentucky Lottery had a gaudy 20 to 1 overall odds of winning. That's simply not good enough to create an entertaining product that brings players back for more. The one exception appears to be Numbers Games such as Pick 3 and Pick 4 which tap into an entirely different psychology.

This is not the same thing as players not wanting to split a major jackpot. We're greedy by nature and when it gets into millions of dollars, who would want to share THAT prize? But you must create stickiness for repeat play. That can be best accomplished by giving players attainable overall odds.

If you question the importance of winning, look at lottery sales of \$30 or even \$50 instant tickets. Why do players play those instant games when they could buy 3 - 5

\$10 tickets instead? Top prize is important, but the overall odds of winning are often so good that players cannot resist.

## 2. CONTENT VARIETY

Have you ever noticed that instant games are constantly switching in and out of the ticket case on the retailer countertop? If you go there today and then the same time next week, you are likely to see new instant games available for play. But when you look at the draw game catalog for a state lottery, you are hard pressed to find anything new.

Offering the same games for many years (decades, in some cases) might work well for long-time lottery players. But we know that those players are loyal and will continue to buy lottery products. What we are missing is adding new players. Sure, some non- or infrequent players might buy a Powerball or Mega Millions ticket when the jackpots are high. But as soon as someone wins and the jackpot resets, we lose many (most?) of those players without the complementary draw games to keep them playing.

What are the impacts of having the same catalog of draw games for 10+ years?

- Complacency: Players become stagnant in their lottery purchasing
- General lack of interest: Nothing new, no new players
- Revenue shortfalls: Lack of growth means no new revenues

One of the successes of casinos is that they offer something for everyone – slots, craps, card games, roulette. Taking a cue from casinos, lotteries should look at bringing an array of products to draw games. The draw game category must be able to rotate more frequently to stay competitive with other forms of entertainment.

## 3. IMMEDIACY OF RESULTS

On the whole, draw games will always struggle to compete with the immediate gratification of instant games. While the Fast Play-type games stand as the current exception, if draw continues to include traditional numbers, jackpot, and lotto games, longer play style will always be a part of the draw game category.

In fact, the draw category should not run from this differentiator completely. Powerball, Mega Millions, and Lotto games are fun to play largely because of the time you have between draws to dream about a big win. Numbers games are about ritual and tradition. I would be suspect of an instant win numbers game with the same winnability as the current retail product, often in the range of 60 to 1 overall odds. There are games that work in the traditional retail draw category that are counterintuitive to today's trends. These are important games to any lottery's portfolio.

But the live event element of draw games can make this category about something more. Imagine a draw game you could buy at retail or on mobile based on quarters in an NBA game. Could you deliver a game that bases its results on every play of an NFL game or every pitch of an MLB game? Which players are you leaving on the table by not offering lottery action tied to the most recent episode of The Bachelor? Or who will win the Oscar for Best Picture?

Draw games do not have to be constrained by the old rules of lottery. Finding new ways to offer draw is how lotteries will attract new players, particularly the coveted younger players of the future and increase profits in the future. ■

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impact on the gambling sector is evident right from the start.

## HOW WILL THE DSA IMPACT THE LOTTERY AND GAMBLING SECTOR?

On 15 December 2020, the Commission proposed an ambitious reform of the digital space with a comprehensive set of new rules for all digital services, including social media, online marketplaces, and other online platforms that operate in the European Union. One of its main aims is to clarify the liability regime for digital intermediaries active in the European Union and to empower the enforcement of this regime by specifying what is illegal content and how digital services should react when confronted with illegal content. Its consequence is that illegal gambling content will be easier to take down via court order or directly by flagging the content on the digital service. It will become easier both for regulators and lotteries to tackle the predatory practices of illegal operators who operate without license and without regard for the player or the good of society.

Illegal operators will find it harder to advertise their services to consumers on digital services. If the advertisement is flagged, the digital service will have to take action against the illegal advertisement and it will be possible to identify who ordered the advertisement. Furthermore, digital service providers will be obliged to make annual reports of advertising, thereby greatly enhancing transparency on who is advertising what and when. Enforcement action against illegal operators will become way more streamlined and actionable than previously.

## AND WHAT ABOUT THE EUROPEAN AI ACT?

The EU has seen the potential of AI for good and for bad and with the proposed AI regulation will introduce legislation to allow for AI to be used for the benefit

of society while preventing its malicious use by categorizing AI according to risk metrics.

The highest-risk applications will not be allowed while moderate-risk applications will be allowed subject to severe conditions and limited-risk applications will generally be allowed while minimal-risk applications (which are the majority of AI systems such as spam filters, etc.) will be allowed unconditionally. Among these most risky applications that will be prohibited are AI applications that deploy subliminal techniques beyond a person's consciousness in order to materially distort a person's behavior in a manner that causes or is likely to cause that person or another person physical or psychological harm. Consequently, a system that would influence people to get them addicted to gambling or cause them to gamble problematically would be forbidden.

## THE TIME OF THE INTERNET AS AN UNDER-REGULATED SPACE IS NOW OVER.

Furthermore, AI systems are prohibited from exploiting any vulnerabilities of specific groups of persons due to their age, physical or mental ability in order to change their behavior in a manner that causes or is likely to cause that person or another person physical or psychological harm. AI systems bent on abusing the older or younger segments of the population and drive them towards excessive gambling would be prohibited. Even an AI system that identifies problematic gamblers but is applied to identify the people most prone to excessive gambling would also be a prohibited use of AI.

Another interesting aspect of the new proposed AI Regulation is the possibility provided to encourage and facilitate the drawing up of codes of conduct intended to foster the voluntary application to responsible AI systems.

The EU is seriously intent on preparing and implementing the framework for a groundbreaking change to the regulatory landscape that shapes the evolution of the digital realm. The EU regulatory approach, although generic in its approach, also provides Lotteries, even beyond the borders of the EU, a number of interesting perspectives on ways to analyze and embrace strategies to address illegal gambling and responsible gaming, two fundamental pillars upon which lottery and gambling regulation must be based upon. Defending the public order against crime and protecting consumers will always be central to our mission.

And since the digital world has become inseparable from the physical, preparing and being ready for the EU regulatory landscape is no longer an option but an imperative. COVID has changed the world by firmly consolidating the digital world within the physical world, by merging the online and off-line realms. All future regulatory, technological, and commercial approaches will need to integrate the most forward-looking digital component to their proposal.

Turning this revolution into an opportunity while applying the increasingly diverse legal framework will be challenging but rewarding for those that invest in a holistic approach. This is the approach being embraced by all successful enterprises. A multidisciplinary task force (involving IT, commercial and RG experts, along with lawyers and risk management people) is needed to study these developments and assist the Lottery community in designing and implementing strategies to ensure AI and other digital tools are applied to the benefit of players and all lottery stakeholders. ■

# ABACUS DIGITAL: BRINGING MOBILE PLAY INTO RETAIL



By Edwin van Zon and Mike Purcell  
[www.lotteryeverywhere.com](http://www.lotteryeverywhere.com)

**H**ave you ever thought how you would navigate modern day life without a mobile phone? Is it even possible anymore? It is difficult to remember a time when we did not have access to virtually everything through that small device in our pockets.

The facts surrounding mobiles are both funny, scary and sometimes almost shameful. For example, did you know that over 90% of all mobile phone users keep their device within arm's reach, 24 hours a day, and that in the UK alone over 100,000 mobiles disappear down a toilet each year?

The mobile phone has created an elegant way of bringing together an enormous amount of information and services to help us with our daily routines. Typically, this includes applications that put daily news and weather at our fingertips, information and



support services tailored to our every need, electronic funds transfer and payment services, all of which make the mobile phone our closest friend. We can use it for virtually anything you can think of, from an alarm to wake us up in the morning to an app that



sends us to sleep at night. Your imagination is the only limit.

## THE LOTTERY CHALLENGE

For lotteries, the mobile phone opens up a raft of new and exciting opportunities, allowing lottery game play to be made more widely available and each consumer could be reached through targeted campaigns. With age control and financial services already integrated into the mobile platform, the phone feels like the ideal way to directly service our lottery customers (both passively and proactively) in game play and personalized customer journeys.

However, the challenge for Lotteries and regulators alike is how interactive gameplay should be managed and controlled and where to define the boundaries between iGaming and a "brick-and-mortar" lottery world. The online gaming sector is developing at a frightening pace, which makes it hard for regulated lotteries to manage these growth areas without proper controls.





It is often due to this pace of transformation that Lotteries struggle with integrating the mobile world into their product portfolio and strategy. A struggle that needs to be addressed and solved quickly as the retailers are quickly growing their mobile strategies to reach their consumers. The pace of this move to a digital mobile world has only accelerated since the start of the pandemic in 2020, with more and more retailers moving to a digital contactless interactive platform.

This continued growth of online and mobile services in retail is essential for future success in the lottery space, as retailers adopt digital and omnichannel solutions. Fortunately, the mobile phone multi-universe is already accommodating many of the requirements set by regulators to help move lottery into the consumers' pockets.

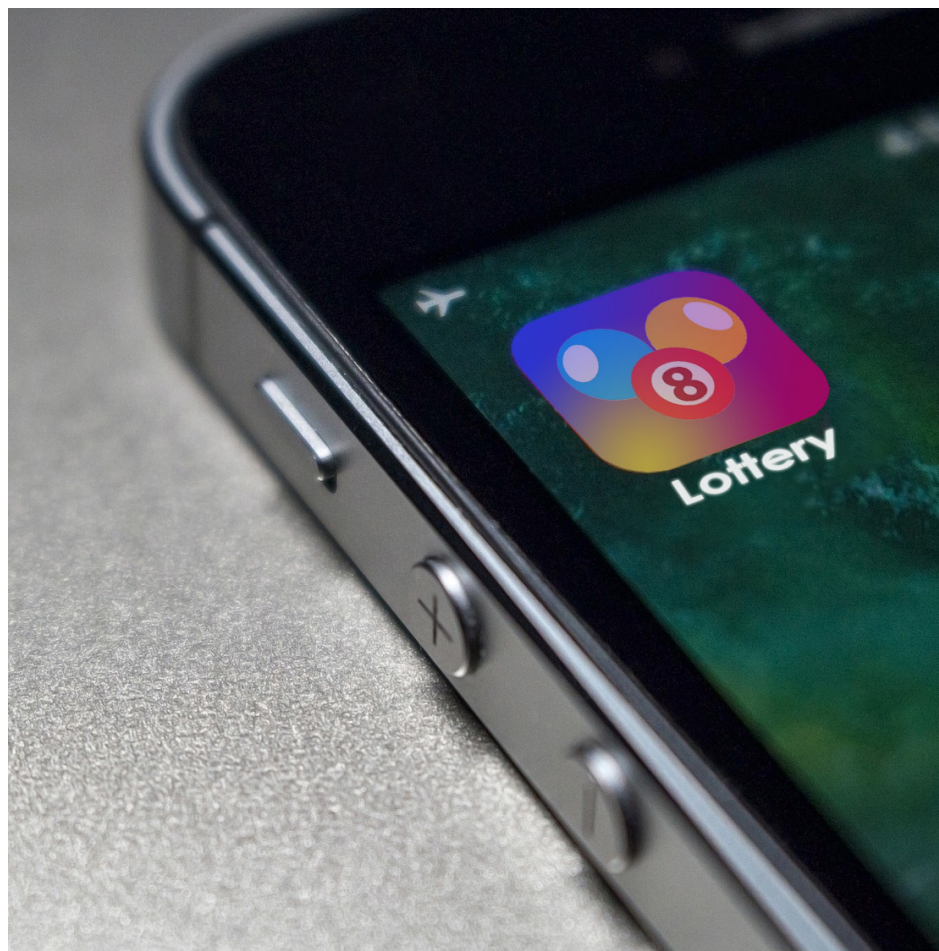
## MOBILE AND LOTTERY SERVICES

Consumers want to be entertained with instant gratification games and the mobile phone offers the perfect platform to enable this. Online gambling in the US overall has risen from around \$6 billion in 2016 to over \$50 billion in 2020 and this growth will continue.

For draw based games - for example the ability to fill in a digital bet slip and store those numbers against a player account - will simplify game play for those customers who use the same numbers week in week out and makes the casual player experience more interactive.

The mobile also allows the lottery to securely deliver and store digital ticket data. Delivery of virtual tickets not only removes the consumers' worry of losing their physical ticket, but greatly increases security for the lottery as it removes the risk of fraudulently modifying tickets. Digital tickets also fulfil the instant gratification that the consumer needs as winners can be notified immediately without having to remember to check their physical tickets.

The mobile platform also allows for the delivery of new and exciting instant win games that can mirror the current lottery scratch off tickets sold in store today. These digital instant games are quicker to get to market as there is no inventory that needs



to be printed and shipped to store, making them more secure, reduces shrink and loss for the lottery as games are only delivered and sold after payment is made.

## LOTTERY IN RETAIL: THE RETAIL DIGITAL WAY

**The mobile as an entertainment tool: games account for 43% of all smart phone use and 62% of people install a game on their phone within a week of owning it.**

Whilst there is a trend to move to a purely digital platform, the retailers who currently sell our lottery products are keen to embrace this new way of thinking. They can provide an invaluable cross-over service that sits between the old traditional way of selling physical tickets and games, and the new world of digital.

Retailers are moving towards integrating game play into their POS ecosystem through the use of the leading in-lane technology providers such as Abacus. This opens

up the distribution points for traditional physical games and provides a transition element that overcomes some regulatory restrictions on online gaming. This cross-over technology allows lotteries to offer the new and exciting world of digital gaming with the ability to continue to sell in store, keeping regulators, players and retailers happy with the experience.

Correctly handled, the retail integration should be a seamless transition and require minimal additional training for retail staff, improve reconciliation and accountability, improve relationships with their customers and strengthen the lottery brand image.

It is important that regulators understand that lotteries should be given the means to embed mobile digital services into their games offering. As we have discussed here, there is a huge trend to move towards a digital environment and the risk of not allowing lotteries to embrace this change means that customers will be driven towards other forms of unregulated online gaming whose operators may be less scrupulous in managing responsible gaming, especially for the younger audience.



To ensure take up of the solution, Abacus leverages the consumer's familiarity with the current method of selling through a lottery terminal, such that the entire process of game purchase, validation and prize pay-out, for both digital instant and draw based games, is similar to what consumers are used to today. However, through Abacus' integration into the retail ecosystem, we are able to expand this experi-

ence to utilise the cash register in-lane or at self-service to include lottery sales as part of the regular shopping experience (including validation and redemption where required).

With Abacus Digital, consumers can either choose to play anonymously or register with the app (depending on the need and what the regulation stipulates). Once registered, the player can take advantage of customised game play and guaranteed prize pay outs. For the lottery and retailer, having additional information about player behaviour enables them to customise the customer experience and offer follow-on options and promotions which will also help drive the consumer back to the retail store for further purchases.

Abacus Digital mobile applications and gameplay can be fully customised, allowing for retail / FMCG branding, as well as improving the relationship with the reseller. Geolocation can also tell where the consumer is shopping, allowing the ability to push notifications and drive very localised promotions. We can also integrate the solution

into specific retail loyalty programs and offer unique merchandising prizes as part of the game play.

## DIGITAL RETAIL: EN-ABLES YOU TO SAY NO TO THE ISSUES AROUND LOTTERY TODAY

In conclusion, Digital Retail and Abacus Digital can and will help drive lottery to challenge future consumer trends, experience and behaviour. So, you cannot say NO to digital retail.

The move to either a purely digital platform or an integrated mix of digital and brick and motor sales can help drive operational processes and reduce labour.

With an integrated platform you can say-

- NO to physicality and logistics issues
- NO to stock issues and shortages
- NO to theft and shrinkage issues
- NO to accounting issues

The Abacus integrated suite of solutions provides a quick and easy way to introduce both traditional games and exciting new games into the market, expanding your sales coverage by using the existing infrastructure that is already in place through a vast retailer ecosystem. By embracing and working with retailers to make this happen it not only increases everyone's sales, reduces labor, increases profit margins; but it also strengthens the retailer relationship and acceptance of the lottery category.

Mobiles are everywhere, make sure your lottery is everywhere too! ■

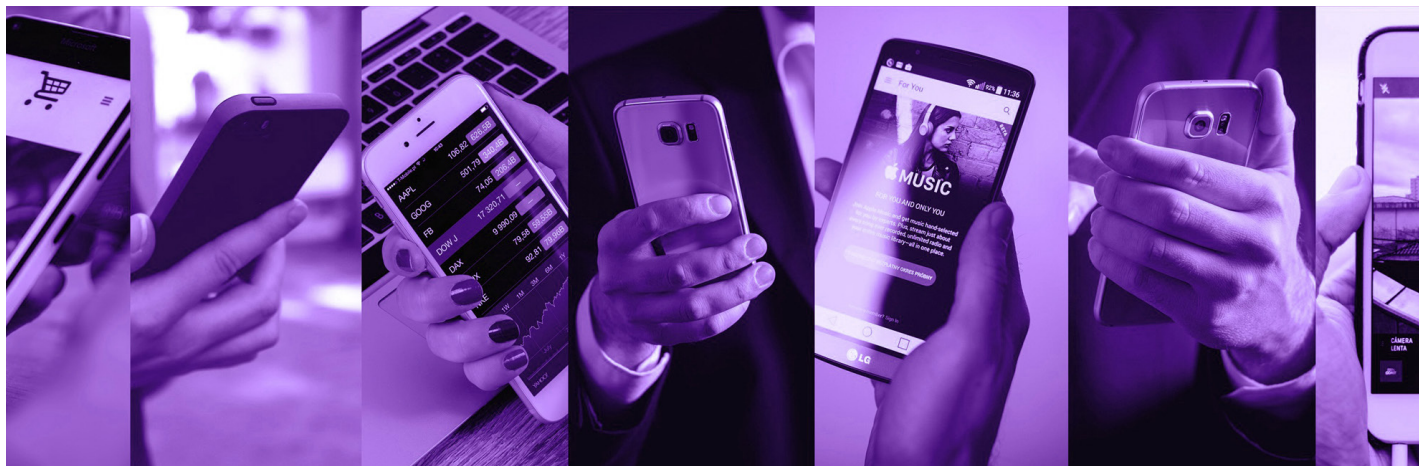
**#LotteryEverywhere #BeEverywhere**

Regulated digital games integrated into a retail environment offer more direct player protection, personal controls on age, daily spend and excessive gambling.

## ABACUS DIGITAL

**Abacus Digital is a seamlessly integrated progressive app that can be embedded directly into an existing retailer's or lottery mobile application.**

At Abacus we have always focused on simplicity and foremost improving the customer experience. With Abacus Digital we continue to embrace that ethos by integrating our mobile platform directly into the retailers' existing ecosystems without changing the way their systems operationally and financially work. In this way, we are able to drive new and exciting digital games and services through existing retail owned mobile applications without the need to break out of the retailer's environment.







# 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](mailto:sjason@publicgaming.com).

## NORTH AMERICAN NEWS

### Frank Suarez as the new executive director of the D.C. Lottery



Frank Suarez comes to D.C. from North Carolina, where he served as the deputy executive director for brand management and communications for the state's Education Lottery for the last seven years. He previously worked in marketing roles for companies including Yum! Brands Inc., Darden Restaurants Inc. and Del Monte Foods Inc.

### Kentucky Lottery sales and winnings records shattered



Even in light of unprecedented circumstances due to the COVID-19 pandemic, the Kentucky Lottery has posted sales and proceeds numbers that shatter previous all-time records from the Lottery's 32-year history. These figures are for Fiscal Year 2021 (July 2020 through June 2021):

Total sales of \$1,586,325,000. This is a 31.8% increase from the previous year, with \$382.9 million in additional sales over FY2020.

Proceeds to the Commonwealth totaled \$354.8 million. This is \$76.3 million or 27.4% more than last year.

Scratch-off tickets once again were the largest individual game category, finishing the year at \$961.7 million. This is a \$220.6 million or 29.8% increase from the previous year.

The Lottery's internet sales finished FY21 at

\$137.1 million, an increase of \$92.1 million or 204.6%. Internet sales for the year comprised 9% of total Kentucky Lottery sales.

### Georgia Lottery annual profits for HOPE Scholarship, Pre-K Programs soar to a record \$1.54B

The Georgia Lottery raised a record \$1,544,954,000 in profits for fiscal year 2021, bringing the total transferred to the State Treasury's Lottery for Education Account since inception to more than \$23.8 billion. FY21 marks the sixth consecutive year that the Georgia Lottery has exceeded \$1 billion in profits for education, surpassing the record previously set in FY20 by more than \$307.6 million.

### New Hampshire Lottery Sales Smash Records: \$518M In FY2021

New Hampshire's state lottery has delivered more money to education in the past fiscal year than it ever has in its history after shattering sales records. More than \$142 million was sent to fund schools in NH from lottery receipts for fiscal year 2021 — the highest amount since 1964. Lottery sales reached \$518 million last year due to increased spending by sports betting and players to major jackpot games leading the New Hampshire Lottery to break records and becoming one of the fastest-growing lotteries in the nation. Mega Millions sales were up around 54 percent while Powerball increased nearly 30 percent when compared to last year. KENO 603 increased 65 percent when compared to the previous year; and more than \$520 million was spent on sports wagers.

### Arizona Lottery breaks sales record for 3rd year in a row

The Arizona Lottery has broken its sales record for the third year in a row after \$1.439 billion in tickets have been sold. Lottery officials say its a 31% increase over last year. Approximately \$260 million have been transferred into the state-mandated beneficiary funds.

### Pennsylvania lottery sets record for sales, profits



Pennsylvania lottery profits exceeded a "record-breaking" \$1.3 billion for the 2020-21 fiscal year, state officials said Monday. It's the 10th consecutive year that the agency's revenue hit \$1 billion, driven by an all-time ticket sales high of \$5.3 billion, including scratch-offs, Powerball and Mega Millions. Online play sales totaled \$887 million, growing each year since the offerings launched in May 2018, the agency said.

### Idaho Lottery Returns One Billionth Dollar to the People of Idaho

The Idaho Lottery celebrated 32 years of entertainment and games by returning the single largest annual dividend to the People of Idaho, \$72.5 million, a 30.6% increase over last year's dividend. In 32 years, the Idaho Lottery has created over \$4.6 billion in economic opportunity for Idaho's small businesses and corner stores from Bonner's Ferry to Montpelier. With this year's dividend, the Idaho Lottery has now returned more than \$1 billion to the People of Idaho.

### Louisiana Lottery Has Best Year Ever, Contributes Over \$207 Million to State

The Louisiana Lottery Corporation ended its fiscal year with nearly \$625 million in revenue, making 2021 the Lottery's best year ever in its nearly 30-year history. Resulting transfers to the state treasury for K-12 public education were more than \$207 million, up \$28.3 million from last year and exceeding budgeted transfers by nearly \$45.9 million.

## Tennessee Lottery Raises Nearly \$500 Million for Education in 2021



The Tennessee Education Lottery transferred \$499,885,000, breaking the previous record of \$447.1 million set in FY 2019 and bringing the total raised for education in Tennessee since inception to \$6,003,863,000. With total revenues for FY 2021 reaching \$2.083 billion, surpassing \$2 billion for the first time in the Lottery's history, total education funding increased over 14% year over year. Since the Lottery's inception, more than 1.6 million scholarships and grants have been awarded with Lottery funds.

## Connecticut Enacts Emergency Sports Betting and iGaming Regulations, Awaits Federal Approval of Amended State-Tribal Gaming Compacts

## Pennsylvania Sports Betting Bill Seeks Bar and Restaurant Wagering Kiosks

The ever-expanding gaming industry in Pennsylvania could soon grow even larger. Legislation has been introduced that would permit sports betting kiosks inside bars and restaurants that have valid state-issued liquor licenses. The restaurant would retain 25 percent of the gross revenue their sports betting kiosk generates. The remaining 75 percent would go to the sportsbook operator and their tethered land-based casino.

## Lottery reports record sales as Missouri officials push for sports wagering

Lottery sales were up about 20 percent, to \$1.8 billion, netting \$345 million after paying prizes, commission and overhead. The Missouri Lottery tallied records for ticket sales and transfers to education programs in the fiscal year that ended June 30, and if it had authority for internet-based games, the take could be even larger, lottery executives told lawmakers on Tuesday.

## Colorado Lottery reports record proceeds following pandemic shutdown

The Lottery is celebrating its fiscal year 2021 revenue coming in at \$794.9 million. That's 21% higher than fiscal year 2020 and 17% higher than its highest revenue milestone in fiscal year 2019.

## Record Illinois Lottery Sales Provides \$762 Million To Illinois Schools

Illinois Lottery players bought \$2.2 billion worth of scratch tickets and over \$1.2 billion in draw-based games. With the addition of many new players, digital sales through the Illinois Lottery website and app doubled over the previous year and total lottery sales grew by 21%.

## Scientific Games Signs 10-Year Contract For Azerbaijan National Lottery's Retail And Digital iLottery Games, Systems And Services In Asia



## Scientific Games Acquires Sideplay Entertainment

The agreement to acquire Sideplay Entertainment ("Sideplay"), a leading digital "eInstant" content studio, expands Scientific Games' portfolio of iLottery content and accelerates the global market penetration of its iLottery business, subject to final regulatory approval. The combination of Sideplay's innovative portfolio of digital games and agile content distribution technology with Scientific Games' iLottery platforms and digital solutions is expected to increase player engagement and drive further growth of the Company's iLottery solutions in markets around the world.

## Scientific Games' 7-11-21 LIVE! multi-state Facebook Live social media event draws record participation with seven state lotteries, including Georgia, Maine, New Hampshire, North Carolina, Pennsylvania, South Carolina and West Virginia.

(See page 42 for more on 7-11-21 LIVE!) With the success, Scientific Games is currently developing plans for its next LIVE! program to launch in 2022. The \$2 7-11-21 LIVE! instant scratch game created by Scientific Games hit lottery retail stores beginning in early 2021 as excitement built toward the Facebook Live event and it is still on sale in some markets. The game performed an average of 20% higher and as much as 80% higher than other \$2 games and is driving strong proceeds for lottery beneficiary programs.

## Scientific Games : Partners with Atlantic Lottery to Launch First Full-

## Service Lottery Kiosk in Canada

Scientific Games and Atlantic Lottery will launch the first full-service player self-service technology in Canada offering both lottery draw and instant games. Featuring Scientific Games' award-winning PlayCentral® HD kiosks and a terminal software management system, the collaborative move is part of a Atlantic Lottery's five-year contract with the Company, expanding the Lottery's points of sale across its retailer network of 3,000 locations in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

## Playtech and Scientific Games Strike Global Distribution

This new partnership, featuring two of the industry's biggest companies, will enable Scientific Games and Playtech to mutually benefit from each other's scale and reach across the U.S. in addition to regulated markets in Latin America and Central, Eastern and Western Europe.

## IGT Extends INTELLIGEN Contract with Atlantic Lottery Corporation Connecting 6,000 VLTs Across Four Provinces



IGT has extended its contract with the Atlantic Lottery Corporation for one year to continue providing its most advanced video lottery central system, INTELLIGEN™. This extension continues IGT's legacy of winning video lottery terminal (VLT) systems bids across Canada, as all VLTs in the country are connected by IGT's INTELLIGEN system.

## IGT to Deploy Next-Generation Cashless Technology for Washington's Lottery

International Game Technology PLC has extended its lottery gaming systems contract to deploy next-generation cashless lottery technology for Washington's Lottery, making Washington the seventh U.S. state to leverage IGT's cashless lottery solutions. This agreement extends IGT's current contract through June 30, 2029.

Washington's Lottery is among the U.S. leaders in self-service vending machine deployment, with lottery vending machines accounting for 45 percent of its entire retail landscape. IGT will implement hardware modifications and software development to outfit 2,000 lottery self-service vending machines with cashless functionality as part of the new agreement.

## IGT Extends Cashless Gaming Momentum to Oklahoma via Resort



## Wallet and IGTPay Agreement with Indigo Sky Casino

### IGT Selected by Connecticut Lottery Corporation to Deliver Industry-Leading Products and Services for 10 Years

The new central system is expected to go live in April 2023. Once the system is live, the contract will run for 10 years through April 2033, with an additional five years of extension options. IGT will deliver its high-performing Aurora™ central lottery management system through a system conversion that replaces the system currently in place. Aurora incorporates a suite of flexible solutions designed to manage, transform and further grow the Connecticut Lottery Corporation's business. The platform will provide intuitive, user-friendly applications, tools and reporting capabilities which will handle all of the Lottery's transaction processing, game management and back-office operations.

### IGT and Marker Trax Form Strategic Partnership to Elevate the Cashless Gaming Experience

IGT is fueling its leadership in cashless gaming technologies via a strategic partnership with Marker Trax, makers of an advanced digital casino marker system. This partnership will give IGT ADVANTAGE® casino management systems users the option to integrate Marker Trax technology into any variation of an IGT Resort Wallet deployment.

### Pollard Banknote subsidiary mkodo limited has partnered with the Ontario Lottery and Gaming Corporation to launch a fully functional mobile lottery app for iOS and Android

**POLLARD**  
banknote limited

The transactional app is fully integrated into OLG's online platform, provided by Bede Gaming, and offers players across the province the ability to conveniently purchase and scan lottery tickets, play their favourite casino games, as well as a host of other features.

### Maryland Lottery Awards Pollard Banknote New Primary Contract for Instant Ticket Games



### Virginia Lottery and IWG First to

## Launch Linked Progressive Jackpot e-Instants



Linked games is the newest addition to IWG's InstantJackpots™ module. Sales from separate e-Instant games simultaneously contribute to a set of shared linked progressive jackpot prizes. The linked jackpots, branded Big Money Jackpots, incorporate three in-game, instant-win jackpot prizes: a mini jackpot expected to be awarded multiple times each day, a mid-tier jackpot expected to be awarded twice per week, and a top-prize jackpot expected to be awarded twice per month. Actual frequency will depend on the volume of play.

### Grover Gaming Acquires Digital Dynamics Software, Inc.



Digital Dynamics Software, Inc, a pioneer in gaming software, with products including SAS Engine, SAS Gateway, Backdrop casino management software, and the GAP gaming protocol allows Grover Gaming to enhance its player experience and easily connect SAS-based electronic gaming systems and casino communications to its proprietary software.

### Atlas Experiences and Luke Combs Exclusively Collaborate to Create a \$1,000,000 Cash Concert Second-Chance Lottery Promotion



Atlas Experiences, LLC and Luke Combs have entered into an exclusive partnership to offer North American lotteries Living Lucky with Luke Combs, a multi-state linked instant game promotion. The second-chance promotion is designed exclusively for lotteries across North America to participate in this once-in-a-lifetime concert event to offer their players a chance to see Luke at the Ryman Auditorium and a chance to win \$1,000,000 awarded by Luke.

### Atlas Experiences and the Florida Lottery have partnered together to create a "money can't buy" experience on the Big Island of Hawaii in September 2022.

In an exclusive partnership, Atlas and The Famous Group will showcase elevated experiences of winning moments through the Lucky Pik digital, 3D animated game show. The show will be produced live at the Fairmont Orchid where 50 Florida Lottery winners will

play to win cash prizes ranging from \$250 to \$10,000. The latest technology will reveal prizes that create sharable moments, which will be spotlighted on social media. This show will create an unforgettable level of excitement at the final night Taste of the Islands dinner.

## SPORTS BETTING IN THE U.S.

### Massachusetts House votes to legalize sports gambling

It has been a highly contentious and debated topic for years in the Commonwealth. However, the House did approve a bill to legalize sports gambling in Massachusetts. The proposal passed with ease 156-3 and received support from both sides of the aisle. Massachusetts is one of the few states that does not have legalized sports gambling. Since the U.S. Supreme Court ruled that prohibiting sports wagering was unconstitutional in 2018, 30 states have allowed it. Those states include neighboring Rhode Island, New Hampshire, Connecticut and New York. The legalization of sports gambling in Massachusetts would bring in millions of dollars for the state through taxes and allow bettors to place wagers with more ease. It is a win, win.

### Ohio lawmakers set to take on sports betting

Senate Bill 176 already passed the Ohio Senate and is now in the hands of the House.

### DraftKings stock jumps after winning Oregon's sports betting lottery

The Oregon Lottery Commission, which runs sports betting for the state, voted to switch its mobile betting operator from Scoreboard to DraftKings. The Oregon Lottery Commission has only allowed one sports betting operator at a time to offer Oregonians mobile betting. This practice is in stark contrast with states like New Jersey, which are opening up both in-person and mobile betting to several operators.

### New York Gaming Commission Approves Mobile Sports Wagering Regulations

### The Washington State Gambling Commission unanimously voted to approve sports wagering licensing

### Massachusetts House votes to legalize sports gambling

## Connecticut Lottery Corp. close to naming vendor for lucrative sports betting

## Virginia Lottery Board approves casino gaming regulations, now awaits the governor's approval



If the governor approves, there will be a 60-day public comment period, leading up to final approval by the Lottery Board. "The Lottery's Gaming Compliance Department and Office of General Counsel have been diligently working to set up the regulatory and licensing framework to ensure casino gaming in Virginia is secure and transparent," said Virginia Lottery Executive Director Kevin Hall. "In this role, we see the Lottery as the public's watchdog, confirming that the law and regulations are followed, and the integrity of casino gambling is protected."

## Tribal gaming revenue up after sharp COVID-19 decline

## Las Vegas roars back to life with record gambling win

Barely a year after the Las Vegas Strip was shut down by Covid-19, its world-famous casinos have roared back to a record-breaking summer thanks to a remarkable winning streak. Nevada pocketed an all-time record \$1.36 billion last month from gamblers, who are flooding back to the city nicknamed Lost Wages after months confined at home with little to spend their money on.

## Macau Casinos lose a third of their value, more than \$18 billion, over uncertainty as Beijing increases its oversight actions

## Eilers & Krejci Gaming estimates US iGaming, Sports Betting Could Hit \$40B

As of the end of July, domestic sports betting revenue is up 435 percent year-over-year to \$2.12 billion, with New Jersey accounting for \$423 million through the first seven months of the year. Currently, sports wagering is live and legal in 26 states and Washington, DC. Eilers & Krejci Gaming estimates sports betting revenue could reach \$5.8 billion in 2023 and jump to \$19 billion if all 50 states join the party. For iGaming, the research firm sees that revenue tally increasing to \$3.7 billion next year and \$20.8 billion if all states sign off on it.

## Louisiana - 8 casinos have applied to handle sports betting

## WORLD NEWS

## South Africa bans "bet-on-the-outcome-of-the-lottery" synthetic lottery operators in court victory over Lottostar

Ithuba Holdings has said the court victory earlier this week sends a strong signal to gaming companies that have been profiting by illegally feeding off the National Lottery.

"In a landmark judgment for the gaming sector, Ithuba, as the authorised National Lottery Operator, has won its longstanding case against bookmaker Lottostar. Ithuba and the National Lotteries Commission in 2016, brought an application for a declaratory order and interdict against Lottostar. The judgment declares that the bookmaker's practice of taking bets on the outcome of any lottery (including the South African National Lottery) is illegal," Ithuba said in a statement.

Ithuba CEO Charmaine Mabuza, said, "We welcome the judgement which reaffirms that only Ithuba as the National Lottery operator can lawfully offer bets on the lottery. Ithuba has always been driven by the desire to offer maximum contributions towards the betterment of South Africans. Ithuba has touched many lives through its high-impact programmes and contributed over R1.8 billion to various socio-economic initiatives and good causes through lottery ticket sales."

"When gaming companies illegally encroach on this terrain, they are in effect siphoning off funds that contribute positively to the betterment of the South African economy. The judgment, delivered by the Mpumalanga High Court of Appeal, sets a precedent for Ithuba to challenge any bookmaker deriving free financial benefits through unlawfully accepting bets on the outcome of the National Lottery, and to any responsible Provincial Gambling Board to put an end to this unlawful practice," Ithuba further stated.

"Lottostar along with Betting World (which was granted leave to intervene as the third respondent) were taking bets on the outcome of the South African National Lottery and some foreign lottery draws. Both companies relied on their bookmaker licences, issued by the Mpumalanga Gaming Board. However, the Provincial Gambling Act does not empower provincial gaming boards to authorise bookmakers to accept bets on the outcome of the National Lottery draws."

The High Court interdicted Lottostar from offering bets on the outcome of any lottery and directed Lottostar, the Mpumalanga Gaming Board and Betting World to pay all Ithuba's legal costs.

The judgment declared the exclusive right of

Ithuba to operate the National Lottery to be statutorily protected. This makes it illegal for any bookmaker to offer bets on the National Lottery.

## International Game Technology PLC Reports Second Quarter 2021 Results

- Revenue up 74% to over \$1.0 billion, fueled by strong increases in all businesses, including 35% Global Lottery same-store sales growth

- Delivered operating income of \$244 million, highlighting impressive Global Lottery operating leverage and excellent progress on structural cost savings

- Net income of \$365 million comprised of \$39 million loss from continuing operations and income from discontinued operations of \$404 million, including gain on sale of assets

- Adjusted EBITDA increases 170% to \$442 million, among the highest in Company history

- Generated \$500 million in cash from continuing operations and a record-level \$380 million of free cash flow during the first half of the year

- \$1.0 billion net debt reduction in first half; net debt leverage improved from 6.4x to 4.3x, reaching target six months early

- Raising 2021 outlook; now expect to exceed 2019 levels for key financial metrics this year

## IGT Wins Printing Business with Westdeutsche Lotterie, Germany's Largest Lottery

Under the terms of the agreement, IGT will provide a range of instant ticket production and services for WestLotto with unlimited potential. The Lottery will gain additional marketing support from IGT's Instant Advantage™ program that includes portfolio planning, game development, analytics, distribution, and retail execution to provide the best player experience.

## IGT to Continue Operating La Junta de Protección Social Lottery in Costa Rica

"The electronic games that JPS has in the market through our contract with IGT are additional opportunities to continue generating profits for the social good, and in this way, helping to fulfill the mission of our institution," said Esmeralda Britton González, President of the Board of Directors of Junta de Protección Social. "The brands of products from JPS that are offered through IGT have been of interest to people of different ages who acquire them in the different points of sale across the country near their homes or workplaces, which helps us to achieve our sales goals. It is the expectation of the board of directors that with this extension, we will continue to improve the offer in the market and increase loyalty from our customers."



## New regulation will see a ban on the advertising of gambling in Spain

The regulation will prevent gambling advertising outside of the hours of 1 am to 5 am in a bid to protect vulnerable consumers. Under the law, companies will also only be able to show gambling offers to registered customers, while sports clubs will no longer be able to allow gambling companies to advertise on t-shirts and equipment. In addition, the advertising of gambling in sports stadiums, when they host live events, must be adjusted to the same schedules as elsewhere. The regulation will see companies who do not comply hit with fines of between €100,000 and €1 million.

## China to ban kids from playing online games for more than three hours per week

## INTRALOT announces +34.4% Revenue Growth and +106.5% EBITDA increase in 1H2021 Results for the six-month period ended June 30, 2021

**intralot**

Group Revenue at €202.6m in 1H21 (+34.4% y-o-y).

EBITDA in 1H21 at €54.3m (+106.5% y-o-y), while Adjusted EBITDA at €46.8m (+99.1% y-o-y). Q-o-Q growth of EBITDA at +18.1%, while LTM EBITDA rose to €93.8m, up by 42.5% vs. FY20, on a continuing basis.

NIATMI (Net Income After Tax and Minority Interest) from continuing operations at €-17.6m, improved by 57.8% compared to a year ago.

Operations under US entity Intralot Inc. achieved very strong growth y-o-y (Revenue +28.6%, EBITDA +69.8%) in the first half of 2021. Greek entities OPEX better by 20.3% y-o-y, without taking into consideration the capital structure optimization expenses.

Operating Cash Flow at €51.3m in 1H21 (+183.4% y-o-y).

Group Net CAPEX in 1H21 was €9.5m, lower by 37.5% compared to a year ago.

Group Cash at the end of 1H21 at €83.2m. Net Debt at €646.1m at the end of 1H21.

The COVID-19 pandemic impact for 1H21 has been contained in the vicinity of c. €1.5m at Group's EBITDA level.

On August 3rd, 2021, INTRALOT announced the completion of the two consensual exchange offers resulting in extension of its 2021 Notes maturities by at least three years and achieving a total deleverage of €163m.

On August 24th, 2021, Fitch upgraded INTRALOT's IDR to CCC+ and on September 9, 2021, Moody's upgraded INTRALOT's CFR to Caa1, as a result of its new capital structure.

## JUMBO Interactive Results Presentation For the full year ended 30 June 2021



Jumbo Interactive Limited (ASX:JIN) today announced results for the full year ended 30 June 2021, demonstrating the continued strength of the Lottery Retailing segment despite the impact of fewer and lower value large jackpots.

The emerging Software-as-a-Service (SaaS) and Managed Services segments also made a significant contribution to the 37% increase in Group Total Transaction Value (TTV).

FY21 Group performance highlights:

- Strong double-digit growth across key metrics: o TTV up 37% to \$487.0 million o Revenue up 17% to \$83.3 million o Underlying EBITDA1 up 13% to \$48.9 million • Underlying NPAT1 up 7% to \$28.3 million
- Underlying EPS1 up 7% to 45.4 cents per share
- Fully franked final dividend of 18.5 cents per share, taking the total FY21 dividend to 36.5 cents per share, up 3%

## Jumbo Interactive has entered into an agreement to acquire 100% of Canadian lottery management provider Stride Management

The acquisition of Stride is another key strategic step in Jumbo's international expansion strategy following the successful acquisition of UK-based Gatherwell Ltd in November 2019. Calgary-based Stride provides services to over 750,000 active lottery players in the Alberta and Saskatchewan provinces. It operates within the \$1.2 billion estimated Total Addressable Market of the Canadian Charitable Lottery and Raffle sector.

## SAZKA Group H1 and Q2 2021 Results and Update on Current Trading

SAZKA Group a.s. announced its financial results for the six months to 30 June 2021 and provides an update on recent developments and current trading.

Q2 2021 financial highlights

- Consolidated Gross gaming revenue ("GGR") increased by 200% year-on-year to €740.1 million.

## Tabcorp Keno, Lottery Unit Worth up to \$9.2 Billion, Says J.P. Morgan

Tabcorp's keno and lottery units, which the

Australian gaming company recently said will be spun off, could be worth between \$6.97 billion and \$9.19 billion, according to J.P. Morgan analysts. Even at the low end of that range, the keno and lottery arm, according to the bank's estimate, is worth far more than the media and sports wagering businesses that previously lured multiple bidders.

## NeoGames Studio Releases a New, Multi-game Progressive Jackpot for eInstant Games

The progressive jackpot feature aims to diversify lottery game portfolios and expand opportunities for player engagement and wins. NeoGames Studio's progressive jackpot can be implemented flexibly across clusters of eInstant games. The greater chance to win in a shared progressive jackpot heightens the attraction for players, increases overall player engagement, and accelerates jackpot growth.

## FDJ Gaming Solutions signs agreement to launch the digital lottery games vertical of Eesti Loto

Eesti Loto will connect to FDJ Gaming Solutions Interactive Factory platform to provide the Estonian players with a steady stream of unique and exciting games and create a new digital lottery experience.

## The U.K. Gambling Commission has published further data showing how online gambling behaviour is reacting to the easing of lockdown measures in Great Britain.

The operator data reflects the period between March 2020 and June 2021, and covers both online and offline gambling operator data, noting that land-based premises have only recently been able to open since closing in December.

It is not advisable to make year-on-year comparisons between months in 2020 and months in 2021, due to differing operating circumstances of 2020 and 2021.

The latest online operator data for June 2021 shows:

overall activity in the online market slowed down in June, with gross gambling yield (GGY) and total bets both decreasing 7% and 10% respectively.

## Veikkaus plans to modernize, streamline, and reform its organization - co-operation negotiations affecting 830 people launched

# LOTTERY INDUSTRY HALL OF FAME CONTINUES

*Wendy Montgomery from page 10*

forward-thinking operators they had ever dealt with in the lottery business.

In her role at IGT, Wendy embraced the company's Customer First philosophy, using her B2C Lottery operator knowledge and insights to advocate for player-centric solutions that drive customers' growth and return more funds for good causes. She championed early adoption in the United States of in-lane sales by negotiating with vendors and working with a major chain to prioritize this innovation. Under her leadership at IGT, the company has made a substantial contribution to the NASPL API Standards and paved the way for significant new channel sales development in the lottery industry. Given the changing consumer journey and the overall pace of retail digitization, lottery adoption of these standards will help lotteries deliver sustainable growth to good causes.

As a seasoned executive, Wendy has consistently made a point to mentor young women and foster women's advancement in the lottery industry. She serves as IGT's executive sponsor for its Women's Inclusion Network ("WIN with IGT") and is the Chair of the company's Diversity and Inclusion Executive Council. Even more importantly, she has played an integral role in the PGRI Women in Lottery Leadership initiative – a premiere global program to advance women into senior leadership positions.

As Community relations, responsible gaming and sustainability are part of Wendy's current oversight, she maintains IGT's positive reputation of being the industry leader in corporate social responsibility. As part of her personal commitment to this, she chairs IGT's Executive Sustainability Committee which reinforces IGT's approach to sustainability throughout its global culture. She also ensures the company's commitment to aligning strategies and operations with nine of the United Nations Global Compact universal principles on human rights, labor, environment and anti-corruption, and taking actions to advance the UN's sustainable development goals.

Under Wendy's leadership, IGT formalized its Responsible Gaming Policy to educate all

employees about the company's responsible gaming initiatives and commitment, while reflecting its balanced role as both a B2B and B2C supplier for a diverse customer base and licensed regulators.

In 2016, Wendy was named one of Canada's Top 100 Most Powerful Women. In 2020, she was recognized with Providence Business News' C-Suite award. ■

*John Schulz from page 10*

invaluable to the industry. He strategically navigates teams to safely evolve processes, ensuring the sustained supply of instant products to global lottery customers. This has allowed the industry to not only remain resilient, but to thrive and grow, with many lotteries recording record instant sales in fiscal year 2021.

John leads operational and business development teams responsible for all aspects of Scientific Games' global instant products production, including game design, programming and manufacturing, creating close to 70% of the global instant products retail sales for the industry. Additionally, John oversees Scientific Games' licensing business, retail solutions and partnership programs, including global SGEP and Americas systems site operations.

John holds a B.S. in Organizational Management from Nyack College in Nyack, New York and is a graduate of Columbia Business School, Senior Executive Program in New York City.

\*45% more than non-SGEP customers based on 2020 U.S. sales in MAP™; excludes MS and PR ■

*Angela Wong from page 10*

game suite and has one of most successful seasonal raffle games in the country. The Lottery's Montana Millionaire raffle game started in 2007 and had never experienced a sell-out. That changed due to Angela's efforts which resulted in the game selling out every year since then in record time each year. The Lottery launched a new in-state daily lotto game in 2016, Big Sky Bonus, that went on to win the prestigious NASPL Buddy Roogow Innovation Award, "Best New Draw Game" in 2017.

In 2019 sports wagering was passed in the state of Montana and added to the Lottery product line. Angela led the lottery through the successful and complicated launch of sports wagering. The launch unfortunately coincided with the COVID pandemic, but Angela was determined to make the product as lucrative as it could be in light of the challenges that lied ahead. She successfully navigated the additional challenges of running a state agency remotely all the while introducing a new sports wagering system across the state of Montana.

Angela has played an active and significant role in ensuring the continued success of the U.S. Lottery industry. Over the years she's held various positions with the North American Association of State and Provincial Lotteries (NASPL), serving as a Regional Officer, Secretary, Treasurer and First Vice-President. In the midst of the COVID pandemic she became NASPL President and worked with NASPL staff to ensure continuity of industry and educational efforts. She was the first President of NASPL from the state of Montana and was proudly part of industry history that same year as it was the first time that NASPL had an all-female leadership.

During her decade-long service, she also served as Wild Card Game Group Chair, Mega Millions Group Chair, Secretary and First Vice-President of the Multi-State Lottery Association (MUSL).

Since leaving the Montana Lottery, Angela has taken the position of Director of Lottery Solutions for Gaming Laboratories International, LLC.

Where she works to help lottery clients succeed and navigate the evolving lottery landscape by leveraging new opportunities created by the emerging technology and new delivery channels within industry. ■



# SPOTLIGHT ON THE LEADERS OF THE GOVERNMENT- GAMING INDUSTRY

*It's the collaboration between operators and their commercial partners which drives innovation and progress and makes this industry work. PGRI endeavors to support and nurture that relationship, confident that together we can all build successful businesses that meet the needs of our stakeholders and customers. The leaders of the commercial community play a vital role in our industry and we are thankful for their invaluable contributions to the exchange of ideas that happens at PGRI conferences, and all industry events and conferences. Their products and services are the result of a tremendous investment in R & D, and their insights and capabilities are informed by a deep experience in all aspects of the lottery business. Following is their story. Please also visit the conference website ([www.PGRItalks.com](http://www.PGRItalks.com)) to see their presentations from PGRI conferences.*

## DOUBLE-PLATINUM INDUSTRY LEADERS

### INTERNATIONAL GAME TECHNOLOGY PLC (IGT)

*Providence Operating Head-  
quarters:*

*10 Memorial Boulevard*

*Providence, RI 02903*

*Phone (401) 392-1000; Media line (401) 392-7452; Fax (401) 392-1234*

*[www.IGT.com](http://www.IGT.com)*



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 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.

IGT is a member of 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).

# DOUBLE-PLATINUM INDUSTRY LEADERS

## INTRALOT

19th km, Markopoulou Ave.,  
19 002 Peania - Attica,  
Greece Phone +30  
2106156000 | Fax +30  
2106106800

[www.intralot.com](http://www.intralot.com)

## INTRALOT, Inc.

11360 Technology Circle, Duluth, GA 30097  
Phone (678) 473-7200 | Fax (678) 473-7201

[www.intralot.us](http://www.intralot.us)

Sokratis Kokkalis, CEO, INTRALOT  
Chris Sfatos, Group Deputy CEO, INTRALOT  
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Fotis Konstantellos, Group Deputy CEO, INTRALOT  
Chryssa Amanatidou, Group Corporate Affairs Director, INTRALOT  
Byron Boothe, Chief Executive Officer, INTRALOT, Inc.  
Chris Tzoumaras, Senior Vice President Operations and Chief Operations Officer, INTRALOT, Inc.

**Year of inception:** Greece (Parent Company) 1992; United States 2002

**Contact:** [contact@intralot.com](mailto:contact@intralot.com)

INTRALOT, a publicly listed company established in 1992, is a leading gaming solutions supplier and operator active in 41 regulated jurisdictions worldwide. With a global workforce of approximately 3,400 employees in 2020, INTRALOT is committed to redefine innovation and quality of services in the lottery and gaming sector, while supporting operators in raising funds for good causes. Uniquely positioned to deliver **state-of-the-art technology** across geographies, the company has developed an advanced ecosystem that serves all verticals enabling the digital transformation of gaming operators and offering players an unparalleled gaming experience.

As a member of the **UN Global Compact**, INTRALOT is a global corporate citizen committed to integrity and responsibility. Also, it has been awarded the prestigious Responsible Gaming Framework certification by the World Lottery Association and is certified under the WLA Security Control Standard.

INTRALOT contributes decisively to the industry's future developments, being a Level I Associate Member of NASPL and an associate member of the major lottery and gaming associations around the world.

INTRALOT has an established presence in the USA market through its subsidiary, INTRALOT, Inc., employing more than 570 employees, and has secured 16 contracts - three of which are Sports betting - in 13 jurisdictions nationwide to provide online systems and services, warehousing, and distribution of instant tickets, and VLT/COAM monitoring. Currently, INTRALOT, Inc. has contracts with the state lotteries in Arkansas, DC, Georgia, Idaho, Illinois, Louisiana, Massachusetts, Montana, New Hampshire, New Mexico, Ohio, Vermont and Wyoming.

The logo for intralot features the word "intralot" in a bold, lowercase, sans-serif font. A thick orange swoosh underline is positioned beneath the letters "lot".

## Jumbo Interactive Limited

[www.jumbointeractive.com](http://www.jumbointeractive.com)

Jumbo is a dedicated digital lottery software and services company, providing its proprietary lottery software platform and lottery management expertise to the government and charity sectors in Australia and globally.

Our mission is 'Making Lotteries Easier', and our vision is to be 'the number one choice in digital lottery and services to the government and charity lottery sectors.'

Jumbo's innovative and player-centric approach to digital lotteries and online retailing, makes us the platform of choice for millions of players supporting over 9,300 good causes worldwide.

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 ASX 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. At Jumbo, we are united by a love of technology and committed to providing engaging and entertaining experiences for our customers.

Jumbo's high-performance team has generated around 20% year-on-year growth over the past five years. Our decision-making is underpinned by Artificial Intelligence, machine learning and sophisticated digital analytical tools. In combination, this facilitates superior experiences for our players and customers.

In the United States, Jumbo offers two world leading national and state lottery solutions: Jumbo iLottery® and Jumbo iRetailer® powered by our proprietary lottery software platform – Powered by Jumbo (PBJ).

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's self-sufficient and does not require operating costs or marketing budgets to be diverted from the lottery's main operations. The iRetailer model applies to all lotteries, big or small. It enables Lotteries with restricted marketing budgets to run a successful iLottery channel.

The pandemic has forced players to reassess their lottery purchase behaviour. Consequently, there have been sizable shifts in the number of players registering and playing games online. Jumbo is one of the biggest lottery resellers in the industry, with over A\$1.5bn in tickets sold in the last five years. Our experience means we are well placed to develop, manage and grow your digital lottery sales.

Jumbo is an ASX300 listed company with the appropriate governance, resources, and credentials to develop and sustainably grow your iLottery program.

For more information contact:

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Jatin Khosla, Investor Relations, [jatink@jumbointeractive.com](mailto:jatink@jumbointeractive.com)





# DOUBLE-PLATINUM INDUSTRY LEADERS

## Pollard Banknote Limited

[www.pollardbanknote.com](http://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, specializing in charitable and lottery gaming products;
- Schafer Systems and Fastrak Retail, both retail solution experts, providing innovative instant ticket merchandising, dispensing, and point-of-sale (POS) display solutions to the lottery industry;
- Diamond Game and Compliant Gaming, producing innovative electronic gaming solutions designed to engage players in social establishments;
- mkodo, delivering world-class apps and digital user experiences for mobile, online, and retail environments in the betting, gaming, and lottery sectors;
- Next Generation Lotteries (NGL), offering a full comprehensive lottery solution that includes a state-of-the-art retail lotto system and modern iLottery platform with an extensive portfolio of mobile, e-instant, and draw games, as well as complete lottery management services; and
- NeoPollard Interactive (NPI), our joint venture and award-winning provider of iLottery technology, its Power Suite of comprehensive iLottery services and games, powering the most profitable iLottery programs in the market.

Pollard Banknote provides 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.

**POLLARD**  
banknote limited

## Scientific Games Corporation

[www.scientificgames.com/lottery](http://www.scientificgames.com/lottery)

As a world leader in gaming entertainment, 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: lottery, casino, digital or sports.

For more than 85 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, we are a trusted business partner to more than 1,500 customers around the globe.

Headquartered in Las Vegas, with nearly 10,000 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 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 responsible gaming through Healthy Play™.

We drive the global lottery and gaming industry forward by maximizing our customers' performance with a proven portfolio of products, technology and services featuring:

- Instant, draw and hybrid games
- Digital and iLottery games
- Sports betting
- 2nd chance games and promotions
- Licensed brands
- Loyalty programs + online rewards store
- Gaming systems technology
- Retail point-of-sale technology
- Mobile apps
- Internet platform + CRM
- Retail development programs
- Managed services

Visit [www.scientificgames.com/lottery](http://www.scientificgames.com/lottery)



# PLATINUM INDUSTRY LEADERS

## Carmanah Signs, a Division of STRATACACHE

[www.carmanahsigns.com](http://www.carmanahsigns.com)



Carmanah Signs is the Lottery & Gaming Division of STRATACACHE, the leading provider of intelligent digital media and in-store marketing technology. Serving 55+ lottery customers on four continents, Carmanah Signs has over 200,000 networked sign installations at lottery retailers worldwide.

The company offers a variety of products and services that are designed to optimize the lottery retail experience and increase sales. Carmanah's offerings include digital signage content management and distribution software, media player and display hardware, interactive touch tablets, jackpot and gaming signs, and a complete suite of digital sign services including network hosting, network monitoring, content creation and scheduling, and specialized field services.

## ABACUS Solutions International Group Solutions for Innovators

[www.lotteryeverywhere.com](http://www.lotteryeverywhere.com)



Abacus alchemy is the future. Lottery operations can be omnichannel so that customers can do business with your lottery in the way they choose to. Our new Digital Instants will 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 traditional way of playing the lottery will also exist but the delivery of new 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 retailers' 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.

Let Abacus show you how we can transform your lottery products into a Golden Category for Retailers at all levels of engagement.

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

Contact: Terry Presta, Head of Business - North America  
Email: [terry.presta@abacuslottery.com](mailto:terry.presta@abacuslottery.com) | Telephone 913 908 0635  
Contact: Simon Butler, CEO  
Email: [simon.butler@abacuslottery.com](mailto:simon.butler@abacuslottery.com) | Telephone +44 7768 282638

## Instant Win Gaming (IWG)

[www.instantwingaming.com](http://www.instantwingaming.com)



IWG is the world leader in supplying digital e-Instant and instant win games to WLA and NASPL-member lotteries. It has 20 years' experience of making top selling, high quality games and the strategic know how to make them work.

Each year, IWG develops more than 300 new InstantGames™ for its global base of lottery customers. Its games consistently perform at the highest level, engaging and retaining players while driving superior sales results. It has the knowledge to deliver winning game portfolios, and the experience to make them grow.

IWG delivers an end-to-end solution covering all aspects of e-Instant development and portfolio management. The Company's InstantRGS™ (remote game server) delivers its content in multiple regulated jurisdictions from data centers in the UK, Gibraltar, Canada and North America. It has a broad library available via its InstantRGS with games covering many proven themes and mechanics that can be developed into an ideal offering for a partner's e-Instant and/or instant win program.

## Inspired Entertainment [inseinc.com](http://inseinc.com)



### Engaging the next generation of Lottery Players

Inspired offers an expanding portfolio of content, technology, hardware and services for regulated gaming, betting, lottery, social and leisure operators across land-based and mobile channels around the world. The Company's gaming, virtual sports, interactive and leisure products appeal to a wide variety of players, creating new opportunities for operators to grow their revenue. The Company operates in approximately 35 jurisdictions worldwide, supplying gaming systems with associated terminals and content for approximately 50,000 gaming machines; virtual sports products through more than 32,000 retail venues and various online websites; interactive games for 170+ websites; and a variety of amusement entertainment solutions with a total installed base of more than 16,000 gaming terminals. Inspired is the creator and best-in-class for award-winning Virtual Sports that are extremely popular worldwide. Inspired's proven online and mobile interactive slots are currently some of the highest-performing games. And as a large gaming provider, Inspired produces machines that deliver a winning combination of innovative technology, hardware, content and services.





# GOLD INDUSTRY LEADERS

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## Alchemy3, LLC

860 Warsaw Rd. Suite 200, Roswell,  
GA 30075

Phone (770) 442-6993

Fax (678) 389-8514

[www.alchemy3.com](http://www.alchemy3.com)

Paul Guziel, Chief Executive Officer

Jeffrey Schweig, President

Year of inception: 2007

Contact: Jeffrey Schweig, (770) 442-6993, [js@alchemy3.com](mailto: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.

## Atlas Experiences

[www.atlasexperiences.com](http://www.atlasexperiences.com)

Atlas Experiences is an incentive travel company specializing in once-in-a-lifetime events, programs, and promotions. Atlas focuses on crafting custom incentive travel programs and second-chance promotions that drive engagement. Delivering turnkey services to include promotion design, marketing strategies, destination sourcing, hotel contracting, travel logistics, event support staff, onsite logistics, social creative content, private concerts, custom merchandise, and guest services. Atlas Experiences integrates innovations that engages consumers and rewards loyalty to your brand, organization, and players with unforgettable moments.



- 2nd Chance Prize Packages
- Multi-State Linked Programs
- Incentive Travel Programs
- Custom Once-in-a-Lifetime Experiences
- Private Concert Sourcing and Production
- Your Rewards Your Way Individual Prizes
- Lucky Pik Digital Game Show Design and Production
- Augmented Reality Promotional Elements
- Turnkey Program Planning & Execution
- Winner & Guest Services

### DREAM IT with Atlas Experiences!

**Contact:** Derek Gwaltney, Founder & Chief Executive Officer, [dg@atlasexperiences.com](mailto:dg@atlasexperiences.com)

## EQL Games: First Name in Draw Games

[www.EQLGames.com](http://www.EQLGames.com)

Contact: Brad Cummings [brad@eqlgames.com](mailto:brad@eqlgames.com)  
com



*If you could build a new draw game in 4 minutes, what would you do with the rest of the month?*

"We believe draw games should learn from the scratch off category. That means making them less expensive to develop, faster to market, and easier to win. Most importantly, we must keep the catalog of draw games consistently fresh to give players the variety they expect in other product lines." – EQL Games CEO Brad Cummings

Since our inception, we have grown from a single game concept to a full draw game studio. We are best known for our live sports catalog of games backed by iconic brands such as MLB, NBA, NHL, NASCAR, and Team USA. We proudly launched Win Place Show, the first ever daily draw game based on a live sporting event, in August 2020 through the Kentucky Lottery.

These games are powered by a fully modern technology stack led by our Secondary Draw System (SDS) which enables the creation of new draw games in less than 4 minutes. Influenced by our executive team's experience in global billion-dollar industries such as finance and healthcare, we have created streamlined solutions to today's lottery problems that can significantly reduce expenses, shorten timelines, and give lotteries more control over their draw game content.

# GOLD INDUSTRY LEADERS

## Grover Gaming

www.grovergaming.com

Raising revenues for state governments and charities with a portfolio of diverse range of products.



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 and distribution centers in nine 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 philosophy 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.

For three years in a row Grover Gaming has been 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. 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 300+ 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](mailto:tim@grovergaming.com)

Kevin Morse – Chief of Market Development [kevin@grovergaming.com](mailto:kevin@grovergaming.com)

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Scott Henneman – Vice President, Business Development/Govt. Affairs [shenneman@grovergaming.com](mailto:shenneman@grovergaming.com)

Grover Gaming, Inc., 3506 NE Greenville Blvd., Greenville, NC 27834  
252-329-7900

## NeoPollard Interactive LLC

920 N. Fairview Avenue, Lansing,  
MI 48912  
[www.neopollard.com](http://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](mailto:moti.malul@neopollard.com)

Liz Siver, (734) 294-1695, [liz.siver@neopollard.com](mailto:liz.siver@neopollard.com)

### Primary products and services:

NeoPollard Interactive LLC ("NPI") is an award-winning supplier of best-in-class iLottery solutions to the North American lottery market. As the industry's only active provider solely focused on iLottery, NPI serves the largest share of U.S. lotteries selling online and is North America's proven partner of choice to generate incremental revenue for good causes through the online channel. NPI offers cutting-edge technology, its Power Suite of comprehensive iLottery services, and the industry's top performing games, as part of its innovative approach to partnering for iLottery success.

**Technology:** NPI's iLottery technology is the most market-tested solution delivering safe, reliable and secure solutions for its highly regulated lottery

partners. The flexible hub underpinning NPI's iLottery platform, NeoSphere, provides a centralized PAM to manage a single view of the digital lottery player. NPI additionally provides the industry's only MUSL-certified Interactive Central Gaming System, NeoDraw, and a game management platform, NeoPlay.

**Power Suite:** Specifically catered to the operational and revenue-generating needs of iLottery, NPI's player-centric managed services include:

- **Player Operations** – 24/7/365 Player Support Center, Power Concierge Desk, Regulatory Compliance, Payout and Risk Operations, Claims, Banking and Payments and Gaming System Operations.
- **Ignite Player Marketing** – NPI's in-house iLottery marketing agency focused on Player Insights and Intelligence, Player Acquisition, Player Experience Optimization, Affiliate Marketing, Player Rewards, Retention Marketing and Creative Studio.
- **Player Portfolio** – Product Planning and Portfolio Management to attract, retain and engage iLottery players.

**Game Studio:** NPI's in-house Studio produces compelling content across eInstants, Instant Keno and Instant Lotto categories to power diversified iLottery portfolios.

Jointly owned by Pollard Banknote Limited and NeoGames S.A., NPI's exclusive iLottery focus has resulted in the delivery of the ideal business model to drive the most profitable iLottery programs in North America.

## Smartplay

Smartplay.com



### As the Global Leader in Lottery

#### Machine Manufacturing & Digital Lottery Drawing Systems,

Smartplay International preserves drawing integrity for lottery and gaming organizations in 114 countries. Serving traditional lotteries, igaming, and casinos as well as organizations running lottery-style promotions and fundraising events, Smartplay designs and manufactures the most advanced traditional and digital lottery drawing systems available, with more than 3,000 lottery systems deployed worldwide since 1993.

With so many gaming options today, lotteries continue to evolve every aspect of business to increase revenue and lower costs. Smartplay is active on this front by providing new solutions that create efficiencies while increasing the

visual appeal of the draw event. Smartplay's digital draw system - the Origin - remains the most used draw system in the USA. While traditional machines and manually triggered digital draws remain popular, many lotteries look to add new games without adding time and resources internally. The latest Origin products -- introduced in early 2020 -- offer draw results triggered externally by POS or other sources, creating an entirely automated draw process. Additionally, Origin can generate and distribute high-quality, 3D animations which boost the entertainment quality while lowering resource requirements. And beyond the traditional lottery draw matrix, Smartplay can provide game concepts and designs to deliver more player engagement and generate more revenue.

For more information, contact:

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**LOTTERY EXPO**  
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**Atlas**  
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